

# Annual Financial Report

## Fiscal Year Ending 2015





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\*Note: "FYE" means Fiscal Year Ending

## Pastor's Letter to Parishioners

October, 2015

My Dear Brothers and Sisters in Christ,

It is time once again to present the annual report on the financial condition of our Parish, St. Thomas More Catholic Church.

This very comprehensive report gives you detailed information regarding the finances of our Parish.

In this annual report, you will find:

The Financial Report for FYE2015

The Budget for FYE2016

An Overview of the "Did You Know?" Campaign

An Overview of the Golf Classics

An Overview of the Annual St. Thomas More Gala

An Overview of our Vehicle Donation Program

An Overview of our Restaurant Fundraisers

An Overview of our "Treasures" Flea Market

Proceeds from the Mothers' Day, Fathers' Day and  
All Souls' Novenas

An Update of our Capital Campaign, Phases I, II, and 2.1,  
*"Our Journey Into The Future . . . Together."*

An Update on our *Mortgage Offering/Building Completion  
Fund*

All the statistics indicate that we are rising to the challenge and meeting our financial goals in an improving economy. You continue to be faithful to your commitment of time, talent, and treasure as good Christian stewards.

Thanks to a slightly increased Offertory Collection this past year and the "Did You Know?" Campaign, the Annual STM Gala, the donation of used vehicles, the Treasures Flea Market, the Restaurant Fundraisers, and the proceeds from the three Novenas, we have been able, this year, to end the year in the black with a little over \$14,000.

The challenge continues, though! We need to continue to increase

our Offertory Income through tithing and sacrificial giving, keeping in mind that we soon will have three buildings to maintain.

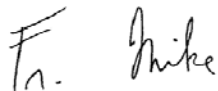
We also need to depend less on the "extracurricular" activities to balance the Operations Budget, and instead, direct the income from these activities to the Mortgage Offering/Building Completion Fund.

Your generosity of time, talent, and treasure is needed more than ever as we find ourselves ready to dedicate our new Church and continue the construction of our Parish Offices in 2016.

I am so grateful for your continued support of this Faith Community, and I know that you will continue to rise to the occasion to meet the challenges that lie ahead.

May God who began this good work in us bring it to fulfillment!

Sincerely in Christ,

A handwritten signature in cursive script that reads "Fr. Mike". The "Fr." is written in a smaller, more compact style, and "Mike" is written in a larger, more flowing cursive.

Rev. Michael Ratajczak  
Pastor

## **Finance Council's Discussion of Financial Condition**

As is usual for this time of year, the Finance Council has been actively reviewing the last fiscal year's financial performance and preparing this year's budget. As you review this report, please remember the Parish fiscal year runs from July 1 to June 30.

For the past 18 years, the Finance Council has worked closely with our pastors to create a comprehensive financial reporting and budgeting system for the Parish. This provides the control and balance that ensure financial plans are based on Parish need and fiscal prudence, and that they are consistent with historical trends in both income and expenditures.

