



Opening Prayer

Lord Jesus, help me this day to imitate you as a humble servant of all. In flame my heart with a great zeal for souls so that in every moment I may desire to bring your love to others.

And in this month of May we pray...Hail Mary...

strategy creativity success

Catholic Finance Corporation

Financial Advisor to Catholic Institutions



APBA Update

May 7, 2020

Why Budget?



Flying blind vs. missing the mark



Castle in the cloud vs. reality





Covid Budget Conundrum

- We don't know how Covid behaves
- We don't know when we will be back at Mass
- We don't know how parishioners will behave in giving
- We don't know the additional costs with Covid
- But we can and must make some assumptions
- Then adjust, adjust, adjust

Budget Process for FY 2021

- Cash forecast for FYE 2020
- Determine whether you budget using worst case or whether you have some flexibility in the budgeting process
- Make assumptions on revenues
- Decide what cannot be changed
- Focus on what you can impact

St. Serra, Minneapolis

St. Serra Catholic Church, Minneapolis, MN	Actual 2018	Actual 2019	Actual Apr-20	Forecast FYE 2020
Church Operating Revenues				
Contributions	\$ 829,861	\$ 900,756	\$ 710,000	\$ 800,000
Ministry/Program Income	13,960	8,832	6,000	6,000
Festival Income	33,178	58,183	-	-
Other Income	4,224	69,571	40,000	40,000
Total Church Operating Revenue	\$ 881,223	\$ 1,037,342	\$ 756,000	\$ 846,000
Church Operating Expenditures				
Salaries	\$ 413,461	\$ 441,922	\$ 368,100	\$ 442,000
Benefits	117,523	160,480	137,502	161,000
Salaries & Benefits	530,984	602,402	505,602	603,000
Administrative/Office Expense	63,741	132,094	115,000	130,000
Ministry/Program Expenses	80,278	84,524	67,040	70,000
Total Buildings & Grounds Expenses	130,636	122,070	98,500	113,000
Parish Assessment	68,048	95,032	52,500	65,625
Total Church Operating Expenditures	\$ 873,687	\$ 1,036,121	\$ 838,642	\$ 981,625
Church Operating Surplus/(Deficit)	\$ 7,536	\$ 1,221	\$ (82,642)	\$ (135,625)
Total Extraordinary Revenue	\$ 177,377	\$ 163,780	\$ 161,100	\$ 161,100
Total Extraordinary Expense	\$ 139,540	\$ 190,166	\$ 152,554	\$ 175,000
Extraordinary Surplus/(Deficit)	\$ 37,837	\$ (26,386)	\$ 8,546	\$ (13,900)
Net Church Surplus/(Deficit) after Extraordinary	\$ 45,373	\$ (25,165)	\$ (74,096)	\$ (149,525)
Operating Fund--Flexibility in decision making	\$ 678,340	\$ 653,174	\$ 579,078	\$ 503,649
Operating--Little flexibility in decision making	\$ 178,340	\$ 153,174	\$ 79,078	\$ 3,649
Reserved Parish Funds	\$ 285,007	\$ 317,797	\$ 324,984	\$ 324,984

What are your options?

- Will your parish have 3-6 months of cash on hand 7/1/20
- If not, deficit budget is NOT feasible nor good practice
- What is relevant to you? Festival, school, renters, giving patterns, front loading of gifts into FY2020



Revenue assumptions

Budget Assumptions	Option #1	Option #2	Option #3
Revenue			
Contributions	Down until 2021	Down until September	Same as FY 2020
Ministry/Program Income	Normal 1/1/21	Normal 9/1/20	Same as FY 2019
Festival Income	No festival	Festival @ 50%	Festival @ 100%
Other Income	None	Same as FY 2020	Same as FY 2019

Revenue assumptions

St. Serra Catholic Church, Minneapolis, MN	Actual 2018	Actual 2019	Actual Apr-20	Forecast FYE 2020	Option #1 2021	Option #2 2021	Option #3 2021
Church Operating Revenues							
Contributions	\$ 829,861	\$ 900,756	\$ 710,000	\$ 800,000	\$ 700,000	\$ 750,000	\$ 800,000
Ministry/Program Income	13,960	8,832	6,000	6,000	3,000	4,500	6,000
Festival Income	33,178	58,183	-	-	-	29,000	58,000
Other Income	4,224	69,571	40,000	40,000	-	40,000	70,000
Total Church Operating Revenue	\$ 881,223	\$ 1,037,342	\$ 756,000	\$ 846,000	\$ 703,000	\$ 823,500	\$ 934,000
Church Operating Expenditures							
Salaries	\$ 413,461	\$ 441,922	\$ 368,100	\$ 442,000	\$ 442,000	\$ 442,000	\$ 442,000
Benefits	117,523	160,480	137,502	161,000	161,000	161,000	161,000
Salaries & Benefits	530,984	602,402	505,602	603,000	603,000	603,000	603,000
Administrative/Office Expense	63,741	132,094	115,000	130,000	129,300	129,300	129,300
Ministry/Program Expenses	80,278	84,524	67,040	70,000	80,000	80,000	80,000
Total Buildings & Grounds Expenses	130,636	122,070	98,500	113,000	113,000	113,000	113,000
Parish Assessment	68,048	95,032	52,500	65,625	84,633	84,633	84,633
Total Church Operating Expenditures	\$ 873,687	\$ 1,036,121	\$ 838,642	\$ 981,625	\$ 1,009,933	\$ 1,009,933	\$ 1,009,933
Church Operating Surplus/(Deficit)	\$ 7,536	\$ 1,221	\$ (82,642)	\$ (135,625)	\$ (306,933)	\$ (186,433)	\$ (75,933)
Total Extraordinary Revenue	\$ 177,377	\$ 163,780	\$ 161,100	\$ 161,100	\$ 161,000	\$ 161,000	\$ 161,000
Total Extraordinary Expense	\$ 139,540	\$ 190,166	\$ 152,554	\$ 175,000	\$ 105,000	\$ 105,000	\$ 105,000
Extraordinary Surplus/(Deficit)	\$ 37,837	\$ (26,386)	\$ 8,546	\$ (13,900)	\$ 56,000	\$ 56,000	\$ 56,000
Net Church Surplus/(Deficit) after Extraordinary	\$ 45,373	\$ (25,165)	\$ (74,096)	\$ (149,525)	\$ (250,933)	\$ (130,433)	\$ (19,933)
Operating Fund--Flexibility in decision making	\$ 678,340	\$ 653,174	\$ 579,078	\$ 503,649	\$ 252,716	\$ 373,216	\$ 483,716
Operating--Little flexibility in decision making	\$ 178,340	\$ 153,174	\$ 79,078	\$ 3,649	\$ (247,284)	\$ (126,784)	\$ (16,284)
Reserved Parish Funds	\$ 285,007	\$ 317,797	\$ 324,984	\$ 324,984	\$ 324,984	\$ 324,984	\$ 324,984

What are “fixed” expenses?

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Remember

Just start!

- It gets better each time you update it
- It isn't exact- it is relative
- It guides discussions and decisions
- Helps with communications with parishioners and vendors
- Important tool in crisis management
- Adjust, adjust, adjust (reforecast quarterly)



Questions & Answers

We're here to help!

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