

We lead people to Jesus through...

Baptism 100

First Reconciliation 96

First Communion 96

Confirmation 75

Weddings 21

Funerals 70

Parish School 391

Faith Formation 531

Alpha 41

Dear St. Mary Parishioners ☩

**Our parish exists for one purpose,
to help people know and love Jesus.**

I often speak about the **mission** of our parish and this is it, helping people grow in their relationship with Jesus Christ. We do this in many different ways at St. Mary and the skills of many, many people are required to make it happen. Our mission is carried out by our top-notch Parish Staff, dedicated educators in our Parish School and well-formed catechists in our Catholic Formation programs. Our parishioners encounter Jesus when our Pastoral Care Ministers visit the sick and homebound, when generous parishioners prepare and serve a meal at St. Ben's, when our Parish Choir and musicians enhance the beauty of Mass, and when people spend time in prayer during Eucharistic Adoration.

As a parish community with a sizeable population of children and teens, we have a mandate from Jesus himself when he said, "Let the children come to me, and do not prevent them; for the kingdom of heaven belongs to such as these." (Mt. 19:14) Our Parish School endeavors to educate students to be leaders for the twenty-first century through rigorous academic studies as well as to form them to be Catholic in what they believe and how they live. The school's *Faith in our Families* initiative seeks to help the families of our students grow in the practice of the Catholic Faith together. Our Catholic Formation staff has been listening to the needs of parish families and has developed new ways to respond to help families grow in knowing Jesus. Offerings such as Liturgy of the Word for Children, The SonBurst Café, and Alpha are just some of this year's offerings.

None of this happens without the generous and ongoing financial support from our parishioners. Through your contributions, you also are making our parish mission happen. I am profoundly grateful for the many ways you support St. Mary.

This annual financial report covers the fiscal year that began July 1, 2018 and ended June 30, 2019. Our Finance Council, Parish Trustees, and Mr. Dan Hansen, our parish Director of Administrative Services, have decided to provide a more detailed report this year. You will see where our revenues come from and where your money goes. There is no escaping the fact that it takes money for St. Mary to operate and to minister in the name of Christ. It is my hope that this report will be a help to you to better understand the reality of our financial situation.

St. Mary touches the lives of thousands of people each year. I ask you to please be a part of making our mission happen. Let's join together and recommit ourselves to helping even more people know and love Jesus Christ.

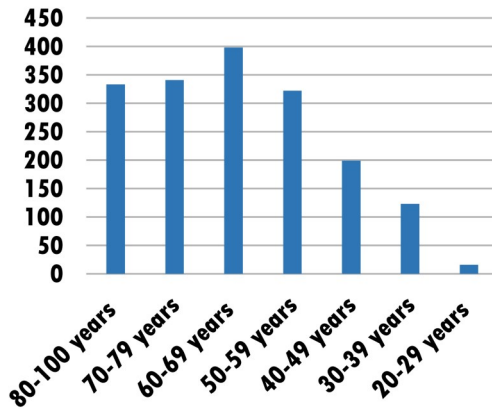
With my love,

Fr. Brian ☩

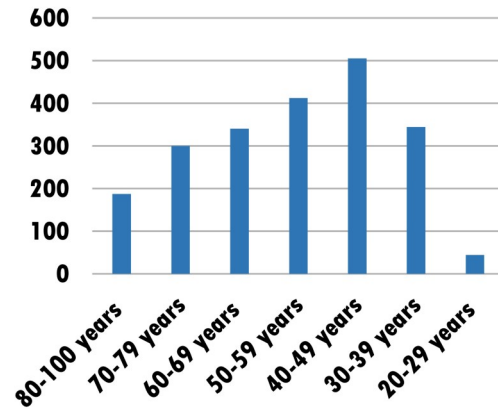


Demographics | These two charts compare the number and ages of our active parishioner households at the end of 2018 and 2002. There's a striking contrast that has emerged over the past couple decades. We've definitely become more deeply reliant on the commitment of our long term parishioners. While we truly benefit from experience and value this fidelity and love of our community, we need to grow the parish in the under 60 age groups to rebalance and ensure the future vitality of our Faith Community. The efforts described by Father Brian are focused on renewing the parish to provide for the future of the parish and school.

