

Sacred Heart Cemetery

Manville

As of 6/30/11 the Cemetery of Sacred Heart Church had just over \$288,800 in cash and \$2,956,800 in investments. The cemetery had gone from \$2,582,950 in cash and investments with no debt in FY 01-02 to \$3,245,600 in cash and investments with no debt in FY 10-11.

The operation of the cemetery seems to be doing very well. In the last three years it has reported large surpluses that exceeded \$100,000, almost \$200,000 and \$400,000 from FY 08-09 through FY 10-11 consecutively. When the revenue and expense report is looked at for the last four years there are a few reasons for that.

In FY 07-08, the Total revenue increased by almost \$60,000 while Total Expense increased by \$106,000. This reduced the Surplus in operations by \$46,000. This caused the cemetery to experience its first deficit in operations in five years. The deficit equaled \$7,200.

In the next three years the cemetery financial started to include investment results that weren't recorded in the past.

- Dividend interest was reported as \$148,400, \$70,500, and \$69,300 in FY 08-09 through FY 10-11.
- Unrealized Gains on investments were recorded in FY 09-10 and FY 10-11 for \$305,800 and \$310,300.
- Gains/Loses on Sale of Investments was recorded in FY 09-10 and FY 10-11 for a loss of \$68,400 and a gain of \$53,100.
- While I agree that Interest and Gains are operational revenues of the cemetery and should be recorded, I believe unrealized gains/loses should be footnoted. What I mean by that, especially in this particular case, investments increased by over \$600,000 in the past two years to \$2.857 million. The financial does not show the unrealized loses in the prior three years. If you look at Investments the value of investments hasn't recovered from where it was in FY 06-07 when the investments were valued at \$3.3 million.
- If the revenue generated from unrealized gains was removed from the financial, the reported revenue over/under expense would be a loss of \$7,200 in FY 07-08, a gain of \$107,369 in FY 08-09, a loss of \$111,700 in FY 09-10, and a gain of \$121,900 in FY 10-11.
- With the unrealized Gains removed from the financial, the reason for the surplus has a lot to do with the interest generated on investments and gains on the sale of investments, especially in the last three years. The management of the cemetery may want to keep an eye on the operation to maximize revenues and minimize expenses. Doing this would require less reliance on the interest and gains on sale.

SACRED HEART, MANVILLE - CEMETERY #20044

	<u>FY01-02</u>	<u>FY02-03</u>	<u>FY03-04</u>	<u>FY04-05</u>	<u>FY05-06</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
ASSETS										
CHECKING/SAVINGS	21973	42450	55520	117674	168110	208332	201168	223728	247694	288884
PETTY CASH	0	0	0	0	0	0	0	0	0	0
INVESTMENTS-PAF	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
INVESTMENTS	2460974	2115082	2473781	2627187	2930389	3323422	2880645	2315077	2483916	2856780
MORTGGE/LOAN REC	0	0	0	0	0	0	0	0	0	0
ACCTS REC	0	0	0	0	0	0	0	0	1264	0
PREPAID EXPENSE	0	0	0	0	0	0	0	0	0	0
FIXED ASSETS	227599	227599	227599	227599	227599	227599	227599	227599	227599	227599
ACCUM DEPREC	-4747	-9494	-14241	-18988	-23735	-28482	-33229	-37976	-42723	-47471
OTHER	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	2805799	2475637	2842659	3053472	3402363	3830871	3376183	2828428	3017750	3425792
LIABILITIES										
MISC ACCTS PAY	0	0	0	0	0	0	0	0	0	0
MORTGGE/LOAN PAY	0	0	0	0	0	0	0	0	0	0
DIOCESN PAF PAY	0	0	0	0	0	0	0	0	0	0
PENSN CONTR PAY	0	0	0	0	0	0	0	1241	1527	0
INSURANCE PAY	0	0	0	0	0	0	0	0	0	0
DEFERRED REVENUE	0	0	0	0	0	0	0	0	0	0
OTHER	0	0	0	0	0	5250	5750	5750	0	4265
TOTAL LIABS	0	0	0	0	0	5250	5750	6991	1527	4265
NET ASSETS	2805799	2475637	2842659	3053472	3402363	3825621	3370433	2821437	3016223	3421527
REVENUE										
GIFTS/DONATIONS	0	0	0	0	0	0	0	0	12325	11400
DIVIDND/INTEREST	19100	18500	107	474	1621	3577	2330	148397	70492	69251
PAF INTEREST INC	5000	0	0	5000	5000	5000	5000	5000	3736	5000
UNREAL GAIN/LOSS					0	0	0	0	305759	310318
GAIN ON SALE	25949	0	0	30000	0	0	0	0	-68354	53056
BEQUESTS	0	0	0	45000	13000	0	0	0	0	0
SALE OF PLOTS/GRAVES	54240	62485	53860	48600	66735	49057	59525	64600	50950	58505
SALE OF CRYPTS/NICHE	0	0	0	0	0	0	0	0	0	0
BURIAL INCOME	120854	134610	136073	139506	134700	123650	160265	160465	126966	139164
ANNUAL/PERPET. CARE	80309	73147	53390	47062	35835	40526	58193	54892	36137	37756
OTHER	0	0	15965	12733	15204	18413	13525	14950	0	0
TOTAL REVENUE	305452	288742	259395	328375	272095	240223	298838	448304	538011	684450

