

Saint Paul Parish

Harvard Square – Cambridge



2022 Annual Financial Report

Dear St. Paul Parishioners:

Onward and upward! This 2022 annual report on the financial condition of the St. Paul Community ("SPC") presents a summary of operating, investment and fundraising results for the three entities that make up the SPC: St. Paul Parish ("SPP"), Harvard Catholic Center ("HCC") and the St. Paul's Choir School ("SPCS"). It covers the most recent full fiscal year period from July 1, 2021, through June 30, 2022. Overall, we have managed well enough, considering our slow but steady movement forward regarding all the Covid challenges. We are grateful to all who have started using electronic giving on a regular basis; this is more efficient and helpful for all of us. We were also very much assisted with some of our capital expenses by the generous donations through the Inspiring Hope Campaign and various more recent gifts and bequests from parishioners.

During this period, SPP continued to undertake costly and long-deferred restoration, repair and maintenance projects that encompassed significant capital expenses. One major cost involved the boiler that maintains heat for our Church. A new pump system and multiple pipes were replaced this past winter.

The HCC showed improvement in its financial performance and posted a modest operating surplus. Even with increased development and fundraising expenses, HCC was able to exceed expectations when the bottom line was totaled. The HCC provides evangelical services to Harvard undergraduates, the graduate communities and young professionals.

The SPCS, which had a welcome increase in enrollment and necessary increase in tuition in FY2022, is financially stable. Increased efforts in donor donations and outreach for grants and assistance from various foundations is also a helpful development.

Considering revenues that combine daily operations and charitable giving, the Pastor and Finance Committee report that FY2022 SPC operating revenues totaled \$263,187. Bequests and gifts increased 28% in FY2022. We are hopeful this trend will continue as families feel less financial stress than during the peak Covid months. The weekly Offertory increased due in large part to our generous St. Paul's Community and increased usage of technology with online giving. Being open a full year also made a significant difference in our totals. On a more somber note, SPC portfolio investments registered declines in income and dividends and sharp declines in value. While the declines in investment value represent unrealized losses, it is important that we keep monitoring how we manage and invest our future donations.

In summary, SPC's operating income was \$263K, prior to the items noted in the footnotes. The Finance Committee remains committed to developing steady increases in revenue and keeping a watchful eye on expenses, in order to bring SPC consistently to financial break-even in FY2023 and beyond. We continue to strive to complete ongoing deferred maintenance in our facilities, in order to protect the Church and modernize SPC buildings. In this regard, all of us, including Fr. Kelly, Fr. Salzmann, Fr. Fiorillo, Deacon O'Donnell, Finance Committee members, past and current parishioners, choir school parents and the Harvard Catholic community must promote and strengthen fundraising participation. We emphasize to you that present revenue sources are simply not enough to achieve positive near-term results and meet our longer-term aspirations. SPC's long history of annual deficits must be ended.

The SPC is a vital Catholic presence in your lives and those of the Harvard University community. Nonetheless, our financial condition, while stabilizing and marginally improving, requires your thoughtful attention, as our current and projected expenses and looming capital needs continue to grow. The SPC faces great financial challenges. Such challenges call for our collective commitment, participation and active giving.

Thanks in advance to each of you for your active financial support to the SPC in fiscal year 2023.

Sincerely yours,

The St. Paul's Parish Finance Committee:

