

Dear St. Theresa Parish Family,

The 2018-19 Fiscal year, which ran from July 1, 2018 to June 30, 2019 was really challenging. We had milestones and losses. Catastrophes and celebrations. Our new year kicked off with the tremendous storm on June 30, 2018, which caused extensive water damage to our school, as well as other parish buildings. St. Theresa said goodbye to Fr. Mark Neal and welcomed a new priest, Fr. Ray Higgins, last summer. This summer we celebrated with two parish staff members, John McMichael and Barb Woods, as they marked 30 and 45 years of service respectively to St. Theresa Parish. We were saddened by the death of School teacher Thomas Gary this spring, and later mourned the sudden loss of parishioner and staff member Bridget Briel.

St. Theresa is now a parish of 1,042 families. During the last year, we celebrated 32 baptisms and 7 weddings. There were 25 funerals held at St. Theresa last year. Our parish school had an average enrollment last year of 247 students K-8 and 39 students in our Pre-K program.

Each year on July 1 we start a new fiscal year. On page three you will find more detail about our budget process. Financially, last year was very difficult for St. Theresa, which was a change from recent years. Lower tithing, lower school enrollment and decreased income from childcare combined with higher than planned spending to result in a net "loss" of \$256,263. We were fortunate to have reserves, \$500,000 in CDs, that we could use to help us through this difficult year. This reflects the prudent financial guidance of our Finance Council - saving in good years to help through the rough patches. The changes in value of our CDs held is reflected on p. 3 under assets.

The next page shows financial results of our major operating units. The bullet points below outline some of the major deviations from budget:

- INCOME
 - Decreased tithing & Plate & Holiday collections - (\$86,196).
 - Below budget enrollment & tuition, Fees - (\$45,150).
 - Below budget bus subsidy - (\$9,713).
 - Lower childcare income - (\$31,022) more families received DHS reimbursement, which provides only 60% of the full childcare weekly rate; lower enrollment in aftercare.
 - Additional support from the Parish Foundation for purchase of security cameras on campus and remodeling of the Rectory - \$83,743.
 - Over budget income from PTC, interest on investments, and School designated donations - \$33,042.
- EXPENSES
 - Annual Diocesan Appeal - \$18,206; we did not meet our goal and had to pay out of operations.
 - Staff additions and associated expenses not in budget - \$9,588.
 - Rectory - \$16,566; housing for Fr. Ray during the remodel, furnishings, work on the rectory porch, housekeeping and setup of wireless connection to parish computer network.
 - Building Improvements - \$81,604; includes spending covered by Foundation grants: security cameras and rectory remodeling.

- Snow Removal - \$12,646; this is difficult to budget, given it's dependent on the weather.
- Other areas of over-budget spending included natural gas, office and food supplies, coffee and donut donations shortfall, computer supplies and an extra cleaning of the Parish Hall carpet.

ST. THERESA CHURCH OF THE CHILD JESUS ANNUAL REPORT
30, 2019

FY ENDING JUNE

ST. THERESA CHURCH OF THE CHILD JESUS ANNUAL REPORT

PARISH

	ACTUAL 2017-18	ACTUAL 2018-19	BUDGET 2019-20
INCOME			
Tithing	\$ 1,054,318	\$ 993,228	\$ 1,018,096
Plate	91,858	85,464	88,400
Christmas/Easter	28,855	26,325	27,000
Other/gifts	40,000	106,676	32,450
<i>Total Income</i>	<i>\$ 1,215,030</i>	<i>\$ 1,211,693</i>	<i>\$ 1,165,946</i>
EXPENSE			
Staff	\$ 347,206	\$ 366,854	\$ 376,144
Office/Equipment	36,776	62,683	43,869
Activities/Hospitality	4,131	9,201	8,000
Programming	48,656	86,506	60,260
Dowling Assessment	107,699	106,494	100,518
Bldgs/Grounds/Maint.	100,264	204,742	101,182
<i>Total Expense</i>	<i>\$ 644,733</i>	<i>\$ 836,480</i>	<i>\$ 689,973</i>
NET SURPLUS(DEFICIT)	\$ 570,298	\$ 375,213	\$ 475,973

RELIGIOUS EDUCATION

	ACTUAL 2017-18	ACTUAL 2018-19	BUDGET 2019-20
INCOME			
Tuition	\$ 3,615	\$ 4,780	\$ 3,850
Registration	1,985	180	1,200
Activity Fees	1,812	7,581	6,500
Fundraising	131	921	-
<i>Total Income</i>	<i>\$ 7,543</i>	<i>\$ 13,461</i>	<i>\$ 11,550</i>
EXPENSE			
Staff	\$ 71,560	\$ 72,834	\$ 77,368
Office/Equipment	2,282	2,281	4,050
Activities/Hospitality	8,867	12,504	12,400
Programming	17,089	14,130	17,920
Other			
<i>Total Expense</i>	<i>\$ 99,798</i>	<i>\$ 101,749</i>	<i>\$ 111,738</i>
NET SURPLUS(DEFICIT)	\$ (92,255)	\$ (88,287)	\$ (100,188)

