

Financial Town Hall

21 August 2019

Welcome

- Thank you for coming
- Purpose of Town Hall Meeting
 - Inform
 - Provide transparency
 - Gather feedback and ideas
- We are so blessed
 - Strong and active parish
 - Dedicated and passionate parishioners
 - Exceptional school and CCD Program



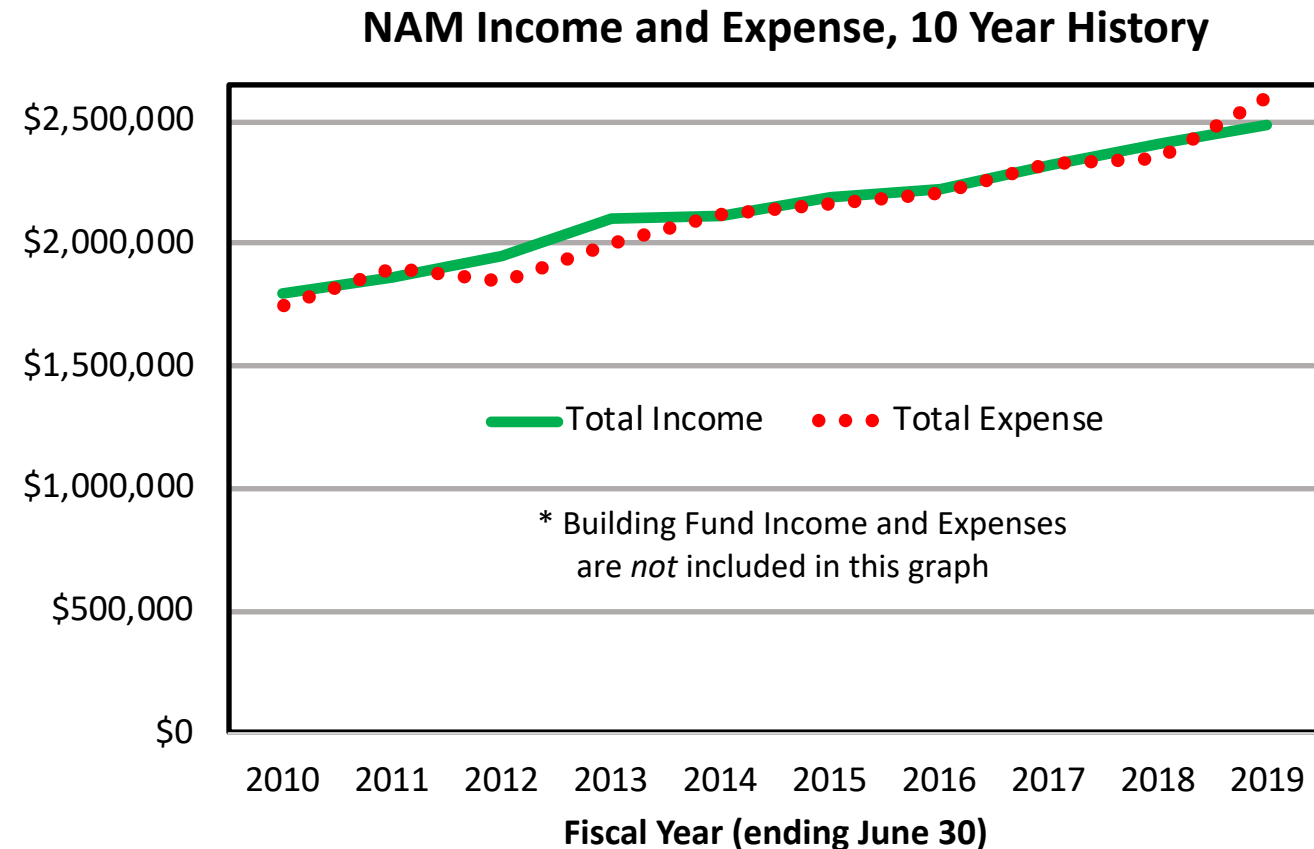
Informational Letter

- A summary of our financial position closing the 2018-2019 fiscal year
- Mailed to parishioners August 14
- Also available on the website

<https://www.namartyrs.org/financial-info/>

Last Year's Finances

- **\$112,254.77 shortfall**
- Income from stewardship and fundraising did not meet expectations
- Higher payroll expenses and Diocesan assessments
- The NAM budget has been balanced (or surplus) over the past 10 years



