April 28, 2021

RE: 2021-2022 Sacred Heart School BUDGET

Dear Sacred Heart School Parents,

We (Joni Beyers & Katie Ohmes) are on the Sacred Heart School Board - Finance Committee. The following financials will be presented at the Parent Meeting on Wednesday, April 28, 2021 at 7:00pm in the Church.

NOTE: *This letter reports financials for SACRED HEART SCHOOL K-8 ONLY.*
This does NOT include the Church, Church Office, Rectory, RCIA/PSR, Pre-K, or Cafeteria

HISTORY

There was a time that Nuns ran our school; and the school was FULLY funded by the Church. Parents did NOT pay Tuition. When we lost Nuns as Educators, the cost of Education went up. The Diocese then came along and said that the Church could NO LONGER FULLY FUND the SCHOOL; and that a portion of the costs needed to be covered by the parents through Tuition. At some point, Fundraising came along. The Diocese came back later, looked at our finances, and noticed that St. Patrick's Church was funding 2/3 of the Cost of Education at SHS. The Dioceses said that 2/3 of the Cost of Education is TOO MUCH for the Church to take on and that the parents needed to pay a higher portion of the Cost of Education. The Springfield, IL Diocese currently does not clearly state an acceptable level of subsidy that our Church can provide to our School. For the purposes of the 2021-2022 Budget, we have determined a TARGET of 1/3 (33%) of the Cost of Education to be covered by the Oconee & Pana Parishes.

In more recent years, whatever wasn't covered by Tuition, Fundraising and Oconee's Subsidy paid to SHS, was left for St. Patrick's Church to pick up. In review of the past 5 years of data, the Subsidy from St. Patrick's Church has ranged from $0 - $389,341 (0% to 46% of the cost of education). When St. Patrick's did not have the money to pay the school's bills, we began to accrue an unpaid balance with the Diocese. **Until this past year, we owed the Diocese several HUNDREDS OF THOUSANDS of dollars**!

A Bequest is defined as money left to our School from a person who has passed away. **We are SO VERY FORTUNATE to have recently received not only the "MILLION Dollar Bequest" but also additional HUNDREDS OF THOUSANDS of dollars in BEQUESTS! HALLELUJIA!!!** We have since been clearing our debts with the Diocese and are now CURRENT on invoices payable to the Diocese ☺ ☺ ☺.

St. Patrick's CHURCH

Without getting into much detail, The Pana Church Budget (2021-2022) shows an expected **+/-$150,000 - $200,000 LOSS.** We have reviewed this with the St. Patrick's Church Finance Council and we plan to share this information with the St. Patrick's Church Parishioners in the near future. Point being – even with this current plan that we are presenting today, the SCHOOL is taken care of, but St. Patrick's Church is still around **$150,000 - $200,000 in the hole** at year end. Perhaps we will receive a bequest, but we cannot *plan* on that.

St. Patrick's Church does NOT have reserves and we are nearing an interior painting that could run over $600,000. Our church cannot afford to continue to excessively support our school, when it is struggling to take care of itself.

It would be so easy to financially slide right back down the hole we just crawled out of…

If St. Patrick's Church did not have Sacred Heart School, it is ABSOLUTELY reasonable to believe that the Church would be in great financial condition. **It is admirable that we have a Priest, Fr. Rodney, who supports our School and is willing to take on the financial hurdles and hardships that come with it.** The Diocese can move Priests around at its will. We know that we get (at least) one more year with Fr. Rodney. We need to take this opportunity to push through to a more sound financial plan for the future of both our church and our school, while we have a Priest who thoroughly enjoys teaching our kids about Jesus and supports the real reason our school exists.

The "Million Dollar Bequest"

Our Building & Grounds Committee is working towards a plan on how those funds might be used towards continued maintenance and repair of our many, old buildings. If we turned to those funds to fill the **$150,000 - $200,000 LOSS**, we would only prolong the conversation that we are having now by a few years. These funds are best kept for major repairs to our Buildings or emergency/unforeseen situations.

How can we keep our School from driving our Church/School into growing debt from our ongoing operational loss?

In working towards a BALANCED BUDGET for our school, modifications have been made in regards to TUITION and FUNDRAISING Requirements.

