St. Margaret Mary Parish
Fiscal Year 2009 Annual Financial Report

The Finance Committee is pleased to present our annual report on the financial results and condition of St. Margaret Mary Parish. This report is in addition to the more condensed reports given each quarter. We believe it is important for all parishioners to know and understand our stewardship efforts as reflected in the attached financial report. This report covers the parish's fiscal year 2009 (FY09) which started on July 1, 2008 and ended on June 30, 2009.

For FY09, the parish had an increase in the operating fund balance of $82,115. The combination of Sunday collections being on budget, Holy Day collections being better than budget, and having operating expenditures below budget (and well below prior year), resulted in this operating surplus. We would like to thank the parishioners for their continued generosity in these challenging economic times. Below are highlights of the financial reports that follow:

Fiscal Year 2009 Statement of Revenues and Expenses

Actual Results

- Sunday collections were $22k, or 0.3%, over budget though slightly below last year. In the earlier part of the fiscal year this surplus was much higher, but collections tailed off significantly in the latter part of the year. The parish's automatic giving program (www.parishpay.com) has continued to be very successful with over 155 families currently participating. If you are not enrolled, please consider signing up. It allows the parish to better anticipate regular revenues throughout the year.
- Holy Day collections were $48k, or 26.4%, over budget and slightly over last year. Christmas and Easter collections were once again very strong this year.
- Salaries were basically on budget as the number of employees remained constant throughout the year. Fringe Benefits were lower due mainly to lower health insurance costs resulting from improved negotiated rates from the Diocese.
- Repairs and maintenance was $8k over budget in several areas.
- Services were $8k over budget due to over budget snow removal costs.
- The Diocesan Assessment is paid to the Diocese of Joliet to support their activities. This is separate from the Annual Catholic Ministries Appeal to the parishioners.
- Scholarship is used to encourage and support parishioners attending Catholic schools. Amounts are paid for students attending All Saints Catholic Academy to help cover a portion of their tuition. In addition, families that were part of the program that attended St. Joan of Arc or Sts. Peter and Paul remain part of the program as long as their children attend these schools. For the year, Scholarship was $8k lower than budget and $25k lower than last year.
- St. Margaret Mary is the Parish with Heart. Continuing a tradition of giving, over 4.1% of our revenue was donated to organizations providing essential services to those in need as directed by the Charitable Contributions Committee.
- For the year ended June 30, 2009, the operating surplus was $218k. A surplus of $82k remained after transfers. The Transfer to Campaign Funds - School is required to fill the

gap between the Parish's funding obligations for All Saints Catholic Academy versus the amount pledged in the capital campaign. Based on a comprehensive model reviewed with the Pastoral Council, an annual transfer is projected to be required each year through 2020. The transfer is budgeted to be $111k in FY10. The Transfers to the Campaign Funds - Expansion and to the Repair and Replacement Fund are to provide funding for the difference between the total expected expenditures for the building expansion and the amounts received from the Capital Campaign, as well as to cover significant future projects (see below).

FY10 Budget

The Pastoral Council, along with each committee, went through a difficult budget preparation process this spring. Given the state of the economy and demographic factors affecting the parish, we are anticipating that total collections (Sunday and holy days) in FY10 will be $27k lower than FY09. Hopefully this is an incorrect assumption. At the same time, many uncontrollable expenses are increasing rapidly.

However, given the surplus we were blessed with in FY09, we gave most ministries an FY10 budget basically equal to FY09's budget. This follows a large reduction that most ministries took last year (FY09) when compared to FY08.

The overall budget is to break even after deducting planned transfers for school debt payments and funding of future repairs and replacements.

Operating Revenue vs. Expenditures Comparison

- This graph shows the difference between revenue and expenditures over the last eight years plus what is budgeted for in FY10. Expenditures include operating expenses and transfers to non-operating fund accounts. After four straight years of expenditures being basically equal to or less than revenues, FY09 was a nice improvement. We expect that FY10 will be a break-even year.
- Revenue increased slightly in FY09. However, the difficult choices made in cutting costs from certain ministries resulted in a $115k decrease in expenses versus FY08.
- The revenue shown does not include the capital campaigns which are in their ending stages. As the capital campaigns end, please consider adding to your normal Sunday donation.

