

**ST. SUSANNA CHURCH
FINANCE COMMISSION
MINUTES
APRIL 26, 2009**

Attending:

Fr. Kevin
Barb Buschman
Kevin Cassidy
Gloria Costello
Al Czyzewski
Lance DeNardin
Katie Kuka
Mary Matarazzo
Joe Sandifer
Joe Schembre
Mike Witka (guest from archdiocese)
Rich Sinks (guest from school commission)
Brad Bernhardt (guest)

Fr. Kevin opened with a prayer. Barb Buschman ran the meeting.

Minutes for the March meeting were approved.

Barb notified the group that Brad Bernhardt would be joining the meeting at some point to discuss potential summer computer sessions. Al C asked if we need to establish a policy about use of facilities for non-parish functions. Joe Sandifer commented that these computer sessions would be designed to generate revenue. Al will draft a policy to present to the commission regarding use of parish facilities for non-parish events.

Joe Sandifer presented a Gift Acceptance Policy for approval. The Commission approved the policy.

Brad Bernhardt presented a proposal to hold training seminars over the summer on technology-related topics such as Microsoft Office, website development, etc. Brad commented that these seminars would raise money for technology or general uses and bring community members into the school to see our technology and facilities. The seminars would be two hours and enroll a maximum of 28 people per session. Existing software and hardware would support the seminars. There would be no extra costs for the parish. Brad will include a notice in the Spartan asking for suggestions on topics. He will design the seminars around topics of interest. Barb suggested enrolling through the Spartan and bulletin before school is out for the summer. If the sessions are not full, then advertise to the public. Members also suggested offering a 'technology camp' to kids, in addition to seminars for adults. Brad will investigate

what other, comparable classes are offered in the community and how much is charged for them. The Commission approved Brad moving forward with research on topics to offer and costs to charge.

Review of 2009/2010 Budget:

The Commission reviewed questions raised by Katie Kuka.

Religious Ed: Health insurance expenses (5251.6) were not increased, because rates will remain flat. Technology expenses (5582.6) include new computers, ink cartridges and paper needs. Cartridges and papers are currently taken out of the school budget. Brad Bernhardt has reviewed the estimates for new computer costs.

Parish: Other ordinary income (4281.1) is budgeted for \$6,080 which is annualized from the year-to-date March 2009 balance. Festival expenses (5453.1) are budgeted for a net loss on the festival of \$20k. This is a cushion.

School: Rich Sinks addressed school questions. We are keeping the bus and trying to increase the number of families using bus service. School teacher salaries (5126.5) dropped because the Assistant principal is not returning next year. Instructional assistant salaries (5129.5) dropped due to: 1st grade assistant was cut and hours are being cut across the board. Assistants will be paid what is budgeted and not beyond those amounts. The new time-clock software is anticipated to help control instructional assistant hours.

Rich Sinks provided other updates related to the school. Final tuition numbers will be published soon. Amy Uberto is working with Rich to finalize the rates. Currently, we have 348 students enrolled for next year (71 are not affiliated with St. Susanna). 320 have paid registration fees. The school budget is based on enrollment of 314. Rich noted that we are doing better this year with registration and enrollment than in prior years.

PARISH BUDGET

The Brickyard Festival and special collections are budgeted at a loss (expense accounts exceed related revenue accounts) to provide a cushion within the budget. Fr. Kevin noted that he annualized year-to-date numbers and multiplied every income item by 95%, thereby taking 5% out of this year's annualized revenues, to present a conservative income budget.

Al C. asked if we need to fine-tune the income accounts on a monthly basis for cash flow planning purposes. In the past, we performed cash flow analysis on expenses. Al wondered if we need to do the same for income. Mike Witka noted that the archdiocese asks parishes to seasonalize their income budgets by reflecting anticipated fluctuations when school/religious education is out, for example. The archdiocese does not have a model to use but suggests using parish history. Mary and Fr. Kevin noted that holiday collections go into their own accounts, not the general Sunday collections account. Using the last three years' actual data for Sunday collections, Mary will modify the monthly, budgeted parish revenues for cash flow analysis purposes.

Parish expenses: No increase budgeted for salaries for next year. Items provided by the archdiocese were incorporated directly into the budget, including Cathedraticum and Clergy Insurance. The Brickyard Festival is budgeted to generate a \$20k loss. By incorporating the festival into the budget, the Commission has approved the festival but in a modified version. Michelle Wiegand has the details on proposed modifications. Barb will provide guidance to Michelle W. regarding a reasonable budget for this year's festival and ask her to present it at the Parish Council meeting next week.

The buying and selling of land for the parking lot was not included in the budget. Fr. Kevin can't discuss it with the archdiocese until he has met with Duke. That meeting is anticipated to occur within the next two weeks. Once approved, this project will likely be folded into the building loan.

Mike Witka noted that Mary M. has the information needed to update our property insurance account to reflect the new addition. Mary will update account 5651.10 (Property Insurance) to reflect the new addition by applying the rates in the guidelines. Mike Witka also confirmed that the Cathedraticum reflects the archdiocese's percentage of 2007 collections.

Account 5844.10, Loan interest expense, reflects \$6,650 of loan interest expense on the June 2008 operating loan. We are currently not paying principal or interest on that loan.

Combining the net gains/losses of the three budgets (parish, school, religious education) results in a \$61,340 net profit. Fr. Kevin hopes to use that net profit at the end of the year to make loan payments. Members noted that the parish budget is improved this year over prior years.

