

**ST. THERESA of the CHILD JESUS
FINANCE COUNCIL
April 11, 2019**

Fr. Ray Higgins
Tom Hueholt
Kevin Olsen
Margie Pope
Steve Michaud
Jim Langeness - Absent
Paul Johnson - Absent
Paul Galloway - Absent

Mary Gisler
John McMichael
Ellen Stemler

Tom Hueholt called the meeting to order at 5:02 pm on April 11, 2019.

Opening Prayer: Fr. Ray Higgins

Roll Call

All members of the Finance Council were present except Paul Johnson, Jim Langeness, and Paul Galloway. Also present were Mary Gisler, John McMichael, and Ellen Stemler.

Reading and Approval of Minutes from Last Meeting

A motion was made to approve the minutes from the March 2019 meeting. Motion was seconded and approved.

Reports

A. Childcare Program

There was no report regarding the childcare program.

B. School Progress Reports

1. **Enrollment:** There was no change in the current enrollment from the prior month. The 2018/2019 school year stands at 287 for pre-K to 8th grade and 247 for kindergarten to 8th grade. Ellen reported that enrollment for the 2019/2020 school year is 240 for kindergarten to 8th grade. There are 4 potential new students for next year. Those families will be visiting in the coming week. There is one current family with 3 students that is meeting with Ellen to discuss the tuition increase for the coming school year.
2. **FACTS:** John McMichael passed out a Delinquencies Summary Report he generated from FACTS. The total delinquencies was \$3466.27 with \$2,191.68 in tuition and the remainder attributable to fees. John added that these delinquencies are from 7 families.
3. **Diocesan Strategic Plan:** Ellen reported that she had recently attended a meeting on the Diocesan Strategic Plan and distributed the following documents which she received at that meeting: Des Moines Regional Conversation Summary and Phase I Timeline. After attending the meeting and knowing that Jerry Deegan will be responsible for administrating the implementation of this plan, Ellen stated that she felt better about the plan but there are still many unknowns at this time.

The long term view is to ensure Catholic education is sustainable which requires balancing the cost of tuition against the need to provide teachers and staff with equitable compensation. One of the most important, if not the most important,

determinant of success will be financial aid. It is almost certain that there will be at least one diocesan wide campaign to provide financial assistance; however, the specifics of the campaign are not known. An increase in CTO funds is another means to provide more financial aid. The strategic plan will also be looking to improve efficiencies and leveraging purchasing power to reduce costs.

Various committees are being created to work on the various aspects of this strategic plan. Ellen encouraged anyone who is interested to volunteer for these committees. She is also reaching out to individuals so that St. Theresa has representation and a voice in the implementation of this plan.

4. **St. Theresa School Strategic Plan:** Meetings regarding the St. Theresa School strategic plan will be held soon. Representatives from the various groups in the parish such as the Finance Council are greatly encouraged to attend.
5. **School Budget:** Ellen reported that the school board had met on Tuesday, April 9 and had approved a budget with an \$11,742 shortfall. This is below the \$35,000 shortfall which the Finance Council had resolved to accept at the March Finance Council meeting.
6. **School Bus:** As reported at other Finance Council meetings, the school is using a loaner bus for the remainder of the school year because the bus they purchased broke down. The school has a \$9,000 credit to be used towards the purchase of another bus. A lot more used buses will come into the market after the school year ends so St. Theresa will wait until then to purchase a used bus.
7. **Flood Remediation Hours:** Ellen stated she had submitted hours to Catholic Mutual for all the work she and Pat Stuekerjuergen had expended managing the flood remediation.

C. Annual Diocesan Appeal (ADA)

John reported that current gifts and pledges stands at \$92,443 from 247 contributors. There is another \$63,000 to be collected to get to this year's goal of \$155,331. We are tracking close to the response as compared to the same point in last year's campaign

D. Diocesan Capital Campaign Funds Received and Plan Disbursements

Mary Gisler reported that a reconciliation of the funds received and disbursed had been completed and there is \$16,419.92 from the capital campaign that have not been disbursed. She also reported that we had received \$944 this month and received a remittance notice that another \$1,000 is coming.

E. Report on Funds Transfers To and From Laddered CD Accounts

John said that they have tried to manage the CD portfolio so that one CD matures each quarter. The parish will have CD's maturing as follows: May 2019, August 2019, December 2019, and March 2020. We are maintaining 4 CD's with the remainder in the Money Market account. This was necessitated to ensure adequate funds were available given the expenses the first part of the fiscal year.

