



Immaculate
Heart of Mary
Catholic Community

13505 Excelsior Boulevard
Minnetonka, Minnesota 55345

October 31, 2014

Dear Parishioners,

On behalf of the Trustees, Finance Council and Parish staff, I present the financial report for fiscal year July 1, 2013 to June 30, 2014. I will not go into as much detail as in the financial report mailed to your homes last year. However, it would be good to review the history, challenges and changes highlighted in that report. If you need a copy of last year's report, please contact the parish office.

As you will note in the 2013-14 year's report:

- Income declined again resulting in a loss for the year of \$26,297.90. This decline in income comes from reduced offertory contributions on the weekend
- Expenses rose as a result of maintenance, legal bills, audit/accounting fees, upgrades to phones, internet, and a new security system.

Though we have new parishioners joining the parish and most of them contributing financially, this does not keep pace with the number of funerals and families that have left or moved to new homes outside the parish. Fiscal year 2012-13 saw 827 households giving to IHM. 2013-14 the number decreased to 772. With the establishment of Notre Dame Academy (NDA), which does not have a requirement to be in the parish, we lost some school families both in terms of mass attendance and financial contributions. We are at the cross roads again at IHM.

At a recent Finance Council meeting we noted the reports for the three months of this new fiscal year (July, August, and September 2014) are showing a troubling trend. Collections are running about \$20,000 behind budget. This is a result of reasons listed above as well as reduced attendance and reduced giving in response to the unfortunate scandals within the Catholic Church that are constantly in the news. People are voting with their feet and wallets. I have spoken to many other pastors who are experiencing the same issues. We are not alone.

Last week I sent a letter to all staff informing them of the challenging financial news. While we will try to ask parishioners to increase their giving, this alone will not fill the gap. We must further reduce budgets, and possibly, eliminate some staff positions. This will affect what we can offer in terms of ministries and programs but few alternatives remain. Cuts will be very difficult but we must be fiscally responsible and live within our means. The reality we face, and it is serious, is that after we pay salaries, subsidy to NDA and monthly mortgage, there is little money left for bills each month. Presently we have nearly \$86,401.32 in unpaid bills. We cannot use any money in restricted funds such as money held at Catholic Community Foundation or money designated for the church renovation. On the back of this letter we have included charts and graphs that will help better understand our income and expenses.

At my request, next week I will meet with a financial consultant for the Archdiocese to address our financial condition. In the meantime if you are able to increase giving to the parish, that will help greatly. If you have not considered automatic giving (EFT) please do so. This allows your contributions to reach the parish even if you are unable to be at Mass.

There are good things happening as well. Parishioners are fulfilling their pledge to the Church Renovation Fund. Your commitment to social justice is evident in your generosity to special collections and projects. Our Ministry Fair was well received and our pastoral care ministries provide quiet compassion to others. Thank you for sharing all your resources with the parish.

If you have any questions, please direct them to our Finance Council chair, Tom Singsank at financecouncil@ihm-cc.org.

God bless you,

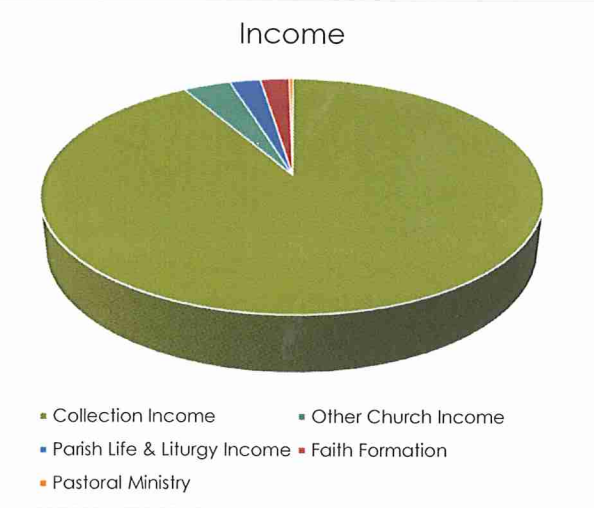
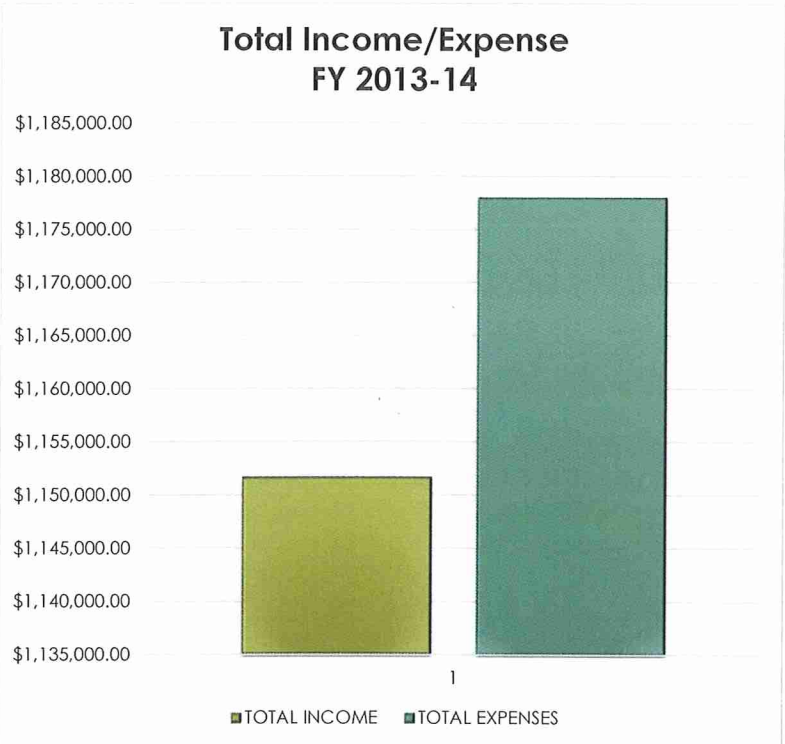
Fr. David Ostrowski, Pastor