SCHOOL

	ACTUAL 2017-18	ACTUAL 2018-19	BUDGET 2019-20
INCOME			
Tuition	\$ 539,062	\$ 578,455	\$ 597,838
Foundation/grants	331,857	353,081	359,802
Fundraising	91,434	114,330	85,000
Fees/Other	70,021	64,249	68,000
Hot Lunch	114,721	120,142	104,000
Bus	35,440	28,448	34,195
<i>Total Income</i>	<i>\$ 1,182,535</i>	<i>\$ 1,258,705</i>	<i>\$ 1,248,835</i>
EXPENSE			
Staff (excl. Lunch/Bus)	\$ 1,394,049	\$ 1,393,208	\$ 1,363,934
Office/Equipment	119,066	146,967	106,954
Activities/Hospitality	6,011	16,959	5,300
Programming	41,118	56,706	68,215
Bldgs/Grounds/Maint.	108,091	130,571	94,201
Hot Lunch	103,727	106,906	102,665
Bus	44,242	58,462	48,856
<i>Total Expense</i>	<i>\$ 1,816,305</i>	<i>\$ 1,909,780</i>	<i>\$ 1,790,125</i>
NET SURPLUS(DEFICIT)	\$ (633,770)	\$ (651,075)	\$ (541,290)

CHILDCARE-BEFORE/AFTER SCHOOL PROGRAM

	ACTUAL 2017-18	ACTUAL 2018-19	BUDGET 2019-20
INCOME			
Fees/Registration	\$ 386,915	\$ 370,104	\$ 396,824
Grants	-	-	-
Other	14	35	-
<i>Total Income</i>	<i>\$ 386,929</i>	<i>\$ 370,139</i>	<i>\$ 396,824</i>
EXPENSE			
Staff	\$ 223,926	\$ 240,167	\$ 240,064
Office/Equipment	2,773	3,798	2,775
Activities/Food Service	11,773	8,983	9,600
Program Supplies	4,913	3,601	5,080
Maint. Supplies	9,915	5,705	8,800
<i>Total Expense</i>	<i>\$ 253,301</i>	<i>\$ 262,253</i>	<i>\$ 266,319</i>
NET SURPLUS(DEFICIT)	\$ 133,628	\$ 107,886	\$ 130,505

ST. THERESA CHURCH OF THE CHILD JESUS ANNUAL REPORT
30, 2019

FY ENDING JUNE

ASSETS	6/30/2019	7/1/2018
<i>Cash/Investment - Unrestricted</i>		
Checking/MM	\$ 152,474	\$ 79,621
CDs	300,000	500,000
	<u>\$ 452,474</u>	<u>\$ 579,621</u>
<i>Cash/Investment - Restricted</i>		
Checking/MM	36,513	126,499
	<u>36,513</u>	<u>126,499</u>
<i>Donor Restricted Cash</i>		
PTC Checking	99,014	93,165
Knights of Columbus Accts.	8,495	8,495
STARS Accts.	43,185	37,020
SCRIP	7,348	2,335
Stipend/Walk-in/Scouts	1,245	20,529
Church Foundation	1,628,506	1,649,889
School Foundation	110,532	59,025
Fr. Bob Hoefler Fund	172,673	159,925
	<u>2,070,998</u>	<u>2,030,384</u>
Other Current Assets:		
Accts Rec. - School Tuition	20,058	23,869
Accts Rec. - Other	46,558	18,286
	<u>66,616</u>	<u>42,155</u>
TOTALASSETS:	<u><u>2,626,601</u></u>	<u><u>2,778,659</u></u>
LIABILITIES		
<i>Payroll Liabilities:</i>	\$ 21,190	\$ 23,155
<i>Accounts Payable, Operations:</i>	39,913	25,981
<i>Funds Held for Others:</i>		
Pantry/Outreach Funds	9,796	9,809
Building Fund	132,091	152,952
Togo	25,929	17,575
St. Theresa House	(727)	18,202
PTC	99,014	93,165
School Athletics	8,602	7,947
Knights of Columbus	8,495	8,495
STARS Checking/Savings	43,185	37,020
SCRIP	7,348	2,335
Cub Scouts	1,012	1,535
Pro-Life Committee	2,756	1,652
Funds Held - Storm Damage	94,376	-
Other Funds Held - school	44,440	28,222
Other Funds Held - church	25,902	22,689
Church Foundation	1,628,506	1,649,889
School Foundation	110,532	59,025
Fr. Bob Hoefler Fund	172,673	159,925
	<u>2,413,929</u>	<u>2,270,439</u>
TOTAL LIABILITIES	<u><u>\$ 2,475,032</u></u>	<u><u>\$ 2,319,575</u></u>
TOTAL NET ASSETS	<u><u>\$ 151,569</u></u>	<u><u>\$ 459,084</u></u>

