



ST. JOHN THE BAPTIST

Catholic Church & School

July 26, 2020

Dear Parishioners:

We are a couple of weeks into what promises to be an “interesting” new fiscal year for our parishes. Based on our experience since suspension of operations began back in March, we are both anticipating a drop in revenue. Obviously, with Mass attendance so drastically reduced, collection plate revenue is down significantly; since attendance can’t rebound until we get to Phase Three of the Catholic Comeback Matrix and all restrictions are lifted, and we doubt we’ll be there before the end of the year, both parishes have budgeted a big drop in collection revenue (25% at STA and 50% at SJB). Church support through envelopes and electronic giving is also threatened by the downturn in the economy, and both parishes project a decline in that category of giving, as well (10% at STA, 20% at SJB).

With these numbers worked into our calculations, STA submitted a budget to the Archdiocese last month that projected a \$428 surplus in a \$225K budget (compared to a \$3,290 surplus the year before), and SJB sent in a budget reflecting a \$628,800 deficit (compared to a deficit of \$286,979 a year earlier). Allow me to explain these last numbers.

SJB’s annual operating expense has averaged about \$1.8 million over the past few years, roughly three-quarters of which goes to run our school, with 80% of that amount earmarked for salary and benefits costs for the faculty and staff. Tuition usually accounts for about 30% of the school’s expenses. The other 70% is covered by the SJB Parish in the form of a subsidy and other “third source” school fund-raisers (like the auction). For the past several years, the parish subsidy has funded 35-40% of the school’s operating expense. (This range of subsidy is fairly common among parochial grade schools throughout the Archdiocese of Milwaukee.)

For the new fiscal year, SJB’s total budgeted expenses stand at \$1.86 million, with the school’s share being \$1.361 million (\$1.176 million for salaries/benefits). At the time the budget was drafted (May), we could count on \$381,000 in tuition income (28%). Since then, registration has grown, but the numbers remain fluid because of all the uncertainty surrounding schools at this point. Parish support (envelopes and on-line/electronic giving) is conservatively projected at \$632K. The BIG question comes in the fund-raising category because:

- there is no plan to have a biennial auction-type of fund-raiser next Spring
- we were required by the archdiocese to change our accounting practices and take the \$70K in proceeds from the last Auction (2019), which had been set aside for the new fiscal year’s fund-raising income, and book it as income in the last fiscal year
- although on-line Scrip is still available on-line, Scrip sales in the Gathering Place on weekends have been suspended indefinitely because of Matrix restrictions
- the Super Raffle will still take place, but sale and distribution of tickets will be a challenge under Matrix restrictions and social distancing limitations
- Road America Concession Stand proceeds will be heavily impacted because of (1) start-up costs associated with the new stand; (2) lack of volunteer support, forcing us to expand paid staff to man the stand adequately; and (3) low fan/customer flow linked to COVID-19

Is the situation serious? Absolutely! Desperate? Not by a long shot! We’re working on a way to address it in a way that makes sense. I’ll share the outline of the plan with you next week.

Meanwhile, please note that the Archbishop has extended his dispensation of Catholics within the Archdiocese of Milwaukee from the obligation to attend Sunday Mass through the first Sunday of September, September 6th.

Fr. Philip D. Reifenberg, Pastor