

St Francis by the Sea Church

Finance Council Minutes

Date: May 27, 2009

Time: 3:10 PM

Members present: Marty Gleason, Bob Grassi, Joe McGovern, Jean Schneiderwind

In Attendance: Terry Conway

Excused: Father Mike Oenbrink, Leigh Bullen, Bob Oppenheimer, Mike Pope

The meeting was opened at 3:00 PM with a prayer by Joe McGovern. The minutes of the April 29, 2009 meeting were approved.

Financial Statements: Terry Conway – April, on the strength of Easter collections, produced net income of \$19.2M. Easter offertory of \$58M was a slight \$2M short of budget. Total collections for the month were \$33.9M short of budget. This is largely attributable to a budgeting flaw and not a deficiency in receipts. The budget was mistakenly projected as four Sundays plus Easter instead of three Sundays plus Easter Sunday. This will skew our comparisons for the final two months of the fiscal year. YTD net income improved to negative \$64.3M inclusive of paper investment losses of \$117.1M. However, any decline in investment values this year have not been received and could result in a higher net loss. Terry indicated that expenses for the Youth Group and Adult Religious Education are each running \$12M under budget YTD due to various previously planned programs not being done.

Cash Flow: Joe McGovern – the April average offertory per Sunday, at \$39.9M, compares quite favorably to Easter months in the last four years (\$36.5M, \$35.2M, \$30.4M and \$31.5 M). Loose cash collections were only \$19.9M in April compared with March's \$33.9M. Terry explained that March had five Sundays. The figure for April includes only three Sundays since loose cash collections for Easter Sunday were lumped into the separate "Easter Collection" revenue line. The ending checking account cash at \$87.5M and available checking account cash of \$35.4M are reflective of the high Easter collection. Joe observed that the \$125 average for electronic

giving appears to have stabilized from previous averages in the low \$130 range. Total YTD offertory collections are 1% above last year despite one less Sunday collection.

Ministries: Jean Schneiderwind – Jean will meet with the various ministries regarding their budgets following our special June 10 budget meeting to convey any concerns and possible refinements to preliminary budget proposals they have submitted to Terry.

School: Terry Conway – results continue to be favorable. Total revenue for April was spot-on comparable to budget, with YTD revenues \$20.8M over budget. Expenses were well controlled, coming in at nearly \$7M below budget for the month and YTD. Net income for April was \$21.1M and \$74M YTD, both well above budgeted projections. However, the combination of probable losses in tuition receivables and a lag time in recordation of some expenses will likely have a serious impact on ultimate net income by the end of the fiscal year. Terry indicated we will likely budget for 210 students for the 2009/2010 school year. The meeting with Father Mike to discuss collection strategies for delinquent tuition accounts has not yet been scheduled.

Thrift Shop: Terry Conway - revenue for the month was \$4.4M short of budget and, YTD at \$349M, is \$57.1M below budget. Net income at \$14.5M was in line with budget, with YTD net at \$70.8M or \$29M shy of budget. We have presented Apple Appliance with a one-year renewal lease at current rates or their option to sign a two-year lease at current rate for the first year and a 3% increase for the remainder. At this point they have not indicated whether they plan to renew. Jean suggested that the parish be informed that the store floor has been reorganized with a more appealing layout. A less cluttered, less “second-hand” look should appeal to both contributors and customers. Thirty four grant requests have been received. Management is considering adding more hours, possibly including Tuesday hours, if sufficient staff can be lined up.

Bank Reconcilements: Joe McGovern – Bank reconcilements remain in good order. The first quarter report to the Diocese was reviewed and was likewise found to be appropriate for submission. Terry indicated it has been forwarded to Charleston.

Facilities Maintenance: Terry Conway – Terry reported that the Church door repair and refurbishment is complete at a cost of \$50,000. Payment is coming out of the Repair and Replacement checking account. Pursuant to a planned refurbishment schedule, two classrooms will be worked on before the start of the new school year. Brick work to correct drainage problems beside the St. Francis statue in front of the Church was delayed due to rain but will be completed shortly. In regard to the new parking lot lighting, Palmetto Electric will do a walk around to estimate the existing campus lighting cost but will tie this into an estimate of cost for lighting the area at the planned all-purpose building.

Other Business: Liberty Bank Proposal- two representatives from Liberty Savings Bank gave a presentation about its new Bank for A Cause program. Parishioners who open a checking account and take out the bank's branded MasterCard debit card can designate 1% of their signature based purchases to the Church. The 1% is a portion of the merchant fee the bank earns on charged purchases. Future discussion will be scheduled to decide if this will be presented to parishioners for their consideration.

Multipurpose Building – the bishop has authorized us to proceed with construction of the new multipurpose building. Work will commence as soon as the city inspects to determine if adherence to erosion control and tree protection standards are in place. Terry discussed the two “Firm Bequests” totaling \$572,355. The bequeather with a \$250M remaining instalment has expressed some nervousness over market/investment conditions but has not suggested any desire to withdraw the pledge. We will be asking for a follow-through on the final payment. The other \$320M + involves an estate wherein our portion is a one-sixth interest in real property in Illinois. We will ask the estate or interested heirs to assume our one-sixth interest by paying cash now rather than await a possible prolonged period to liquidate the property.

Annual Audit – discussion of this topic was postponed to our June regular meeting.

Budget – Terry distributed copies of preliminary 2009/2010 budgets for the Church, Thrift Shop and the three largest ministries. The preliminary school budget will be forwarded via e-mail. A special Finance Council meeting will be held June 10 at 3:00 PM to discuss and refine these proposals. It is

planned that final budgets for fiscal year 7-1-09 to 6-30-10 will be approved at our next regular meeting on June 24th [subsequently moved to July 1st] to commence at 3:00 PM.

The meeting adjourned at 5:20 PM.

Respectfully submitted, Joe McGovern