**Head of Household
Age Distribution - 2018**



**Head of Household
Age Distribution - 2002**



2019 Annual Report

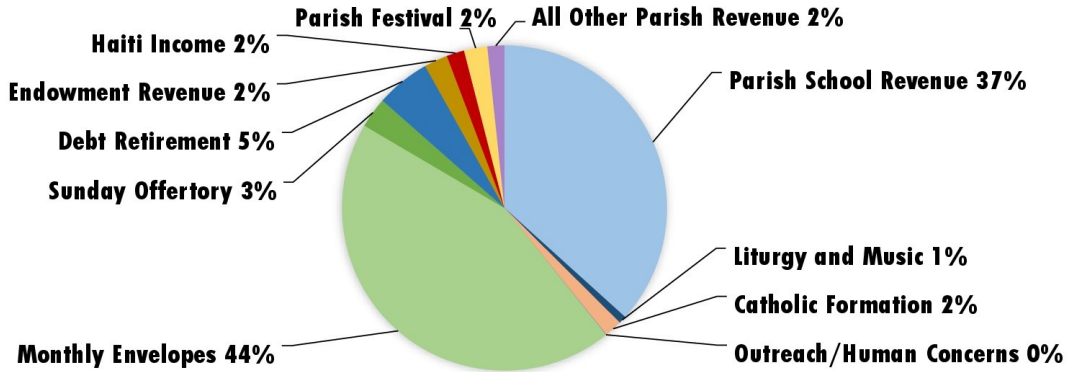
We are pleased to provide you a summary of the parish operating results for the fiscal years ended June of 2018 and 2019. As detailed in the statement below, an operating deficit of \$203K was incurred during the past fiscal year, following a \$95k surplus last year due to your response to Father Brian's request. We continue to make efforts to control expenses and maintain our current level of services. However, revenue has simply not grown. Therefore, we're seeing deficits. Following is a more detailed explanation of the factors at work.

Revenue		
	6/30/2018	6/30/2019
Parish School Revenue	\$1,574,836	\$1,505,351
Liturgy and Music	36,724	31,426
Catholic Formation	62,978	71,675
Outreach / Human Concerns	2,140	2,612
General Parish Revenue		
Monthly Envelopes	1,911,837	1,813,151
Sunday Offertory	124,874	124,694
Debt Retirement	435,906	221,761
Endowment Revenue	68,105	95,768
Bequests	22,391	0
Haiti Income	57,416	72,540
Parish Festival	93,707	94,841
All Other Parish Revenue	121,802	69,113
Total Parish Revenue	\$2,937,879	\$2,597,581
Total Revenue Parish and School	\$4,512,715	\$4,102,932

Expense		
	6/30/2018	6/30/2019
Parish School Expense	\$2,410,951	\$2,410,909
Liturgy and Music	322,517	308,019
Catholic Formation	198,818	238,232
Outreach / Human Concerns	30,522	31,927
General Parish Expense		
Archdiocesan Assessment	95,112	118,740
Haiti Program	69,716	72,540
Debt Repayment	537,007	337,066
Interest Expense	45,259	20,779
Endowment Expense	9,371	16,900
Office, Building, Grounds, Admin	698,609	751,205
Total Parish Expense	\$2,006,931	\$1,895,409
Total Expense Parish and School	\$4,417,882	\$4,306,318
Surplus or Deficit	\$94,833	(\$203,386)

