

St. Elizabeth Ann Seton 2010 Annual Report

Dear brothers and sisters in Christ:

We are pleased to provide you with this annual financial report for our parish. The most important message that can be conveyed with this report is *thank you*. It is your generosity that maintains SEAS as the active, dynamic presence of Christ in Hastings that it is. Thank you!

As noted in last year's report, we budgeted for 2010 to realize an operating gain, to help offset the operating loss in 2009. We are happy to report that your generosity allowed us to realize a gain of \$71,000! We are budgeting for a break-even outcome in 2011. Please see the financial figures and accompanying notes for more information, or contact one of us.

May God always bless you, your families, and our life together!

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Financial Freedom

Hopefully you are all familiar with this term—Financial Freedom is the title and theme for our parish's plan to eliminate our debt, which was announced and implemented this past spring. The purpose of the campaign is twofold: to eliminate our debt, and, during the initial phase, invest in upgrades to our school building. The lead gift to the campaign was a \$150,000 estate gift, which has been applied toward school upgrades. This gift, combined with a portion of our Capital Improvement Fund, has allowed us to invest approximately \$189,500 in upgrades to our school building without adding to our debt.

Our Financial Freedom campaign is also allowing us to immediately reduce our debt. When the campaign began, our debt balance was \$2,383,234. As this financial report shows, by June 30 the debt balance was \$2,200,000. Since June 30 parishioner generosity has allowed us to pay down another \$55,000, reducing the balance to \$2,145,000. With our debt at \$2.383 million our interest payment each month was about \$10,260. At today's balance of \$2.145 million that interest payment has been reduced to about \$9,235, a savings of over a thousand dollars each month. And that interest payment will only grow smaller as principal payments continue to be made from your generous giving.

Thus far in the campaign more than 700 parish families have given or pledged \$1.588 million. So far, about 25% of our parishioners have pledged to eliminate about 60% of our debt. We are hopeful that the remaining three-quarters of the parish will help eliminate the remaining 40% of our debt balance. Several parishioners have been supporting the campaign without having pledged. Certainly all gifts are welcome and appreciated, but if you are able to make a pledge, doing so helps us in our planning. This fall we will have to refinance our loan, and improved projections for retiring the debt will help us obtain favorable loan terms.

Our debt is from Phase II—the beautiful addition of a social hall, meeting rooms, and our preschool and kindergarten classrooms. Thank you for making Phase II a reality! Together, let us eliminate our financial debt and enjoy our space in ever greater financial freedom!

St. Elizabeth Ann Seton School

As you know, this is a time of transition for our school. Our principal of 11 years, Rita Humbert, has chosen a new opportunity as a principal at a public elementary school in River Falls, Wisconsin. Our school's history demonstrates that we have had to adapt to many changes over the years: collaboration between two separate parishes, changing demographics, changes in economic conditions, and of course changes with the merging of two parish communities into one. Whenever St. Elizabeth Ann Seton School has been affected by change, the character traits of our patron St. Elizabeth Ann Seton have served us well: strength, resiliency, courage, and above all faith in a good God who wants to bless us all. As has also been communicated, the parish wants to ensure a thoughtful, well-planned process in the hiring of a new principal. For that reason, an interim principal, Larry Noble, has been named to lead our school while a principal search is conducted.



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Our school students, graduates, and staff will continue to serve our parish (and the larger Catholic Church) as choir members, servers, extraordinary ministers of the Eucharist, lectors, youth group leaders, Knights of Columbus Pancake Breakfast servers, Fall Festival workers, Fish Fry helpers, and in many other ministries. Our school is much more than a building - it builds up our church and community and develops faith-filled leaders of the future. Thank you all for your support of the educational and life-enriching ministry that is SEAS School!

SEAS School enrollment for the 2010/11 school year is maintaining at just fewer than 300 students. In a climate where many Catholic schools are seeing declining enrollment, this is encouraging news for our school! Our 2010 parish subsidy to the school, as a percent of total parish income, is at 31%, down from 34% in 2009. Our budget for 2011 is to maintain the subsidy at 31%.

Catholic education was of paramount importance to our patron St. Elizabeth Ann Seton, and it remains a priority for our parish today. At SEAS School we are always looking for ways to improve quality and efficiency, as well as our commitment to our Catholic mission. Your support is vital to our efforts toward achieving these goals!

In fiscal year 2010 SEAS parishioners contributed \$305,524 to the following charities or causes:

Alan Ames Healing Ministry, Archdiocesan Venezuelan Mission, Archdiocese of St. Paul & Minneapolis (ministries & operations), Catholic Campaign for Human Development, Catholic Services Appeal, Disaster Relief (Haiti), Food Resource Bank, Giving Tree, Hastings Community Car Care, Hastings Family Service, Holy Land, Operation Rice Bowl, Retirement Fund for Religious, Sharing & Caring Hands, St. Mary's Red Lake, Total LifeCare Center, World Mission Sunday, Youth Mission Trip (Montana).

