

A letter from our Pastor...



ST. RAYMOND DE PEÑAFORT

Parish Financial Update

October 25, 2020

Dear Sisters and Brothers of St. Raymond,

Every fall, throughout the Archdiocese of Chicago, parishes present their annual financial report to the parishioners based on the previous fiscal year, which runs from July 1 - June 30. This year is no exception, even in the midst of a pandemic. St. Raymond's full annual financial report will be available in the bulletin and on-line (www.st-raymond.org) by mid-November.

When the 2019-2020 fiscal year began, none of us could have predicted a global pandemic which has affected every aspect of our daily lives. The impact has been felt personally and/or financially by each of us, yet many of you continue to sacrificially give to support the parish. I am thankful for your generosity which enabled us to keep the parish operating. I am also grateful for the ways our parish (school and church) staff and volunteers have stepped up to meet this unprecedented challenge.

For many people in the parish, reading financial reports might not offer a complete picture of our financial outlook. As pastor, I take seriously being a responsible steward of the parish resources that is collected through weekly, monthly, and annual contributions along with school and religious education/youth ministry tuition. My hope is this recap will offer a broad perspective on the overall parish financial health with accuracy and transparency.

July 2019 – June 2020 Recap

For the 2019- 2020 fiscal year, the parish had a deficit of \$130,000. Over the last 5 years the parish has ended each year with a deficit. In the 2018-2019 fiscal year, the parish ended with a church-school combined deficit of \$235,539. Each year the parish runs at a deficit, that income shortfall is covered by taking money from the parish savings.

5- Year Chart of Ordinary Income

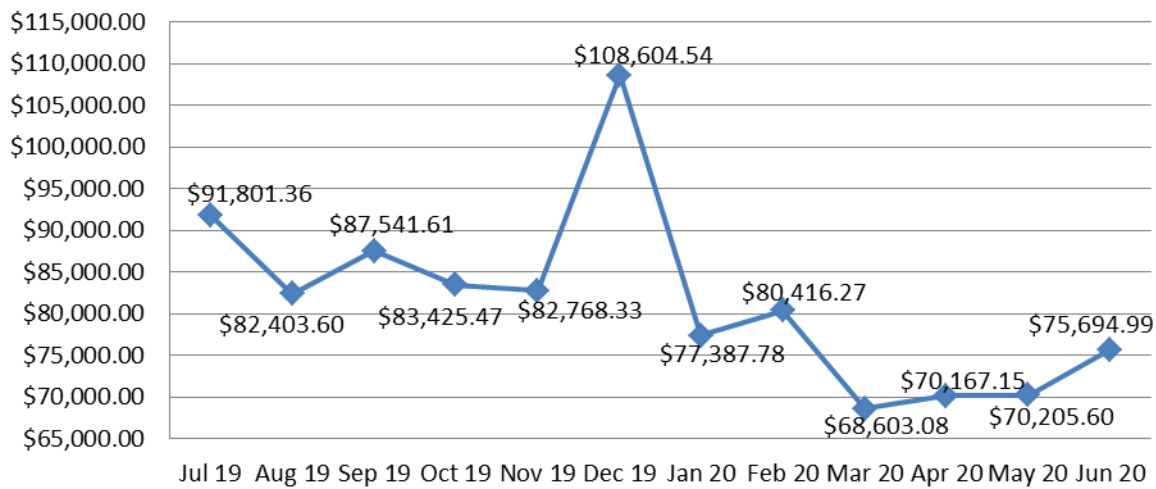


	2020-2021F	2019-2020	2018-2019	2017-2018	2016-2017
Parish (combined)	\$(592,604)	\$(130,421)	\$(235,539)	\$(371,831)	\$(33,018)
Church	\$(79,163)	\$(39,046)	\$99,795	\$202,104	\$161,657
School	\$(513,441)	\$(91,376)	\$(335,333)	\$(573,935)	\$(194,675)

At the end of 2019-20, the balance of savings available to cover future deficits was \$640,000. As can be seen from the chart below, in recent years, the collection income has not been sufficient to provide the needed subsidy to offset the cost of the school expenses. This has meant that the end-of-year deficit in school operating expenses has been taken from parish savings. It is worth noting that 2019-2020 school deficit is significantly lower than recent years. The Principal, staff, and Operations Director worked hard to

decrease expenditures for the year by over \$240,000. However, the yearly ordinary income surplus on the church side has slowly eroded over the years to the point where the church also operated at a deficit in 2019-2020. Although the parish 2019-2020 deficit was substantially reduced, **savings will eventually be depleted if the parish continually uses these funds to pay ordinary expenses.**

2019-2020 Monthly Monetary Collections



The total collected income for the 2019-20 year came to \$987,006 which was down roughly \$190,000 from the previous year. A decrease in contributions was seen between March – June 2020, which can be attributed to the pandemic. The pandemic also prevented us from holding several parish fundraisers and gatherings including two Fish Fry Fridays, Easter Egg Hunt, Garage Sale, and Summer Picnic. Despite the shortfall, we still give thanks for the generosity of our community who contributed either weekly/monthly through electronic giving or mailing/dropping off envelopes. Your contributions enabled the parish to offer live streaming of masses and enhance our communication output across platforms in an effort to keep the community connected and lifted in hope through our faith.