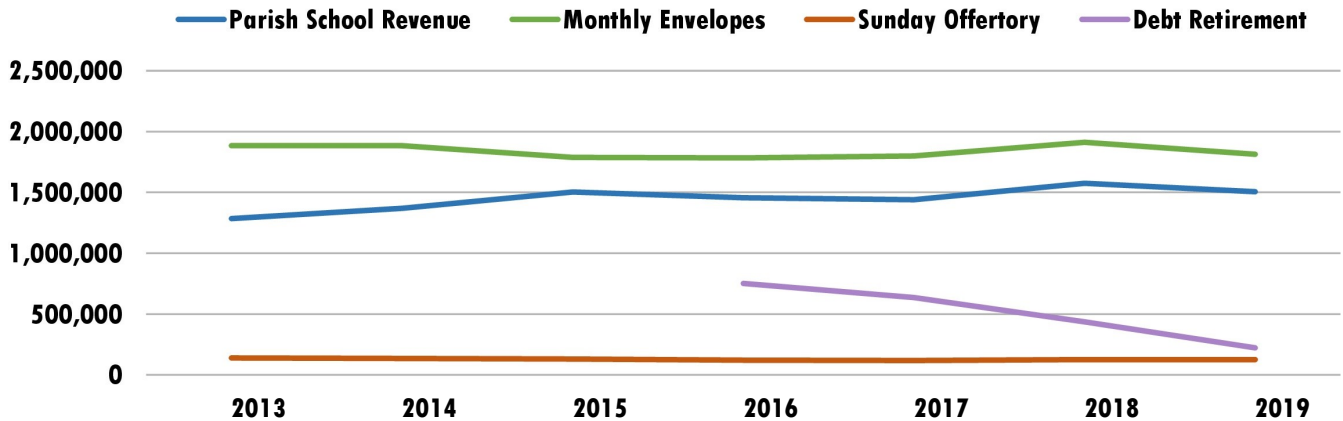
The Bottom Line | Our revenue is concentrated in four key areas which are all flat and declining, while our expenses support critical programs, but continue to rise. This cannot continue. We must grow our parish to increase our revenue while simultaneously reducing our expense as continued deficits are not sustainable.

Current Revenue Sources



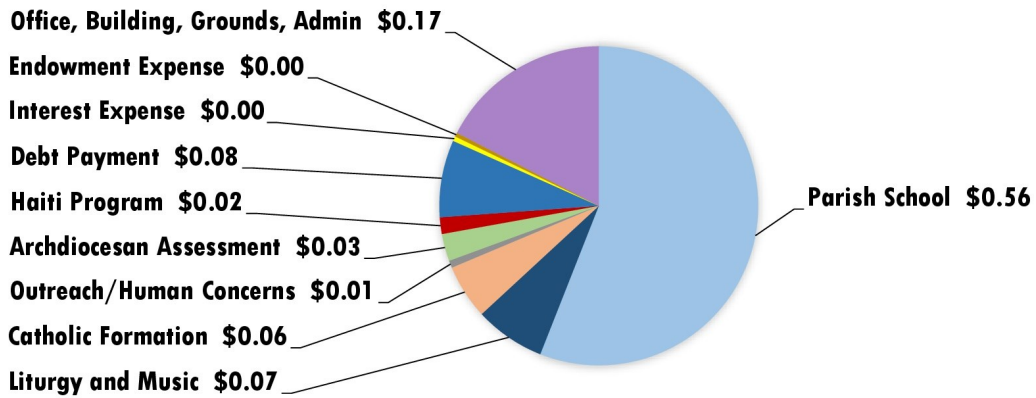
Sources of Revenue | Our largest four sources of revenue account for nearly 90 cents of every dollar coming in to the Parish. We rely very heavily on our Monthly Envelopes, Sunday Offertory, our special debt collection, and fees and tuition paid by school families. While every dollar we receive is needed and appreciated, our revenue is concentrated in four key categories and these factors drive our budget.

