



SACRED HEART CHURCH
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September 2020

To the Parishioners of Sacred Heart Parish

The 2020 Annual Financial Report, including the FY 2021 Budget, is attached.

As everyone knows, this was an unusual year. In fiscal year 2020, we had about 8 months of normal activity before the pandemic restrictions in March. In spite of all of the disruption in the final 4 months of the fiscal year, our operating revenue exceeded our budgeted amount by almost \$20,000 due to your additional donations. Our parish came together during a trying time. Thank you so much.

The positive variance on the income side was augmented by slightly reduced costs: Activities were halted and some variable expenses were temporarily reduced. With your offertory generosity, the parish staff was able to migrate much of our programming to virtual delivery methods and innovate to come up with new, socially-distanced outreach. You made this all possible when our community sorely needed new ways to keep in touch and affirm their faith.

Separate from the pandemic, fiscal year 2020 was planned to be a year of investment, which was always going to result in negative income. This is clearly indicated by the net operating loss of over \$460,000. This was due to execution of our planned improvements to the MacKenzie Center and the rectory. In addition, a large capital expense is in support of our largest tenant, Wellan Montessori School. These investments in the former convent building will result in a long term source of lease income for the parish, in addition to making that building even more accessible to parishioners by bringing its life safety systems up to code and allowing for better access to those with disabilities.

Through your generosity, with enough offertory income to support our operating needs, we are able to direct our bequests towards their intended purposes and use the proceeds from the sale of St. Philip Neri, received several years ago, toward improving our campus and developing lease income.

Instead, our balance sheet is strong and we have been able to weather the crisis through June 30, 2020. We plan to continue to execute on our long-term capital plans through our bequests in 2021, which will further result in overall negative income. But after that, the residual larger lease income should provide us an income stream to further buffer us against any unexpected circumstances. Our improved facilities will result in engagement with an even larger segment of our community.

Your online contributions have increased from approximately 20% last year to over 35% this year, which provides us a consistent stream of revenue for budgeting purposes, meeting our operational needs. For those who have not had the opportunity to use the Sacred Heart online giving program, visit our website at <https://osvhub.com/sacredheartnewton/funds>. If you have trouble with the process, please reach out to Michael Bliss at: mbliss@sholnewton.org for assistance.

Aside from any financial contribution, your participation in our events and spiritual initiatives is most important. We encourage all members of our community to seek ways to contribute their time and talents in parish programming. With a strong commitment to parish life, we are confident of our community's ability to manage any financial challenge.

If you have any questions or concerns, please contact any member of the Parish Financial Council (PFC). Thank you.

Rev. Dan Riley, Pastor
Justin Klosek, Member
Maureen Walsh, Member

Tom Morrison, Chair
Stephanie O'Brien, Member
Paul Schreier, Member

SACRED HEART PARISH
FY 2020 Annual Report to Parishioners
July 2019 to June 2020

| | Actual | Budget | \$ Over Budget | FY21 Budget |
|--|--------------------|--------------------|-------------------|--------------------|
| OPERATING REVENUE | | | | |
| Offertory | \$241,535 | \$265,000 | (\$23,465) | \$180,000 |
| Sacramental Offerings | \$21,405 | \$13,500 | \$7,905 | \$10,000 |
| Gifts, Bequests, Donations | \$47,143 | \$12,000 | \$35,143 | \$10,000 |
| Pastoral Programs | \$5,855 | \$5,000 | \$855 | \$0 |
| Religious Education | \$6,652 | \$7,500 | (\$848) | \$3,500 |
| Other Parish Revenue | \$800 | \$800 | \$0 | \$800 |
| Catholic Appeal Rebate | \$17,393 | \$8,500 | \$8,893 | \$2,000 |
| Rental Donations | \$91,344 | \$100,000 | (\$8,656) | \$50,000 |
| TOTAL OPERATING REVENUE | \$432,126 | \$412,300 | \$19,826 | \$256,300 |
| OPERATING EXPENSES | | | | |
| Compensation | \$482,669 | \$485,460 | (\$2,791) | \$470,000 |
| Employee Benefits | \$127,222 | \$129,821 | (\$2,599) | \$120,000 |
| Office Expense | \$36,246 | \$38,900 | (\$2,654) | \$35,000 |
| Rectory Household | \$7,075 | \$12,650 | (\$5,575) | \$6,000 |
| Utilities & Maintenance | \$168,262 | \$207,000 | (\$38,738) | \$200,000 |
| Vehicles & Related | \$248 | \$0 | \$248 | \$250 |
| Pastoral/Religious/Liturgical | \$18,745 | \$31,500 | (\$12,755) | \$20,000 |
| Professional Development | \$6,198 | \$7,250 | (\$1,052) | \$0 |
| Property Insurance/Liability | \$52,359 | \$56,870 | (\$4,511) | \$63,000 |
| Other Expense | \$95,048 | \$98,756 | (\$3,708) | \$90,000 |
| TOTAL OPERATING EXPENSE | \$994,072 | \$1,068,207 | (\$74,135) | \$1,004,250 |
| OPERATING INCOME/(LOSS) | (\$561,946) | (\$655,907) | \$93,962 | (\$747,950) |
| NON-OPERATING INCOME/LOSS | | | | |
| G/L on Investments | (\$137,144) | \$0 | (\$137,144) | |
| Interest/Dividend | \$316,871 | \$300,000 | \$16,871 | \$275,000 |
| Lease Income | \$508,411 | \$509,566 | (\$1,155) | \$579,803 |
| Capital Expenditure | (\$587,446) | (\$727,484) | \$140,038 | (\$794,100) |
| TOTAL NON-OPERATING INCOME/LOSS | \$100,692 | \$82,082 | \$18,610 | \$60,703 |
| COMBINED NET INCOME | (\$461,253) | (\$573,825) | \$112,572 | (\$687,247) |

Assets as of June 30, 2020

| | |
|-------------------------|--------------------|
| Local Checking Account | \$161,432 |
| Savings Accounts | \$2,637,924 |
| Common Investment Funds | \$6,587,562 |
| TOTAL | \$9,386,918 |