

Financial Operating Agreement

**Among Pope John XXIII School and
St. Mary and St. Nicholas Parishes**

December 10, 2009

**ST. MARY PARISH, ST. NICHOLAS PARISH, AND POPE JOHN XXIII SCHOOL
FINANCIAL OPERATING AGREEMENT**

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1. Introduction

The Parishes of St. Mary and St. Nicholas (the Parishes) have provided a Catholic elementary school education to their parishioners and to the wider community for over 100 years. Since 1986 the Parishes have supported the mission of Catholic education through a merger of their schools into Pope John XXIII School (the School). The School continues to be successful in enrolling students from the Parishes and from Catholic and non-Catholic households not affiliated with either Parish.

This Financial Operating Agreement (Agreement) is a result of discussions involving the School Board and Principal of the School, the Finance Councils and Pastors of the Parishes, and the Archdiocese of Chicago Office of Catholic Schools (OCS). This Agreement addresses the financial relationships among the Parishes and the School. It supersedes all prior written and verbal agreements related to these areas between and among the Parishes and the School. This Agreement supplements the constitution, by-laws and governance structure of the School, which remain unchanged. The Parishes reaffirm their commitment to support the School as an integral part of their mission.

This Agreement will be implemented in successive three-year periods with each three-year period constituting one Term (Term). The initial Term begins on July 1, 2010 and ends on June 30, 2013 (including the budgeting process for FY 2010-2011). The second Term will begin on July 1, 2013 and end on June 30, 2016. Each successive Term will begin on July 1 of the same year in which the previous Term ends.

The School and the Parishes will review the Agreement before September 15 of the last fiscal year of each Term. The Pastors and Principal will communicate any proposed changes or modifications to the School Board and the Finance Councils of the Parishes on or before this date. All changes must have been agreed upon by the School and the Parishes no later than October 1 of the last fiscal year of each Term. The School and the Parishes agree to fulfill all responsibilities of the Agreement for each Term, including those that lie beyond the expiration date for that Term.

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2. Purpose

The purpose of this Agreement is to:

- Provide background and history of the Parishes' financial support of the School.
- Establish guiding principles under which the School and the Parishes will manage School financial matters to provide Catholic school education in this community.
- Define the financial responsibilities and obligations among the School and the Parishes, including
 - The **Operating Subsidy** of the Parishes to the School.
 - The **Capital Subsidy** of the Parishes to the School.
 - A **Facilities Usage Agreement** between the School and St. Nicholas Parish (on whose campus the School is located) that sets the allocation of costs for utilities, maintenance, and repairs, and the billing and payment processes.
 - **Shared Capital Expenses** and the manner in which these are planned, budgeted, managed, and shared among the Parishes and the School.

3. Background

The School

In 1986, St. Nicholas and St. Mary parishes of Evanston (the Parishes) combined their two schools into one school now known as Pope John XXIII School (the School). The School offers a preschool through eighth grade curriculum to students from the Parishes and to students with no affiliation with the Parishes.

The school campus is situated on the St. Nicholas Parish campus and utilizes three buildings and the surrounding grounds for its operations. With adept management of revenues and spending by the school administration, its fiscal situation has improved markedly since the late '90s. At the end of fiscal year 2008-2009, the School had a savings account of \$115,440 and an endowment with a market value of \$952,173. The School posted operating surpluses each fiscal year from 2002-2008; in the 2009 fiscal year it posted its first deficit in recent years (\$77,703).

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The Parishes

While the financial picture of the School has brightened overall, the finances of the Parishes have become more precarious. The Parishes posted a combined operating deficit of \$257,500 for fiscal years 2002-2009.

During fiscal 2002-2008, the Parishes provided 14-15% of the school's operating budget in the form of a subsidy (each Parish paid one half of the total subsidy). The annual subsidy grew from \$202,600 in 2002 to \$272,866 in 2008 (an average of 5% per year); this kept pace with the average growth rate in School expenses during the same period.

In contrast the combined revenues of the Parishes increased only 2% annually during the same period. Thus, although the subsidy received by the School represented the same percentage of School expenses each year, it represented an increasing percentage of the combined total revenue of the Parishes (from 13.3% in 2002 to 15.5% in 2008).

