

October 2008

Father John Mitchell
And Trustees
Church of St. Pius X
3878 Highland Ave.
White Bear Lake, MN 55110

SUBJECT: Summary of Financial Condition as of June 30, 2008

Dear Fr. John:

The following is a brief summary of the financial condition of St. Pius X as of its most recent fiscal year end – June 30, 2008. These observations and comments are based on the internal compilations that parish staff provided to me. I am enclosing a Statement of Activities for the last two years.

Income:	30-Jun-07	30-Jun-08	Expenses:	30-Jun-07	30-Jun-08
Collections-Restricted	582,717	578,925	Administration	1,009,108	971,974
Collections-Unrestricted	1,089,070	1,109,063	School/Presch.	1,354,951	1,315,670
Tuition	964,457	909,402	Maintenance	146,911	201,841
Fund Raising Income	84,566	86,579	CCW	1,943	3,118
Certified Sales	194,307	196,849	Certif. Program	189,368	191,526
Misc/Other/Prog Fees	329,436	308,272	Faith Formation	23,432	27,344
Desig. Bal Sheet entry	99,417	143,748	Liturgy	3,734	7,389
			PSA	116,895	101,922
			Social Ministry	7,722	9,433
			Desig Bal Sheet		
			entry	102,450	143,748
Totals	<u>3,343,970</u>	<u>3,332,838</u>		<u>2,956,514</u>	<u>2,973,965</u>
Incr. (Decr.) in Net Assets	<u>387,456</u>	<u>358,873</u>			

Parish income for the fiscal year ended June 30, 2008, exceeded expenses by \$358,873. Despite increasing its subsidy of the school (due to lower enrollment), the parish carefully managed expenses and experienced stable stewardship and a strong second year in its Capital Campaign. Campaign income was received earlier than anticipated.

Our cash position declined from the previous year due to substantial principal payments on our debt, several major repairs to parish property, and material repayment of past due amounts owed to the Archdiocese.

Principal payments on parish debt totaled \$251,018 (including \$175,000 in 'extra' debt reduction payments). Principal payments are not considered expenses and therefore must be made from an operating surplus (if one exists) or from other cash sources (such as cash reserves). We also completed a *major repair* on the roof and replaced the carpet in

the church (Capital Campaign funds) for a total cost of \$90,492. In addition, we made notable progress in getting caught up on past due Archdiocesan assessments. Past due amounts are being paid over a thirty-six month amortization, and we have fully escrowed these amounts with funds from our capital campaign. Equally important, throughout the year we were timely with our payment of the current year's Archdiocesan assessments .

The net effect of all sources and uses of cash was a \$235,043 decrease in our cash.

Other notable changes to our balance sheet included:

- accounts payable (primarily due to the Archdiocese) declined by \$72,000 to \$153,300;
- deferred revenue (mainly prepaid tuition) was \$139,995 at year-end;
- bank debt declined by \$251,018; total parish debt was \$2,354,305 at year-end.

In summary, 2007/2008 was a year of consistency in our parish stewardship, success in our continuing Capital Campaign, and stabilization in our financial condition. It included significant principal payments and interest rate reductions on our bank debt, notable progress repaying amounts due to the Archdiocese, and much-needed repairs to facilities.

Sincerely,

Lawrence Erickson
Parish Business Administrator