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	<u>FY01-02</u>	<u>FY02-03</u>	<u>FY03-04</u>	<u>FY04-05</u>	<u>FY05-06</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
EXPENSES										
SALARIES/BENEFITS										
SALARY ADMIN/CLERICA	36288	36288	38498	32945	32886	32886	38952	36018	37561	37584
SALARY MAINT/CUSTOD	0	0	0	0	4375	4400	0	4750	4050	6750
MED INS-REL/LAY	4550	4675	3276	2000	2000	2236	248	8351	7807	9135
EMPLOYER FICA	2776	2776	2800	2520	2516	2516	2556	3087	2116	3791
PENSION-LAY	1959	1959	2384	1430	1578	1409	1459	0	0	0
OTHER	5400	5100	4150	3600	0	0	0	0	0	0
TOTAL SAL/BEN	50973	50798	51108	42495	43355	43447	43215	52206	51534	57260
ADMINISTRATIVE										
PROFESSIONAL SVCS	300	1378	225	39900	7815	880	10000	63427	50671	39022
OTHER	5914	5756	5764	5777	10553	6864	7870	9445	7300	11031
TOTAL ADMIN	6214	7134	5989	45677	18368	7744	17870	72872	57971	50053
OPERATIONS/MAINT										
CONTRACTD SERVICE	194377	232968	165712	139947	150416	121794	183579	195445	194185	132633
REPAIRS/RENOV	1000	13852	4929	3493	4498	420	2050	364	0	1332
MAINT SUPPLIES	1516	416	0	0	8380	10	14463	8049	0	194
EQUIPMENT	0	0	0	0	0	0	0	499	0	0
INSURANCE	0	0	0	0	0	0	0	0	0	0
UTILITIES	1124	547	593	649	614	1017	1080	1500	675	784
FOUNDATIONS, ETC.	0	0	0	0	0	0	0	0	29600	0
OTHER	0	0	0	0	0	0	0	0	0	0
TOTALOP/MAINT	198017	247783	171234	144089	163908	123241	201172	205857	224460	134943
EXTRAORDINARY EXP										
PURCHASE LAND/BLDG	0	0	0	0	0	0	0	0	0	0
MAJOR REN/CONST	198944	0	0	0	0	7909	26227	0	0	0
AUTO/FURN/EQUIP	0	0	0	0	0	0	0	0	0	0
PRIN LOAN PAYMNT	0	0	0	0	0	0	0	0	0	0
INTREST ON NOTES	0	0	0	0	0	0	0	0	0	0
LIAB PAYMENTS	0	0	0	0	0	5250	5750	0	0	0
OTHER EXPENSE	15200	17375	17110	17960	14271	12410	11768	10000	10000	10000
TOTAL EXTRAORD	214144	17375	17110	17960	14271	25569	43745	10000	10000	10000
TOTAL EXPENSES	469348	323090	245441	250221	239902	200001	306002	340935	343965	252256
REV OVER(UNDER) EXP	-163896	-34348	13954	78154	32193	40222	-7164	107369	194046	432194