Recognizing that the Parishes could not continue to provide an ever-increasing percentage of their overall revenues to the School, the Pastors and Finance Councils of the Parishes decided in 2008 to calculate future subsidy amounts as a percentage of the combined revenues of the Parishes (each Parish paying one half of the combined total) rather than as a percentage of the School operating budget. In 2009, the subsidy was 12% of the combined revenues of the Parishes; this comprised 10.5% of the expenses of the School according to calculations used at that time.

In addition to the subsidy paid directly to the School by the Parishes, St. Nicholas Parish continued to pay for most or all of major repair and maintenance expenses for buildings used by the School (roof repairs, boiler rebuild and maintenance, window replacements, new hot water heater, etc.). At the same time, the School bore the cost of all interior renovation projects for facilities used exclusively by the School (remodeling of the Media Center, science lab, and kindergarten).

The financial responsibility for major repair and maintenance costs was defined vaguely in the original school consolidation agreement. Major repairs were either paid for by St. Nicholas Parish or through a negotiated split of expenses (determined on a case-by-case basis). No clear, consistent approach was ever outlined.

The lack of a clear agreement defining responsibility for capital and major maintenance costs or for determining and managing repair and maintenance priorities has become a source of disagreement and frustration for the School and the Parishes. Recognizing that all of the buildings on the St. Nicholas campus are old and in constant need of repair, there is a pressing need to clarify responsibilities in this area.

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The Challenges

At the request of the Office of Catholic Schools (the OCS), the School was asked to develop its budget to include “all costs related the education of the child.” This includes the direct costs of teacher salaries and benefits, books, and program materials, and the allocated costs for utilities and the repair and maintenance of the buildings and grounds used by the School. Inconsistent methods for allocating building expenses have made it difficult to establish an accurate cost of educating a child at the School.

A full and complete picture of the costs of running the School will enable both the Parishes and the School to develop short-term and long-term plans for financing the School’s operating and capital budgets. That is the primary purpose of this Agreement.

The School and the Parishes agree to:

- Establish consistent policies by which St. Nicholas Parish allocates to the School recurring operating expenses such as utilities, landscaping, waste removal, etc.
- Develop and implement a process for budgeting ordinary maintenance expenses that is administered by St. Nicholas Parish in conversation with the School.
- Define and implement a process for planning, budgeting, funding, and managing capital and major maintenance projects for the buildings used by the School and the surrounding grounds.

4. Financial Operating Model

Pope John XXIII as a Two-Parish School

Pope John XXIII School is a parish school. However, the parish-school relationship differs from the traditional one parish/one school model in several significant ways:

- The School maintains independent financial records, checking, savings, and investment accounts. Its financial results are not incorporated into the financial statements or assets of the Parishes.
- The School retains any surplus operating funds with the understanding that these funds will be used to offset future operating deficits or for other purposes that have been approved by the OCS (e.g., scholarships). The School also manages an endowment account in its own name for which the School is the sole beneficiary. In the event that School closes, the endowment reverts to the Parishes in an equal division of assets. If the School is consolidated with another archdiocesan school, the endowment transfers to the new consolidated school.

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Resulting Operating Model

The operating model for the School is a “modified” parish school model that has been adapted for a multi-parish school. This Agreement formalizes this model according to the following guiding principles:

1. The School operates with a greater level of autonomy in managing its finances than a single parish school. In accordance with the guidelines of the Office of Catholic Schools, the School strives to reach an acceptable level of operational self-sufficiency. Operational self-sufficiency will be characterized by a School budget that includes all costs of operating the School, including maintenance and School-related capital improvements.
2. The Parishes financially support the operating expenses of the School by means of an annual investment contribution (subsidy), which is commensurate with the ability of the Parishes to support that investment among the other ministerial commitments of the Parishes.
3. The operating subsidy provided by the Parishes is based on a percentage of the revenues of the Parishes rather than the expenditure levels of the School. This is in conformance with the goal of OCS to have its parish schools work “toward operational self-sufficiency that assures the viability of the school.”¹
4. The School retains any and all surplus operating funds at the end of its fiscal year. These funds may be utilized according to the OCS guidelines for the School scholarship fund and the maintenance of targeted reserve levels for operating and capital expenditures.
5. The School can establish savings and investment accounts that will not be commingled with the assets of the Parishes.
6. The School uses three buildings and the surrounding grounds on the St. Nicholas Parish campus. St. Nicholas Parish allocates to the School a portion of operating, maintenance, and capital expenditures for these facilities based on a Facilities Usage Agreement between St. Nicholas Parish and the School.
7. All capital expenditures pertaining to the buildings and grounds used by the School must be presented in advance to the Finance Councils of the Parishes and the Pope John XXIII School Board.
8. Representatives of the School and the Parishes participate in the financial governance of the School.
9. School financial results are made available to the Parishes on a periodic basis, including a full Annual Report.
10. The Parishes and the School abide by the financial guidance, best practices, and accounting policies and procedures of the Archdiocese of Chicago.

