

The summer of 2007 saw electrical and plumbing updates paid for entirely from reserves. Future plans include looking at how to create a “greener” school.

Reviewing the School’s Balance Sheet shows Liabilities typical of schools: large Accounts Payable. Because most teacher contracts run on a September to August calendar and the tuition that is collected to pay them arrives primarily during the school year, there is a large Payable for teachers’ salaries.

Other liabilities include Centennial Payables and Prepaid Tuition. The School acted as the conductor of the recent Centennial Campaign. Centennial Payables represents funds collected but not yet distributed to the Parish and to the Endowment Board. Prepaid Tuition grew to near over 1.6 million; up substantially from the prior year due to a change in collection policy.

The Fund Balances section shows \$4.7 million held in reserve. Typical independent private schools try to have one year’s operating reserve available for a rainy day. We are approaching about 8 months of reserve. Having this cushion helps when the economic conditions fall as they did in September.

Balance Sheet (School)		
	2008	2007
Assets		
Cash	7,347,670	5,622,606
Receivables	28,186	38,508
Other Receivables	(60,846)	(4,675)
Scrip Inventory	26,636	15,722
Total Assets	7,341,645	5,672,161
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	638,006	930,888
Centennial Payables	315,667	295,075
Prepaid Tuition	1,604,696	165,859
Other Prepays	39,071	19,100
Total Liabilities	2,597,440	1,410,922
Fund Balances		
Operating Fund	46,314	46,314
Reserved	4,697,892	4,214,926
Total Fund Balances	4,744,205	4,261,239
Total Liabilities and Fund Balances	7,341,645	5,672,161



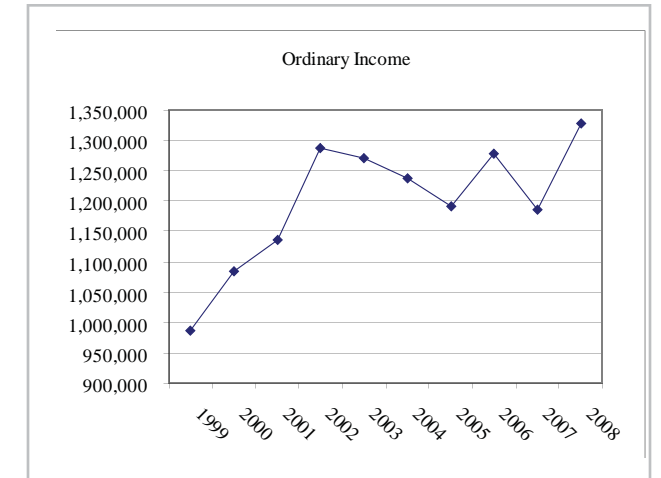
ST. JOSEPH PARISH

Greetings,

What follows is a financial review of parish activities for the 2007-08 fiscal year. In the past years I have tried to increase the transparency of parish finances so as to better keep you, the parishioners and main supporters of the parish, fully informed of how your generous gifts are utilized.

This year the analysis is increasing to cover the school’s financial activities as well. The school, as the parish’s largest and oldest apostolic work, is key to the life of the parish. The important work it does in the community of St. Joseph and indeed, the larger community is one that doesn’t always get the accolades it deserves. Under the strong leadership of Principal George Hofbauer the school has developed into one of the best financed Catholic K-8 schools in the country. Because the parish and school differ in the way they operate we are presenting the two financial reports separately.

-Greg McNabb, PAA



Together We Teach



The Parish

This past year saw a renewed look at engaging parishioners with issues concerning the financial support of the parish. Some 200 families were directly encouraged to substantially increase their giving. While we were very successful with these families, we lost ground with other families in terms of renewing their pledges. By year end we had a one year increase in giving of about 9%. However, this needs to be seen within the context of a series of rather flat years. After a strong showing during the 90’s dotcom boom, we have seen only a 3% growth in income between 2002 and 2008.

Meanwhile, expenses keep rising. Some are directly related to personnel, such as health benefits. The chart below shows that employee insurance related to one provider has gone up by 47% in six years. Our property insurance has been increasing sharply as replacement costs

	FY 2002	FY 2008	% Change
Med Insurance (per employee per month)	239	351	47%
Property Insurance (annual)	61,548	103,222	68%
School Subsidy	199,005	259,349	30%
Natural Gas	24,331	31,111	28%
End of Year “Profit”	107,085	-5,836	

(and in fact, most construction costs) have been rising. The parish and school agreed to the subsidy level eight years ago. It was based on the previous year's growth in parish giving – just before the dotcom crisis. Basic utilities have also increased. Natural gas heats both the parish center and the church.

Despite all these we ended the year with only a small loss. Staff salaries and benefits remain about half of parish expenses. The school subsidy is the next largest expense item at roughly 15% of income.

This last year saw the school spearhead a capital drive. The Centennial Campaign, now in its final phase, is on its way to soliciting \$5.5 million in pledges. The proceeds benefit the School's endowments and the Parish's church renovations.

The Balance Sheet shows a large influx of cash in preparation for the Centennial II Renovation. Otherwise, we continue to show signs of marginal health. Our available unrestricted cash continues to shrink.

