



ST. PAUL OF THE CROSS RETREAT CENTER

Audit & Finance Committee Meeting Minutes Monday, March 23, 2020

Present: Greg Soule Matt Greenough Sue Macdonald
 Sandra Arnould Geni Giannotti Ken Antczak
 Mary Moret Fr. Alex Steinmiller

Fr. Alex Steinmiller opened the meeting at 4:02 with prayer.

Minutes from the January 2020 meeting were approved and will be forwarded to the Board.

Geni Giannotti and Sandra Arnould led the Committee through the February financial package distributed last week.

- Balance sheet
 - Cash: there was a year over year increase in the Operational Reserve fund of \$100,000+ due to strong donations and solid expense management. The Operating Account at First Midwest stands at around \$200K
 - AR is at 38K with nothing of note; AP is at 11K; deferred revenue at \$34K
- Income Statement – Revenue: Overall revenue is at 1.15mm through February compared to 946K budget.
 - Donations YTD are \$175K ahead of budget
 - Retreat income for February was ahead of last year and YTD retreat income is close to budget
 - Hosted programs are ahead of budget YTD – both overnight and day programs
 - Gift shop is on budget at \$17K+ YTD
- Income Statement – Expense: Overall expenses are at \$834K YTD beating budget by \$42K. There was nothing noteworthy about expenses in February or YTD other than Interior Maintenance – overbudget 13K YTD due to HVAC issues. Management continues to exercise excellent stewardship in the expense area.
- Campaign – The Campaign continues to wind down with a *de minimis* donation in February.
- Endowment Fund – Mary Moret posted an “Endowment Fund News” blurb marking the 10th anniversary of Fr. Jim Thoman’s passing and the creation of the Endowment Fund. She also sent out a communication concerning the Endowment Fund that generated thanks and positive feedback from donors. Although this effort did not generate any large donations, it did raise awareness and was a good relationship building exercise. The fund balance sits at \$750K+ through the last financial close. However, with the market upheaval, the March balance will reflect the market downturn. The Committee is grateful to the strong management and the healthy operating reserve whereby the Retreat Center will not have to withdraw funds from the Endowment any time soon.

Management updated the Committee on the status of the Retreat Center and the COVID-19 crisis.

- 5 of the 6 remaining retreats have been cancelled – the Mother’s Day weekend retreat is still pending; this closes out the FY19-20 retreat season; the Retreat Team is exploring the feasibility and interest of delivering a 2 hour retreat via Zoom for those groups that were unable to meet for retreat this season. Staff are surveying for interest and will react accordingly.
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- Constituents who made deposits have been contacted to see if they want a refund or are willing to donate their deposit. So far, 60% have agreed to treat the deposit as a donation.
- Provincial assembly slated to convene in Detroit in June has been cancelled
- PIME Missionaries have cancelled their meeting here in Detroit
- Management has officially cancelled hosted programs for April; some groups have already canceled for May – the hope is that the remaining groups in May and June will either go as planned or be rescheduled
- Food service provider, Ovations, has laid off staff. Retreat Center management has worked with the Ovations team to defer food shipments and minimize waste.

Management reviewed the Cash Forecast, especially in the context of the COVID 19 event.

- Retreat Center Leadership committed to pay all staff through April 13, when the current State of Michigan directive expires. They will evaluate the situation as we approach the next check in date of 4/13.
- Monthly cash outflows for April to June are estimated at 87K to 93K. Management is conservatively forecasting virtually no inflows from operating activity.
- The Operating Reserve will take a hit
- There was some discussion about whether vendors need to be contacted for deferring payments and reduced expenses (i.e. utilities). Management has not contacted any vendors yet.

Continuing with a discussion of contingencies in light of COVID 19, Management updated the Committee on several developments

- Retreat Centers are meeting every Tuesday as a check in
- Provincial Office is closed until at least April 7 in compliance with the State of Illinois
- Nearly all staff are working remotely at St Paul's. Contingencies are in place to cover payroll. The financial system (Financial Edge) is cloud based. There was a check run processed today clearing out nearly all open AP.

The Committee acknowledged Managements solid efforts in dealing with the rapidly changing environment and adapting to the new realities!

The Committee received an update on the recently launched 2020 Non Event.

- The goal of this year's Lenten "Non Event" is \$31,000
- To date, we've received 99 gifts totaling \$24,000
- This includes a \$12K from St. Kenneth's earmarked for the kitchen fan project
- As a reminder to the Committee, this year's event is in support of *Laudato Si*, the encyclical from Pope Francis. It is a Holy Cross Province priority and is an Ends Policy for St Paul's to embrace this document and therefore, the proceeds are designated for targeted projects that include:
 - Window updates so that all windows can be opened
 - LED conversions in 10 areas (new fixtures, new ballast)
 - Outdoor sconces; solar in the courtyard

In response to the COVID 19 scenario, Mary Moret is adapting the campaign to promote on-line giving. Moreover, once she hits the \$31K goal, she will continue to promote the event and solicit general donations to help offset the anticipated revenue decline.



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The discussion transitioned to an update from Management on various CAPEX projects.

- The Province has asked that the Retreat Centers suspend all spending.
- St Paul's did receive a second bid for the HVAC controls; but that project is now on hiatus until the COVID 19 scenario runs its course.

There was a brief update concerning the 20/21 Budget Cycle.

- Templates have been developed and internal discussions were underway.
- The Provincial Financial Team has asked for an extremely conservative budget – even suggesting that revenue will not resume until October/November.
- Management will keep the Committee updated; the Committee has offered to lend any assistance as requested between now and our next meeting in June.

Management updated the Committee on the status of the completion of the 990.

- Draft was presented in February; Management reviewed and has no changes
- Management will contact the Auditors and coordinate signatures, filing and wrap up

Greg Soule reported out that there are currently no items needing follow up or review from this Committee as it relates to the Monitoring Report process under Policy Governance. Greg also asked Management on behalf of the Committee – is there anything that we can do to support or assist you. The Committee advised Management that we are available for a quick conference call or as a resource as needed over the next 10 weeks until our next meeting.

The Committee will receive these minutes electronically later today and is asked to review, respond with corrections as needed and/or virtually approved as to not delay our communication to the Board.

Fr. Alex closed the meeting with prayer.

NEXT MEETING – June 8, 2020

2020 MEETING SCHEDULE

July 27, 2020 – 4PM

September 14, 2020 – 4PM

November 23, 2020 – 4PM



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