An Overview of the 2021-2022 Sacred Heart School Budget can be found on the following pages, and our respective Committees will present their plans to you on how they intend to lead us all to work together to reach these financial goals to BUILD A STRONG FINANCIAL FOUNDATION FOR OUR SCHOOL AND OUR CHURCH! ☺

We chose to run for Sacred Heart School Board because we know that the decisions that our kids will have to face in their lives will only get harder with every year and every decade that passes. A Catholic Education = STRONG ROOTS IN FAITH = the BEST thing we can do for the future generations of our Community and our Country. We are very passionate about supporting our children in any way that we can.

We appreciate **your time and commitment** to ***ALL OF OUR KIDS*** and our school,

Katie Ohmes 827-4287 & Joni Beyers 246-1976

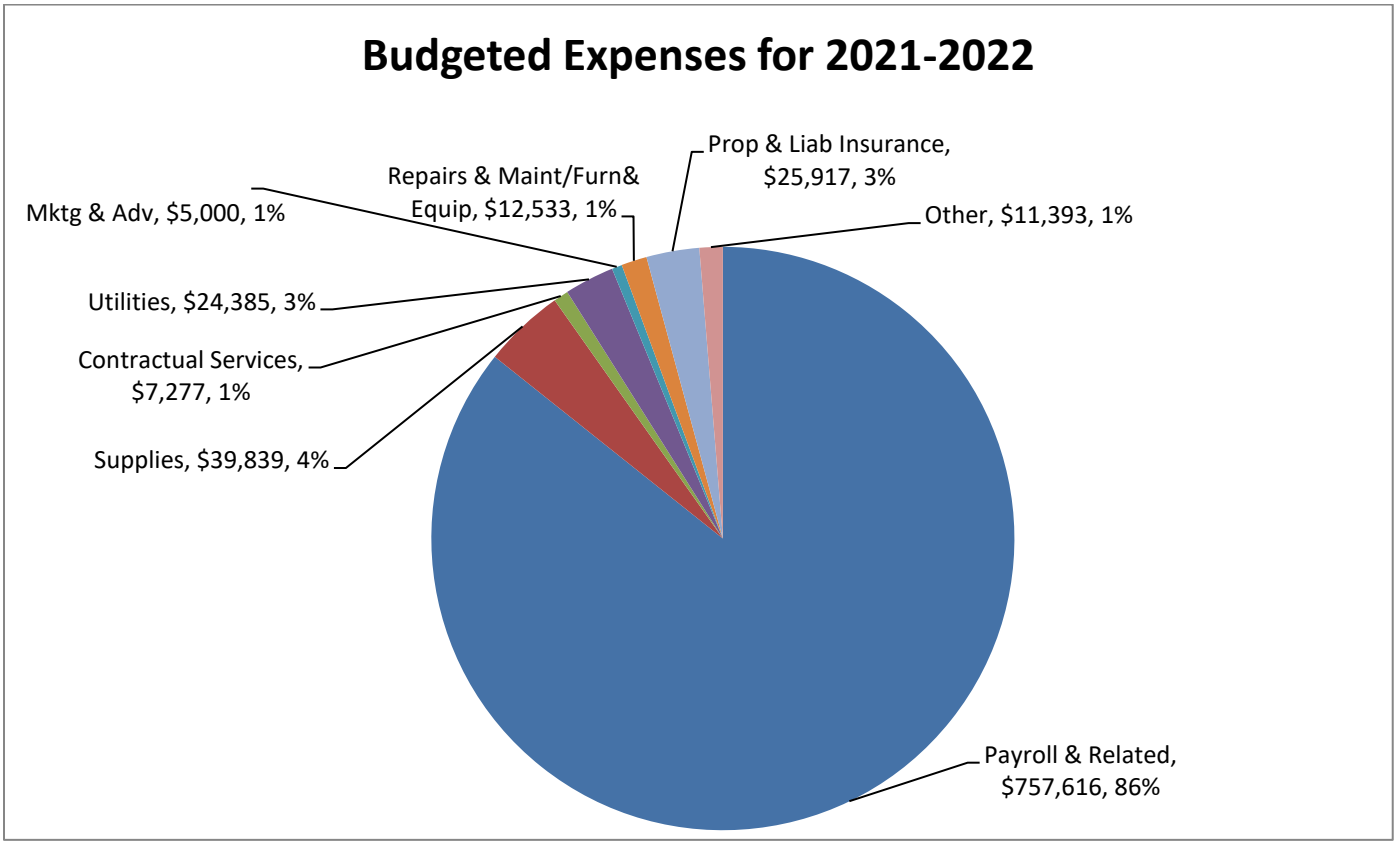
EXPENSES

We estimate that it will cost **$883,958** to run our **SCHOOL** for the 2021-2022 school year. Payroll is our largest expense, at 86% or $757,616.