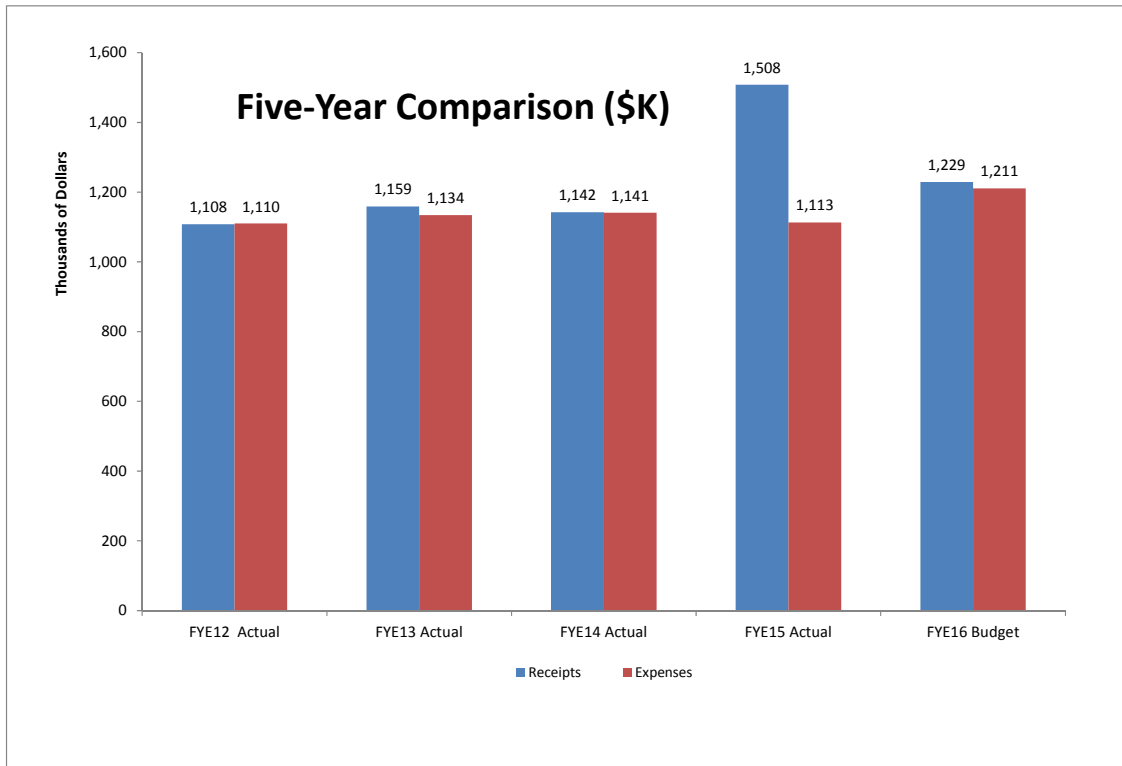
In this Financial Report for FYE2015, in the budget for FYE2016, and in the future Parish expansion/building plans, there is a great deal of good news, and there are still some opportunities for improvement. Fortunately, there is much more good news than the latter, and the latter items are financially manageable at this time.

Among these pages, you should find the following good news: of the 1,146 registered households, 121 (10.6% of Parish households) are tithing, and the Parish has received Diocesan approval to begin the construction phase for the permanent church and Parish offices.

As for opportunities, while a great deal of progress has been made, we must still raise more capital before having sufficient funds to complete the Parish expansion goals (i.e., new church, Parish offices, etc.), and growth in Parish receipts needs to be stronger. By continuing to work together, the Finance Council is confident that the Parish of St. Thomas More will maintain its fiscal health and realize its shared Parish vision.

## Income and Expense Trends

The following chart illustrates the total Parish income and expenses for the last four years and the FYE2016 Budget:



It should be noted that growth in Parish income, excluding the sale of the rectory, was just above Parish expenses for the year FYE2015.

Since it is reasonable to assume that expenses will continue to increase as our Parish grows and as inflation affects basic costs of operation, it is more important than ever for Parishioners to continue to be generous in their support of the Parish.

## **FYE2015 Review (07/01/14 to 06/30/15)**

For this past fiscal year, Parish financial performance was positive. The Parish ended the year with net income of \$479,450, which included \$465,421 of income related to the sale of the rectory.

The summary activity, excluding the sale of the rectory, was as follows: gross revenue \$1,134,015, gross expenses \$1,119,986, resulting in net income from operations of \$14,029. About 68% or \$768,073 of these receipts came from the offertory, special collections, or other gifts. Total income decreased 0.7% from last year's income of \$1,142,270.