2018-2019 Budget



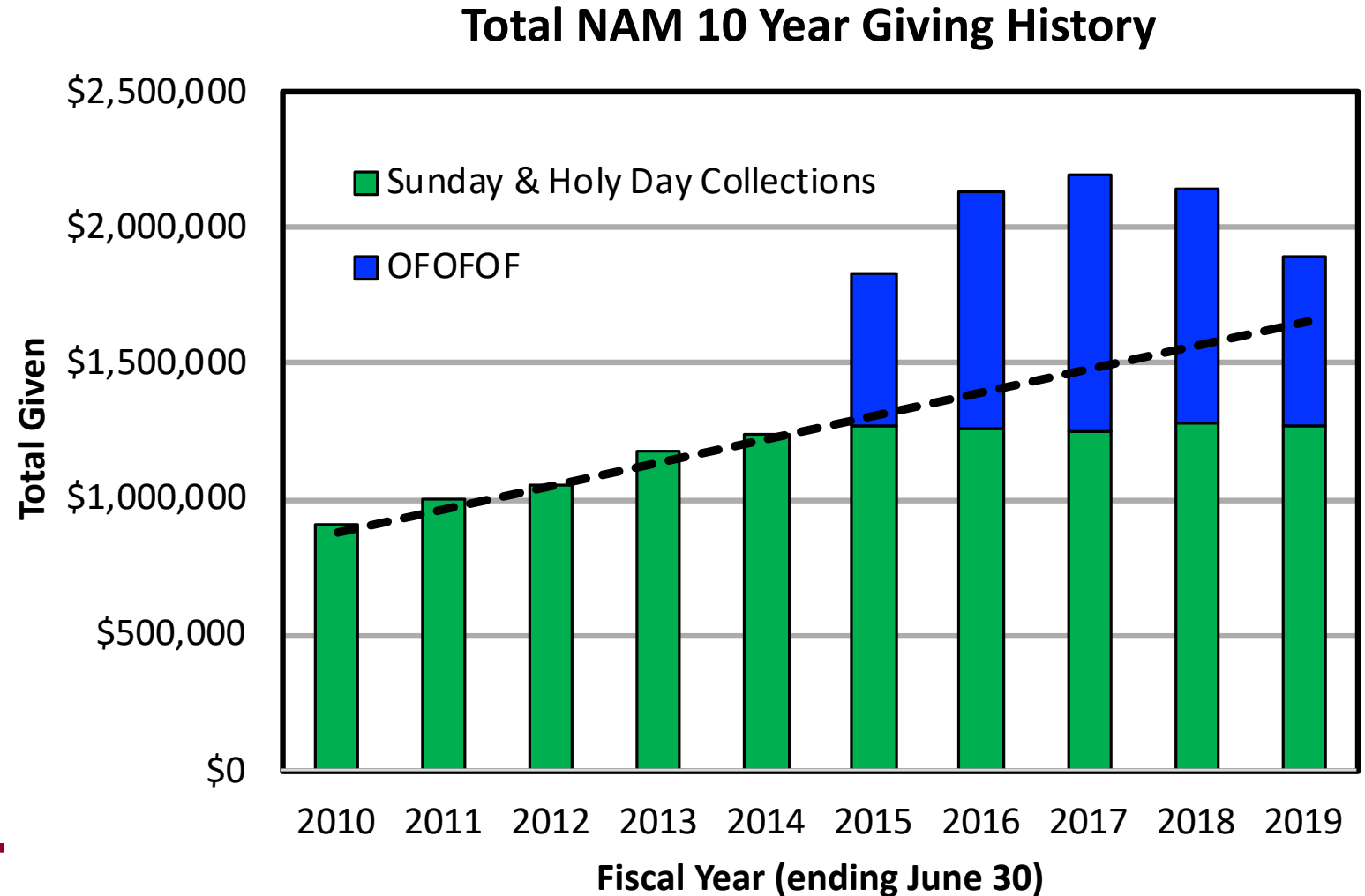
Income	Deficit
Sunday Collection	\$22,000
Matching Funds	\$20,000
Charity/Stewardship Appeal	\$11,000
K-8th Tuition	\$11,000
G.I.F.T 2018	\$10,000
	\$74,000

* Other income and expenses were favorable,
which lowered our overall shortfall

Expense	Overage
Diocese Lay Retirement	\$28,000
Evangelization Coordinator	\$23,500
Parish Assessment to Diocese	\$15,000
Employee Health Insurance	\$12,000
K-8 Teachers and Subs	\$10,000
Paraprofessionals	\$8,000
Printing and Video Productions	\$7,500
Payroll Taxes	\$6,000
Bank and Credit Card Fees	\$6,000
	\$116,000

10 Year Giving Chart

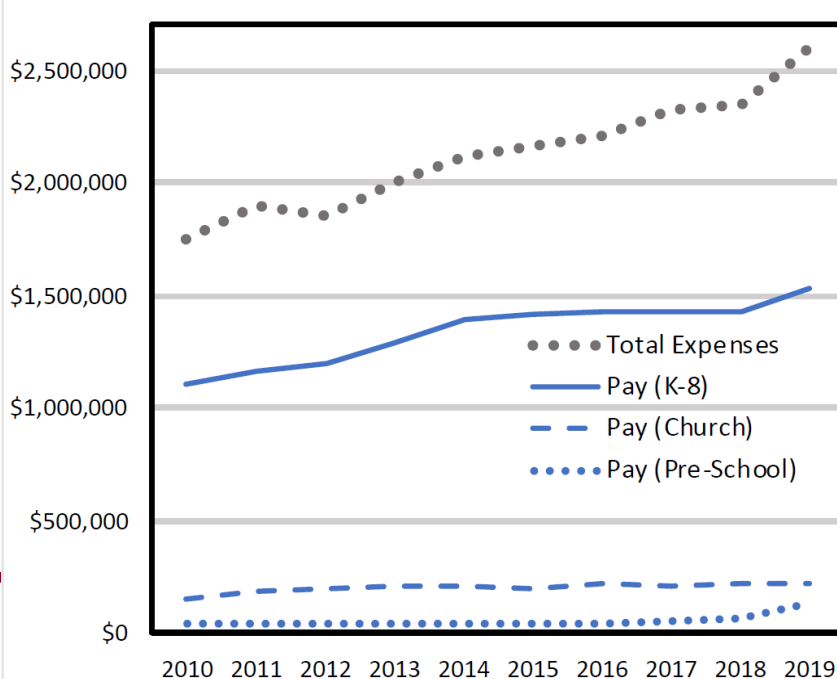
- Amazing generosity to the Our Family, Our Faith, Our Future campaign
- However, Sunday Collection (main income source) has been flat since 2015



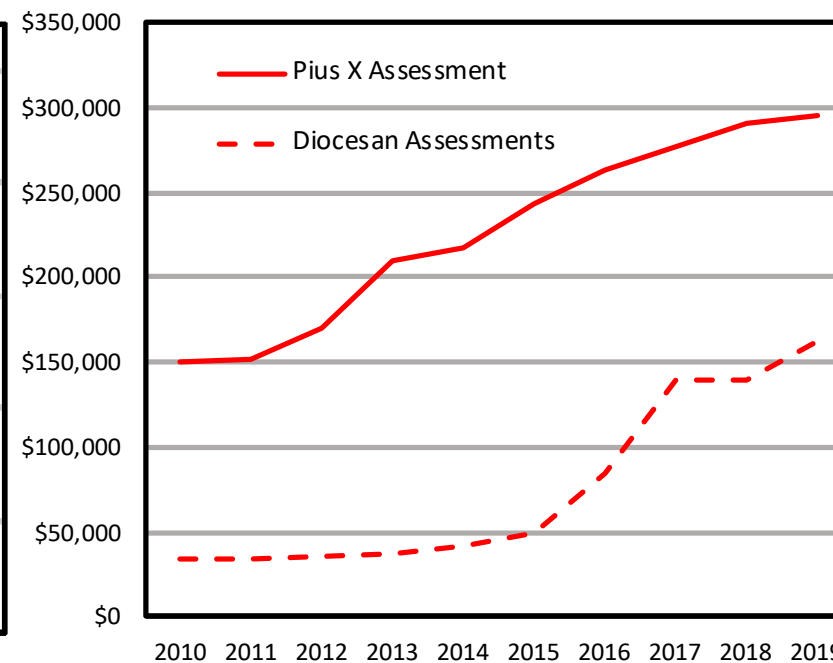
Expense Breakdown

- **Payroll** (largest expense by far) has shown modest increases
- **Pius X and Diocesan Assessments** have doubled and tripled over 10 years!
- **Property and Utility** expenses have been flat, even with building addition