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5. Parish Subsidies

Operating Subsidy

St. Mary and St. Nicholas Parishes commit to provide an annual operating subsidy (Parish Subsidy) to the School in an amount equal to no less than 10% of the ordinary operating income of each Parish. Ordinary operating income is the amount defined by the Archdiocese for purposes of the annual parish assessment, and is based on the Parish Annual Report for the prior fiscal year. The annual parish subsidy will be paid in twelve equal monthly payments in the months of July through June of the fiscal year for which the subsidy has been calculated. If the School has surplus operating funds at the end of the fiscal year, the School retains these funds for future improvements or operating needs. If the Parish Subsidy is not sufficient to balance the proposed School Budget in a given fiscal year, the School must seek other sources of funding. This in keeping with the operational self-sufficiency principles of OCS² and the model outlined above.

Capital Subsidy³

St. Nicholas Parish agrees to contribute 50% of the School percentage of all shared capital expenses (as defined in Section 7 – Shared Capital Expenses). The School is responsible for the remaining School portion of all shared capital expenses. Each January, St. Mary Parish will decide whether it is able to make a contribution to the shared capital expenses for the upcoming fiscal year. Any contribution to shared capital expenses by St. Mary Parish will be deducted from the remaining School portion of shared capital expenses for that fiscal year. All contributions for shared capital expenses, whether from the School or the Parishes will be deposited in a Shared Capital Fund (as defined in Section 7 – Shared Capital Expenses); this will be a restricted capital fund that is administered by St. Nicholas Parish.

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6. Facilities Usage Agreement

Campus

The School is located on the campus of St. Nicholas Parish. School operations are conducted within three buildings and the surrounding grounds with these usage patterns:

- **School Building at 1120 Washington** – Overall School Usage: **75%**⁴
All of the building is used by the School during weekday school hours. Most of the building is used by the St. Nicholas Religious Education Program on Saturday and Sunday mornings during the school year. The Cafeteria is used occasionally for large parish gatherings, for the annual St. Nicholas Parish Rummage Sale and Holiday Festival and for various Parish meetings.
- **Preschool Building at 1112 Washington** – Overall School Usage: **100%**
All of the space is used by the School for preschool operations and School storage.
- **Social Hall at 1108 Washington** – Overall School Use: **40%**
This building is used both by both the School and St. Nicholas Parish. The School is the exclusive user of the computer lab and the primary user of the music room, gym, locker rooms, and concession stand. The School uses Oldershaw Hall on the lower level for large gatherings, meetings, and some after-school programs.
- **Parking Lot** – Overall School Usage: **50%**.
The School uses most of the parking lot during the days that school is in session. The School occasionally uses the Parking Lot in the evenings and on weekends for meetings, athletic events and special events.

Occupancy Expenses

Occupancy expenses covered by this Agreement include operating expenditures such as:

- Utilities (water, heat, electricity, waste removal)
- Property and casualty insurance premiums
- Grounds maintenance (snow removal, landscaping – labor and supplies)

Allocation of Occupancy Expenses

Table 1 provides the allocation of costs in the various expense categories. All allocations are usage-based and replace all previous agreements and practices.

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Table 1. Allocation of Occupancy Expenses

