

Dear Parishioners of St Charles Borromeo:

We want to give you a report on our finances with the closing of our books for the 2019/2020 fiscal year that ended 30 June 2020. We appreciate this is late in coming for which we offer apologies.

First, some context. When Fr John arrived in March of 2019 the parish had been without an on-site administrator/pastor for 7 months. During that time and somewhat before attendance and contributions fell off sharply. Since his arrival and having a sense of stability the parish has rebounded, but the 'gap' created during that period between expenses and contributions was not fully recovered. We did not, as you know, have a budget for Fr's first fiscal year so it was hard to tell at the time how we were situated. As we anticipated a financial crunch, we cashed our \$40,000 CD last year at the time of renewal, which gave us the buffer we needed.

Not quite a year later, March 2020, we were shut down due to COVID-19. Again, we had some contribution drop off until we all got a better sense of the new reality and newer options for making contributions became available. We introduced an online option, put a lock box in the church foyer that is emptied after each Mass to prevent theft, and many, even those now attending Mass, continue to mail and drop off contributions.

Bottom line, one year from pulling out of one hole we entered another, even as we do currently have a healthy positive balance.

Still, we have our challenges. We asked that the debt to the diocese due to unpaid diocesan taxes (*cathedraticum*) and diocesan school assessment (we remain current with St Agnes Academy), due to billing errors in the last fiscal year, be forgiven. We were told we would have a response in May 2020 but, likely due to COVID, we have had no response. Further, again COVID related, the diocese has not issued guidance on what these assessments will be for this current fiscal year. We have not made any contribution to the diocese in anticipation of these assessments. Our intention is to seek some reprieve from these delayed assessments based (1) on the contribution drop as we found our footing, (2) the previous request of forgiveness, and with appreciation that, (3) as a parish have to date met \$21,387 of our \$25,000 goal for the Annual Catholic Appeal goal for this current year. This amount exceeds our total funds raised in last year's appeal.

As of June 30, 2019, we had just over \$88,000 in operations. As of June 30, 2020, our operations line was \$139,540.81. This includes the Payroll Protection Program for which we received \$37,300 for salaries and some utilities. Also, there were \$14,250 'in memoriam' donations. These donations are set aside for an as yet to be determined purpose. Effectively, we have \$125,250 available as unrestricted funds. Were it not for the PPP, our bottom line would be just shy of the \$88,000 balance from last year. This is not surprising as it did take some time for weekly donations to recover and as mentioned above, while weekly donations have recovered to pre-COVID levels, we have not recovered from the 'gap' in donations in the early weeks/months of being closed.

We continue to have a \$50,000 plus accrued interest CD designated for the elevator, and our pooled investments (endowment managed by diocese) stands at \$392,771. As previously reported, we

took the allowable \$14,000 in anticipation of COVID related expenses and contribution reduction. We have access to another \$17,000 for this current fiscal year if necessary, which I do not expect to be the case.

Our total accounts payable for the last fiscal year was \$68,000, in line with other parishes for salaries, benefits, insurance, *etc.*, with an additional \$12,000 due the diocese for special collections. This gives us a total of assets at \$515,503, of which almost \$140,000 is 'liquid.' This number could change, possibly dramatically, depending on a decision from the diocese to forgive previous debt and the amount due for the current fiscal year. Our most recent September 2020 balance was \$167,340. Our frugal 2020/2021 budget will be hard to meet if we are held fully accountable for diocesan debt.

There are ongoing concerns that need to be addressed. Our front doors initially failed inspection as being too hard to open. We have since passed inspection, but the reality remains that our doors are heavy, so we are exploring options to ease our way in and out of church. We also have been losing tiles off the church roof and have plans to have it inspected to avoid the ongoing leaks we have experienced with heavy winds and rain. We are fortunate that damage has been limited to the sacristy and stairway leading to it, all of which have been addressed. As you no doubt saw in the bulletin, we needed to replace a window blown out of the false dormer on the northeast side of the roof.

As our Religious Education Program is being held in our parish hall, we are going to 'winterize' the convent. We will need to keep some electric for security/fire, but by eliminating Wi-Fi, water and heat, and with minimal electric, doing so is cost effective in consideration of the \$7,000 it will cost – boilers are expensive to shut down but in the end we will save.

Finally, we have determined it is in our interests to move all our accounting off-site, not partially as we have been doing. We have contracted with *Organization INK* out of Great Barrington, MA to manage our fiscal affairs, with the exception of payroll which will remain in-house. This organization has contracts with other Catholic Churches in the Diocese and is familiar and comfortable with what is universally recognized as a challenging accounting system mandated by the diocese. The cost of these services is \$50/hour. For a parish of our size and the time needed, this is reasonable.

We are also looking at some fund-raising ventures, such as the return of the Gourmet Hot Dog and the Palm Sunday Port Roast Dinner, even if these are take-out/drive-by. We are also looking at a new version of the 'Reaching New Heights' campaign to address such issues as replenishing our reserves and repairing the walkways to the church from the parking lot. Stay tuned.

Again, thank you for your tremendous support of the parish. Please call if you have any questions, concerns, ideas. God bless:

Fr. John Tuohey
Administrator

Roberta Brassard
Business Manager