**The Parish's financial health and solvency are almost entirely dependent on your generosity and support.**

Here are some facts about the cost of running the Parish during the past fiscal year:

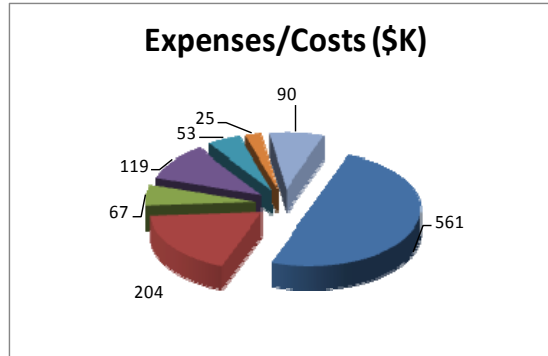
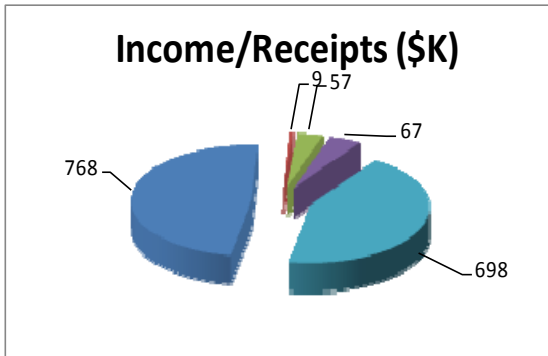
- Utilities alone for the Parish exceeded \$93,400, nearly 64% of which went for electricity.
- Routine repair and maintenance for such things as janitorial services, landscape, pest control, waste removal, and elevator and HVAC maintenance exceeded \$82,800.
- Over 1 in 7 dollars collected through the Parish offering goes to the Diocese for centralized services and support.

While some of these amounts may seem staggering, they are in line with what it would take to operate a comparably sized commercial enterprise. It is only with the Parishioners' continuing support and generosity that the Parish is able to operate and make ends meet.



Below is an illustration of the income and expense activity for this fiscal year ending 06/30/2015.

### FYE2015 Actual



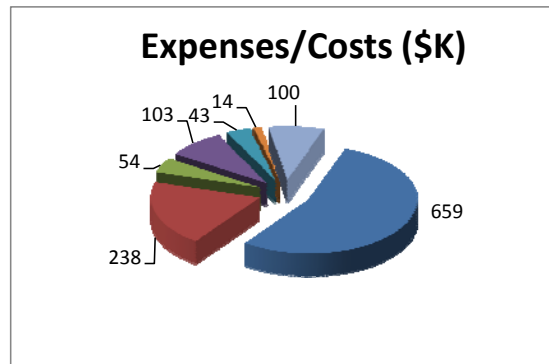
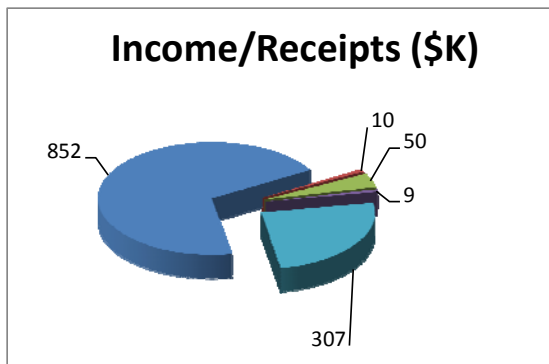
Total Offering & Gifts	768,073
Catholic Appeal Rebate	8,533
Faith Formation	57,457
Parish Events	66,999
Other Receipts	698,374
<b>Total</b>	<b>1,599,436</b>

Salaries & Benefits	561,435
Facility Expenses	203,734
Supplies & Services	67,294
Diocesan Tax	119,379
Faith Formation	52,739
Parish Events	25,227
Other Expenses	90,178
<b>Total</b>	<b>1,119,986</b>

### FYE2016 Budget

(07/01/15 to 06/30/16)

For this current/upcoming Fiscal year, the Finance Council has planned a balanced Parish Budget.