Current Fiscal Year 2020-2021

The budget for the 2020-2021 fiscal year was drafted at the beginning of the pandemic. The former Operations Director worked to move the parish toward a balanced budget. The hope had been that the pandemic would be under control by the end of the summer. However, the continuation of the health crisis, coupled with the uncertainty of a possible resurgence through the winter, will certainly present a challenge for a balanced budget within this fiscal year.

To Teach Who Christ Is

The parish facilities are in overall excellent condition through the generosity of those who have and continue to contribute to the capital campaign. These donations provide a strong foundation for ongoing facility needs. During the 2019-20 fiscal year, the school boiler was replaced, a family bathroom built and permanent video cameras for live-streaming in the church were installed. Most recently, you have seen the remodeled school entrance and an handicapped accessible drop-off for the church. **These capital campaign funds are designated solely for larger facilities and capital projects that will keep the campus buildings and grounds maintained. This fund is not part of the reserve savings and may not be used to cover deficits in the operating budgets of the parish or school.**

There is a significant increase of expenses (in the range of \$50,000 - \$75,000) for cleaning and disinfecting supplies needed to keep the church and the school open. Our collection income during the months of the pandemic has been roughly 84% of our normal collections. This is excellent retention of our collection income in comparison with other archdiocesan parishes, but potentially leaves a shortfall of about \$80,000. The ongoing pandemic prevents us from holding large events that would normally be a source of significant fundraising for the parish. The Gala, planned for November, has been postponed. Again, we are grateful for those who are continuing to support our St. Raymond parish during this hard hit time.

Our school enrollment for this year began at 80% of last year's enrollment. Again, in comparison with other archdiocesan parish school, St. Raymond still has a robust enrollment. However, given the social distancing requirements limiting the number of students in a classroom, coupled with student-teacher mandated ratios we must maintain a full faculty even with lower enrollment. This means we will be faced with the payroll obligations for a full faculty with only 80% of tuition income.

Fortunately, St. Raymond was granted a federal Payroll Protection Program (PPP) loan. This enabled us to continue to meet our full payroll obligations for church and school staff without placing anyone on furlough. The paperwork for the PPP loan must still be completed for the loan to be forgiven, but we anticipate this will be finalized in December. At present, we are forecasting a parish deficit of about \$600,000, but once the PPP loan is forgiven it will offset the forecasted deficit. While the loan will help the parish weather the 2020-2021 fiscal year shortfalls, there is still potential for large future deficits and the eventual depletion of parish savings. If collection income and school enrollment do not return to pre-COVID levels in 2021-22, that will have serious consequences going forward.

Looking Ahead

Bill Stark, Operations Director, continues to work with staff to seek opportunities for cost cutting and expense management, but these are limited. Maintenance and utilities costs are not reduced by the pandemic. Compensation for parish and school staff accounts for 80% of our budget. The Archdiocese of Chicago has implemented a pay freeze for archdiocesan employees in the current fiscal year to help with the financial challenges from the pandemic.

It will be important going forward to do everything possible to make St. Raymond School self-supporting, so that its future is secure. We will be assessing ways to make the school self-sufficient through continued fundraising and adjustments in the tuition structure.

We will need on-going attention to parish fundraising. Before the pandemic, an invitation was extended to those who may feel called to serve on a new Commission for Fundraising and Parish Partnerships. That invitation remains open. There will be a fundraiser in November with another to be planned for late Spring/Summer.

Ultimately, it is only by evangelization and renewal of ministry that downward trends in mass attendance and finances can be reversed. We cannot expect the same donors to dig deeper and deeper into their pockets. We must continue to create more opportunities for ministry and formation outreach and entry points within our vibrant community. Opening our youth ministry to wider participation and developing young adult ministry are essential to this effort. As I have often mentioned, we are all called to use our gifts and talents to be true witnesses to the love of Jesus Christ, sent forth to lead lives as missionary disciples for the Church. Before the pandemic, an invitation was extended to those who may feel called to serve on new ministry commissions. That invitation remains open.

Again the full year end report for 2019-2020 will be available through the bulletin and on-line at www.st-raymond.org mid-November. If you have any questions regarding the parish financial update, please contact Bill Stark, Operations Director, at b.stark@st-raymond.org or through the parish office.

Thanks to all who have been so generous in your support of our parish and school. Let us continue to be in prayer for our community that we will find new life and inspiration as we continue to serve the mission of our Lord Jesus Christ.

Peace Be With You,



Fr. Scott Hebden, Pastor