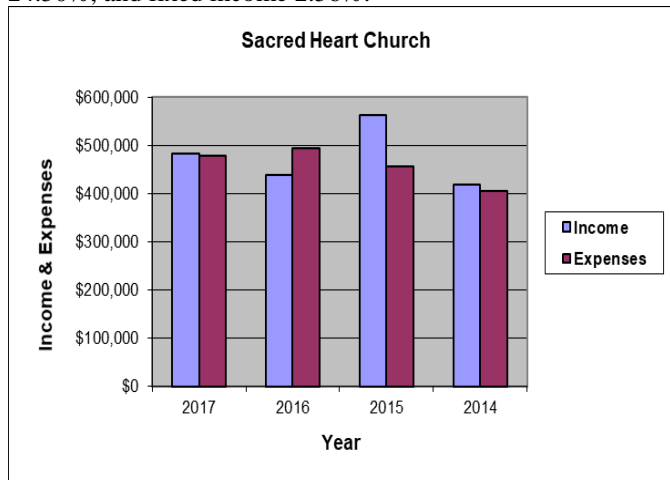


Parish Financial Report: This report discusses our Parish finances for the calendar year 2017 along with a comparison to calendar year 2016. The chart provides a summary of the Parish income, expenses and either a surplus or deficit from 2014 through 2017. The Parish incurred a surplus of \$3,947 in 2017 following a deficit of \$56,585 in 2016. This year over year difference is due to a few changes; increased weekly attendance/giving, reduced overhead, and one-time gifts from parishioner bequests. The Parish's long-term financial investments increased \$431,485. The overall PACT portfolio increased by 17.52% net of management fees. Equities increased 24.50%, and fixed income 2.56%.



Parish Income: The four-year comparison of income shows a relatively flat trend, with an increase in gross income of \$43,820 in 2017. The increase is mainly due to the closure of St. Joseph Church and a transfer of a bank account balance of \$38,038. There was a slight increase of \$3,687 in Gifts and Donations when compared to 2016. Attendance is up about 25% from 2016.

Parish Expenses: Operating Expenses decreased by \$15,562 in 2017. This was achieved by better management of expenses by the new Pastor.

Parish Savings: As of December 31, 2017, Sacred Heart had approximately \$2,954,299 in reserve. The Parish had \$200,269 in the checking accounts and in certificates of deposit and \$5,243 in A/R for religious fees and women's guild savings. The balance of the reserve or \$2,748,787 is invested in the Archdiocesan Endorsed Parish Archdiocesan Trust Account (PACT). Sacred Heart opened the latter account, currently managed through U.S. Trust a Bank of America Corp., in May 1992. The initial deposits were approximately \$388,000 in 1992. Since the inception of the PACT account, Sacred Heart has added deposits in years when there were surpluses or bequests and the fund has benefited from investment growth since the account was opened.

The PACT account utilizes the investment advisory services of U.S. Trust/Bank of America Corp. and the PACT account is diversified in a wide range of stocks, bonds, cash, commodities and other fixed income investments in a balanced appreciation investment strategy. The Finance Committee believes that Parish funds should not be and are not invested in an overly aggressive or risky fashion. This approach is reviewed annually with the portfolio manager. As a result, the volatility of stock market returns is balanced with preservation of capital.

The Parish maintains the PACT Account to fund expansion of the facilities, repairs for deferred maintenance on all Parish assets and as a reserve for unexpected emergencies. The PACT Account had a net market gain of \$431,485 in 2017, exclusive of additional deposits, disbursements and investment fees. The market gain is prior to withdrawals for capital improvements. The Finance Committee meets on an ad hoc basis to evaluate the allocation of the investment portfolio, as to the relative investment in cash, fixed income securities and equities. No capital improvements are done this year, as a major renovation of the church is occurring in 2018.

Statement of Income and Expenses: The following chart summarizes the Revenue and Expenses comparing 2017 vs. 2016:

	Jan - Dec '17	Jan - Dec '16	\$ Change
Ordinary Income/Expense			
Income			
Offertory	366,022	341,834	24,188
Investment Income	73	95	(22)
Net Rental Income	-	-	-
Stole Fees	1,395	350	1,045
Gifts & Donations	38,212	34,525	3,687
Programs & Events			
Revenues	24,931	47,715	(22,784)
Religious Education Fees	13,862	14,194	(332)
Miscellaneous Income	38,038	-	38,038
Total Income	<u>482,533</u>	<u>438,713</u>	<u>43,820</u>
Expenses			
Salaries & Payroll Taxes	206,388	216,846	(10,458)
Employee Benefit Costs	46,326	36,500	9,826
Contracted Services	14,681	15,055	(374)
Utilities Including Telephone	36,924	37,551	(627)
St. Joseph Church Expenses	6,900	-	6,900
Insurance	15,864	15,337	527
Repairs & Maintenance	22,065	16,578	5,487
Rectory Expense	3,460	6,635	(3,175)
Office Expense	24,609	27,125	(2,516)
Miscellaneous Admin.			
Expense	1,120	935	185
Sacramental & Liturgical			
Expenses	17,994	21,620	(3,626)
Religious Education			
Expenses	12,429	11,165	1,264
Charity Expenses	7,794	11,235	(3,441)
Events and Social Expense	19,343	35,282	(15,939)
Publications and			
Memberships	3,987	4,584	(597)
*Cathedraticum (5.5%)	18,801	18,675	126
* Parish Schools (5.5%)	18,801	18,675	126
** SHC Students in Catholic			
Schools	2,250	1,500	750
Total Expense	<u>479,736</u>	<u>495,298</u>	<u>(15,562)</u>
Net Ordinary Income	2,797	(56,585)	59,382

* In 2018, our assessment to the Archdiocese will change from the former 11% rate to effectively 7% of our income.

** This is tuition assistance paid to Catholic elementary and secondary schools for SHC students who qualify.

Special Collections for Local, National & World Needs: Catholic High Schools - \$3,125; Peter's Pence - \$3,732; Catholic Radio/TV - \$1,685; World Missions - \$2,817; Catholic Relief Services - \$2,712; HOPES - \$2,112; Religious Retirement - \$3,668; Human Development - \$1,995; Holy Land - \$764; Sudan Missions - \$6,824; Back Packs - \$1,425; Hurricane Relief - \$21,756; Archbishop's Annual Appeal - \$53,735
Total Special Collections - \$106,350

Finance Committee: Richard Sych, Jeffrey Vuocolo, Joe Sangiovanni, David Ladizki, Phil Shuman, CPA, and Debbie Viets, Business Manager.