	Grounds	School	Pre School	Social Hall	Rationale
Property/Casualty Ins. <ul style="list-style-type: none"> • School • St. Nicholas Parish 		75%	100%	40%	Based on overall occupancy.
		25%	0%	60%	
Landscaping <ul style="list-style-type: none"> • School • St. Nicholas Parish 	30%				Based on square footage of lawn adjoining the three buildings used by the School. Includes both landscaping contracted by St. Nicholas Parish <u>and</u> that performed by parish maintenance staff ⁵
	70%				
Snow Removal <ul style="list-style-type: none"> • School • St. Nicholas Parish 	50%				Includes both snow removal contracted by St. Nicholas Parish <u>and</u> that performed by parish maintenance staff ⁵ .
	50%				
Gas <ul style="list-style-type: none"> • School • St. Nicholas Parish 		70%	100%	20%	School Building based on days of use (5 out of 7). Social Hall based on shared boilers for Social Hall and Church Building.
		30%	0%	80%	
Electricity <ul style="list-style-type: none"> • School • St. Nicholas Parish 		75%	100%	40%	Based on overall occupancy.
		25%	0%	60%	
Water <ul style="list-style-type: none"> • School • St. Nicholas Parish 		75%	100%	40%	Based on overall occupancy.
		25%	0%	60%	
Waste Removal <ul style="list-style-type: none"> • School • St. Nicholas Parish 	80%				School is primary source of waste on campus.
	20%				
Boilers <ul style="list-style-type: none"> • School • St. Nicholas Parish 		70%	100%	20%	School Building based on days of use (5 out of 7). Social Hall based on shared boilers for Social Hall and Church Building.
		30%	0%	80%	

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Repair and Maintenance Expenses

Ordinary repair and maintenance expenses are those that:

- Maintain the useful life of an asset (e. g., annual boiler inspections).
- Result from wear and tear⁶ from ordinary use or exposure (e.g., leaking pipes).
- Recur on a regular basis (e.g., painting).

Janitorial Staff

The School employs its own janitorial staff for the School Building, the Preschool Building, and in the following areas of the Social Hall: north and west stairwells, gym, locker rooms, first and second floor restrooms, computer lab, music room, and adjoining hallways. St. Nicholas Parish provides janitorial staff and services to the School only when approved by the School Principal or the Principal's delegate. The School is responsible for establishing and regulating the approval procedures. St. Nicholas Parish will bill the School for these services on a monthly basis. The amount billed will be the actual hours worked times the hourly labor rate of the staff person (adjusted for benefits), plus the cost of materials used. Actual hours worked will be rounded up to the nearest one-quarter hour for each work request. Annual adjustments to the hourly labor rate will be communicated to the School both during the budget process and on or before the first day of each fiscal year.

Ordinary Repair and Maintenance

Ordinary repair and maintenance costs related to major building systems⁷ (boilers, roofs, plumbing, etc.) are allocated to the School based on the following allocation percentages:

- School Building: **75%** (**70%** for Boiler maintenance and repair – see Table 1)
- Preschool Building: **100%**
- Social Hall: **40%** (**20%** for Boiler maintenance and repair – see Table 1)

St. Nicholas Parish will oversee and administer all outside contracting of repair and maintenance services for all buildings except for the Preschool Building. The School and St. Nicholas Parish must approve all scheduled repair and maintenance work prior to the beginning of the fiscal year. The School and St. Nicholas Parish must agree in advance to any emergency or unbudgeted repair and maintenance work during the fiscal year. Any disputes will be resolved by the St. Nicholas Parish Pastor and the School Principal.

Billing Statements and Subsidy Payments from St. Nicholas Parish

St. Nicholas Parish provides the School with a monthly, itemized bill of all operating and maintenance expenses incurred in a given month no later than the 15th day of the following month. The School submits payment to St. Nicholas Parish within 5-10 school days of receiving the bill. Within one business day of receipt of payment, St. Nicholas Parish sends to the School the subsidy payment for the corresponding month. This allows both St. Nicholas Parish and the School to maintain adequate cash flow balances.

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7. Shared Capital Expenses

Definition

As defined by the Archdiocesan Office of Catholic Schools, a *capital expense* is any major improvement, repair, remodeling, or new construction with a significant project cost (ordinarily in excess of \$20,000). This includes:

- Non-routine work, building alterations, and projects that are outside the cycle or schedule of routine maintenance.
- Expenses incurred to extend the life of a significant feature of a building (roof, heating and electrical systems, walls, foundation, etc.).
- Expenses incurred in the renovation or improvement of interior space (e.g. classrooms, bathrooms, labs, etc.).
- All costs incurred in new construction.

For the purpose of this Agreement, *shared capital expenses* are those related to those projects in the School Building, the Social Hall, and the surrounding grounds that will provide significant benefit to both the School and St. Nicholas Parish. General capital expenses for these areas are the shared responsibility of the School and St. Nicholas Parish according to the percentages defined below. All capital expenses for the Preschool Building or that essentially benefit the School and its programs are the full responsibility of the School. Capital expenses that essentially benefit St. Nicholas Parish and its programs are the full responsibility of St. Nicholas Parish.