THE BUDGET PROCESS

St. Theresa Church, like all parishes in our Diocese, operates on a July 1 to June 30 fiscal year. This report covers the year ending June 30, 2019 (FY 2019). Our current fiscal year (FY 2020) began this July 1 and will end June 30, 2019. Each year on July 1, we start over reporting tithing income versus our new budget in the bulletin. This is why it may look like prior year surpluses/losses “disappear” in bulletin reporting.

The budgeting process begins in late October, with the church relying on tithing commitments, as well as historical data, to make a projection of income. Working together, members of the St. Theresa staff and Finance Council draft a plan for income and spending for the coming fiscal year. Our Finance Council sub-committee will meet to discuss and approve staff salaries and benefits.

Simultaneously, projections are drawn up for the operations of our childcare department. The result of this initial process is a net amount of funding to be given for support of our school. The school begins its process slightly later, and uses early enrollment projections, together with the budget support from the church and childcare operations, to determine tuition rates, staffing and a plan of operation for the coming year.

Our goal is for our budget to net to zero. However, this year our budget plans to use up to \$35,000 from savings to cover expenses. Robust giving and careful spending - along with a mild winter - can help close this gap. More, and difficult, changes will be necessary to bring our 2020-21 budget back to a zero balance.

Our Future - We have been blessed with substantial gifts to our Parish Foundations in recent years. These funds provide a portion of the interest earned on balances for use in parish operations, and assure the long-term viability of St. Theresa as our home for worship and community service. Please consider adding St. Theresa Foundation to your planned giving.

ST. THERESA CHURCH OF THE CHILD JESUS ANNUAL REPORT
30, 2019

FY ENDING JUNE

~ Mary Gisler, Parish Manager

2019 STORM DAMAGE RECAP

On the evening of June 30, 2018, severe rain flooded our rectory, church and school buildings. The church sustained minor damage with some water leaking from the steeple. The rectory back porch had leaking from both the roof and from under the door, damaging the ceiling, walls and floor. The greatest damage was to our parish school. The rain was so heavy that it couldn't evacuate the roof fast enough, leading to build up so high that the water poured in through the ventilation system. There was damage to both floors at our school. St. Theresa staff and parish volunteers worked to clean up the water and remove damaged items. While the restoration wasn't completed until around Christmas, we were able to have the school ready for classes on time. Some students had to sit on boxes, but they were ready to learn! Below is a recap of the spending for replacement of building and contents. St. Theresa was responsible for paying vendors, and then submitting the payments for reimbursement by our insurance carrier. In addition to coverage of these building and contents costs, which included appliances, flooring, doors, drywall replacement, mold mitigation, classrooms contents and supplies, insurance also paid for employee time incurred. Because we did not have a contractor heading up this process, Catholic Mutual provided an allowance for "profit" which would have gone to the contractor.

2018 STORM DAMAGE INSURANCE SUMMARY			SCHOOL STORM DAMAGE CASH FLOW	
SCHOOL	Building	\$ 230,260	2018-19 Activity	
	Contents	116,930	Insurance payments (total)	\$ 402,235
	<i>Subtotal, School spending:</i>	<u>\$ 347,190</u>	School Flood donations	\$ 39,331
RECTORY		4,728	<i>FLOOD RELATED INCOME:</i>	\$ 441,566
	Total covered costs:	\$ 351,918	School flood -related spending	\$ (347,190)
	Less Deductible:	\$ (2,500)	<i>YEAREND BALANCE:</i>	<u>\$ 94,376</u>
	Staff-volunteer time/Overhead:	\$ 52,816	2019-20 Activity	
			New Carpet/stair treads	\$ (25,328)
			Asbestos remediation	\$ (16,575)
	TOTAL INSURANCE PAYMENTS:	<u>\$ 402,235</u>	<i>2019-20 REMAINING FUNDS:</i>	<u>\$ 52,472</u>

The flood water did not damage the entire school building. The east wing of the upper level of school was spared. We were able to use the generous donations from our parish family to pay to update the carpet and floor tile in these classrooms and hallway to match the new flooring in the rest of the school. During this process, asbestos was discovered to be present in the old floor tiles, which required remediation. In addition, the donation funds provided the ability for us to put new vinyl stair treads on both stairwells in our school. This is a tremendous safety and aesthetic improvement!