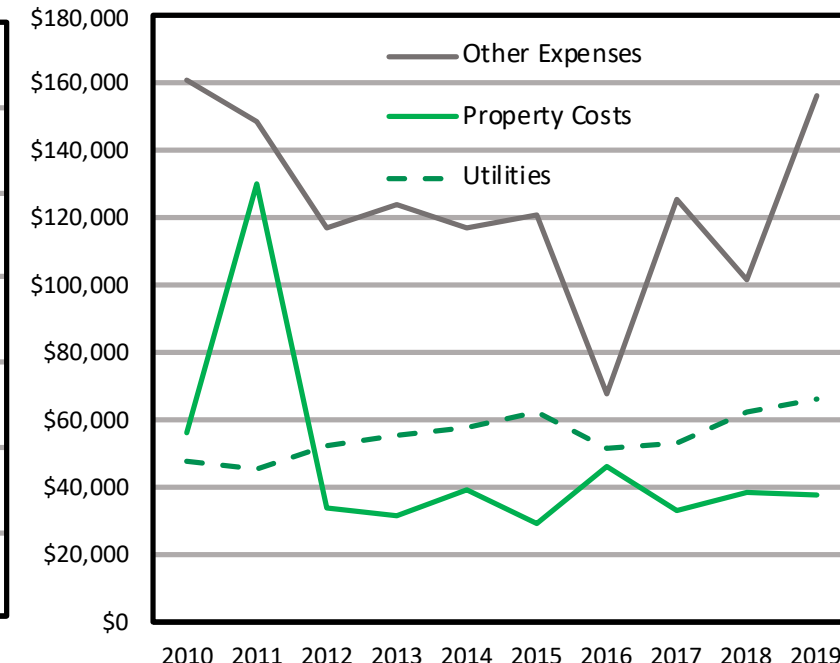
Payroll Expenses



Assessments



Other Expenses



The Good News

- We have had a balanced budget over previous 10 years
- Building campaign (OFOFOF) was a huge success providing much needed space for the parish and school
- Education quality at NAM School is exceptional:
 - Excellent teacher and family support
 - The Iowa Basic Test Scores show out elementary students continue to improve each year and by the time they complete 8th grade, they are performing way above average
 - At 2019 Pius X graduation, 16 of our former 45 NAM graduates received Regents scholarships to UNL
- Our cost of education is <\$4000/student, far below \$11,274/student at LPS.

2019-2020 Budget Challenges

- Losing \$150,000/year benefactor
- Losing a portion of technology fund this year, and more next year
- Parking lot and boiler repair expenditures
- Need to find ways to make up the difference

Challenge	Impact
Loss of Major Benefactor's Stewardship	\$150,000
Loss of Major Benefactor's Technology Support	\$40,000
Addition of a Priest (50% assigned to NAM)	\$20,000
Annual Increase in Expenses Due to Inflation	\$60,000
Deferred Maintenance – Boiler and Parking Lot	\$35,000
Shortfall from Last Year (2018-2019)	\$112,000
	\$417,000

Path Forward

- Goal: Identify solutions to make up \$417,000 in 2019-2020 FY
- Potential Solutions
 1. Cut Expenses
 2. Increase Income – Faithful Steward Scholarship Pledges
 3. Increase Income – Convert some of OFOFOF giving to Sunday Offertory
 4. Increase Income – Annual Stewardship Renewal for entire parish
 5. Increase Income – Raise Tuition
 6. Increase Income – Evangelization and education to those currently giving <\$500
 7. Increase Income – Hire Financial Development Director
 8. Tracking – Change how Finance Committee is tracking parish finances

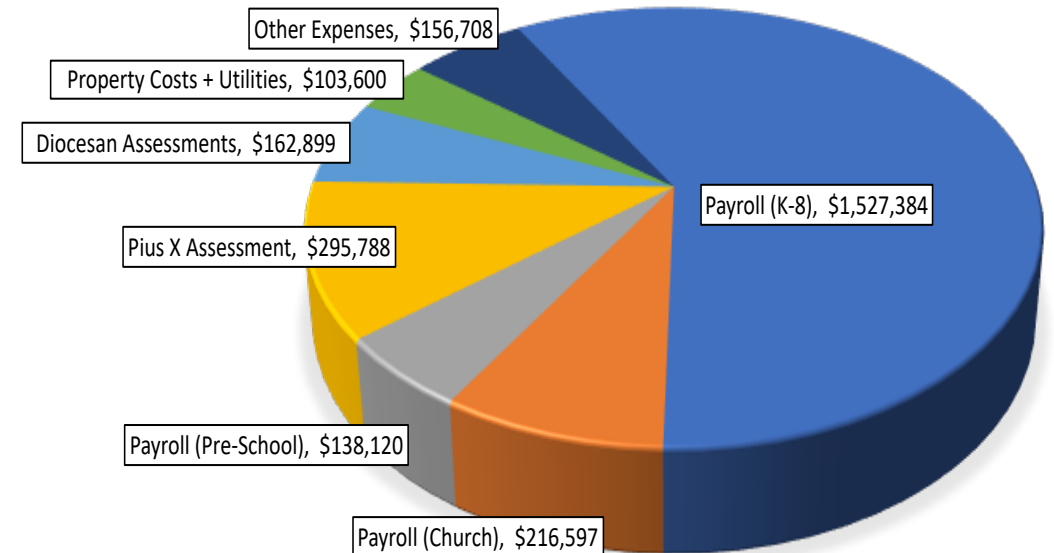
Potential Solution 1:

Cut Expenses

- Payroll is dominate expense (at 72%)
- Eliminated Evangelization Position
- Cost/child for education is already very low (<\$4000/student)
- Teacher base pay is only 73% of LPS
- Classroom sizes are already very large

Potential Impact: Reduced Expenses
by **\$23K**

School	Cost/Student 2017-2018
North American Martyrs	\$3,859
Other Lincoln Catholic Schools (Range)	\$4,283 - \$6,524
Other Lincoln Catholic Schools (Average)	\$5,207
Lincoln Public Schools	\$11,274
Nebraska Average	\$12,613



Potential Solution 2:

