

**Queen of the Holy Rosary
Parish Operations Summary for Fiscal Year 2009
July 1, 2008 – June 30, 2009**

Introduction

The attached report reflects the parish operating income and expenses, as well as the accompanying net loss for fiscal year 2009. The parish debt statement as well as QHR School operations for fiscal year 2009 will be reported in a separate statement by August 30, 2009.

The first column of the report indicates the actual line item data for the year; the second column reflects our budgeted amount for each line item; the third column represents the difference between our budget and the actual income or expense line item; the fourth column represents last fiscal year's actual line item data for your comparison. The data presented here is identical to that reported annually to the Archdiocese, although in a more concise format for your convenience.

Income

Sunday envelope collections of \$ 784,936 exceeded budget expectations by \$ 31,236. Although we had unfulfilled stewardship pledges of \$ 85,005, the difference was made up by parishioners that did not make a stewardship pledge but contributed nonetheless.

Last years' net auction profits that were allocated for operations fell short of estimates by \$ 45,791. This was due in large part to \$ 34,850 of auction proceeds allocated for special wish list items rather than for normal parish operations.

Financial statement note. In 2007 we received a personal, designated gift of \$ 100,000. This information has been set aside from the normal parish operations data to indicate that this generous gift was an unbudgeted event. This gift was designated by the donor to be used for parish building projects such as the repair of the church steeple, and the connector addition for the school. To assure that the gift would be used in accordance with the donor's intentions, an interest bearing account was set up at the Archdiocese to assure that the funds would be available when needed.

Expenses

On the positive side, overall parish expenses exceeded budget estimates by only \$ 7,828, which is less than 1% of the total expense budget. The school subsidy was originally budgeted at \$ 275,000, however, a short fall in school tuition income due to decreased enrollment as well as an unforeseen need for long-term substitute teachers pushed the subsidy to \$ 311,329, a difference of \$ 36,329. Excellent progress was made over the past year to reduce the subsidy from \$ 349,662 in fiscal year 2008 to \$ 311,329 in fiscal year 2009. The subsidy decreased by \$ 38,333, which is nearly an 11% reduction.

Although the parish incurred an operating loss this year of \$ 39,474, it should also be noted that this is an improvement from fiscal year 2008 by nearly 50%. The effort to carefully manage expenses has clearly paid off and will continue to be an important side of the parish finances.

Fiscal Year 2010

There are several important aspects that we need to focus on to conserve valuable parish funds in the coming fiscal year. The first goal is to accurately budget parish expenses. Although it may appear to be an easy task, it is, in fact just the opposite. Unexpected expenses due to aging equipment and buildings will continue to grow and become major expense factors. The other side of a careful and realistic budget is our commitment to living within that budget. Projects and expenses that do not appear on the budget will only be considered if they are absolutely necessary to the proper maintenance of QHR parish.

During the spring HVAC inspection, the air conditioning units on both day care facilities were showing their age and it was recommended that we seriously consider their replacement. Although we have no plans to replace the units this summer, it will become an issue in the spring of 2010. Otherwise, there are no major projects being planned. The plan for the coming year is to maintain the existing buildings, equipment and grounds in their current condition. We will continue to make note of future building and equipment needs and prioritize them so they may be addressed as funds become available in the future.

As previously reported, salaries both at the parish and school have been frozen for the upcoming fiscal year. This action has been adopted at nearly every parish in the Johnson County Region. Archdiocese employee health and dental benefits are anticipated to increase by up to 7% in the next calendar year. We look for the local and regional economic situation to improve in the coming year so that salary benefits may be reinstated to attract and retain valuable personnel.

With few exceptions, funds from the upcoming auction, Anchors A-Wea, will be used for parish operations. This year there will only be 1 or 2 special purpose, ie., wish list items, in this year's auction. This action will free up more funds for parish operations. The auction committee has been working diligently for several months organizing and contacting donors, and we anticipate their efforts will be generously rewarded.

The budgeted amount of QHR School subsidy is currently set at \$ 275,000 and although the budget was exceeded by \$ 36,329 this past year, there was almost a 50% reduction from the previous year. To keep the subsidy expense in check, a highly detailed budget has been carefully constructed for the school. In addition, we have contracted with FACTS tuition management to assist in leveling the inflow of school income in the form of tuition payments. The school subsidy is a substantial and necessary parish expense and will continue to be carefully monitored.

The largest fund raising event at QHR is the annual stewardship drive. At \$ 784,936, the Sunday collection is the main source of income for parish operations. For budgeting purposes, it is also the most difficult to determine. The importance of making a pledge cannot be underestimated. A stewardship pledge is a vital piece of information that helps determine if, or when parish projects and ministries can move forward with their plans.

The other side of making a pledge is fulfilling it over the course of the year. It is understood that personal circumstances will change and pledges may decrease or even go unfulfilled due to situations beyond our control. However, it is important to know that your commitment to supporting the church is greatly appreciated and vital to the ongoing good health of the parish. Please assist us in our goal of keeping the parish in good financial health by completing and fulfilling your pledge.

Although the current economy has presented many challenges, we believe that perseverance and dedication to Catholic values will see us through these times difficult times. Your prayers and support are very important to the future of Queen of the Holy Rosary parish. With your assistance we can all make the coming year one of great accomplishment and community pride.

Respectfully,

The Finance Committee