The Diocese has determined that the Starting Salary for a NEW teacher is $28,410. Notice that FUNDRAISING EXPENSE is NOT included as an Expense Item. The changing profitability of fundraisers would skew the true "cost to educate".

Sacred Heart School EXPENSES												
	2016-2017		2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
Payroll & Related	$633,924	84%	$599,890	80%	$654,344	84%	$805,506	86%	$729,144	86%	$757,616	86%
Supplies	$41,294	5%	$39,220	5%	$42,991	5%	$39,765	4%	$38,345	5%	$39,839	5%
Contractual Services	$12,156	2%	$9,943	1%	$18,105	2%	$8,152	1%	$7,111	1%	$7,277	1%
Utilities	$21,192	3%	$20,804	3%	$21,861	3%	$23,360	3%	$22,998	3%	$24,385	3%
Mktg & Adv	$2,839	0%	$48	0%	-$40	0%	$123	0%	$462	0%	$5,000	1%
Repairs & Maint/Furn& Equip	$10,887	1%	$18,793	2%	$11,343	1%	$21,851	2%	$12,063	1%	$12,533	1%
Prop & Liab Insurance	$19,528	3%	$44,969	6%	$14,575	2%	$24,920	3%	$24,920	3%	$25,917	3%
Other	$15,861	2%	$19,707	3%	$19,231	2%	$7,866	1%	$9,113	1%	$11,393	1%
Total Expenses	$757,681	100%	$753,374	100%	$782,410	100%	$931,543	100%	$844,156	100%	$883,958	100%

NOTES: Payroll swings can largely be explained by varied payments to the diocese for teacher's pensions. We are finally caught up. Next year's budget only includes pension payments for 2021-2022. Additional details on these figures available upon request.

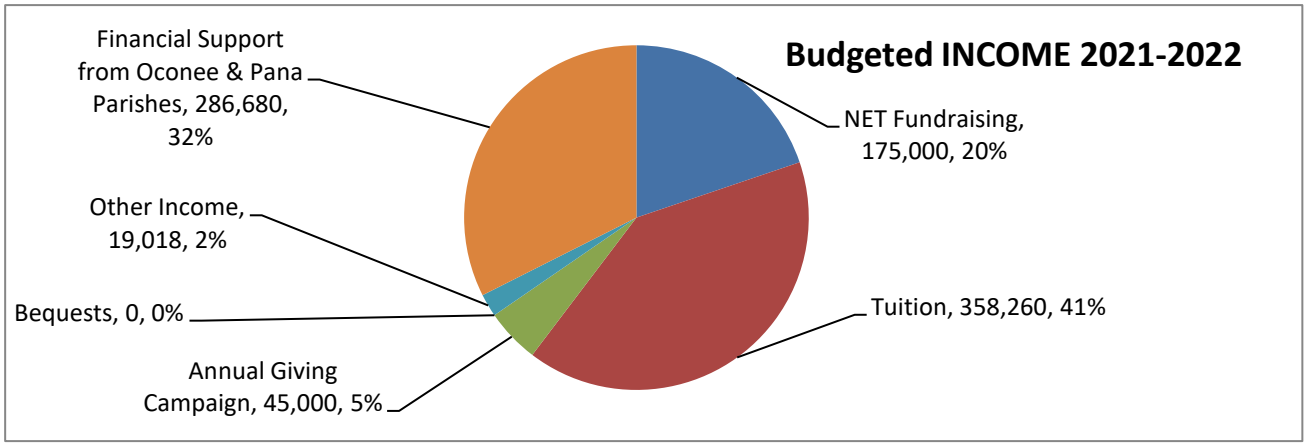


INCOME

Our School is largely funded through TUITION, FUNDRAISING and SUBSIDIES. 2020-2021 numbers are not complete.