Increase Income – Faithful Steward Scholarship Pledges



- Faithful Stewardship Scholarship
 - Cost of education is about \$3,500/student
 - Scholarship is currently up to \$2,650/student
 - Resulting tuition for families is \$850/student
- Annual Evaluation
 - Mass Attendance = 40%
 - Time Pledge = 20%
 - Talent Pledge = 20%
 - Treasure Pledge 20%

Potential Impact: Increase giving by **\$113K**

(Reviewer only) Application No.: _____

Faithful Witness Pledge (Worth 40%)
Enter as a % of all Sundays and Holy Days throughout the year

	2018 Self Report	2019 Pledge	(Applicant) Requested % (0 or 40)	(Reviewer) Awarded % (0 or 40)
Sunday Mass Attendance	%	%		

Time Pledge (Worth 20%)
Spending time with God - Focus on 2 Prayer and 1 Ministry Activities/year – See Time and Talent List

	Prayer Activities in 2018	New Prayer Activities in 2019 for Spiritual Growth	Requested % (0 or 20)	Awarded % (0 or 20)
Prayer				
Prayer				
Ministry				

Dynamic Catholic – Minimum of 1 event every 3 years – See Time & Talent List for approved events

	Dynamic Catholic Event Name	Date
Attended in 2017		
Attended in 2018		
Pledge for 2019		

Talent Pledge (Worth 20%)
Volunteering Church & School (Minimum 12 hrs/year) - See Time & Talent List for ideas

Activities in 2018	Hrs	Activities (Pledge for 2019)	Hrs	Requested % (0 or 20)	Awarded % (0 or 20)

Treasure Pledge (Worth 20%)
My sacrificial gift as recorded by NAM (Goal: 5% of Gross Income to NAM)

2018 (\$ Amount)	2019 Pledge (\$ Amount)	Requested % (0 or 20)	Awarded % (0 or 20)
\$	\$		

Do you E-Tithe? Yes / No

Total Percentage (100% max)

Potential Solution 3:

Increase Income – Convert some of OFOFOF giving to Sunday Offertory

- Building Campaign (OFOFOF) ends this year (now through July 2020)
- Can we encourage parishioners to convert some portion or all of their pledge into ongoing tithing?

Potential Impact in 2019-2020:

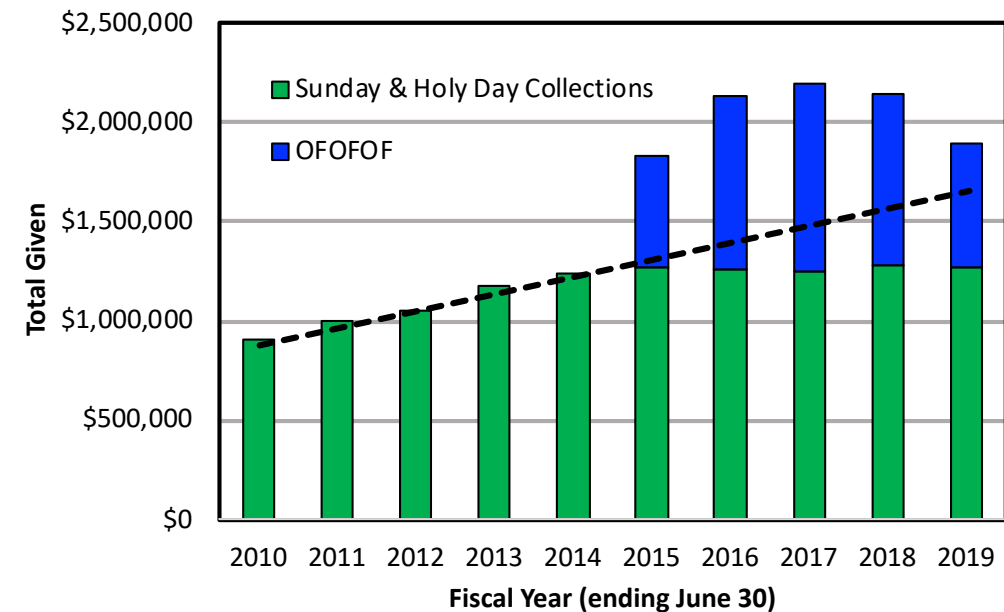
- **At 30% conversion, \$75K** could be raised this year
- **At 50% conversion, \$124K** could be raised this year

Potential Impact in 2020-2021 (after all pledges retire):

- **At 30% conversion, \$229K** could be raised
- **At 50% conversion, \$382K** could be raised



