

**Mater Dolorosa Passionist Retreat Center
Meeting of the Board of Directors
February 6, 2019**

Retreat Director's Monitoring Report

Introduction

I CERTIFY THAT THE FOLLOWING INFORMATION IS TRUE AND CORRECT AS OF 31 JANUARY 29, 2019.

According to this Policy Governance model, the Retreat Director's monitoring report to the Board is to be based on a selection of the policies that have been designed to govern the retreat center. Therefore, this report will be formed around the following selected Executive Limitations policies, all the Ends, Governance Process and Board-CEO Linkage policies:

ENDS POLICIES

- EL 7: Financial Planning/Budgeting**
- EL 8: Financial Conditions and Activities**
- EL 9: Asset Protection**
- EL 10: Fund Raising and Development Policy**

EL.7: Financial Planning/Budgeting

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's ENDS policies, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Accordingly, the CEO shall not allow budgeting which:

- a) fails to include a credible projection of revenues and expenses; separation of capital, restricted, and operational items; cash flow; and disclosure of planning assumptions;***
- b) plans the expenditure in any fiscal year of more funds than are reasonably projected to be received in or set aside for that period;***
- c) provides less for board prerogatives during the fiscal year than is set forth in the Cost of Governance policy;***
- d) fails to provide for a contingency fund of at least 5% of budgeted revenues.***

CEO Interpretation

I interpret this policy to direct and specify the standards (a-d) to be maintained in the financial management of the retreat center.

Report

Currently a projection model is being created to further analyze the cause and effect of changes in ministry focus, staffing and resources for planning purposes. This is being created through a Special Projects Management Committee. We fully expect this model to be in place by March of 2019, permitting time to use this in the budgeting and planning process for FY2019-20.

We do not expect to be out of compliance with the current budget as outlined in requirement (b) or (c).

Our contingency fund (available cash resources) exceeds the 5% requirement of budgeted revenues. (Short term 3 months available cash).

EL.8: Financial Conditions and Activities

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the budget.

Accordingly, the CEO shall not:

- a) expend more funds than have been received in the fiscal year to date unless board authorized guidelines are met;***
- b) use any long-term reserves for current operations, special projects or debt retirement without obtaining prior board approval;***
- c) acquire, encumber or dispose of real property without prior authorization of the board;***
- d) dispose of religious art or icons without prior authorization of the board;***
- e) use any restricted funds for any other purpose than that designated by the donor(s);***
- f) fail to provide for the Board of Directors an annual external Audited Financial Statement by a board approved CPA firm;***
- g) fail to provide appropriate internal financial controls.***

CEO Interpretation

I interpret this policy to direct and specify the standards (a-g) to be maintained in the financial management of the retreat center.

Report

The day to day activities of Mater Dolorosa continue to be guided by the current fiscal year budget and, as such, the retreat center remains in a sound financial position. Further, the annual outside audit is now complete by the accountancy firm of CliftonLarsonAllen, Pasadena, California. This audit fieldwork was performed on October 8, 9 and 12, and follow-up work continued in the weeks that followed. The auditors presented their report to the Finance Committee on the 28th January 2019 and finds Mater Dolorosa Retreat Center compliant with examination and regulatory standards used in their analysis and reporting.

As of the date of this BOD meeting financial statements for the second quarter Oct-Dec 2018 are not available but will be for the next BOD meeting in April 2019.

I do note however, there has been a considerable downturn in the interest income from the Retreat Centers investments which we expect to have a negative impact of \$130k for the first two quarters. In reviewing these results with the Director of Finance for the Province, Keith Zekind, these losses are not out of line with the investment portfolio performance at this time.

ACCORDINGLY, WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.

EL.9: Asset Protection

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or exposed to unnecessary risk.

Accordingly, the CEO shall not:

- a) fail to insure against theft and property losses up to 100% replacement value (if commercially reasonably available) and against liability losses of the board members, staff, and the organization from normal Retreat Center activities, up to the maximum available offered by the Christian Brothers Risk Pooling Trust or other Board approved insurance company;***
- b) fail to maintain the Retreat Center's physical facilities, grounds, and equipment in a safe, functional and aesthetically pleasing condition;***
- c) fail to maintain a Reserve Study detailing the service life and replacement cost of all facilities and equipment;***
- d) unnecessarily expose the organization, the board or staff to claims of liability;***
- e) fail to protect intellectual property, records, files or computer based information systems from loss or significant damage;***
- f) hold local operating cash funds in insecure instruments, including uninsured checking, savings or certificate accounts at any time, or in non-interest-bearing accounts except***

- where necessary to facilitate ease in operational transactions;*
- g) fail to handle investments in accordance with Holy Cross Province's Retreat Center Investing Policy;*
 - h) fail to make reasonable efforts to assure that the terms of the lease of property from The Congregation of the Passion Mater Dolorosa Community be secured and in the long-term interest of the Retreat Center.*

CEO Interpretation

I interpret this policy to direct and specify the standards (a-h) to be maintained in the management of the retreat center.