Allocation of Shared Capital Expenses

- The School is responsible for 70% of all shared capital expenses in the School Building. St. Nicholas Parish is responsible for 30% of the shared capital expenses in the School Building. This allocation is based on days of use (5 out of 7) since it concerns the infrastructure of the building.⁴
- The School is responsible for 40% of all shared capital expenses in the Social Hall. St. Nicholas Parish is responsible for 60% of the shared capital expenses in the Social Hall. (Based on Overall Usage – page 9.)
- The School is responsible for 50% of all shared capital expenses for the Parking Lot and the Grounds surrounding the School and Preschool Buildings. St. Nicholas Parish is responsible for 50% of all shared capital expenses for the parking lot and the grounds surrounding the School and Preschool Buildings. (Based on Overall Usage – page 9.)

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Capital Expense Planning and Budgeting

A joint Capital Planning Committee (Planning Committee) comprised of the Pastors of the Parishes, the School Principal, and two representatives each from the School and each of the Parishes will develop and administer a Shared Capital Plan (the Plan) and corresponding budget for all major maintenance and improvement projects for the School Building, the Social Hall, and the surrounding grounds (the Facilities). It will be the responsibility of the Planning Committee to integrate the capital needs and desires of the School into the St. Nicholas Parish short-range and long-range capital plans on an ongoing basis. The work of the Planning Committee will occur in consultation with the Finance Councils of the Parishes, the St. Nicholas Building Committee, and the Pope John XXIII School Board.

The Planning Committee will meet at least three times each fiscal year (more frequently as necessary). The Planning Committee must notify the Finance Councils of the Parishes and the Pope John XXIII School Board of all proposed shared capital projects for the Facilities no later than December 1 of the year prior to the start of the fiscal year in which the projects will occur. Unbudgeted non-emergency shared capital expenses for the Facilities that arise during the fiscal year must be approved by the Planning Committee in consultation with the Finance Councils of the Parishes and the Pope John XXIII School Board. The Pastor of St. Nicholas Parish will resolve any disputes that arise; he also can authorize emergency shared capital projects prior to consultation when necessary. In the absence of the Pastor of St. Nicholas Parish, the matter will be referred to the local Vicar.

Before being submitted to the Archdiocese for final approval, all shared capital projects for the Facilities must be approved by the Pastors of the Parishes that support the School and must be fully funded (according to the above allocation percentages).

Shared capital projects will be funded and administered in accordance with Archdiocese of Chicago guidelines.

Shared Capital Fund

1. The Shared Capital Fund (the Fund), which is managed by St. Nicholas Parish, holds shared capital expense funds set aside for major capital repairs, upgrades, and general enhancements to the Facilities. St. Nicholas Parish has a long-term commitment to this Fund, which is distinct from any capital expense fund specific to the School or St. Nicholas Parish.