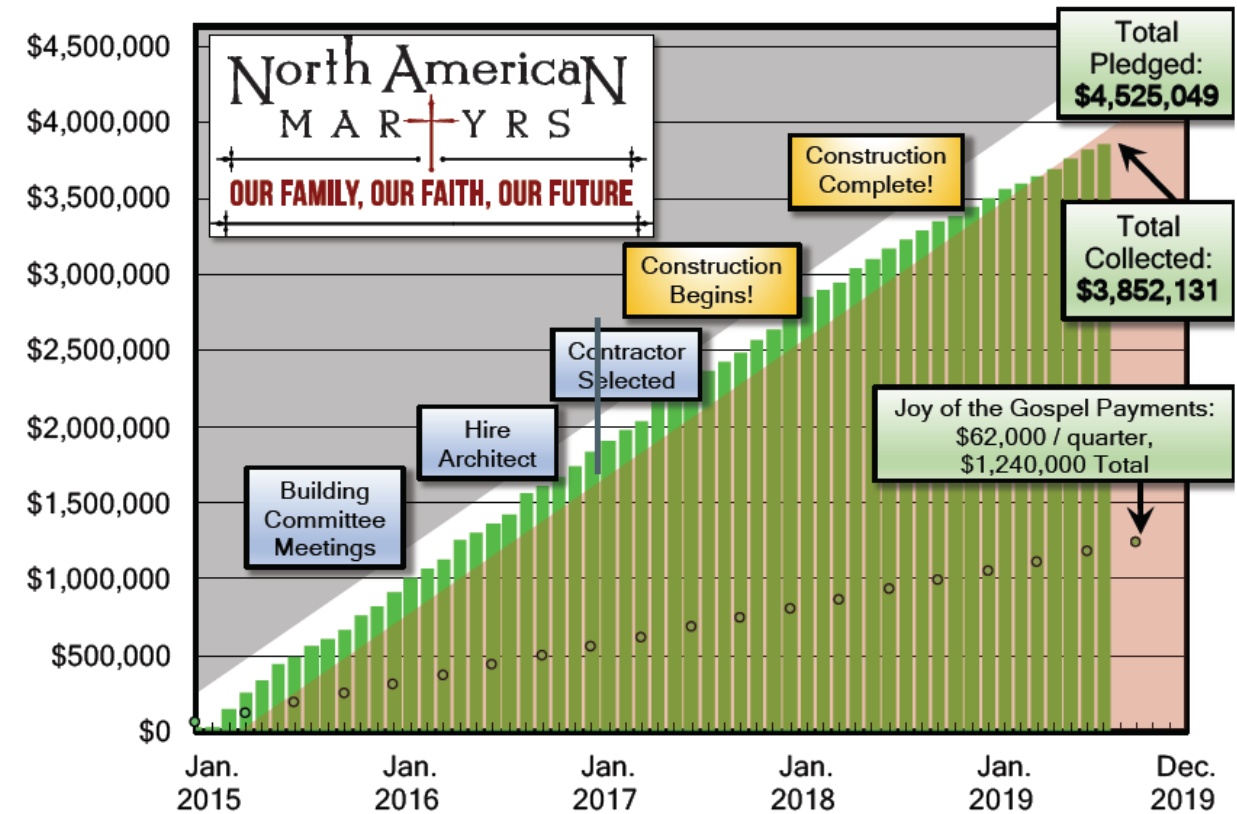
Total NAM 10 Year Giving History



Building Campaign Status



- Pledges
 - Pledge to date: \$4,525,049
 - Cash received to date: \$3,865,844
 - Families contributing: 722
 - 458 Pledges are scheduled to be paid off in 2020 with most in April and May
- Project cost:
 - Original Bid: \$2,927,600
 - Change Orders: \$216,268
 - Architect/Testing/Other: \$255,815
 - Total Project Cost: \$3,399,683
- Outstanding Debts
 - Contractor: \$20,000 retainer
 - Joy of the Gospel: \$310,000
 - DI&L Loan: \$516,909



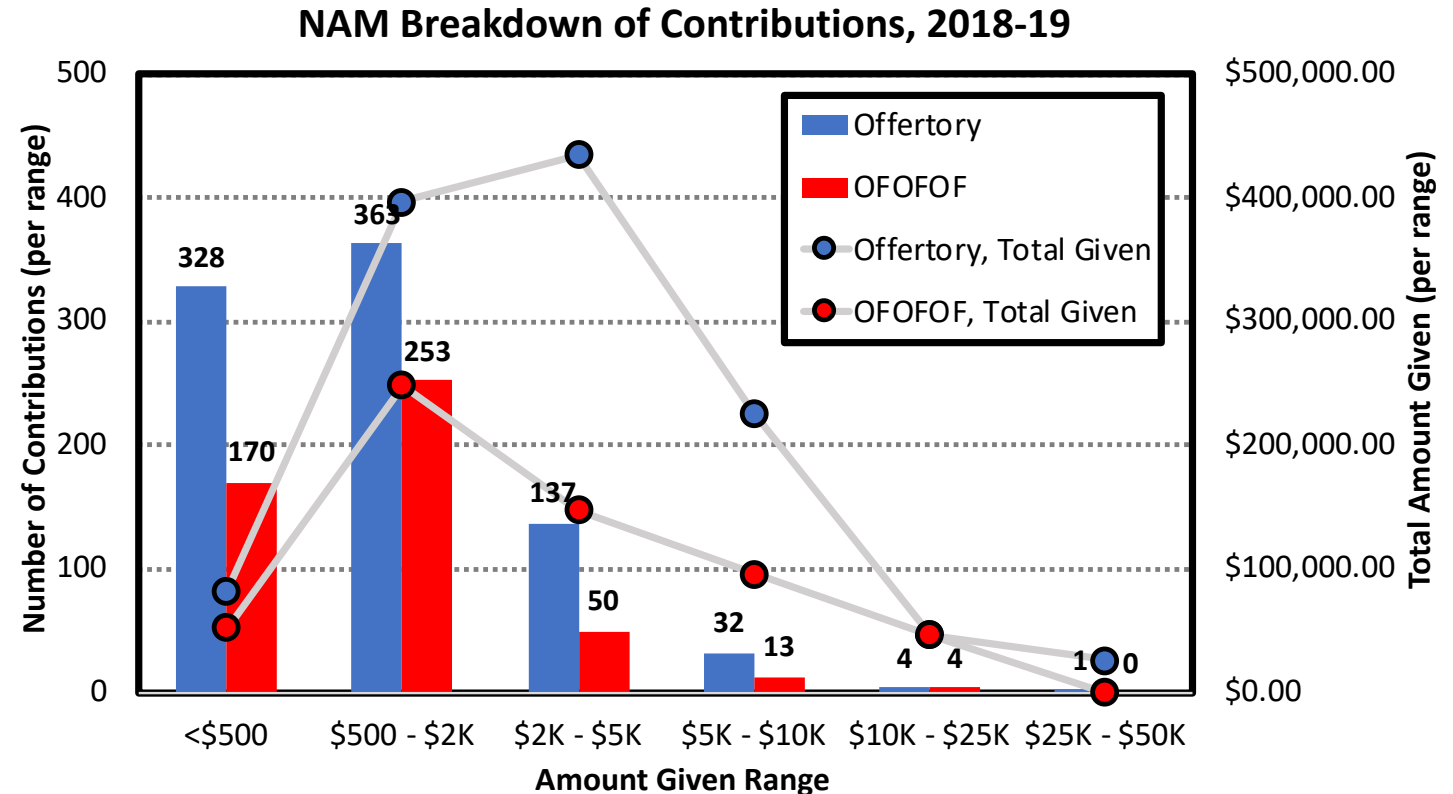
Potential Solution 4:

Increase Income – Annual Stewardship Renewal
for entire parish



- Stewardship Committee was already considering this idea
- Possibly Fall 2019
- All parishioners
- Encourage working towards tithing goal to NAM of 5% of gross income

Potential Impact: If all parishioners increased their Sunday giving by 10%, this would be **\$127K**



For a household income of \$50,000, a 5% tithe to the Parish would be \$2,500.