School Endowment Fund

Balance on June 30, 2009	513,159
Spring Fling proceeds (2009 & 2010)	43,024
Contributions	4,075
Distributions to school	(30,000)
Investment gain/(loss)	<u>67,218</u>
Balance on June 30, 2010	597,476

Capital Improvement Fund

Balance on June 30, 2009	121,645
Church roof repair	(600)
Stage platforms	(3,649)
School roof repair	(14,825)
Interest/contributions	<u>3,013</u>
Balance on June 30, 2010	105,584

Sacramental Statistics for 2009/10

Infant Baptisms	75
Rec'd into Full Comm. (RCIA)	16
First Communion	79
Confirmations	93
Marriages	19
Deaths	79
Active households	2,922
Active parishioners	8,563

Financial Freedom Campaign

Loan balance on June 30, 2009	2,390,833
Principal payments	<u>(190,833)</u>
Loan balance on June 30, 2009	2,200,000
Financial Freedom Campaign Activity	
Parishioner Contributions	403,594
School upgrades (through June 30)	(19,350)
Campaign fee	(29,000)
Interest expense	(27,838)
Principal payments	<u>(183,234)</u>
Net of contributions	144,172



The net of contributions figure is the amount being reserved for remaining school upgrades and upcoming interest payments.

A full accounting of school upgrades will be provided once those projects are complete.

St. Elizabeth Ann Seton, pray for us!

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PARISH

	12 months ending June 30		
	2009 Actual	2010 Actual	2011 Budget
<u>Income</u>			
Envelopes, plate, direct cont.	1,796,869	1,789,429	1,804,879 a.
Other Unrestricted Income	93,139	95,688	100,500
Fundraising	68,923	62,446	70,000
Faith Formation	48,331	43,042	51,650
Total Parish Income	2,007,262	1,990,605	2,027,029

<u>Expense</u>			
Salaries & Benefits	790,511	738,845	812,702 b.
General Operations	141,554	93,001	120,265 c.
Maintenance/utilities	222,983	210,676	186,240 d.
Music & Liturgy	40,379	39,071	37,050
Pastoral Outreach	21,657	20,461	19,950
Faith Formation & Youth Min.	31,029	36,962	41,200
Archdiocese Assessment	159,576	158,679	183,493 e.
School Subsidy	674,609	621,579	626,129
Total Parish Expense	2,082,298	1,919,274	2,027,029

SCHOOL

	12 months ending June 30		
	2009 Actual	2010 Actual	2011 Budget
<u>Income</u>			
Donations	41,511	60,755	51,000
Tuition (Pre-K, K-8, BASE)	959,537	911,333	895,189 f.
Fees (reg., activity, band, ath.)	77,797	73,961	77,660
Fundraising (net)	90,655	88,829	81,396
Hot Lunch (net)	-11,409	2,380	0
Public textbook funds	24,442	23,598	25,000
Endowment Draws	30,000	30,000	35,000
Parish Subsidy	674,609	621,579	626,129
Total School Income	1,887,142	1,812,436	1,791,374
<u>Expense</u>			
Salaries & Benefits	1,576,916	1,509,858	1,506,696 g.
Instructional expense	144,901	112,662	129,289
Admin/General Operations	41,372	50,034	44,389
Maintenance/utilities	68,953	61,656	51,000 h.
Tuition Assistance	55,000	78,225	60,000
Total School Expense	1,887,142	1,812,436	1,791,374

SEAS Grand Net	-75,036	71,332	0 i.
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NOTES

- a. Weekly income decreased just over \$7,000 from 2009 to 2010; less than one-half a percent. Weekly income for 2011 is budgeted to increase 1% from 2010 actual.
- b. Salary & benefits savings in 2010 due to a temporary restructure; for 2011 a substantial increase in retirement benefit cost & restoration of a FT position; 2011 staff raises at 1%.
- c. Increased expense in 2009 due primarily to financial stewardship program in fall 2008. Increased budget for 2011 due to planned financial stewardship program.
- d. Reduction in maintenance/utilities due to one-time street assessment in 2009 & modification of a major service contract.
- e. Archdiocesan assessment increase for 2011 of 16% due to increased weekly giving from 2008 to 2009 & lower school enrollment in 2009. (We receive an assessment credit for each student enrolled in our school.)
- f. K-8 enrollment figures: 2009: 310; 2010: 297; 2011: 273 budgeted, 298 actual YTD.
- g. Staff reduction due to attrition; for 2011 a substantial increase in retirement benefit cost; 2011 staff raises at 1%.
- h. Anticipated utility savings from new school windows & doors & new lighting.
- i. 2010 net gain was planned to offset 2009 net loss. 2011 budgeted to break even.