Fiscal Year 2009 Fund Balance and Loan Principal Report

- The Operating Fund holds the net amount of all prior operating surpluses and deficits, less transfers to other funds. The balance at June 30, 2009 was $161k.
- The Repair & Replacement Fund has an ending balance of $276k at June 30, 2009. Significant projects covered by this fund that are expected to be required in the future include the parking lot, HVAC units and the roof. We will need to continue to transfer operating surpluses to this fund to cover these future projects.
- The Campaign Funds hold the campaign contributions received so far from parishioners, less prior expenditures for the building expansion and school. The balance of the Campaign Funds as of June 30, 2009 was $734k. This amount will increase with the last

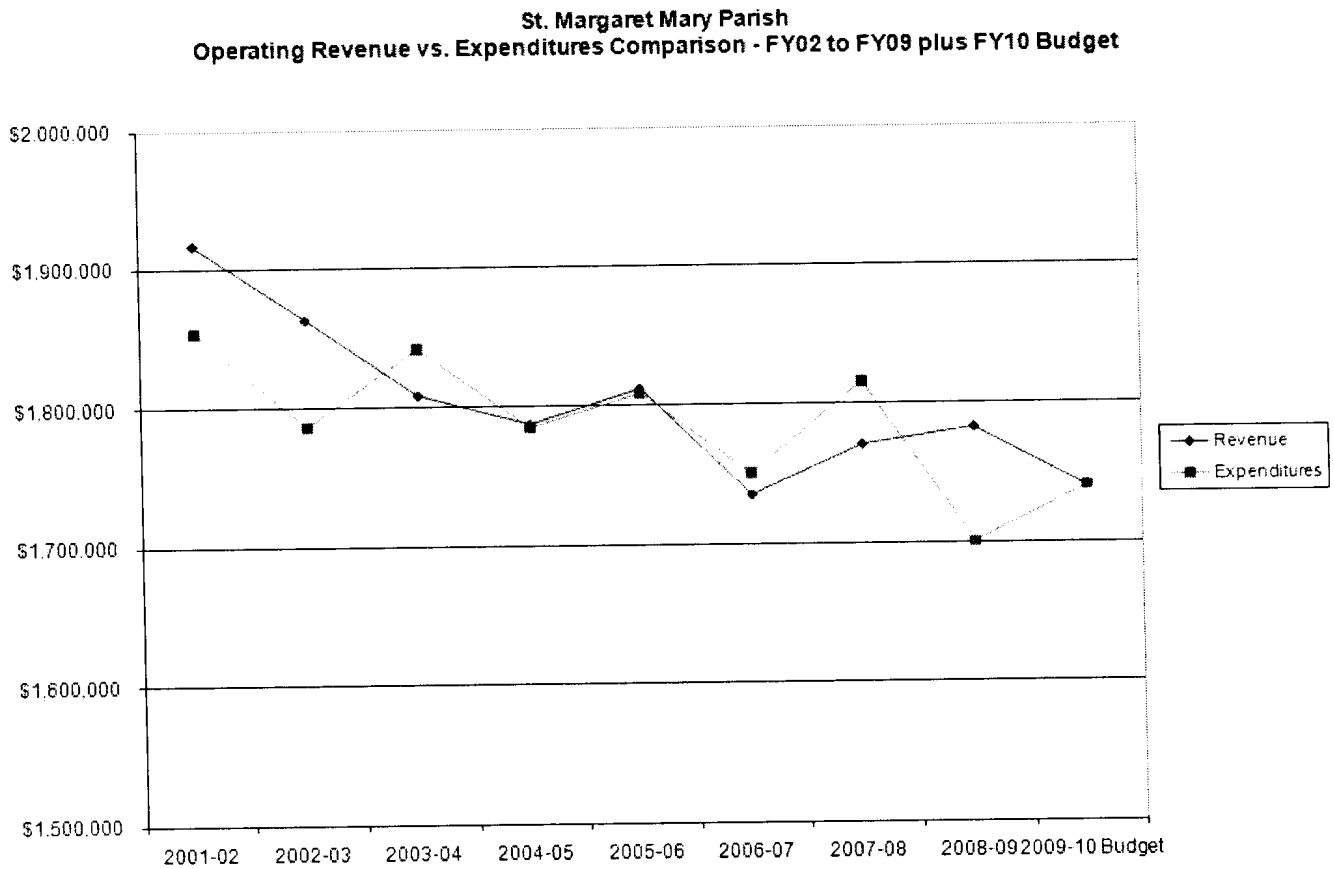
expected campaign contribution receipts, interest earnings, and the annual transfer from the Operating Fund for the school payments. This fund will address the $2.2 million of remaining school loan payments.

