

Good evening. I am Dennis Bogacki, and I am the chairman of St. Raymond's Finance Committee. I'm here this evening to review our parish's financial report for the fiscal year ending June 30, 2016. You will find a copy of that report in the Bulletin on the tables at the entrances and exits to the church for this weekend. If your Bulletin does not have the report, be sure to pick one up from one of the ushers, or drop by the PMC to get a copy.

The report shows that the parish incurred an operating loss for the year of almost \$65,000. This amount includes both the Church and School operations. This deficit follows a loss of over \$200,000 in the prior year (and \$150,000 the year before that), so the trend is improving due to tighter expense management and no further declines in Sunday collections. Although we appear to be trending in the right direction, continued operating losses will eventually affect the quality and vitality of all our parish ministries.

Our Sunday collections were equal to the prior year. This is a nice achievement given our tough economic times. Our catch-up collection netted an additional \$60,000, so **thank you** for your generous contributions to our parish.

However, ongoing operating deficits pose a serious concern for the entire parish. Please note the contribution profile of our parish included in the annual report. This chart shows that approximately 86% of collections comes from only

about 28% of our registered parishioners. While this trend has been ongoing, it does create problems for a parish our size. If we cannot increase our contribution level and the number of contributors, we will need to review the impact this will have on all our ministries as well as parish functions. This could include cutbacks on staffing, events, and even the many ministries that operate so well.

Our total operating expenses decreased by about \$10,000 over last year, as building/maintenance costs and payroll increases were offset by lower textbook expenses and miscellaneous parish expenses. This is very hard to achieve in times like this so being a prudent watchdog of spending is paying off. As you probably know, payroll and benefits expenses accounted for about 72% of our total expenses, so future reductions in staffing may need to be considered. This would obviously impact the many ministries of the parish. The Business Manager continues to track expenditures and look for additional ways to save monies for St. Raymond. However, because this is a very active (but aging) parish, ongoing maintenance work is critical to ensure safety standards as well as to support our many functions. We have eliminated the landscaping contract and brought that work in-house and we are currently reviewing other agreements to see if additional savings could be had.

On a positive note, we have no loans or debt. The enrollment numbers in our parish school and religious education program remain strong. Church attendance was down only 1.1% from the prior year.

An integral part of our budget is fundraising. Total fund raising income was down \$39,000 from the prior year. Our annual gala raised about \$15,000 less and that coupled with no garage sale and no raffle make up the rest of the shortfall when compared to fiscal year 2015. Thanks to everyone who helped with all these fundraising initiatives, as every dollar we collect really does help.

During the fiscal year we were also beneficiaries of bequests from estates totaling more than \$470,000. This was \$115,000 more than FY2015, but isn't counted toward normal parish operations. Because of that, these bequests are not reflected in ordinary operating income, but rather in our extraordinary income. While most of this amount was designated for specific purposes, we are mindful that they **cannot** be applied to the operating shortfall. We are working with the necessary committees and ministries to make sure we are spending these funds as wisely as possible.

We all recognize that St. Raymond cannot continue to operate at a deficit. The Finance Committee continually

analyzes our expenses and looks for savings where possible. We also track revenue and fundraising activities to better identify future opportunities. However, all of us here today can commit to doing our part in being Good and Better Stewards of St. Raymond Parish -- OUR Parish, OUR spiritual home.

How can we do this?

The first way is, of course, committing to share our financial resources to bring our operational results back into balance. As mentioned earlier, it would be wonderful if we could possibly shift our contribution profile to a more even distribution, but we realize some households with larger families and more expenses don't have the resources. We will continue to monitor collections and analyze them, as they are our second largest source of revenue (behind tuition).

Please consider becoming an electronic donor. Our e-giving has increased from 22% in 2013 to 28% last year. This helps smooth revenue streams and makes forecasting cash flows easier. Also, our return rate is approximately 33% on envelopes disseminated. While, this is not a poor number, there is definitely some room for improvement. Additionally, please support the many fundraising activities and ministries that this parish operates. Fundraising is not

a luxury of this parish, it is now a necessity to help defray basic operating costs. This money helps keep the lights on, the buildings heated, and the phones working. To put it another way, fundraising covers a year's worth of parish utilities or fringe benefits for its employees. They are also great community building events that continue to make St. Raymond thrive in tough times.

Let us also commit to being Good Stewards by investing our time and our talents to continue making the ministries and special events of St. Raymond's even better and more successful. Also, please continue to share your talents with the parish. If you have a special gift, then please consider volunteering your time to help our staff and ministries with various parish operations. This is large campus, so extra help now and then at peak times is welcome. This is especially true for IT skills, landscaping work, or renovation projects that can be a significant time drain.

Our parish home offers wonderful liturgical celebrations, great music provided by our choirs and music director, terrific homilies that makes the Gospel message relevant again in people lives, and a wide array of ministries that help enlighten, heal, and revive the spiritual well-being of our parishioners.

You will hear from our Parish Transformation group in the next two weeks concerning their views on an Offertory Enhancement Program. Please pray over their remarks and think about what we all can do increase our support for our parish.

Finally, I'd like to thank all the members of the Finance Committee. The members are Mark Spanier, John Reschke, Bev Schultz, Judy Czurylo, Eric Palm, Harriet Malinowski, and Margie Schmitt. They have contributed their time and talents to St. Raymond's behind the scenes, and I am very happy for their support.

If you have any comments or questions concerning my remarks or any of the data published in the annual report, just leave a note at the PMC addressed to me, or the Finance Committee, Fr. Ed, or Rob Miller, our Parish Business Manager, and we will respond to you.

Thank you for your attention to my remarks.