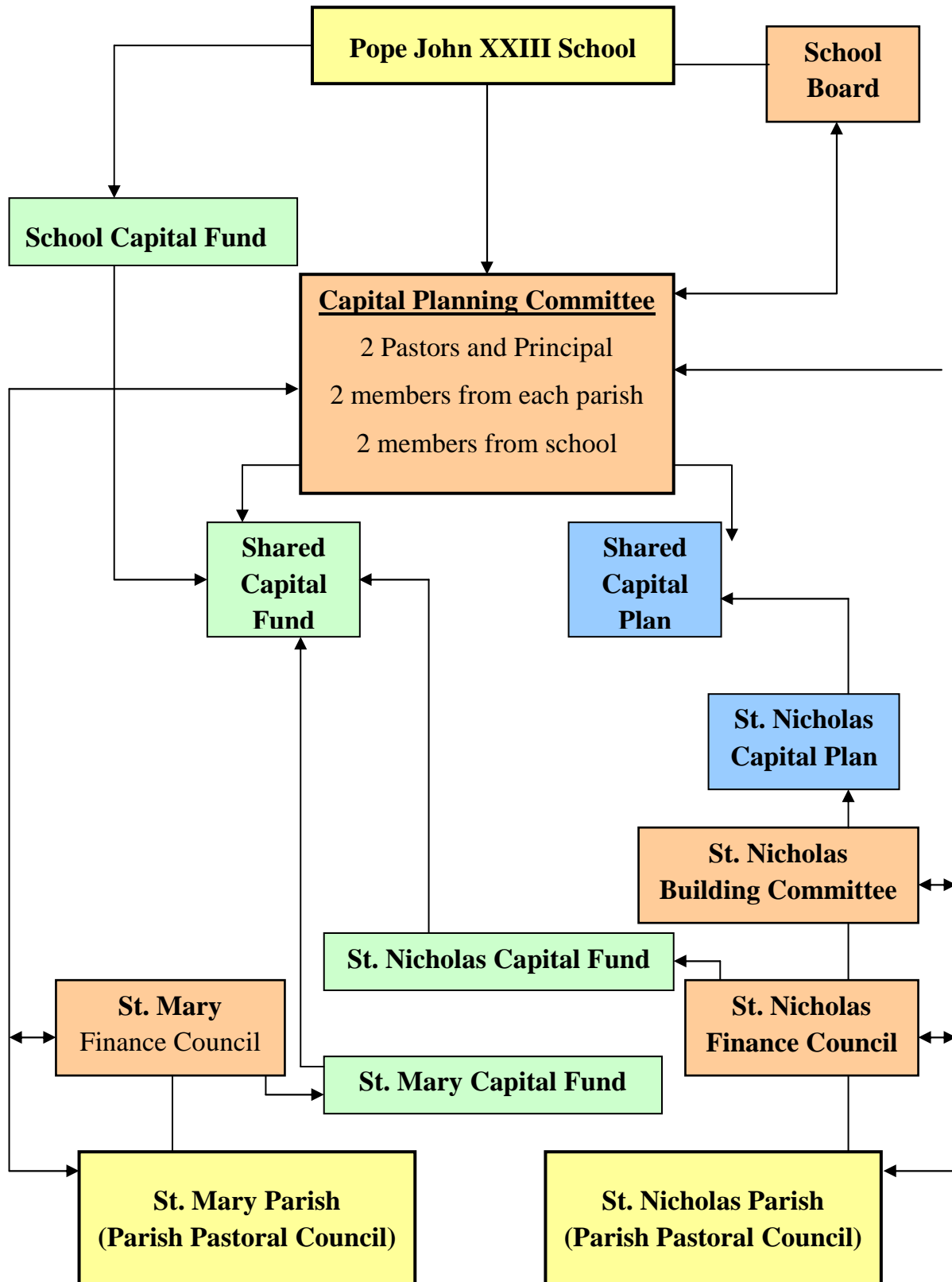
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2. The Fund is used to cover all shared capital expenses for the School Building, the Social Hall, and the surrounding grounds. This includes replacing boilers, air-conditioning units, roofs, parking lot, restrooms, etc. The Fund is managed by St. Nicholas Parish in conjunction with the Archdiocese of Chicago.
3. The Fund is not used for furnishings exclusive to School or Parish use, such as computer equipment and office machines. It also is not used to cover renovations and upgrades that are specific to School or Parish programs. Each entity will establish and manage separate funds for these purposes as each deems appropriate. Both the School and the Parishes will ensure that obligations to the Fund have been met before investing in any additional capital projects.
4. Unplanned non-emergency capital expenditures from the Fund require prior consultation with the Pastors of the Parishes, the Principal of the School, the Capital Planning Committee, the Finance Councils of the Parishes, and the School Board of Pope John XXIII School. The Pastor of St. Nicholas Parish can authorize emergency expenses from the Fund prior to consultation.
5. On or before December 1 of each year, the Capital Planning Committee submits to the Pastors and the Principal an annual plan for capital repairs and improvements to the Facilities. This plan includes estimated costs and recommends a minimum reserve amount for the Fund to meet anticipated needs for each fiscal year. The Pastors and the Principal will consult with their respective committees to determine the actual minimum reserve amount for the Fund in each fiscal year. Ideally, this will have been placed in the Fund on or before the first date of that fiscal year.
6. On or before January 15 of each year, St. Nicholas Parish provides an annual report to Pope John XXIII School and St. Mary Parish regarding the status of the Fund. The report includes details of deposits to and expenditures from the Fund.
7. The School portion of shared capital expenses are funded according to the terms established in the Financial Operating Agreement between the Parishes and the School (See Section 5 – Parish Subsidies). The funding source may be a designated entity or entities other than the School.
8. If the Fund cannot pay for all shared capital expenses within a given fiscal year, the Principal of the School and the Pastors of the Parishes meet as soon as possible to discuss how to address the shortfall.