The Pastoral Council, Staff, Committee Heads, and Volunteers take great pride in being good stewards for the parish. If you have any questions, please do not hesitate to contact any member of the Finance Committee.

Faithfully,

St. Margaret Mary Finance Committee
Larry Cap, Anne Lysaught, Kevin Madden, Andrew Sioson,
Terry Wagner (Chairperson), Paul Weinewuth and Kevin Wirth

September 2009



St. Margaret Mary Parish
Fiscal Year 2009 Statement of Revenue and Expenses

	FY 2009 Actual Total	FY 2009 Budget Total	FY 2008 Actual Total	FY 2010 Budget Total
Revenues:				
Sunday Collections	$ 1,406,881	$ 1,402,500	$ 1,409,723	$ 1,417,000
Holy Day Collections	228,995	181,180	214,714	192,000
Tuition and Fees	106,747	106,875	102,451	102,025
Other Unrestricted Revenue	39,871	35,825	43,582	29,325
Total Revenue	$ 1,782,493	$ 1,726,380	$ 1,770,470	$ 1,740,350
Expenses:				
Salaries	$ 638,805	$ 642,844	$ 625,132	$ 649,506
Fringe Benefits	266,137	282,239	267,418	270,457
Repairs & Maintenance	38,657	31,050	41,535	31,600
Services	94,402	85,979	110,601	89,915
Materials & Supplies	86,718	89,890	81,911	93,365
Insurance	22,654	23,114	21,638	23,615
Utilities	63,711	67,050	62,952	66,650
Diocesan Assessment	59,136	59,132	85,224	72,565
Tuition Scholarship	93,060	101,451	118,267	96,451
Donation	73,323	77,077	98,436	77,077
Other Operating Expense	121,498	119,902	150,631	127,402
Total Expenses	1,558,101	1,579,728	1,663,745	1,598,603
Ordinary capital expenditures	5,969	7,000	18,224	6,000
Operating Surplus	$ 218,424	$ 139,652	$ 88,501	$ 135,747
Transfer to Campaign Funds - School	(100,000)	(100,000)	(87,000)	(111,000)
Transfer to Campaign Funds - Expansion	(6,308)	-	(21,953)	-
Transfer to Repair & Replacement Fund	(30,000)	-	(24,473)	(25,000)
Change in Operating Fund Balance	$ 82,115	$ 39,652	$ (44,924)	$ (253)

Fiscal 2009 Fund Balance and Loan Principal Report

	Operating Fund	Repair & Replacement Fund	Campaign Funds	TOTAL
Balance as of July 1, 2008	$ 78,426	$ 273,932	$ 903,435	$ 1,519,141
Income	1,782,493	-	126,333	$ 1,908,826
Expenditures	(1,564,070)	(28,213)	(402,462)	$ (1,994,744)
Transfers	(136,308)	30,000	106,308	$ -
Balance as of June 30, 2009	$ 160,541	$ 275,719	$ 733,615	$ 1,433,223

	Balance as of July 1, 2008	Additional Loans	Principal Payments	Balance as of June 30, 2009
Loan Principal	$ 2,401,413	-	200,000	2,201,413