Total Offering & Gifts	852,436
Catholic Appeal Rebate	10,000
Faith Formation	49,665
Parish Events	9,320
Other Receipts	307,100
<b>Total</b>	<b>1,228,521</b>

Salaries & Benefits	658,710
Facility Expenses	238,205
Supplies & Services	54,465
Diocesan Tax	103,400
Faith Formation	42,545
Parish Events	14,440
Other Expenses	99,722
<b>Total</b>	<b>1,211,487</b>

Where each new annual budget is concerned, there are several challenges for the Parish to manage:

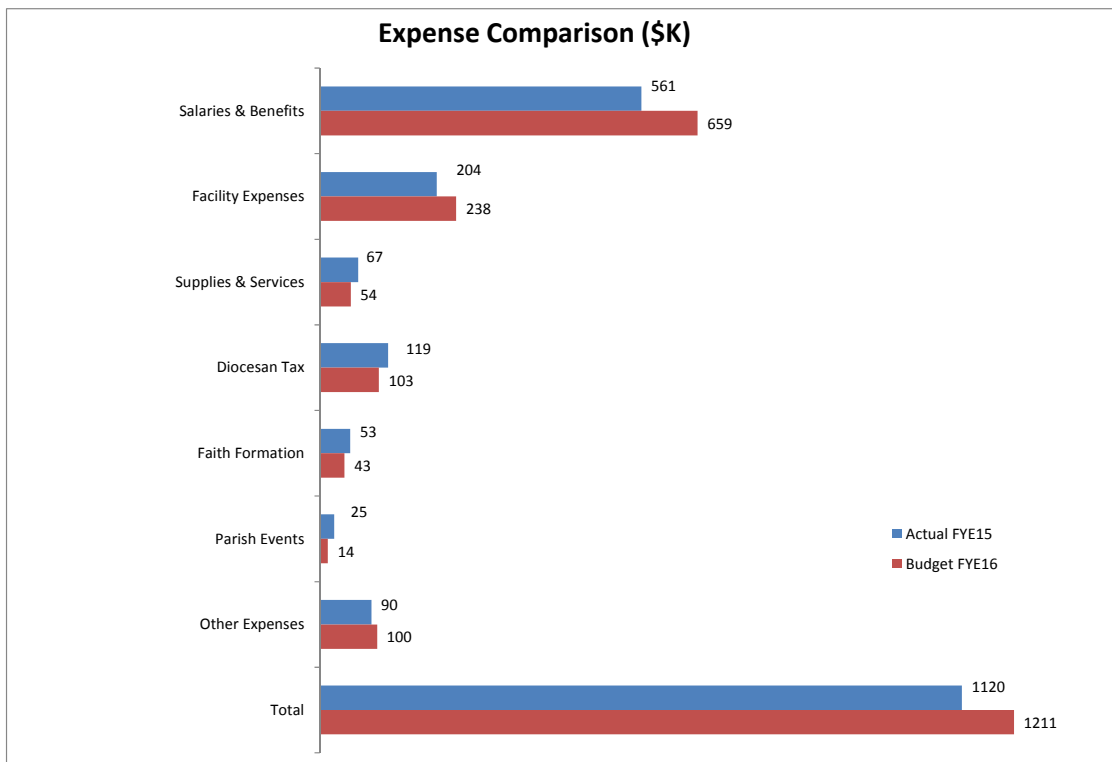
- Managing the amount of these cost increases
  - ◆ Planning for necessary as well as unavoidable increases
  - ◆ Reducing or eliminating “less necessary costs”
- Anticipating and appropriately planning for increases in our collection/offering and other sources of income.

This last point is especially crucial to the Parish ending its fiscal year with a surplus. As you can see, St. Thomas More needs your continuing and hopefully increasing financial support to do just that.

### Comparison of FYE2016 Budget to FYE2015 Results

These are some notable changes in the FYE2016 budget compared to FYE2015 actual results:

- Salaries & Benefits are planned to increase due to increased fringe benefits costs.
- Facility expenses are planned to increase due to the new worship space.



## **FYE2016 Staffing Plan**

The Parish Staffing Plan for FYE2016 is to have a total of 22 people. Only nine of these people hold full-time positions.

13 people hold part-time positions.