Potential Solution 5:

Increase Income – Raise Tuition

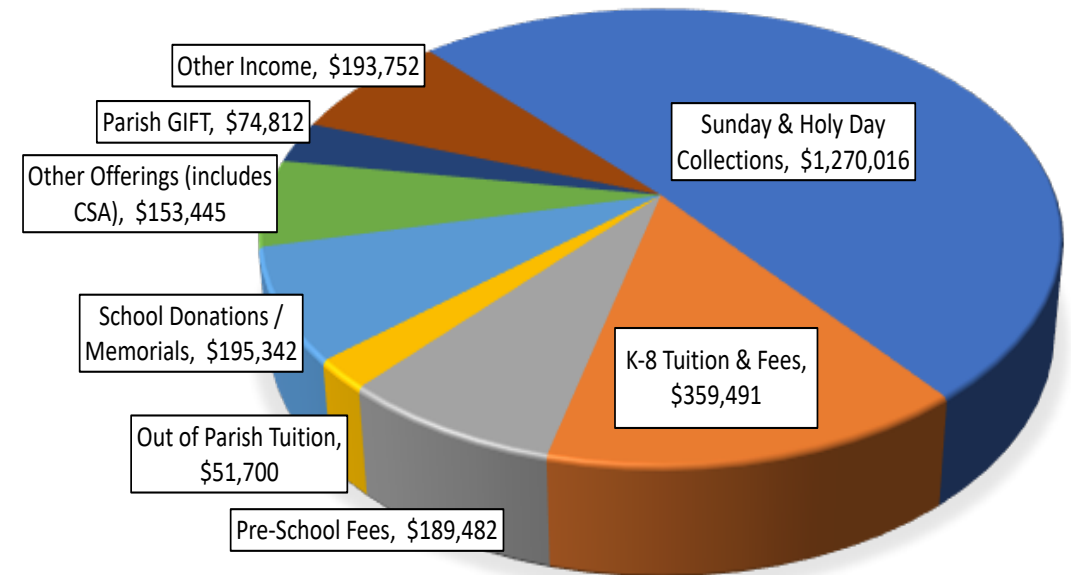
- Goal is to keep Catholic education affordable and accessible to all parishioners
- Tuition would be the amount after applying for a Faithful Steward Scholarship for K-8
- Include evaluation of pre-school fees and tuition paid by students outside of the parish

Potential Impact in 2019-2020:

- Tuition is set for 2019-2020, so no impact this year

Potential Impact in 2020-2021:

- Needs to be analyzed, including comparison to other parishes
 - For reference, a 10% increase in K-8 tuition, out of parish tuition, and Pre-school fees would increase income **\$60K**



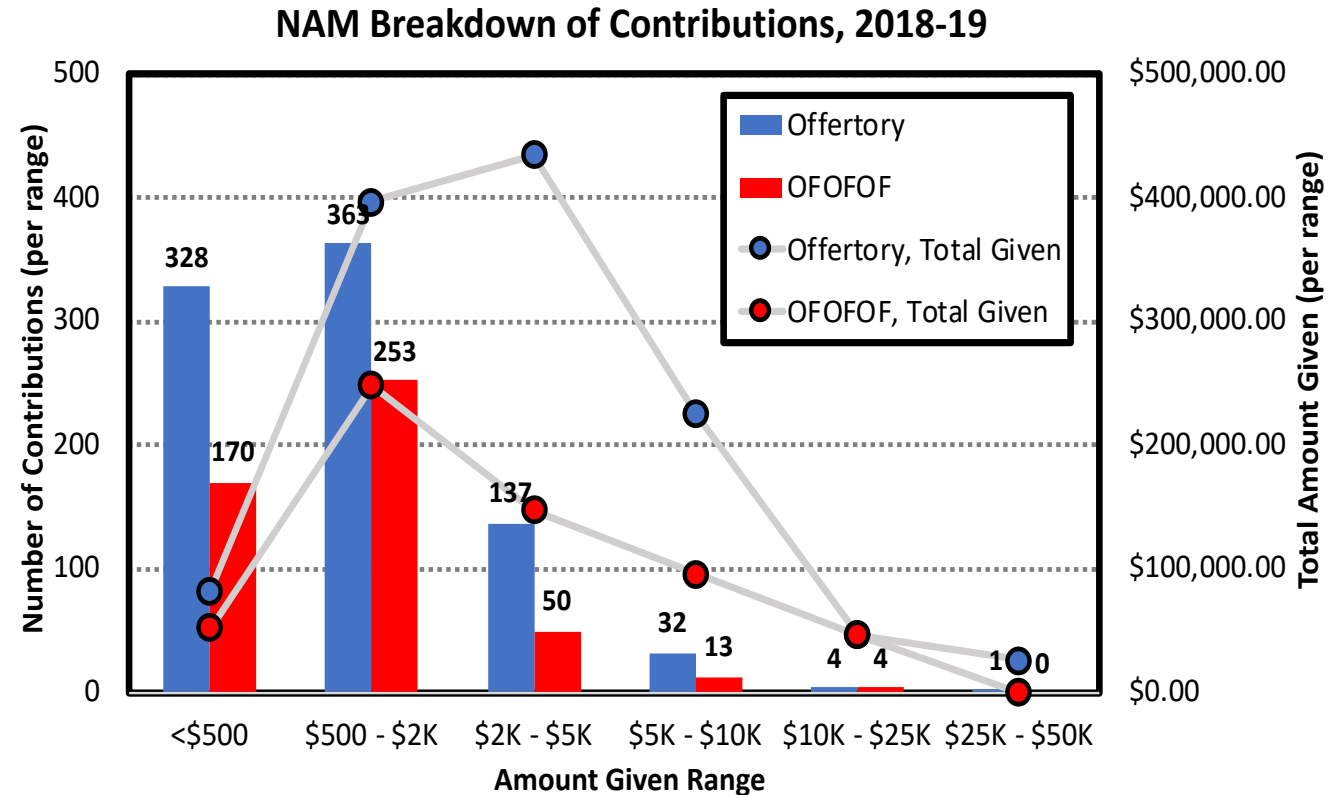
Potential Solution 6:

Increase Income – Evangelization and Education to those currently giving < \$500/year



- Starts with evangelization
- Need many volunteers to organize personal outreach to invite and engage
- Last year approximately 900 families gave <\$500
 - 574 families give \$0
 - 328 families gave \$1 to \$500
- This would take time to organize, so likely only small increase in 2019-2020.
- This is a long-term solution

Potential Impact: If half of these families (450) increased their giving by \$20/month (\$240/year), this would be about **\$108K**.



