

SAINT PAUL PARISH

Harvard Square – Cambridge



2009 ANNUAL FINANCIAL REPORT

November 2009

Dear Parishioners of Saint Paul Parish:

During the past year the effects of financial turmoil and market disruptions have impacted virtually every area of society, from individuals to businesses, schools, universities, charities and religious institutions. In its role as Advisor to the Pastor, the Finance Committee meets throughout the year to consider the financial condition of the St. Paul Community (“SPC”) and assess current opportunities to move toward a stable operating future. As you know, SPC includes three separate entities: the St. Paul Church, the Harvard Catholic Student Center and the Boston Archdiocesan Choir School.

Due to these difficult financial times in which we live, the financial condition of SPC has worsened significantly since mid-year 2008. An SPC-wide problem of persistent deficits has deepened during the past fiscal year ending on June 30, 2009. As indicated by the accompanying financial results, each of the three entities is experiencing diminished revenue and increased expenses. For the past several years SPC has attempted, through expense reduction and budgetary cuts, to restrain persistent operating shortfalls. However, as the financial summary shows, SPC continues to struggle with serious deficits across each of its operating entities.

During the past decade, SPC has funded such operating deficits by drawing on shrinking savings and using non-recurring gifts and bequests from parishioners, Harvard alumni and supporters. However, it is important to report to you that in order to create an environment for fiscal stability to ensure and protect our Parish for the future, St. Paul Parish can no longer responsibly rely on either of these sources to cover deficits beyond fiscal year 2010 ending in June. Savings are depleted and extraordinary bequests and gifts have been reduced in the current financial crisis. As we approach 2010 our financial condition is extremely critical. It is imperative that together we act now to prevent SPC’s financial condition from declining to even lower levels.

Specific steps are underway to address these financial challenges. First, a full-time experienced development officer has joined the Student Center to accelerate fund-raising and build permanent sources of contributions from the Harvard community, alumni and students. Second, the Pastor and Finance Committee have sought the support of the Parish Financial Services Group of the Archdiocese of Boston for specific assistance to St. Paul Parish. Third, the leadership of St. Paul Church, the Student Center and the Choir School are working closely together to further reduce expenses and seek every available means to boost operating revenue – particularly through an offertory enhancement program to begin this fall. Underlying each of these efforts is a keen sense of urgency and our continuing commitment to the vibrant and faith-filled mission of SPC.

Your role in this undertaking is critical, whether it be that of parishioner, student, alumnus, parent or visitor to the SPC. As we work together to re-establish financial stability for the SPC, we emphasize that the SPC requires your continuing financial support, commitment and prayers in the future.

As people of faith who proclaim the Good News of Jesus Christ in Harvard Square, we must be united in the hope that by working and sacrificing together we can overcome this ever-present financial chal-

lence of the SPC. By uniting as a Parish community we will not only provide well for the living of the Gospel mission, but also prepare responsibly to provide for the spiritual needs of our future Catholic brothers and sisters who will seek Christ's Truth at St. Paul Parish.

Respectfully submitted,
The St. Paul Parish Finance Committee

Reverend Michael E. Drea, *Pastor*

James Perrine, *Chairman*

Joe Barrell
 David Dankens

John Dunn
 Sharon Gallagher

David Hannon
 Ted Monahan

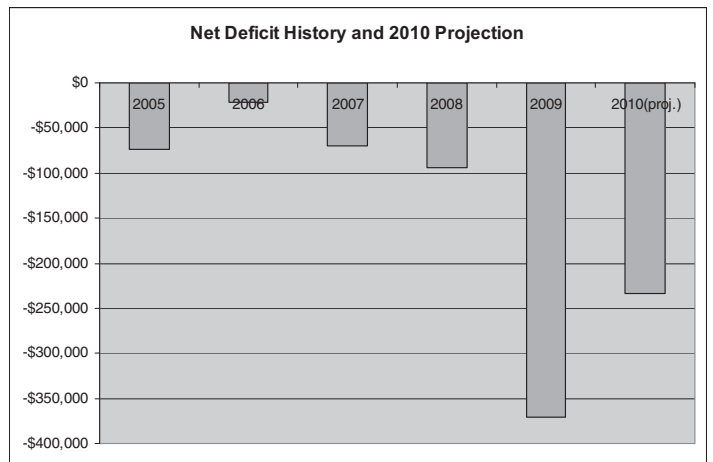
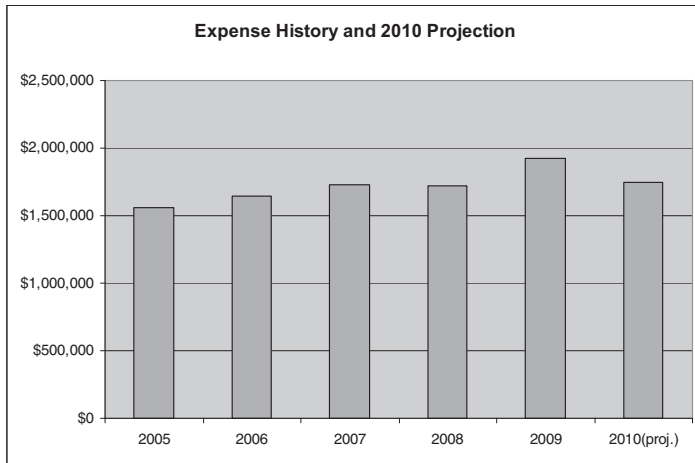
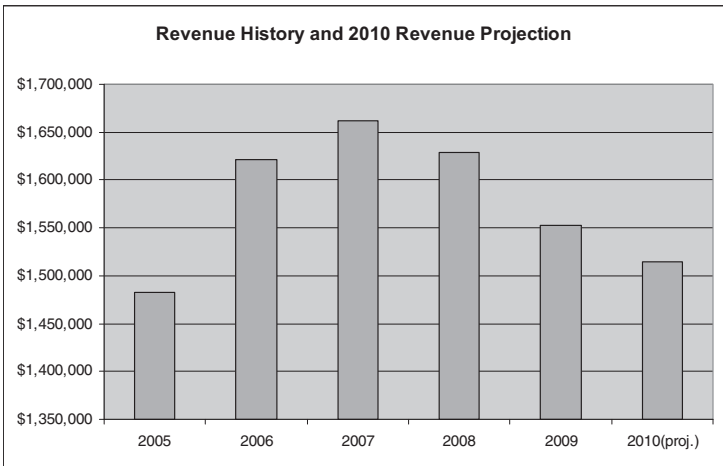
Bob Muldoon

