

**ST. THERESA of the CHILD JESUS
FINANCE COUNCIL
July 12, 2018**

Fr. Ray Higgins
Tom Hueholt
Kevin Olsen - Absent
Margie Pope
Steve Michaud
Jim Langeness - Absent
Paul Johnson
Paul Galloway (attend by teleconference)

Mary Gisler
John McMichael
Ellen Stemler

Tom Hueholt called the meeting to order at 5:03 pm on July 12, 2018

Opening Prayer: Fr. Ray Higgins

Roll Call

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

Reading and Approval of Minutes from Last Meeting

A motion was made to approve the minutes from the June 2018 meeting. Motion was seconded and approved.

Reports

A. Childcare Program

There was no report for the childcare program.

B. School Progress Reports

1. **Enrollment:** The enrollment for the 2018/2019 school year stands at 295 for pre-K to 8th grade and 255 for kindergarten to 8th grade. Last year the kindergarten to 8th grade ended up at 246. Enrollment is up from prior year. Ellen reported that she has had recent calls regarding 2 potential students for kindergarten and 1 for 7th grade.
2. **Smart Tuition:** The Smart Tuition reports were distributed. There are 3 families that are behind. There has been a lot of training of parents and staff as the migration from SMART to FACTS has progressed. John discussed how he sets up receivables to address the fiscal year end for funds billed in June but collected in July.

John shared an analysis he completed on the gross amount of tuition versus net tuition to collect. The difference being (1) assistance from CTO, Foundation, Project HOPE and other assistance; (2) tuition foregone for students from other parishes; (3) discounts provided for multiple students, employees, and other; and (4) withdrawals.

Gross Amount of Tuition	818,243.48
Less: Assistance	-212,853.01
Less: Other Parish	-47,834.48
Less: Discounts	-33,737.76

Less: Withdrawals	-4,797.36
Net Tuition to Collect	519,020.87

3. **Budget:** Mary emailed a budget to the Finance Council on June 18 which is the official budget. The total parish support is \$585,238 with \$153,823 coming from the childcare program and \$431,415 from the parish. The St. Theresa Foundation has agreed to provide \$15,000 to fund the Spanish program for one year and only one year. The contract with The Language Project, LLC has been reviewed and was approved with minor changes by the Diocese.

C. Annual Diocesan Appeal (ADA)

John reported that pledges/collected stands at \$137,594 which is \$25,842 short of this year's ADA assessment of \$163,796. There have been 363 pledges to date which is an average pledge/donation of about \$380 per pledge. The next course of action will be to compare those who have made a pledge this year against the list of last year's donors. This will facilitate a more directed communication that will hopefully help us cover the current shortfall.

D. Diocesan Capital Campaign Funds Received and Plan Disbursements

1. **Capital Campaign Receipts:** Mary stated that a distribution for about \$11,000 was received in July. The total remaining distributions to be received will be around \$30,000.

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

John stated a \$100,000 CD came due but was not renewed given the potential cash requirements from expenses related to the flood damage on the St. Theresa campus. CD investments are being made based on recommendations from Baird.

John also mentioned that adjustments were going to be made regarding the general ledger accounts used related to restricted funds. This is not a material change but is being done to provide more detailed reporting of both restricted and unrestricted funds.

F. Monthly Financial Reports

There were no formal discussion of the monthly financial reports at the meeting; however, Paul Galloway did email several questions regarding the monthly financials. John McMichael's responses to Paul's questions are summarized below:

1. Review of Financial Reports

Page 1: Extraordinary Income or Rebate - MTD Income \$6,760. This is related to unused flex contributions (mostly childcare) by two school employees in 2016/2017. The provider refunded these unused contributions with the note that if these funds were returned to the employee it must be included as taxable income. On page 7 of the financials, there is a related item in teacher salaries which caused that line item to be over budget by \$4,542.

Page 2: Designated Donations - MTD 13,380. This is mostly attributed to donations from Wells Fargo team members. As these donations came in, they were posted to the balance sheet until John could confirm that these funds were earmarked for the school. It was more difficult from past years as Wells Fargo is using a new

system called YourCause; however, John was able to confirm this income should be credited to the school and made the required entries to recognize the income.

Page 2: Lunch Room Income MTD negative \$114. This is related to an expense paid from the Lunch Room and reimbursed by the Knights of Columbus. Due to timing, the required adjustment did not post until June.

Page 6: Parish Buildings & Grounds - Small Equipment Purchase MTD \$4955. Half of purchase of a new mower.

Page 11: School Buildings & Grounds - Small Equipment Purchase MTD \$4955. Half of purchase of a new mower.

Page 8: Contracted Repairs & Maintenance - MTD \$1,969 to Access to install Windows updates on computers in lab and classrooms.

Page 8: Lunchroom Food Supplies - MTD \$3667. Nothing unusual was noted related to the food costs. Most likely the MTD budget variance was a function of how the last invoices of the school year were accounted for in the budget. Lunch room income is above budget by \$11,131 and expenses were only \$3,330 over budget.

Page 9: Childcare Program Services - MTD \$1,849. Included \$825 for swimming passes to Des Moines Parks & Rec and \$300 to Jordan Creek Cinemark for movie passes.

Page 11: School Building Improvements - MTD \$2144. Related to the purchase of 2 drinking fountains. Earlier in the year there was a designated donation of \$1000 to help with this cost.

Page 11: School Grounds Care - MTD \$2,154. Included \$2,115 for mulch to be spread under the playground equipment. The expense for mulch is significantly higher this year as 90 cubic yards was ordered versus 12 cubic yards in past years.

New Business

A. Flooding on St. Theresa Campus

Ellen provided a report of the damage to the school caused by the storm the evening of June 30. The water entered through the roof causing significant damage to the office, teacher's lounge, and many other rooms. Over 100 volunteers came out to remove water and handle wet items. This helped minimize the damage; however, there is significant damage. The adjuster from Catholic Mutual has been out twice. A list of items that need to be replaced and repaired is being compiled. St. Theresa's deductible is \$2500. Two quotes per work effort will be obtained. There is a lot of work to be done and it will require an organized work effort to be ready for the school year. There will be no sign-off on the insurance claim until everything is tested and fully functional.

The east meeting room had water but due to quick action by Mary and Mark Gisler the water was cleaned up before there was any damage. There is, however, water damage in the steeple.

The rectory sustained some water damage on the back porch.

B. Rectory Remodel

Mary Gisler provided a brief summary of the work being done to remodel the rectory. There will be an effort to get the painting done soon as the floors are to be refinished in the near future. New furnishings will also be required as part of this project. With the water damage on the porch, they may look at upgrading the windows in the porch. The goal is to have the work completed by the end of August.

C. Account for Memorial Masses

John led a discussion concerning the account holding the funds for memorial Masses. The account has been accumulating over the years and now has about \$18,000. The funds in this account are to be used at the discretion of the pastor. All the Masses related to these funds have been said so they are available for use. One possibility discussed was the remodel of the rectory; however, it would be at Fr. Ray's discretion on how these funds are ultimately used.

Old Business

A. Business Conducted by Email

1. **Rectory Remodel:** A motion was made to approve the construction contract related to the rectory remodel with Dickinson Interior Consulting. The contract limit on the project is \$35,000 with any expenditure above this limit requiring a change order. The motion was approved by the Finance Council members through email.

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

Closing Prayer: John McMichael concluded the meeting with a prayer

Meeting adjourned at 7:03 PM.