Over the last several years we have been incorporating depreciation of property in our statements. So far, this has been unfunded. We are recognizing the lost value, but are not building a reserve to replace or repair our physical plant in future years. Ideally funding depreciation would eliminate the need for many of the capital campaigns that we have done in the past decade.

The School

This last year saw the school's budget grow to \$7.2 million. The school provided quality education for 628 students: primarily Catholics and primarily parishioners from St. Joseph parish. There are three classrooms for each grade level from K through 8. A preschool resides in the school. A before-and-after-school-care program operates through the school year.

The majority of the school's income is generated from tuition, which was just over \$8,000 for the first child. Unlike the parish's donation-based revenue, the school is able to charge for services rendered. These services are very concrete and allow the school to charge tuition and fees based on the total cost of the program. St. Joseph's tuition is higher than many other Catholic elementary schools and but much less than non-Catholic private schools in the area.

Income Statement (Parish Only)

	2008	2007	2006
Income			
Ordinary Income	1,328,324	1,186,387	1,277,997
Fund Raising	3,476	3,997	6,630
Donations	21,072	80,734	30,465
Restricted Donations	11,175	42,304	57,578
Business Revenue	158,226	119,930	95,566
Program Revenue	76,437	53,946	58,189
Other Revenue		54	187
Total Income	1,598,710	1,487,351	1,526,612
Expense			
Salaries	602,688	549,777	506,758
Benefits	175,676	186,043	194,170
Operating Costs	86,165	88,348	75,156
Programs	80,581	60,770	75,761
School Subsidy	259,349	246,775	232,800
Repairs/Maintenance	53,766	58,094	47,645
Contracted Services	106,674	95,502	93,488
Business Costs	21,944	23,840	34,014
Utilities	58,801	58,980	53,043
Transportation	8,411	13,231	2,475
Hospitality/Appreciation	47,865	36,804	22,239
Arch Assessments/Fees	102,626	92,654	106,862
Total Expenses	1,604,546	1,510,818	1,444,411
Net Revenue/Expense	(5,836)	(23,467)	82,201

Income Statement (School)

	2008	2007
Income		
Tuition	4,283,700	4,049,158
Grants	342,952	164,073
Subsidies	309,312	297,275
Rentals	16,157	18,471
Other	458,765	821,949
Other Programs	146,314	153,989
Development	1,615,724	1,645,984
Total Income	7,172,924	7,150,899
Expense		
Administration	1,186,961	1,403,184
Academic	3,855,816	3,849,416
Building & Grounds	856,878	721,773
Other Programs	114,430	144,657
Development	1,158,839	1,031,871
Total Expense	7,172,924	7,150,899
Net Revenue/Expense	0	0

Balance Sheet (Parish Only)

	2008	2007	2006
Assets			
Cash	1,448,081	850,801	341,930
Fixed Assets			
Capital Improvements	989,716	990,356	989,466
Construction In Progress	187,407		
Less Depreciation	(201,074)	(152,610)	(104,146)
Total Fixed Assets	976,049	837,746	885,320
Other Assets			
Accounts Receivable	1,063	5,144	
Prepaid Expenses	372	-	2,763
Endowments	40,527	39,608	49,608
Gain (Loss) on Endowments	10,849	15,769	10,515
Total Other Assets	52,810	60,522	62,886
Total Assets	2,476,940	1,749,069	1,290,136
Liabilities and Fund Balances			
Total Current Liabilities	76,651	18,173	22,715
Other Liabilities			
Restricted Accounts	1,227,362	489,856	124,219
Centennial 1 Debt		17,977	78,591
Total Other Liabilities	1,227,362	507,833	202,810
Total Liabilities	1,304,013	526,006	225,525
Unfunded Depreciation	(201,074)	(152,610)	(104,146)
Retained Earnings	367,927	306,416	264,551
Net Income before Depreciation	(5,836)	(19,413)	41,865
Total Liabilities and Fund Balances	2,476,940	1,749,069	1,290,136

The large increase in the grant section represents a one time grant for "SmartBoards" for each classroom. "SmartBoards" allow teachers to interface their computers and overhead projectors with a large screen monitor.

The Other income line represents everything from earned interest to locker fees. The larger figure for 2007 includes revenue related to the School Choir's trip to Europe.

The school's development efforts typically encompass an auction, jog-a-thon, annual appeal, scrip and grant writing. The school works closely with the St. Joseph Endowment Board (a separate non-profit) that manages an

endowment that had grown to over \$4 million in assets. The Endowment Board's gifts generally provide scholarship funds, support ongoing teacher training, and program funding.

The largest expenses for the school each year are salary and benefits for faculty and staff. No longer fully staffed by women religious, the costs related to Catholic education have increased substantially. In order to maintain a high quality staff of professional teachers, St. Joseph school pays competitive salaries. The result has been an outstanding level of faculty retention with the average tenure of our faculty at over 11 years. Other Programs include the Before and After School Care. Building and Grounds include utilities, maintenance and funds put in reserve each year for major building expenses.

Each year funds have been expended for future need, which explains both years' Net Revenue/Expense netting to zero. Some of these funds are reserved for building maintenance.