Potential Solution 7:

Increase Income – Hire Financial Development Director

- Position would lead activities focused on financial giving
- Hard to hire position when operating in the red
- This is a long-term solution

Potential Impact: Initial additional cost for position. Potential impact for increasing income could be significant in the long-term

Potential Responsibilities:

- Plan, manage, and implement annual giving activities
- Coordinate volunteer efforts
- Pursue major gifts through estates and wills
- Research, identify, and write grants for external funding
- Pursue endowment funding
- Pursue opportunities for employer matching funds

Potential Solution 8:

Tracking – Change how Finance Committee is tracking parish finances

- Developing key indicators to track
- Develop anticipated annual patterns for key indicators
- Quarterly meetings to review actual versus anticipated
- Include balance sheet in review
- Develop regular approach to communicate results with parish

Potential Impact: Early warning if finances are not tracking as planned



Example of Possible Scenario

No.	Potential Solution (2019 - 2020)	Potential Impact
1	Cut Expenses	\$23,000
2	Increase Income – Faithful Steward Scholarship Pledges	\$113,000
3	Increase Income – Convert some of OFOFOF giving to Sunday Offertory	\$124,000
4	Increase Income – Annual Stewardship Renewal for all parishioners	\$127,000
5	Increase Income – Raise Tuition	\$0
6	Increase Income – Evangelization and education to those currently giving <\$500/yr	\$30,000
7	Increase Income – Hire Financial Development Director	\$0
8	Tracking – Change how Finance Committee is tracking parish finances	\$0
	Total Impact on Budget for 2019-2020	\$417,000
	Estimated Shortfall 2019-2020	\$417,000

Path Forward

- Gather feedback from Town Hall meeting
- Finance Committee review feedback and provide recommended solution to Father
- Implement solutions
- Track progress



Thank You!

Feedback...

Your faith and generosity to the Church and school at North American Martyrs is greatly appreciated.

“As each one has received a gift, use it to serve one another as good stewards of God’s varied grace, that in all things God may be glorified through Jesus Christ” I Peter 4:10-11