F. Monthly Financial Reports

Page 1: Tithing - John reported that tithing for the month was above budget as a result of 2 large contributions that had been received. Based on the current year tithing and analysis of expected tithing for the next few months, tithing for the year is going to come in around \$980,000. The tithing budget for 2019/2020 is \$1,018,096 so there is about \$38,000 at risk in next year's budget.

Page 1: Interest Income - MTD \$6,057 is related to the renewal of a CD. The CD was for \$100,000 but only required about \$94,000 from our investment account to purchase the CD. The difference was booked as interest income.

Page 1: Extraordinary Income or Rebate - YTD \$240,504. This is related to insurance payments received from the storm damage. The corresponding expenses are not reflected in the financials which is driving the YTD Net Income/Expense to be \$131,943.

If you net out the Insurance Payments Received, the YTD Net Income/Expense is negative \$108,561 which is \$118,173 below the YTD plan. This \$118,173 budget variance can be attributed to the known budget variances in Tithing, School Tuition, and Childcare as detailed below.

YTD Net Income Expense	131,943
Insurance Payments Received	240,504
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Adjusted YTD Net Inc/Exp	(108,561)
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Tithing	(51,000)
School Tuition	(36,000)
Childcare	(38,000)
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Total	(125,000)
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Paul Galloway was unable to attend the meeting and submitted the following questions regarding the monthly financial reports. With the agreement from the Finance Council, the questions and responses are documented below to make them part of the official meeting minutes.

- School Tuition - I see that we are over by \$5,000. Did we have some folks catch up on payments?
5 DIFFERENT FACTS DEPOSITS, 4 of the 5 were large deposits
- Lunchroom Government Subsidy - We are ahead of budget by \$2,400. Do we expect any additional funds this year?

Yes, April, May and a smaller one in June; guessing there are more lunches being served;

- Child Care Fees - They dropped off significantly from the prior month. What is going on here?
\$10,859 ACH at the end of March going into April's business, it was Spring Break so maybe some families their free week. Also \$3-4,000 outstanding from DHS. Lost a 3-year old at the beginning of March.
- Preschool Foundations/Grants - Is this the subsidy payment?
YES
- Parish Computer Supplies - We are \$2,000 over budget for the month, why?
Annual ParishSoft License Fee. We average the budget over the year, so we didn't account for the big "blip"
- Buildings & Grounds Other Contracted Services - What was this for?
Snow Removal
- Buildings & Grounds Small Equipment Purchases - What was this for?
Floor scrubber for the church
- Lunchroom Food Supplies - We are over for the year by over \$5,000, remind me why we are running so far over budget?
Kenneth is really careful with his spending, so we're thinking they're serving more lunches than budgeted; Little more spending for fresh fruit and high quality protein;
- On the balance sheet I note that our liquidity is running tight so we will need to be mindful of this. Also, I see that the accounts receivables balance is running high. Remind me what this is tied to?
Receivables reflect storm damage invoices. Outstanding reimbursements from the insurance are close to \$100,000.

New Business

A. Online Giving

Mary led a discussion on the need to reconsider online giving as a means of collecting donations. She will be conducting further investigation on solutions other parishes are using along with the corresponding fees and transactional costs. Ideally the online giving solution could be used for more than just tithing. Most of these solutions allow campaigns to be defined such that people can direct donations to a campaign. This theoretically would allow people to donate to specific events such as the PTC Gala or Knights of Columbus breakfast or fish fry. Mary will distribute information as it becomes available.

Old Business

A. Tuck Pointing Pre-K Wall

Mary Gisler said that given the budget and other cash requirements she wants to inspect the wall in the pre-K room and allow her to better evaluate this project versus other priorities.

B. Air Conditioner at School

Mary reported that the results from the engineering firm evaluating the chillers and air handling units for the school will be distributed soon. She is expecting this to be a significant expense.

A. Business Conducted by Email

A motion was made by email to spend \$9,615 from the building fund to re-roof the overhangs over the east and west entrances in the school. Motion was approved through email.

Next Meeting: The next meeting will be Thursday, May 9 at 5 PM.

Closing Prayer: Meeting ended with prayer led by John McMichael.

Meeting adjourned at 6:32 PM