- **Tuition –**
  - Targeted to cover **+/-40%** of the cost of education or **$358,260**
  - Father recently shared a letter with all Parents regarding Mass attendance requirements in order to receive Parishioner Rates.
- **Fundraising –**
  - Targeted to cover **+/-20%** of the cost of education or **$175,000**
  - The Fundraising Committee will share details on the expectations in regards to fundraising.
- **Annual Giving Campaign –**
  - Targeted to cover **+/-5%** of the cost of education or **$45,000**
  - Our Marketing Committee sends out a quarterly newsletter that generates donations.
  - Our Marketing Team is also looking at way for business sponsorship/advertising to generate additional income towards this goal.
- **Financial Support from Oconee and Pana Parishes –**
  - Targeted to cover **+/-33%** of the cost of education or **$286,680**
  - We are in continued conversations with both Parishes Finance Committees in regards to the support that the School receives from each Parish.
- **Other Income**
  - Targeted to cover **+/-2%** of the cost of education or **$19,018**
  - Adopt a Class and other miscellaneous forms of income

INCOME Summary By Year - as shown on P&L						
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
NET Fundraising	101,047	84,930	91,360	112,400	87,579	175,000
Tuition	281,528	295,394	283,003	265,902	294,454	358,260
Annual Giving Campaign	29,640	34,117	26,921	39,685	20,423	45,000
Bequests	16,768	48,090	309,225	1,765,597	13,522	0
Other Income	23,097	48,499	25,643	12,047	16,556	19,018
Financial Support from Oconee & Pana Parishes	305,601	242,345	46,258	22,280	411,621	286,680
Total INCOME	757,681	753,374	782,410	931,543	844,156	883,958

