

St. Thomas More Catholic Church
Parish Finance Council
Darien, CT

December, 2008

Dear Parishioners:

As we noted in our recent Annual Report, Parish collections and gifts continue to lag what is required to meet our regular operating expenses. At the same time, we need to reduce our debt to the Diocese and we are faced with the need to incur significant maintenance and capital expenses to keep our facilities operating in a safe and efficient manner.

While we recognize that the current financial crisis and economic downturn has had an impact on our Parish, unless we can significantly increase our Parish revenues in the near-term, we will be faced with the need to cut critical Parish programs and defer required maintenance and capital expenses posing a risk of much larger maintenance requirements later.

In the sections below, we provide a more complete description of the current situation as well as a call to action for each Parish family.

Why do we need to raise additional funds?

The fundamental reason that we need to raise more money stems from the fact that, on a weekly basis, we simply do not collect as much money as is required to meet our regular operating expenses. This is not a new condition. Over the past 10 years, despite aggressive cost control, our operating expenses have grown by a total of almost 20%. At the same time, our regular revenues (weekly offertory and gifts) have failed to keep pace growing a total of only 10%.

In past years, the Parish has been able to fund this structural short-fall through holy day giving, special fundraisers and, mostly, through the deferral of payments to the Diocese (see below for more information). However, as the Diocese has begun to insist on repayment and we are faced with new, critical maintenance expenses, this approach is no longer sustainable. In addition, the Pastor, the Trustees and the Finance Council agree, continuing to operate in this manner is not prudent stewardship over Parish resources.

Why do we owe the Diocese money?

On a regular basis, the Diocese bills the Parish for a number of items related to staff benefits (e.g., pension, health insurance, etc.) that are underwritten by the Diocese on behalf of St. Thomas More and all parishes. In addition, we also pay Cathedralricum (tax on offertory) and the Catholic Schools Assessment which are assessed based on our offertory at the rate of 7.7% and 8%, respectively. Historically, the Diocese has demonstrated a high degree of flexibility in

seeking payments for past-due balances from its parishes. As such, St Thomas More has, effectively, relied on this flexibility as a means of financing its operating shortfalls. Of late, the Diocese has expressed a strong desire to have all of its parishes, including St. Thomas More, settle their accumulated debts.

What do we plan to do with the money?

As noted in our annual report, we have defined the following financial priorities for the Parish:

1. Significantly increase regular offertory revenue to cover ongoing operating and maintenance expenses;
2. Address capital and maintenance projects to ensure the well being of parishioners and others that use our facilities while maximizing the functionality and efficiency of our buildings and grounds;
3. Establish a cash reserve fund to provide the Parish with the security to deal with unforeseen expenses and other contingencies; and
4. Reduce the outstanding debt to the Diocese of Bridgeport.

With respect to the first goal, our offertory is currently running approximately 20% below what is required to break-even based on our annual budget. To address this shortfall, plus establish a small contingency fund, we need to increase regular weekly revenue by 25%.

On the maintenance and capital front, we have identified 16 discrete, critical projects that we need to complete during 2009 with an estimated total cost of \$225,000. These projects are incremental to what we have already budgeted for routine maintenance.

As of November 30, 2008, the Parish had an accumulated debt to the Diocese of approximately \$365,000. Of this amount, \$100,000 is current year obligations. Our intention is to clear this current year amount as well as 50% of the accumulated past due in 2009. Thus, we need to raise \$225,000 by year-end 2009 to reduce the Diocesan debt to \$140,000.

What do you need from me?

In order to meet our needs as described above, we need the Parish to do two things:

1. Immediately increase regular giving (offertory) by 25%.
2. Contribute \$450,000 in special gifts in 2009. This equates to approximately \$300.00 per Parish family.

As we expect that some families will not be able to provide this level of support, we ask that if you are blessed enough to do more that you consider doing so.

How much should I be giving?

I am often asked by parishioners, "how much should I be giving?" This is a much different question than, "how much does the Parish need?" I suspect that many in our Parish fund their giving from their "excess," i.e., consider the size of their gifts by subtracting all other needs from income and then seeing what may be left over for the Parish. This approach is not adequate.

While this is not the modern Catholic tradition, it is common practice among some faiths - including some protestant denominations operating in our community - to tithe. Tithing is a biblical concept (*Genesis 14:18-20, among other references*) that calls for 10% of income to be directed to the Church.

Clearly, we are not asking anyone to tithe nor does St Thomas More require this level of commitment from the Parish as a whole. That said, we recommend that Parishioners begin to calibrate their giving relative to their annual income. As an example, if St Thomas More parishioners each contributed only 1% of their annual income (median income for Darien/New Canaan approximately \$225,000 in 2007) on average, the Parish would be on very strong footing. Please consider this benchmark relative to your own giving.

How could I have a distinctive impact on the Parish?

For those parishioners that have been extraordinarily blessed, there are many opportunities to provide leadership gifts for general or specific purposes. If you are so inclined to support the defined priorities of the parish in a special way, please contact Fr. Furey at the Rectory.

Further questions?

We expect that you will have some questions about the information above. To address your questions and concerns, members of the Parish Finance Council, the Parish Trustees and Fr. Furey will be available after each of the masses on December 20/21 in the Rectory Annex.

In the meantime, should you have any questions about this letter, or any other matters related to the financial affairs of the Parish, please do not hesitate to contact me (203-656-2445) or any of the other Finance Council members.

Regards,

Peter Frank
Chairman
Parish Finance Council