Report

Mater Dolorosa continues to be fully insured. An onsite reserve study was completed on May 21, 2018. The report is valid through June 2019. This report is used to plan Capital Projects. Much of the formal decision making and review is managed through the Building and Grounds Committee which meets regularly. To the extent possible, projects to address items with zero life remaining, are the priority.

For example, last year, folding rectangular and round tables were replaced in line with the reserve study report. While replacement of the compressor of the walk-in refrigerator was on the report, Health Department Inspection required a complete rebuild which shifted our Capital Projects priority. The Retreat Center is in compliance with (a-h) of this policy.

EL 10: Fund Raising and Development Policy

With respect to the acquisition and allocation of funds received through fundraising activities or the development program, the CEO shall not cause or allow conditions, actions, procedures, or decisions that are imprudent, illegal, or violate professional standards, ethical values or relevant stewardship responsibilities.

In addition, the CEO shall not fail to:

- a) develop a fundraising and development program for the retreat center's current and capital needs;*
- b) achieve or exceed the fundraising and development goals, as established in the current year's operational and capital budget and in the retreat center's long-term fundraising and development plan.*

CEO Interpretation

This policy directs the CEO to be a good and careful steward of the resources of the retreat center and to oversee ongoing efforts to develop sufficient financial resources to assure the continuance of the mission of the retreat center.

Report

2018 Harvest on the Hill - Saturday, October 20, 2018

The final numbers for Harvest on the Hill are:

Finalized Revenue:

Gross:	\$115,622.00*
Less Expenses:	\$ 23,128.00
Net Revenue:	\$ 92,494.00

* Budgeted amount for Harvest on the Hill was \$125,000.00 so we are slightly under budget on this fundraising activity but expect this shortfall to be covered by other donations in the second or third quarter FY 2018. Gross revenue was updated 1/31/19.

We are blessed to already have co-chairs for next year. Kate Kenney and Jennifer Gowen have committed to chairing our 16th Annual Harvest on the Hill. This will be Kate's fifth year as a co-chair and Jennifer's second year as co-chair.

2019 Golf Tournament

Monday, May 20, 2019 – Glendora Country Club

The chairs for the Golf Tournament Committee (Michele Coudures and Larry Marquette) are now in place and marketing materials are being produced.

2018 Year-End Appeal

This is the fourth year for our year-end appeal. Letters were mailed on Tuesday, November 27th.

Preliminary numbers for Year-End Appeal are:

Preliminary Revenue:

Gross:	\$ 32,949.00
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Less Expenses: \$ 6,683.27
Net Revenue: \$ 26,265.73

Stewardship Events

Sunday, March 10, 2019 – Major Benefactors and Friends - Mass & Luncheon

Sunday, July 21, 2019 – All Donor Mass and Luncheon.

Donor Visits

Donor Visits were made to the Van Der Steen family in December to thank them for their continued support of the Retreat Center and a meeting with Marshall Rose in January 2019.

Jeanne Warlick is scheduling regular donor visits for the Retreat Center Director.

Staffing for the Development Office

A part-time person, Grace Weigel Hurd has been hired for the Development Office and started work on January 29, 2019.

Ministry and Development initiatives (for next financial year)

Work is underway to build a series of events in August to be known as “*An Evening at the Monastery with ...*” These will be summer evening events scheduled in the final three weeks of August. They will be hosted at the Amphitheatre and hope to attract between 100 to 300 visitors. Three speakers/performers are in the process of being finalized, including Aine Minogue, a world famous Irish harpist/singer and Catholic contemplative, Marty Bournstein who has a compelling story of a holocaust survivor saved by Dutch Catholics and Fr. Michael Fish, a contemplative priest from New Camaldoli Hermitage in Big Sur. We plan to search for sponsors for these speakers and also generate some income from these ministerial events.

ACCORDINGLY, WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.