The following list identifies the role that each of these people fills in serving the Parish Community:

### **Full time**

Pastor – 1  
Pastoral Associate & Bereavement Minister – 1  
Director of Liturgy & Music – 1  
Director of Faith Formation – 1  
Director of Stewardship & Development – 1  
Youth Advocate – 1  
Business Manager – 1  
Receptionist & Parish Secretary – 1  
Director of Maintenance – 1  
**Total – 9**

### **Part Time**

Deacon – 2 (Unpaid)  
Associate Director of Music – 1  
Choir Accompanist – 1  
Office Technician – 1  
Faith Formation Office Assistant – 1  
Director of Child Care/Wedding Rehearsal Coordinator - 1  
Sacristans – 6  
Rectory Housekeeper – 1  
**Total – 14**

It is the perspective of the Pastor and Parish Leadership that each of these positions is necessary and serves a vital role in serving the Parish.

In so doing, these people contribute to the quality of life in our community of faith. Most, if not all, of the people in these roles could earn more for their time by working for a commercial enterprise.

Consequently, their additional contribution of time and talent is greatly appreciated.

## Parish Balance Sheet as of June 30, 2015

### ASSETS

Current Assets		
Checking/Savings		
100 · Cash in bank - Unrestricted		
1001 · Union Bank checking	128,543.02	
Total 100 · Cash in bank - Unrestricted		128,543.02
<b>103 · Cash in bank Parish fundraising</b>		
1031 · Scrip	8,011.63	
1032 · Gala	5,534.77	
Total 103 · Cash in bank Parish fundraising		13,546.40
105 · Cash-bank Parish Organizations		
1051 · Women's Guild	2,112.49	
1052 · Spirited Seniors	2,369.98	
Total 105 · Cash-bank Parish Organizations		4,482.47
Total Checking/Savings		146,571.89
Other Current Assets		
130 · Funds on Deposit at Diocese		
1301 · Parish Reserves	188,552.62	
1303 · Mortgage/Building Completion	2,476,748.43	
Total 130 · Funds on Deposit at Diocese		2,665,301.05
140 · Deposits and Prepaid Expenses		
1401 · Scrip Inventory	14,870.00	
Total 140 · Deposits and Prepaid Expenses		14,870.00
Total Other Current Assets		2,680,171.05
Total Current Assets		2,826,742.94
TOTAL ASSETS		2,826,742.94

### LIABILITIES & EQUITY

#### Liabilities

#### Current Liabilities

##### Other Current Liabilities

201 · Accrued Liabilities		
2011 · Accrued Vacation Liability	31,390.00	
<b>Total 201 · Accrued Liabilities</b>		31,390.00
220 · Parish Organization Funds		
2201 · Women's Guild	2,112.49	
2202 · Spirited Seniors	2,369.98	
2203 · Youth Group	2,579.23	
2204 · Get on the Bus	-0.91	
2205 · Just Faith Ministry	-113.04	
2206 · STM Men's Ministry	4,492.08	
2207 · St. Boneventure Clothing	131.19	
2208 · Youth Justice Foundation	1,827.13	
2209 · Social Justice Ministry	-850	
2210 · Marriage and Family Life	243.15	
2211 · STM Women's Ministry	368.52	
<b>Total 220 · Parish Organization Funds</b>		13,159.82
250 · Special collections		
2501 · Annual Lenten Appeal		
25011 · Regular - Annual Lenten App	22	
25012 · Tither - Annual Lenten Appeal	121.26	
Total 2501 · Annual Lenten Appeal		143.26
2502 · Peter's Pence/Holy Father		
25021 · Regular - Peter's Pence	778	
25022 · Tither - Peter's Pence	164.64	
2502 · Peter's Pence/Holy Father - O	107	
Total 2502 · Peter's Pence/Holy Father		1,049.64
2503 · Missionary Co-op Appeal		
25031 · Regular - Missionary Co-op	9	
25032 · Tither - Missionary Co-op	155.7	
Total 2503 · Missionary Co-op Appeal		164.7