Reverend William Kelly – Pastor

Douglas Lee – Manager of Finance and Operations

Frederick H. Grein, Jr., Chairman

David Dankens, Cathy Grein, Davide Marini, Kevin Mohan, Ted Monahan

Ex Officio Members: Douglas Zack, Rev. George Salzmann

	St Paul Parish	HCC	SPCS	Combined Totals FY 2022	Combined Totals FY 2021	Combined Totals FY 2020
Revenue						
Offertory	\$ 608,277	\$ -	\$ -	\$ 608,277	\$ 465,935	\$ 511,452
Grand Annual	\$ 80,171	\$ -	\$ -	\$ 80,171	\$ -	\$ -
Catholic Appeal Rebate	\$ 6,375	\$ -	\$ -	\$ 6,375	\$ -	\$ -
Donations, Grants, Gifts & Bequests	\$ 91,316	\$ 646,366	\$ 907,435	\$ 1,645,117	\$ 1,288,434	\$ 1,059,071
Student Fees	\$ -	\$ 1,921	\$ 431,875	\$ 433,796	\$ 402,523	\$ 213,950
Religious Ed	\$ 5,050	\$ -	\$ -	\$ 5,050	\$ 3,325	\$ 5,220
Concerts & Recordings	\$ -	\$ -	\$ -	\$ -	\$ 51,295	\$ 23,465
Investment Income	\$ 39,767	\$ 51,397	\$ 3,401	\$ 94,565	\$ 79,721	\$ 48,187
Other (1)	\$ 41,759	\$ 5,083	\$ 334,479	\$ 381,321	\$ 145,078	\$ 269,416
Total Operating Revenue	\$ 872,715	\$ 704,767	\$ 1,677,190	\$ 3,254,672	\$ 2,436,311	\$ 2,130,761
Expense						
Clergy & Religious Stipend and Benefits	\$ 67,654	\$ 109,770	\$ -	\$ 177,424	\$ 168,355	\$ 163,627
Salaries	\$ 299,215	\$ 228,258	\$ 1,055,597	\$ 1,583,070	\$ 1,326,325	\$ 1,196,526
Benefits	\$ 59,056	\$ 35,411	\$ 151,216	\$ 245,683	\$ 124,656	\$ 121,608
Academic Program	\$ 641	\$ -	\$ 33,219	\$ 33,860	\$ 28,471	\$ 31,619
Music Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,622
Development	\$ 6,826	\$ 82,286	\$ 142,076	\$ 231,188	\$ 186,684	\$ 70,622
General & Administration	\$ 76,127	\$ 54,621	\$ 80,423	\$ 211,171	\$ 141,838	\$ 324,115
Facilities Expense	\$ 220,621	\$ 78,403	\$ 69,215	\$ 368,239	\$ 320,637	\$ 301,846
Meetings & Conference	\$ 19,157	\$ 52,006	\$ 13,295	\$ 84,458	\$ 16,840	\$ 102,116
Pastoral & Liturgical	\$ 15,520	\$ 330	\$ 2,141	\$ 17,991	\$ 14,326	\$ 30,419
Archdiocesan Assessments (3)	\$ 27,533	\$ -	\$ -	\$ 27,533	\$ 26,274	\$ 23,458
Other	\$ 2,690	\$ 1,959	\$ 6,219	\$ 10,868	\$ 10,941	\$ 35,135
Total Operating Expense	\$ 795,040	\$ 643,044	\$ 1,553,401	\$ 2,991,485	\$ 2,365,347	\$ 2,406,712
Sub-total	\$ 77,675	\$ 61,723	\$ 123,789	\$ 263,187	\$ 70,964	\$ (275,951)
Parish Annual Support of the Choir School (see Transfers Related to Equity below) (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Results from Operations	\$ 77,675	\$ 61,723	\$ 123,789	\$ 263,187	\$ 70,964	\$ (275,951)
Non-Operating Items						
Non-operating income includes:						
Bequests & Endowment Gifts, Net of Fundraising Expenses	\$ 318,517	\$ -	\$ -	\$ 318,517	\$ 500,000	\$ -
Restricted Grants & Gifts	\$ -	\$ -	\$ -	\$ -	\$ 348,073	\$ 524,702
Endowment Investment Income and unrealized appreciation	\$ (121,957)	\$ (286,923)	\$ (11,314)	\$ (420,194)	\$ 364,221	\$ (24,624)
Loan Forgiveness (4)	\$ -	\$ -	\$ -	\$ -	\$ 175,170	\$ -
	\$ 196,560	\$ (286,923)	\$ (11,314)	\$ (101,677)	\$ 1,387,464	\$ 500,078
Non-operating expenses includes:						
Capital Improvements & Repairs	\$ 130,269	\$ 12,450	\$ 28,221	\$ 170,940	\$ 643,640	\$ 279,952
Restricted gifts expended	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Loan Interest	\$ 17,428	\$ -	\$ -	\$ 17,428	\$ 27,136	\$ 23,624
Transfers Related to Equity (2)	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 4,766	\$ -
RCAB Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 197,697	\$ 12,450	\$ 28,221	\$ 238,368	\$ 675,542	\$ 303,576
Net increase / (decrease) In net assets from non-operating items	\$ (1,137)	\$ (299,373)	\$ (39,535)	\$ (340,045)	\$ 711,922	\$ 196,502
Total Increase / (Decrease) in Net Assets	\$ 76,538	\$ (237,650)	\$ 84,254	\$ (76,858)	\$ 782,886	\$ (79,449)
(1) Other Income for SPP mainly Insurance proceeds and SPCS School Tax Income						
(2) Parish Support now listed as non-operating entry						
(3) Archdiocesan Assessments support the Central Services provided to the Parishes.	\$ -	\$ -	\$ -	\$ -	\$ 175,170	\$ 175,170
(4) PPP Loans forgiven three entities						