

A NEW FISCAL YEAR - NEW CHALLENGES, NEW HOPE

As I hope you notice, I don't write about money very often, and I don't think I've really addressed that issue since we completed the *To Teach Who Christ Is* capital campaign—which, by the way, continues to grow in our Archdiocesan account thanks to your great generosity and faithfulness in fulfilling your pledges. But as we begin a new fiscal year on July 1, I think it's important to say something about where we stand now following the sad but necessary closing of the school, as well as where we need to be going forward.

To appreciate where we're at now, it helps to have some history. As I reviewed bulletins back to 2010, the Annual Financial Report to the Archdiocese was published each year (as required by Archdiocesan policy) and illustrated the enormous school deficit with the corresponding diminished parish savings. In July, 2010 the school deficit was over \$400,000 but the parish still had over 1.2 million in its accounts. The school deficit decreased in the next two years to just under \$300,000 in Fiscal 2011 and just over \$200,000 in Fiscal 2012, while parish savings continued to decline by more than \$300,000 in that time because of the school deficits. In Fiscal 2013, the school deficit was \$366,000 followed by a deficit of \$264,000 in Fiscal 2014. By June 30, 2014, the money remaining in parish savings had dwindled to \$577,000, less than half of what it was just four years earlier, with the majority of those savings and weekly income used to subsidize the school. At the end of Fiscal 2015, the school deficit was \$315,000 followed by a \$261,000 deficit at the end of 2016. Even though I arrived here in July, 2015, the budget for Fiscal 2016 had already been submitted and I could only weigh in on the budget for the fiscal year that ends this June 30. With the help of the Office of Catholic Schools, we created a 2017 budget that would keep the school going for this past year with the likelihood that, even with a significant tuition increase, our savings would be nearly drained by the still substantial school deficit.

I don't think I need to comment further on the cost to the parish created by declining school enrollment coupled with minimal tuition increases insufficient to cover school expenses as recommended by the Archdiocese. The bottom line is simple: with a remaining cash balance estimated at only \$4,000 by this coming Friday, we will now be in debt to the Archdiocese to cover the unpaid bills for this fiscal year because those unpaid bills will automatically be converted to a loan, probably in the vicinity of \$65,000, by the end of July. Obviously, that is not good news, but it is the reality.

But there is also good and hopeful news. Over the next four years, the donations from *To Teach Who Christ Is* will continue to flow into our Archdiocesan account, although that money must first be used for the capital projects we identified in our case statement and not for ordinary, everyday operating expenses. The additional good news is that, within four years, our savings should return to a healthier balance in the vicinity of \$400,000 from those TTWCI pledges—barring any unexpected, costly repairs. In the

meantime, we need to maintain an Offertory income that allows us to pay the bills each month while also paying off the Archdiocesan loan that will take effect in July. So I'd simply ask that you continue to be as generous as you've been with your weekly offerings and, if at all possible, depending on your own financial situation, consider increasing your weekly offering in the coming months. But for now, thanks for your generosity and your understanding during what will hopefully be just a bump in the road.

Fr. Bob