2504 · Mission Sunday - Prop. of Faith	
25041 · Regular - Mission Sunday	31
25042 · Tither - Mission Sunday	97.06
Total 2504 · Mission Sunday - Prop. of Faith	128.06
2505 · National Needs Collection	
25051 · Regular - National Needs	8
25052 · Tither - National Needs	47.47
Total 2505 · National Needs Collection	55.47
2506 · Retirement Fund for Religious	
25061 · Regular - Retirement Fund Re	83
25062 · Tither - Retirement Fund Rel.	110.52
Total 2506 · Retirement Fund for Religious	193.52
2507 · Good Friday	77
2508 · Other special collection	250
Total 250 · Special collections	2,061.65
260 · Clearing Accounts	
2661 · ACA Check Exchange	
26611 · Regular - ACA Check Exchange	-175
26612 · Tither - ACA Check Exchange	1,215.37
Total 2661 · ACA Check Exchange	1,040.37
2663 · Operation Rice Bowl	674
2665 · Other Clearing	100
2666 · Parish Campout	17
2667 · Choir	-601
Total 260 · Clearing Accounts	1,230.37
Total Other Current Liabilities	47,841.84
Total Current Liabilities	47,841.84
Long Term Liabilities	
270 · Restricted Extraordinary Funds	
2702 · Building Fund Projects	
27021 · Begining Balance - FOD	825,899.52
27023 · Building Related Expenses	
270231 · Building Costs pre 06/30/14	-4,640,959.93
270232 · Expenses paid by Diocese	-6,290,468.93
270233 · Expenses paid by Parish	-26,992.15
Total 27023 · Building Related Expenses	-10,958,421.01
27024 · Memorial Items	
270241 · Building Donations pre 06/3	4,640,959.93
27024 · Memorial Items - Other	188,141.00
Total 27024 · Memorial Items	4,829,100.93
27025 · Mortgage Fund Special Donation	11,533.00
Total 2702 · Building Fund Projects	-5,291,887.56
2703 · Build/Mortgage Fund Collection	
27031 · Begining Balance	786,709.24
27033 · Regular - Bld/Mortgage Fund Col	346,365.55
27034 · Tithers -Bld/Mortgage Fund Col	155,424.05
27035 · Overhead Allocation to Mortgage	-24,999.96
Total 2703 · Build/Mortgage Fund Collection	1,263,498.88
Total 270 · Restricted Extraordinary Funds	-4,028,388.68
280 · Debt with Diocese - Long Term	
2801 · KOC loan	6,222,536.33
Total 280 · Debt with Diocese - Long Term	6,222,536.33
Total Long Term Liabilities	2,194,147.65
Total Liabilities	2,241,989.49
Equity	
300 · Opening Balance Equity	111,667.54
Net Income	473,085.91
Total Equity	584,753.45
TOTAL LIABILITIES & EQUITY	2,826,742.94

## Build Out Activity



## Capital Campaign and Mortgage/Building Completion Funds Status as of June 30, 2014

We came a long way with *“Our Journey Into The Future . . . Together”* Capital Campaign since it officially began in January 2005 (with several advance gifts given in the fall of 2004).

The economic climate was decidedly better at the onset of this effort than it has been in the last few years. However, a review of the three separate campaign phases below shows that we hold our own for a Parish of our size. The last of these three phases closed out on December 31, 2012.

### Phase I, \$5,700,000 Goal

#### Five-Year pledge term ~ January 2005 to December 2009

\$5,100,000	Pledges/Special Gifts
\$ 600,000	Investment/Rectory Gifts <i>i.e., property, annuities, charitable remainder trusts, etc. Reflects current market value. Actual amounts realized upon redemption may vary.</i>
\$ 795,000	Debt Retirement/Parish Center
\$4,800,000	Total Payments Received <i>October 2004-December 2009</i>
\$ 76,000	Monthly pledge payment average
\$ 500,000	Unfulfilled pledges
\$ 589,000	Purchase of five acre parcel adjacent to our land <i>Paid in September 2005</i>
\$ 326,000	Expenses
\$ 316,000	Secondary Education Initiative <i>Paid with interest from our funds on deposit. This is directed toward our \$1,000,000 pledge for the new Catholic High School</i>

### Phase II, \$2,000,000 Goal

#### Two-Year Pledge Term ~ January 2010 to December 2011

\$1,568,000	Pledged
\$1,590,300	Total Payments Received
\$ 22,300	Excess Pledge Payments/Donations received
\$ 66,300	Monthly pledge payment average
\$ 308,057	Expenses
\$ 180,074	Secondary Education Initiative Payments