Bonus Slides

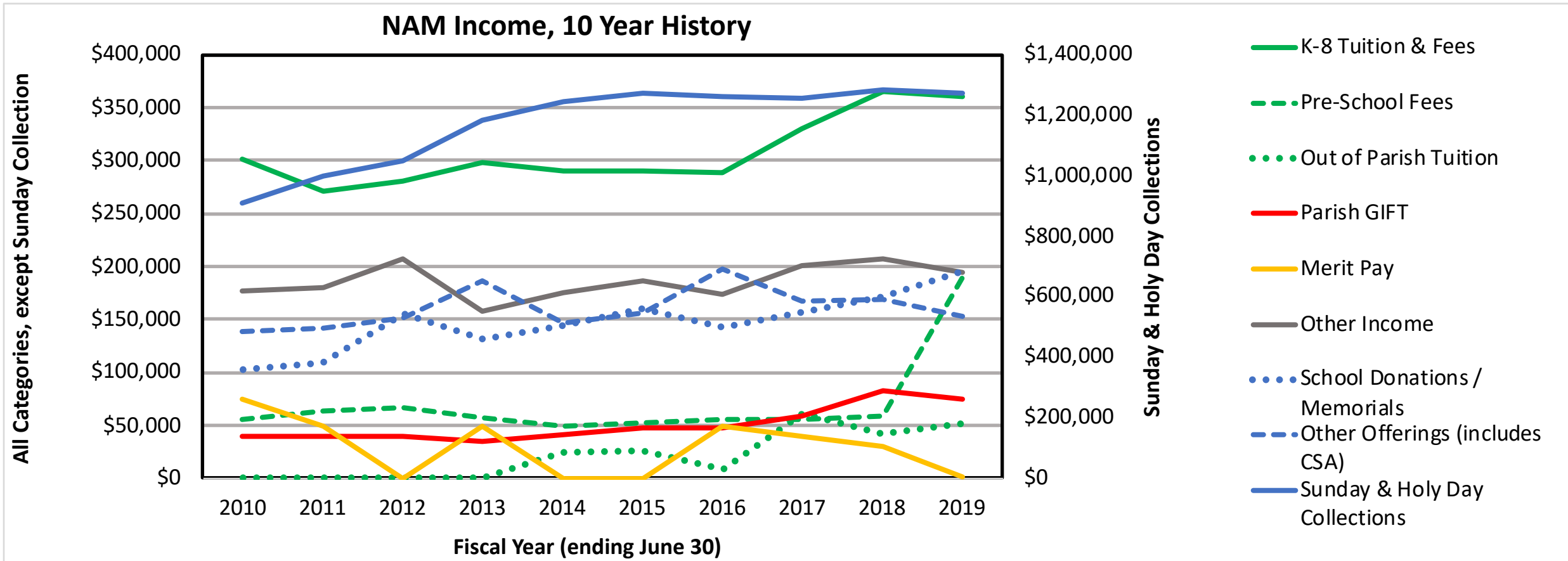


Conversion of OFOFOF Pledges

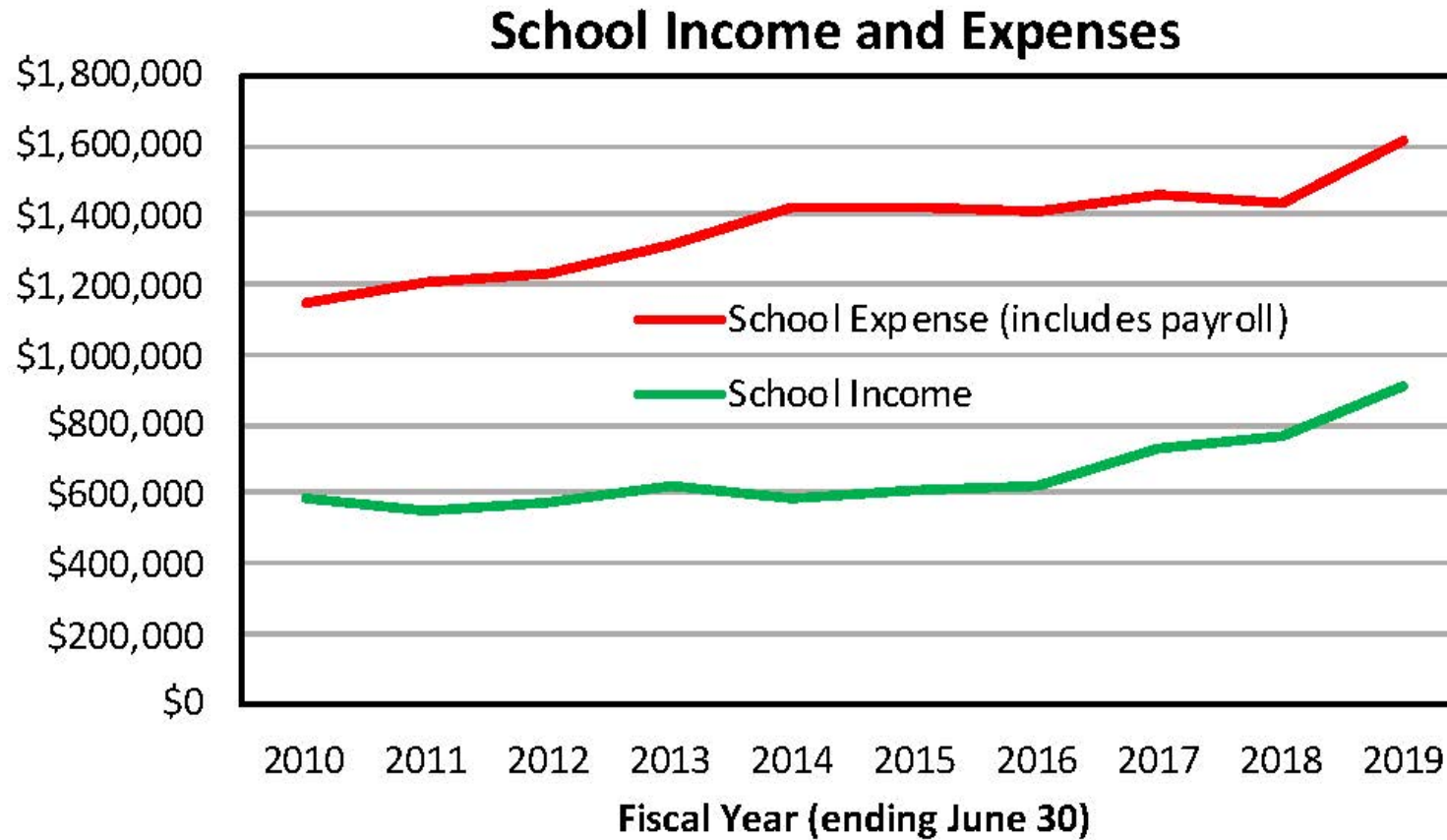
- Can we encourage parishioners to convert some portion of their pledge into ongoing tithing?
- **At 30% conversion, \$75K** could be *raised now*, and **\$229K after July 2020** (when remaining pledges retire)
- **At 50% conversion, \$124K** could be *raised now*, and **\$382K after July 2020**

BIN	# OF PLEDGES	PLEDGE AMOUNT	PAID TO DATE	PERCENTAGE
>\$50K	6	\$ 569,024	\$ 503,024	88%
\$25K TO \$50K	18	\$ 572,450	\$ 411,940	72%
\$10K TO \$25K	77	\$ 1,149,285	\$ 1,011,908	88%
\$5K TO \$10K	140	\$ 916,774	\$ 745,341	81%
\$2K TO \$5K	242	\$ 755,228	\$ 629,952	83%
\$500 TO \$2K	198	\$ 263,363	\$ 244,942	93%
<\$500	107	\$ 21,150	\$ 21,150	100%
Totals:	788	\$ 4,247,274	\$ 3,568,256	84%
<i>Matching</i>		\$ 277,500	\$ 250,127	90%
		\$ 4,524,774	\$ 3,818,383	84%
Remaning Pledges				
	# OF PLEDGES	PLEDGE AMOUNT	BALANCE	
Past Due	17	\$ 34,570	\$ 13,266	38%
Due before 12/31/2019	7	\$ 126,500	\$ 9,955	8%
Due before 7/31/2020	399	\$ 2,453,350	\$ 571,638	23%
Due after 7/31/2020	59	\$ 390,200	\$ 144,406	37%
Totals:	482	\$ 3,004,620	\$ 739,265	25%
# and \$ of Retired Pledges (now)	306	\$ 1,242,654		
\$/year available now, with 30% conversion:		\$ 74,559		
\$/year available now, with 50% conversion:		\$ 124,265		
# and \$ Retiring 7/31/2020	406	\$ 2,579,850		
\$/year available 7/31/2020, with 30% conversion:		\$ 229,350		
\$/year available 7/31/2020, with 50% conversion:		\$ 382,250		

10 Year Income History



10 Year School Income/Expenses



10 Year Student Enrollment



Year	Kindergarten	Grades 1-6	Grades 7-8	Total K-8		Preschool
2010-2011	60	335	92	487		85
2011-2012	60	342	99	501		88
2012-2013	71	343	116	530		70
2013-2014	59	353	111	523		54
2014-2015	61	346	108	515		64
2015-2016	57	386	71	514		68
2016-2017	57	350	98	505		64
2017-2018	44	347	115	506		62
2018-2019	57	335	106	498		89
2019-2020	50	337	104	491		100

Tuition Comparison

School	City	Column1	K to 8	Cost per student
Blessed Sacrament	Lincoln	Catholic	1700	\$6,528.00
		Non-Catholic	2900	
		Out of Parish	2900	
Cathedral	Lincoln	Catholic	1300	\$5,899.00
		Non-Catholic	2950	
		Out of Parish	1700	
North American Mission	Lincoln	Catholic	3500	\$3,859.00
		Non-Catholic	3500	
		Out of Parish	3500	
St. John	Lincoln	Catholic	1500	\$4,577.00
		Non-Catholic	4500	
		Out of Parish	3000	
St. Joseph	Lincoln	Catholic	1010	\$5,785.00
		Non-Catholic	5500	
		Out of Parish	5500	
St. Michael	Lincoln	Catholic	1750	\$6,036.00
		Non-Catholic	6000	
		Out of Parish	6000	
St. Patrick	Lincoln	Catholic	1475	\$4,628.00
		Non-Catholic	2200	
		Out of Parish	1475	
St. Peter	Lincoln	Catholic	2500	\$5,055.00
		Non-Catholic	5300	
		Out of Parish	5300	
St. Teresa	Lincoln	Catholic	1300	\$4,283.00
		Non-Catholic	2600	
		Out of Parish	1300	

Payroll Expenses