The following flowchart describes the connection of the Capital Planning Committee, the Shared Capital Fund, and the Shared Capital Plan to the related entities within School and the Parishes.

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Shared Capital Expense Flowchart



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8. Financial Disclosure Requirements

The School will provide the following to the Parishes:

- Monthly (on or before the 15th of each month)
 - Statement of operating results (monthly and year-to-date) versus budget
 - Month-end balance sheet
- Semi-annually
 - Mid-year OCS report (January)
- Annually
 - Annual Financial Report (August)
 - Budget for the Following Fiscal Year (February)

Both Parishes will publish a summary of the School's operating results as part of their respective annual report to parishioners.

9. Footnotes

1. Shabo, Miriam, Fiscal Management Handbook for Catholic School, Rev. 01/09.
2. Shabo, Miriam, Fiscal Management Handbook for Catholic School, Rev. 01/09.
(The concept of operational self-sufficiency is based on defining the "full cost of educating the child" and funding those costs by a broad base of revenue which includes tuition, fund raising, outside sources of financing and parish investment.)
3. The agreement for allocating shared capital expenses resulted from a series of conversations among the Parishes and the School. The initial proposal was to split the allocation of shared capital expenses between St. Nicholas Parish and the School. However, this added a burden to the School budget that the School could not support. The second proposal was for the Parishes to split evenly the School portion of shared capital expenses. However, at the time the Agreement was being developed St. Mary Parish was unable to make a commitment to a variable contribution in light of its economic situation at that time. The St. Nicholas Finance Council remained willing to contribute its capital allocation plus half of the School's allocation. The St. Mary Finance Council was unable to make any capital commitment for shared capital expenses. However, St. Mary Parish will consider each January whether St. Mary Parish can contribute to the Shared Capital Fund for the upcoming fiscal year. This contribution would be applied to the remaining School portion of shared capital expenses for that fiscal year. This arrangement will be reconsidered every three years when the Agreement comes up for review and renewal.

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4. School Usage percentage for the School Building takes into consideration three approaches for determining building usage
 - Number of days per week ($5/7=71\%$)
 - Number of hours per week ($45/60=75\%$)
 - Square foot hours per week ($1,526,850/1,832,220=83\%$). The School Building has a total of 33,930 sq. ft. Square foot hours for School usage are determined by multiplying total square footage by 45 hours. Square foot hours for Parish usage are the sum of: total square footage multiplied by 6 hours for Religious Education hours and 1/3 of total square footage (cafeteria) multiplied by the remaining 9 hours of Parish usage.

St. Nicholas Parish and the School have agreed to use 75% percent as the general School usage of the School Building. However, this may be adjusted up or down for specific expenses.
5. St. Nicholas Parish will bill the School on a monthly basis for landscaping and snow removal services performed by parish maintenance staff. The amount billed will be the actual hours worked times the hourly labor rate of the staff person (adjusted for benefits), plus the cost of materials used. Actual hours worked will be rounded up to the nearest one-quarter hour. Annual adjustments to the hourly wage will be communicated to the School during the budgeting process and on or before the first day of each fiscal year.
6. Wear and tear is loss, damage, or depreciation resulting from ordinary use and exposure. Things like wearing carpet, smudges on the walls, chipped tiles, holes in screens, marks on curtains and carpets, insects in light fittings, dusty window and door tracks and any other item that can happen in a normal day.
7. These costs include routine maintenance and repair or replacement of parts of building structure, systems, components and/or infrastructure. This type of work is performed on a schedule determined by the life cycle of the system or component. As a general rule of thumb: if the equipment or building system was installed at the time of construction or is fixed in place, then it is major infrastructure.

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After appropriate consultation with our respective Councils and Boards, the Pastors of St. Mary Parish and St. Nicholas Parish and the Principal of Pope John XXIII School commit our respective entities to the attached Financial Operating Agreement.

Rev. Michael J. Solazzo, Pastor
St. Mary Parish, Evanston

Date

Rev. William J. Tkachuk, Pastor
St. Nicholas Parish, Evanston

Date

Mrs. Rosalie Musiala, Principal
Pope John XXIII School, Evanston

Date