**Phase 2.1, \$500,000 Goal (makes up for shortfall in Phase II)  
One-Year Pledge Term ~ January 2012 to December 2012**

\$ 505,000	Pledges/Donations
\$ 480,000	Total Payments Received
\$ 5,000+	Excess Pledge Payments/Donations
\$ 48,000	Monthly pledge payment average
\$ 526,862	Expenses
\$ 69,254	Secondary Education Initiative Payments

**Grand Totals of ALL Phases (Phase I, Phase II, Phase 2.1)  
October 2004 to December 2012**

\$7,100,000	Pledges/Special Gifts
\$ 600,000	Investment/Rectory Gifts <i>i.e., property, annuities, charitable remainder trusts, etc. reflect current market value. Amounts realized upon redemption may vary.)</i>
\$7,042,000	Total Payments Received
\$ 61,400	Monthly pledge payment average
\$ 230,000	Unfulfilled pledges <i>Net of excess pledge payments and other donations</i>
\$ 589,000	Purchase of five acre parcel adjacent to our land <i>Paid in September 2005</i>
\$ 795,000	Debt Retirement/Parish Center <i>Paid in full December 2011</i>
\$1,161,000	Expenses
\$ 565,074	Secondary Education Initiative*
\$4,300,000	Funds on deposit at the Diocese
80%	Pledge/Donation Participation average

***\*During our build out, we are not making payments on our \$1M pledge to the Secondary Education Initiative.***

**Mortgage/Building Completion Fund: January through June 2013**

As of January 1, 2013, we initiated the mortgage and building completion phase.

\$ 215,000	Donations
\$ 600,000	Investment/Rectory Gifts
\$ 35,000	Monthly payment average
\$ 434,000	Expenses
\$3,920,000	Funds on deposit at the Diocese
45%	Donation Participation average



**Mortgage/Building Completion Fund: July 2013 through June 2014**

\$ 440,000	Donations
\$ 36,700	Monthly payment average
\$3,747,060	Expenses
\$1,559,627	Funds on deposit at the Diocese
47%	Donation Participation average

**Mortgage/Building Completion Fund: July 2014 through June 2015**

\$ 724,160	Donations
\$ 60,347	Monthly payment average
\$6,025,129	Expenses
\$2,476,748	Funds on deposit at the Diocese
49%	Donation Participation average

**“Did You Know?” Campaign Status**

In August 2006 a special campaign was begun to address an anticipated shortfall in our operations income. It is a low-key campaign consisting of an expense highlighted in the bulletin along with a monthly envelope attached to the bulletin.

These funds go directly to the daily operating expenses of the Parish. A breakdown of our total funds collected follows:

FYE2007	\$ 48,519
FYE2008	\$ 69,058
FYE2009	\$ 69,733
FYE2010	\$ 49,906
FYE2011	\$ 59,471
FYE2012	\$ 67,014
FYE2013	\$ 65,544
FYE2014	\$ 67,471
FYE2015	\$120,000
<b>Cumulative Total</b>	<b>\$616,244</b>

**St. Thomas More Gala Proceeds  
(in lieu of the annual Golf Classic)**

FYE 2012	\$60,000	
FYE 2013	\$54,000	
FYE 2014	\$56,000	
FYE 2015	\$57,000	
<b>Cumulative Total</b>		<b>\$227,000</b>

**Treasures (Flea Market)**

FYE2011	\$ 8,708	
FYE2012	\$11,707	
FYE2013	\$12,100	
FYE2014	\$12,000	
FYE2015	\$10,233	
<b>Cumulative Total</b>		<b>\$ 54,748</b>

**Vehicle Donation Program**

This program officially began in 2006 and has netted \$24,923 for the Parish to date. The majority of this money has been directed to the operations fund. In addition, nearly \$4,000 has been designated to our Capital Campaign from specific vehicle donations. The figures below indicate the combined operational and building fund income.