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Profit - Loss Summary for FY 2013-14

Income	Actual
Collection Income	\$1,054,344.70
Other Church Income	\$41,590.72
Parish Life & Liturgy Income	\$26,978.64
Faith Formation	\$25,500.33
Pastoral Ministry	\$3,324.30
TOTAL INCOME	\$1,151,738.69
Expenses	Actual
Church Salaries & Benefits	\$270,556.52
Parish Expenses	\$264,003.73
NDA Subsidy	\$205,999.92
Maintenance Expenses	\$78,900.03
Par. Life, Pastoral, Liturgy & Music	\$108,851.98
Faith Formation & Youth Ministry	\$108,902.44
Debt Service	\$68,461.76
IHM School Exp	\$72,360.21
TOTAL EXPENSES	\$1,178,036.59
TOTAL PROFIT	-\$26,297.90



Income Information

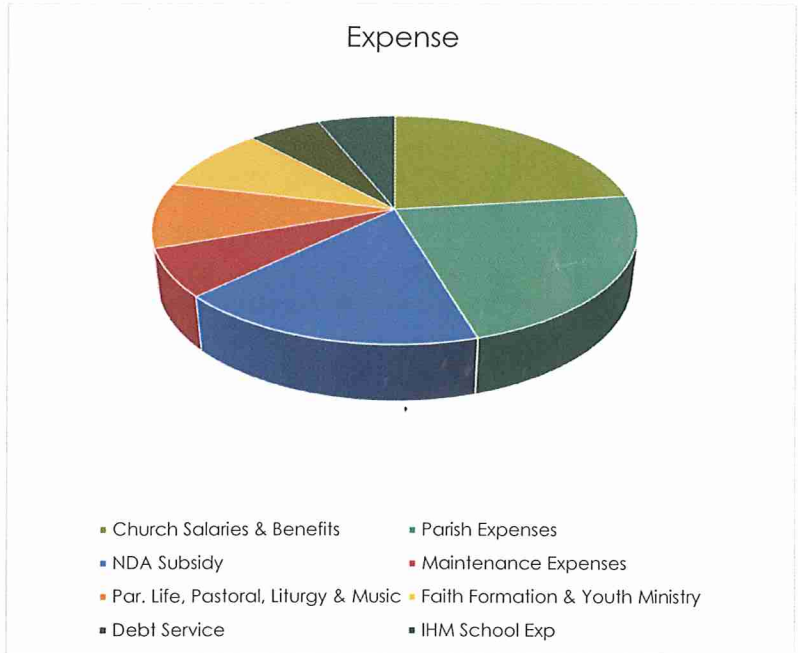
Collection income includes Sunday giving, plate offering electronic giving, votive candles, Christmas and Easter offerings, feast days, special projects

Other Church Income includes Interest income, Catholic Services Appeal rebate, mass stipends, wedding stipends, memorial income, funeral donations bulletin reimbursements, misc. gifts.

Parish Life and Liturgy Income includes Men's Club, Friday Coffee, Liturgical Environment donations, St. Jude's, prayer shawl

Faith Formation Income includes Adult Bible study, fundraising, tuition, sacramental prep fees

Pastoral Ministry Income includes pastoral events



Expense Information

Church Salaries and benefits includes administrative salaries, benefits, clergy pension, work comp and payroll taxes

Parish Expenses include general administrative, accounting and legal fees and the Archdiocesan assessment

Maintenance Expenses include custodial salaries, taxes and benefits, utilities and maintenance. This is offset by NDA rent

Parish Life, Pastoral, Liturgy and Music include salaries, benefits, liturgy and music expenses

Faith Formation & Youth Ministry includes salaries, taxes and benefits, sacramental prep expenses, religious ed expenses, youth ministry expenses

School Expense includes pension and work comp obligations remaining from the closed school.