SCHOOL

The school budget anticipates 314 students. We currently have 320 enrolled with paid registration fees. Thus, the budget is conservative on the income side. Currently, the school budget takes total enrollment and divides over 12 months. For last year's budget, we tried to fine-tune the income projection by month and ended up explaining variances for the first half of the year.

In July and August, we will have a spike in income due to the receipt of fees (registration, technology, etc.). Members want the budget for both income and expense accounts to reflect anticipated spikes by month. Currently, all registration fees received for next year are in a separate ADLF account. When received, the entry was: DR ADLF, CR A/P – Deferred School Income. Thus, there was no impact on current year income when recording these fees. Next year, cash fluctuations will be recorded on the balance sheet only; movements in and out of ADLF (i.e. prepaid registration fees) will only show up on the balance sheet. Income statement will reflect cash coming in for the month only. Rich Sinks will revise the school budget to reflect actual cash flow fluctuations by month for all income accounts. He will use the prior year model to determine appropriate allocations by month.

Members discussed the school lunch program. Should lunch rates be raised for next year? Rich Sinks believes that we need more experience with the NSLP program before adjusting rates, etc. We have only been participating in NSLP for 1 ½ years. We are still learning what we can and cannot buy with the

funds. Thus, we may not be taking full advantage of the program right now. A school may not show any form of profit on a lunch program while participating in NSLP. So, the goal is to get as close to break-even as possible. At this point, the school lunch program is running a loss. The lunch program is budgeted to break-even next year. Rich Sinks is uncomfortable with adjusting lunch rates until we have more experience with NSLP, so as not to jeopardize our eligibility. The School Commission is monitoring the school lunch program and identified it as an area needing improvement, including staffing and management concerns. On this note, the school commission plans to implement performance evaluations for all school staff next year in order to set expectations and monitor staff performance.

Members discussed bus expenses. The school commission is considering allocating a certain percentage of activity fees towards bus expenses to cover field trips, etc.

Our school deficit is approximately 21% of Sunday collections. Mike Witka noted that the national average is about 25%.

Members asked Mike Witka questions about the High School Assessment. Do all of the other parishes whose students we serve pay this fee? Mike responded: "Yes – if in the deanery, they pay those fees." How can we recoup some of those fees that go to the archdiocese to cover some of our portion of the high school fees? Mike Witka suggested tiered tuition rates, for example, Catholic non-parishioners vs. Catholic parishioners. Our 2009/2010 tuition rates will not reflect contributing parishioners vs. non-contributing parishioners rates. The parish anticipates making a \$575 contribution per student to the school next year. Members asked Mike Witka if we could ask other parishes to cover those costs. Mike suggested that it would be difficult to get those funds from the parishes. He believes it would be better to differentiate tuition rates. Lance DeNardin noted a discrepancy between allowing the archdiocese to charge all parishes for High School fees while disallowing parishes to charge other parishes for parish schools.

Extended daycare is budgeted to net \$45k. School mission income/expense budgeted to lose \$1.5k – this is a cushion built into the budget.

Religious Education/Youth Ministry BUDGET

Registration income is budgeted to increase to \$36k (from YTD \$27k), although rates have only increased \$10 per student. Barb will discuss this question with Fr. Kevin.

Mike Witka asked how many staff members REYM employs. The REYM staff includes the Director of RE (on a reduced schedule), children's ministry (Shannon G), youth ministry (Ellice B – part-time), and a secretary (job-share, 2 people equivalent to 1 full-time). Currently, we serve 375 children (grades K to 12) in Religious Ed. RE is also in charge of adult formation. The archdiocese does not provide benchmarks on RE subsidies because it varies from parish to parish. It is also not an optional activity; all parishes have to offer RE.

Approval of Budgets

Netting the parish, REYM, and school budgets presents an approximate \$61k profit at year-end. Joe Sandifer moved to approve the budgets. Lance DeNardin seconded the motion. The Commission approved the 2009/2010 budgets.

Other Items:

Joe Sandifer asked if next year's spring break was scheduled for the school. Yes – we will be following the Plainfield School system's schedule. The PTP surveyed families and staff members. Teachers strongly preferred to follow the Plainfield schedule. Families were split 50/50.

Capital campaign letters were received well, and we have received some payments on pledges.

Lance noted that Brian Joseph and Wally are talking about the leak in the church roof this week.

PTP donated \$40k out of cash balances (from the auction) to give to parish budget.

ACTION ITEMS:

Barb Buschman:

- Provide guidance to Michelle W. regarding a reasonable budget for this year's festival and ask her to present it at the Parish Council meeting next week.
- REYM: Registration income is budgeted to increase to \$36k (from YTD \$27k), although rates have only increased \$10 per student. Barb will discuss this question with Fr. Kevin.

Lance DeNardin:

- Discuss with Rick Rossner and/or Ed Carson to determine the frequency of CYO deposits. Discuss the control of CYO funds, including where the funds are kept – at home? Secured at school? Secured in the parish safe? Also, what documentation is maintained for concessions, admissions, and petty cash?

Al Czyzewski :

- Draft a policy to present to the commission regarding use of parish facilities for non-parish events.

Mary Matarazzo:

- Using the last three years' actual data for Sunday collections, Mary will modify the monthly, budgeted parish revenues for cash flow analysis purposes.
- 5651.10 (Property Insurance) Apply the rates provided in the guidelines to the estimated value of the addition.

Rich Sinks:

- Revise the school budget to reflect anticipated cash flow fluctuations by month for all income accounts. He will use the prior year model to determine appropriate allocations by month.