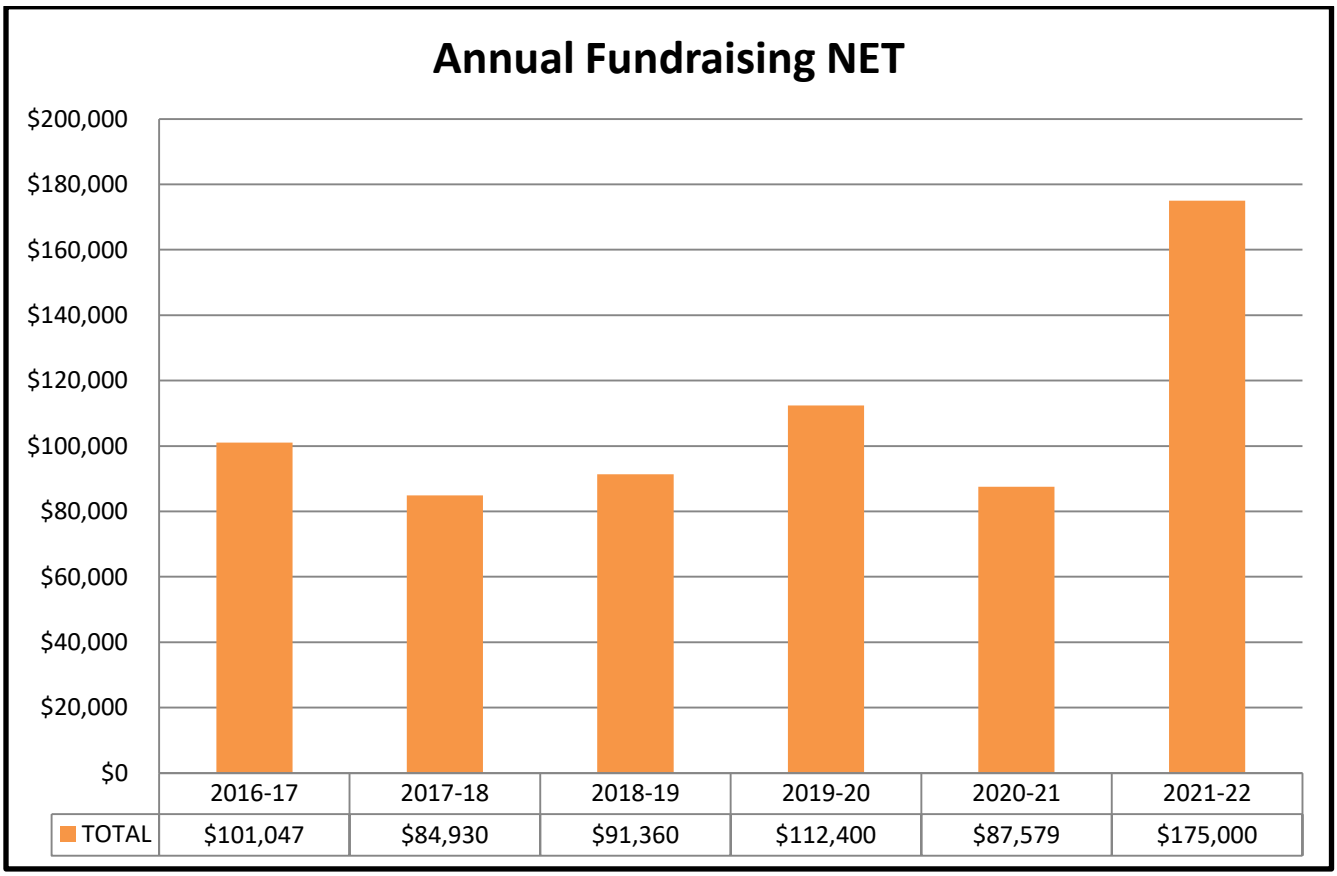


NET FUNDRAISING

Fundraising NET is budgeted at $175,000

Note: 2020-2021 is projected/not final. The Auction was cancelled in September 2020 (Covid)

FUNDRAISING			
	INCOME	EXPENSE	NET
2016-17	$157,613	$56,567	$101,047
2017-18	$150,989	$66,059	$84,930
2018-19	$148,428	$57,068	$91,360
2019-20	$166,934	$54,534	$112,400
2020-21	$158,455	$70,876	$87,579
2021-22	$247,293	$72,293	$175,000



ENROLLMENT

2020-2021 ENROLLMENT				
	# Families		# Kids	
# Pana Parish Families	49	62%	80	63%
# Oconee Parish Families	15	19%	25	20%
# Non-Parishoner Families	15	19%	23	18%
Total # Families	79	100%	128	100%

COST TO EDUCATE A CHILD

We used the number of kids from this year to estimate cost/child for next year.
FUNDRAISING Expense is NOT included in this Total Expense Figure.

COST TO EDUCATE ONE CHILD		
Fiscal year is July - June	2020-21 Projected	2021-22 BUDGET
Total Expenses	844,156	883,958
# Kids in School	128	*128*
COST TO EDUCATE 1 Child	6,595	6,906

TUITION 2021-2022 School Year

Pana & Oconee Parish Families with:

- 1 Child $3,648/Year or $364.80/month (+$37.33/month over last year)
- 2 Children $5,045/year or $504.50month (+$51.63/month over last year)
- 3+ Children $6,367/year or $636.70/month (+$56.85/month over last year)

Non-Parishioner Families

- 1 Child $4,195/Year or $419.50/month (+$50.02/month over last year)
- 2 Children $5,776/year or $577.60/month (+$70.91/month over last year)
- 3+ Children $7,290/year or $729.00/month (+$86.29/month over last year)

TUITION ASSISTANCE

Last Year, a total of $14,000 helped 8 families cover the cost of tuition. Being an ACTIVE Parishioner is a prequalification for this program.

This Program will be offered again for the 2021-2022 School Year.

PARISHIONER TUITION RATES

Father Rodney recently shared a letter in regards to Parishioners needing to be ACTIVE in the Parish in order to receive Parishioner Tuition Rate

TUITION PAYMENT OPTIONS

Payment in Full:

There will be a 2% discount incentive for families that pay in full by July 9, 2021

Monthly Payments:

ACH required for families who choose to pay monthly.

August 15 – May 15 = 10 Payments

REGISTRATION

Thursday, May 13 & Friday, May 14, 2021

Contract to include

- Tuition Payment Plan – Lump Sum or Monthly Payments
- ACTIVE Parishioner Commitment (if applicable)
- Fundraising Commitment