

Financial Worries? You're Not Alone

The Center for Applied Research in the Apostolate (CARA) at Georgetown University publishes a quarterly newsletter, the "CARA Report." In the summer 2014 issue, they report on their most recent National Survey of Catholic Parishes. In this study, a random sample of pastors was asked, "what is the greatest challenge facing your parishes in the next five years?" CARA's survey found that the worry mentioned most often by pastors is finances.

These financial worries differ by location in the country, with growth and its challenges in the South and West, but decline and deficit in the Midwest. Among the many worries voiced by pastors in the CARA study were increased operating costs, flat to declining contributions, examining the possibilities of merging with another parish, declining numbers of parishioners, older facility repair needs, aging parishioners, and the need to tighten budgets. Compounding these worries were general concerns regarding a lack of priests and a lack of staff or resources.

Are you currently experiencing the same or similar concerns in your parish? If so, the CARA study clearly shows that you're not alone. The larger question, however, is how to face your worries and deal with them effectively.

For many years, CFC has assisted parishes and schools experiencing a variety of financial concerns. By far, the most often repeated mistake we have seen in these situations is the inability of the parish or school to address the situation in a timely manner and embark upon a process of planning and action. Acting

early and consistently over time brings about needed course corrections that can increase financial viability and strength.

An integrated financial plan that considers all facets of an organization is a key component to building long-term fiscal health. Such a plan helps identify strengths, weaknesses, and specific areas of concern that require special attention. It also allows a parish or school to stress test various financial scenarios and their potential future impact.

Financial planning is not a "once and done" job. Financial plans should be designed to be reviewed on a periodic basis in order to measure accomplishments and allow for necessary adjustments in the event that life throws you a few unexpected curves. Remember the market crash in 2008?

While some of CFC's financial planning clients initially sought our help because of vexing problems, others had no apparent immediate concerns. They came to the planning process from a position of relative strength. Those parishes and schools realized that responsible stewardship of the resources entrusted to us demands continuous attention to on-going financial planning.

Do you, like the pastors in the CARA study, have financial worries, and are you seeking solutions? Do you think you could benefit from financial planning in order to become a better steward of your organization's resources? If so, call us and let CFC put its many years of expertise to work for you. Remember, you're not alone.

Cooperative Purchasing News

Approximately 45 parishes took advantage of free parking lot and pavement assessments offered by our program this summer. All of the assessments have been completed, and the reports are in the hands of the parishes.

For those who received an assessment report and are concerned about moving forward due to the estimated cost of repairs, please consider two things. First, CFC is offering financing to qualified parishes for asphalt work done through the Cooperative Purchasing Program. This is an easy way to spread those costs over a four or five-year period, instead of ravaging your budget by attempting to pay for the project in a single year. Second, putting off necessary repairs can dramatically increase repair/rebuild costs in future years, as John Kittleson, Vice President of Bituminous Roadways demonstrated during his presentation on life cycle planning for parking lots at the most recent Insurance Day Seminar. Letting old man winter attack your parking lot with another hard freeze-thaw cycle can multiply existing damage and seriously increase repair costs. Unfortunately, the Farmer's Almanac predicts that the upcoming winter will be as severe as the one we experienced last year. Hopefully, this won't be the case, but more than one of us has lost money betting against the Farmer's Almanac!

There is still time to move forward with parking lot repairs. Typically, asphalt projects can be done into November if the weather cooperates. If you would like to pursue a specific project or would just like to learn more, give us a call at CFC, and we would be pleased to assist you.

CFC Assists with School Reporting

As it did last year, CFC has again offered to complete the Archdiocesan Schools Report (formerly known as the MCEA Survey) Part 3 Section B financial request **for K-8 schools** this fall. This is in conjunction with the ongoing Excellence in Catholic Education initiative, and **is a free service offered to K-8 schools.**

School Financial Reporting Process

If you choose to utilize CFC to complete your financial report, the parish and/or school should submit their June 30, 2014, detailed Statement of Activities (Income Statement) and detailed Statement of Financial Position (Balance Sheet) for the **school and the parish** directly to Judy Logan at CFC in an electronic (excel preferred) format via email to jlogan@catholicfinance.org.

The process will be similar to last year. CFC will compile the financial statements into the ASR format and send the compilation back to the school for its review. The school will notify CFC of any changes, and CFC will complete the MCEA Part 3 Section B Financial Request in Cornerstone. When approved, the school will accept the final report in Cornerstone.

CFC will be completing the financial Section B only. All other reporting requirements will be the responsibility of the school.

Timing

If you would like CFC to assist you with the completion of this report, please submit your 2014 year-end financial data to CFC as soon as it is final, **but no later than Friday, October 3.**

Thank you for your participation in this process. Please contact Judy Logan at (651) 389-1077 with any questions.

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