Top Revenue Sources Over Time



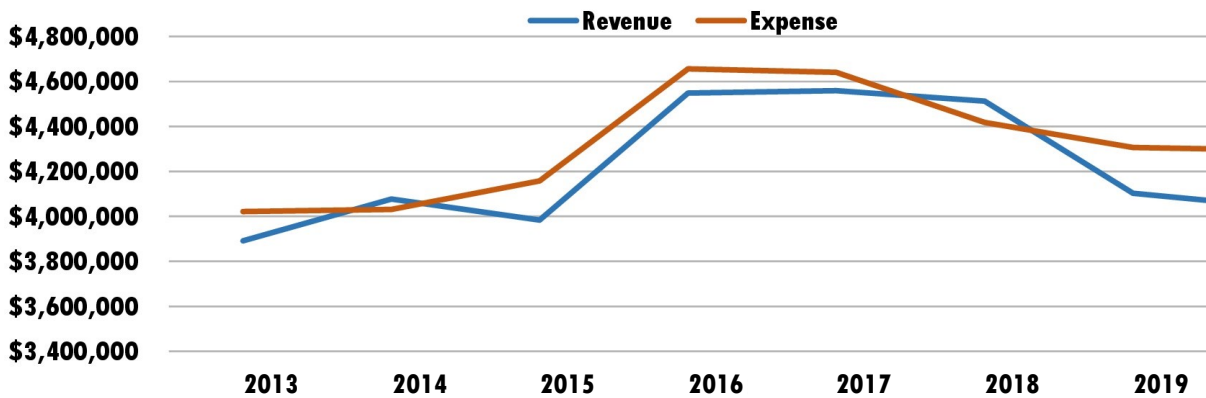
Revenue Trends | With 90 cents on the dollar concentrated in the four sources of revenue (see above), it's important that we understand what's happening with each one. Basically, they are flat and declining. At \$1.8 million, Monthly Envelopes (green) have been flat for almost ten years. The uptick in fiscal 2018 corresponds to Father Brian's special request for budget assistance, but otherwise the trend shows little to no growth. In the same way, Sunday Offertory (rust) has been absolutely flat over the past decade. Parish School Revenue (blue) has also been flat, then decreasing from 2018 to 2019 in spite of tuition increases of 5% the past two years and 3% the prior year. This is due to declining enrollment. Finally, the purple line, Debt Retirement, starts out strong during our three-year effort to pay off the debt, and as expected, declined as pledges were collected and debt was paid. That incredible effort has taken our debt from \$2.8 million down to \$247,000. When viewed in totality, every category of revenue is declining or flat.

Where Does Your Dollar Go?



Expenses | The chart above shows a breakdown of where your donations go. Fifty-six cents go to support our fine Catholic school. The next largest category, seventeen cents, goes to the parish buildings and grounds, utilities, upkeep and office staff - our administration budget. Next, seven cents goes to the Liturgy and Music department for our masses, funerals, weddings and sacramental experiences. Six cents on the dollar goes to Catholic Formation department for the education and religious formation of our children and adults, RCIA, and sacramental preparation. Of course, the Archdiocese receives three cents on the dollar as their assessments have increased over time. Of special note is our interest expense. After the debt retirement campaign it is now less than one cent on the dollar! This breakdown shows that our expenses go to support our critical programs.

Revenue vs. Expense Over Time



Revenue and Expense Trends | This graphic shows revenue in blue and expenses in rust, illustrating our deficit and challenge to keep revenue in line with growing expenses. As you recall when discussing Sources of Revenue above, we said our key revenue sources are flat. So, the “hump” in the middle of the chart (2016 to 2019) is the effect of our debt retirement campaign. Since every dollar of debt retirement revenue was spent on retiring the debt (as it should be), the expense line follows the same “hump”. The surplus in 2018 was a result of cost controls and the success of Father Brian’s special request to bridge the budget gap.

Our challenge in the deficit we experienced in 2019 and the gap we have projected for the next twelve months is rising expenses with flat revenue. We’ve kept staffing levels stable in the past two years and declined to add an associate pastor. In spite of that, the cost of running the parish and school continue to rise annually. School salary expenses were increased as we completed our four-year effort to bring the teachers to 80 percent of public school pay rates in fiscal 2018. Now they have leveled out. Parish raises have been kept to 2% for the past two years, simply keeping up with inflation. We must grow our parish while simultaneously managing our expenses to bring these trends back in line.