FYE2007	\$ 7,858	
FYE2008	\$ 4,482	
FYE2009	\$ 3,307	
FYE2010	\$ 829	
FYE2011	\$ 4,612	
FYE2012	\$ 3,835	
FYE2013	\$10,427	
FYE2014	\$15,058	
FYE2015	\$ 3,050	
<b>Cumulative Total</b>		<b>\$ 53,108</b>

## **Aegis Dinner Fundraiser**

FYE2011                      \$ 3,200

## **Golf Classic Proceeds Review**

The proceeds of the 12th Annual Golf Classic were also earmarked for the operations budget. This tournament and associated activities generated net proceeds of \$60,000, our highest amount to date!

November 1999	\$51,000	
November 2000	\$57,000	
November 2001	\$24,000	
November 2002	\$38,000	
November 2003	\$36,000	
April 2005	\$11,000	
June 2006	\$32,000	
June 2007	\$42,000	
June 2008	\$50,000	
May 2009	\$54,000	
June 2010	\$57,500	
June 2011	\$60,000	
September 2011	\$ 3,000	
<b>Cumulative Total</b>		<b>\$515,500</b>

## Other Income

The following categories have also helped to offset the operating expenses.

### Towers of Faith

These are gifts from members of the Parish who have remembered St. Thomas More in their estate planning. Gifts are designated to the building fund or operations. These faithful Parishioners continue to bless St. Thomas More Parish, even upon their death. We are grateful for these blessings.

FYE07	\$ 85,028 designated to building fund
FYE08	\$151,171 designated to building fund
FYE10	\$ 2,999 designated to building fund
FYE11	\$ 83,763 designated to building fund
FYE12	\$ 5,831 designated to operations fund \$ 2,000 designated to building fund
FYE13	\$ 10,000 designated to operations fund \$176,146 designated to building fund
FYE14	\$ 79,999 designated to operations fund \$271,732 designated to building fund
FYE15	\$ 10,000 designated to building fund
<b>Cumulative Total</b>	<b>\$905,670</b>

### All Souls' Day, Mother's Day, Father's Day Novena's

FYE09	\$ 6,019
FYE10	\$ 6,869
FYE11	\$ 5,399
FYE12	\$ 6,954
FYE13	\$ 6,773
FYE14	\$ 7,036
FYE15	\$ 4,918
<b>Cumulative Total</b>	<b>\$ 43,968</b>

## Restaurant Fundraisers

FYE10	\$ 2,862	(12/2009-06/2010)
FYE11	\$ 5,025	
FYE12	\$ 4,415	
FYE13	\$ 6,984	
FYE14	\$ 6,170	
FYE15	\$ 4,693	
<b>Cumulative Total</b>	<b>\$ 30,149</b>	

## Concluding Remarks and Acknowledgements

Dear Sisters and Brothers in Christ,

It is my hope that you have found the contents of this report to be informative and useful in deepening your understanding of St. Thomas More's financial situation.

A special "Thank You" is extended to the Finance Council Members for the gifts of their time and talent:

Paul Ibbetson (Chairperson)

Nancy Busse (Secretary)

Don Eppich (Budget Review)

Irene Balli-Dumas (Inventory)

Brian Leahey (Director of Construction)

Bill Ipsen (Parish Financial Resources Liaison)

+ Charles Salter (Legal)

Nina Woodard (Personnel & Annual Financial Report)

Deacon John Fredette (Business Mgr. & Bldg. Maint. Review)

Doug D'Agrosa (Pastoral Council Chairperson)

Ron Briseno (Development Council Chairperson)

These people do so much to "crunch the numbers" and to make the Parish work financially.

Should you have any questions about this report, or Parish Finances in general, please do not hesitate to ask me, or any of the Finance Council Members.

This Faith Community has been very generous and responsive, and I know it will continue to be so, especially now as we are now completing the construction of our Permanent Church continuing the construction of our Parish Offices.

For all that you have done and for all that you continue to do—  
Thank You!

Sincerely in Christ,

*F. Mike*





1450 South Melrose Drive  
Oceanside, CA 92056  
760-758-4100 • 760-758-4165 fax  
*www.stmoside.org*  
*parishoffice@stmoside.org*



*StThomasMoreRCC*



October 2015