Ex Officio Members:

Katie Broach

Andy Griswold

Fr. George Salzmman, OSFS



**ST. PAUL PARISH 2009 ANNUAL REPORT - REVENUE AND EXPENSE SUMMARY
WITH 2010 BUDGET PROJECTIONS**

REVENUE SOURCES	2009 Actuals				Budget 2009 Combined	Variation Budget 2010	
	Parish	Student Center	Choir School	Combined		Combined	
Offertory	577,973	22,243x		600,216	670,800	-70,584	547,000
Annual Fund	x	172,633	90,889	263,522	619,000	-355,478	369,000
BACS Endowment Allocation	x	x	16,600	16,600	17,000	-400	17,000
Sacramental Offerings	18,025x	x		18,025	24,500	-6,475	19,000
Gifts and Bequests- ordinary (1)	20,347	9,527x		29,874	14,250	15,624	22,000
BACS Grants and Gifts	x	x	64,245	64,245	40,000	24,245	47,000
BACS Student Fees	x	x	215,258	215,258	219,240	-3,982	198,600
BACS Concerts and Recordings	x	x	33,273	33,273	62,000	-28,727	67,000
BACS Parents Guild Support	x	x	65,801	65,801	75,000	-9,199	75,000
Interest and Dividends	41,359	3,659	0	45,018	48,225	-3,207	31,700
Other/Misc.	18,894	4,525	2,891	26,310	19,757	6,553	20,909
Parish support-cash	x		42,349	33,000	75,349	38,314	37,035
Parish Support-benefits	x	x		33,516	33,516	28,686	4,830
Parish Support- Bldg. Allocation	x		33,000	33,000	66,000	71,600	-5,600
Total Revenue	676,598	287,936	588,473	1,553,007	1,948,372	-395,365	1,514,209

EXPENSE SOURCES	2009 Actuals				Budget 2009 Combined	Variation Budget 2010	
	Parish	Student Center	Choir School	Combined		Combined	
Salaries Clergy	65,808	62,100	0	127,908	128,000	92	127,908
Benefits Clergy	23,394	13,197	0	36,591	37,441	850	40,800
Household Expense- Rectory	15,885	0	0	15,885	18,425	2,540	16,000
Salaries Lay and Religious	191,653	103,853	433,813	729,319	786,491	57,172	719,809
FICA and Benefits- Lay/Rel.	49,754	19,457	66,191	135,402	142,108	6,706	138,335
Facilities Operations	125,997	0	15,265	141,262	149,740	8,478	145,000
Maintenance and Repairs	139,551	0	0	139,551	98,983	-40,568	100,000
Pastoral & Liturgical Expenses	58,480	0	0	58,480	65,421	6,941	48,000
Office and Administrative Expense	51,809	10,952	31,069	93,830	73,813	-20,017	85,800
Program Materials	4,465	46,089	43,614	94,168	79,845	-14,323	58,000
Professional Services	5,562	75,331	0	80,893	49,550	-31,343	9,000
Development (Fundraising)	1,212	48,809	16,362	66,383	50,150	-16,233	99,450
Capital Expenditure	32,398	21,257	6,062	59,717		-59,717	60,000
Other/miscellaneous	45,061	5,080	0	11,787	1,000	-10,787	0
Cash Support to BACS	33,000	0	0	33,000	38,314	5,314	33,000
Benefits Support	33,516	0	0	33,516	28,686	-4,830	34,000
Building Allocation	0	33,000	33,000	66,000	71,600	5,600	33,000
Total Expenses	877,545	439,125	645,376	1,923,692	1,819,567	-104,125	1,748,102

Net Deficit	-200,947	-151,189	-56,903	-370,685	128,805	-499,490	-233,893
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Notes: 1. Gifts and bequests for parish excludes: a) extraordinary bequest of \$176,982 placed in savings reserves; b) 2008 renovation loan repayment gifts of \$26,960; c) restricted gift of \$5000 for organ concert series.