

Dear Parishioners,

I am pleased to present to you the end of the year **Financial Report 2016-2017** for Sacred Heart parish community, and also before my first year anniversary here in January of next year. This report is the result of what I may refer to as 8 months of:

***‘Environmental Scanning and Learning’** ---- i.e., ‘the actions taken to discover, collect, and organize information (data) necessary to understand and accurately predict catholic-related and parish environmental trends and relationships, pastorally and financially.’*

What have I learned?

1. ***The parish is stable for now but we have to take steps to improve our financial health.***
Points to support that conclusion: As of August 31, 2017, there’s about 664K in the bank. That’s good - but that only represents a small portion of operating expenses for the year and does not provide a cushion for extraordinary expenses (like church roof, HVAC etc.). It buys us some time to respond, but we have to start now. We drew down cash by about \$60K over the last fiscal year. It’s time to act.
2. The Archdiocese has been helping us through this challenge since 2011. Sacred Heart is an **IPCC Parish** (Inter Parochial Cooperation Commission). This means we have been given annual subsidies (monetary and non-monetary) as a struggling, yet viable, Catholic parish, with limited resources, in order to maintain (where necessary) a Catholic presence or faith and a sense of hope.
3. Our **mortgage debt** for building the parish school amounts to about \$3.4 million. The Archdiocese took over about \$2 million when we could no longer make payments to a private bank. They are not charging us interest (about 23k quarterly) on that loan. The second building debt for the school’s addition is held by Santander: The parish pays \$9,640/month. The Archdiocese has also credited all our yearly parish assessments since 2011. The loan interest and the credited assessments amount to approximately \$1 million dollars to date. The other debts with the Archdiocese (insurance bills) are frozen as well (270K): from 2007-2010. We are current on all other bills.
4. One of the biggest challenges we face (as well as others across the Archdiocese and nation) is the financial health of the **Catholic elementary school**. With declining enrollments, rising costs to school families in tuition and parishes through “parish contributions” or subsidies, close to half of the church’s revenue goes to support the school. This has put a strain on the church and its ability to support normal operations and growth of ministries to assist our parish and local community.
5. Of the **registered households** (1500+), less than 300 families choose to financially invest in and support the church and her mission in Oxford on a regular basis. The generosity of so few families/people is amazing! Think of what could be done if all helped.

What actions are we taking to respond?

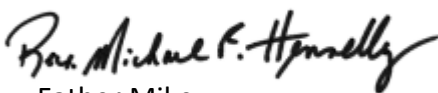
1. **Agreed Upon Procedures Engagement** of the church – investigation of systems and controls on finances by an outside vendor. We want to know, given the many changes over the past few years, that we are doing everything to monitor and protect the temporal goods which you have so generously placed into our care. And, to ensure ourselves that our view of the parish finances provides a sound basis for decision making going forward.
2. **Regular publishing of financial statements** – again. The last statement was provided in 2013. There should be transparency to everyone as to where your money is being spent to better enable dialogue as to our priorities and our challenges going forward.
3. **Reconvene and reestablish parish finance council**, which has been dormant with the lack of stable and consistent leadership. We hope to appoint new members with diverse financial experience and a dedication to the success of the parish. This will help us think about solutions to plot a course forward.
4. **Formal Study of Catholic Elementary Education in Southern Chester County.** Sacred Heart and Assumption BVM are the two parishes left with parish elementary schools. The study also includes St. Patrick's, St. Gabriel of the Sorrowful Mother, and St. Rocco's with the assistance of Chester County Advisory Council for Catholic Education and other stakeholders for the good of all the children in Southern Chester County. Regular communiques of the study process will be delivered to everyone and the results of the study will inform our thinking over the coming months.

Please participate in Parishioner Surveys: <https://www.surveymonkey.com/r/SCCCommunity>

I stated in the beginning that I am pleased to present to you the financial environmental scanning and learnings of Sacred Heart Parish. I feel it is very important to have communications and transparency on a regular basis between myself and the people I am called to serve. Despite the challenges and pastoral reality of today and tomorrow, know that I remain grateful and am so deeply blessed and to be here as your pastor.

Together, let us continue to Gather, To Grow in Faith, and To Go Forth into the Graced Future, in a life of love and service!

Peace In Christ,



Father Mike

