



FINANCIAL OPERATIONS

Q1. What are the primary reasons for Parish operating losses in recent years?

The primary reason for Parish operating losses the past two years has been the significant \$550,000 decline in its major sources of revenue—Offertory (\$300,000), Gifts & Bequests (\$125,000) and Religious Ed/Youth Ministry (\$125,000). The offertory decline is primarily related to the clergy sex abuse scandal and the COVID pandemic, both which have contributed to a reduction in weekly church attendance, from 1600 to less than 500. Gifts & Bequest donations vary from year-to-year and are very unpredictable, while the Religious Ed and Youth programs have been seriously impacted by reduced attendance due to the COVID pandemic.

Q2. Has the Parish reduced expenses to offset the decline in revenues?

During this period of declining revenues, expenses have been reduced approximately 20% by carefully managing day-to-day spending and rebalancing Parish staff, however, these reductions have not been sufficient to fully offset the revenue decline. With guidance provided by the Finance Council, the Parish is currently finalizing a plan expected to further reduce annualized expenses by \$100,000 going forward.

Q3. Has the Parish analyzed whether its staffing levels are appropriate?

The Finance Council has recently participated in a review of Parish staffing and found “no low-hanging fruit.” The staff has continually taken it upon itself to share roles, responsibilities, and workload.

Q4. Do the Religious Ed & Youth Ministry programs cover their own costs?

The Religious Ed and Youth Ministry programs do not generate sufficient income to cover their operating expenses. For the period of June-December 2020, expenses exceeded income by approximately \$70,000. This is primarily

due to the impact of COVID and the inability to conduct full-time, in-person programs, with their associated fees. Monsignor Royal has assembled a group of Parishioners to assist with developing new plans in this area for the next program year, beginning in the September/October timeframe.

Q5. Does the Parish have any debt or interest expense impacting its losses?

The Parish has no outstanding debt or related interest expense.

Q6. Who operates St. Mary's School and is it contributing to Parish losses?

Saint Mary School occupies the Parish building at 183 High Ridge Avenue but is under the operational supervision of the Diocese. The School reimburses the Parish for its share of the operating costs of the building. The Parish currently provides a \$20,000 Tuition Assistance donation to the school for families in need of financial assistance.

Q7. Do we expect operational losses for the foreseeable future?

The Parish believes that a combination of additional operational expense reductions, along with programs to increase offertory in the coming months, will allow it to resume operations at a "break-even" level. At the same time, the Parish Finance Council will continue to monitor all expenses and recommend changes were appropriate.

Q8. Has the Parish made payments to abuse victims, impacting its financials?

No payments have been made by the Parish to the clergy abuse victims. Payments to victims have been made by the Diocese, sourced from insurance coverage and property sales.

Q9. Are other parishes in the Diocese experiencing similar pressures?

Many parishes in the Diocese have been impacted by the clergy abuse scandal as well as the COVID pandemic, but in varying degrees as they relate to attendance and offertory donations.

TOTAL CASH

Q1. What is the Parish's current cash position?

At the end of December 2020, the Parish had a total of \$3.7 million in cash.

- \$2.5 million was generated from the sale of Parish properties, pledge sharing from the Diocesan *We Stand with Christ* campaign, and a significant donation from a Parishioner. This money is solely used for the *Gather & Grow* Church Project and not used for operational purposes.
- \$0.7 million is comprised of funds restricted for the future maintenance of our cemetery and use by Parish ministries and social outreach programs.
- \$0.5 million is an unrestricted cash reserve and available for general Parish operations.

Q2. Are there other properties that can be sold to help the cash deficit?

The Parish has one rental property behind the church, which has not and is not being considered for sale, which allows for future flexibility and use. The Parish owns 4 other properties: the rectory (priest's residence), the Parish business office, the school building, and a house on the cemetery grounds. These properties will be retained to provide the Parish with the flexibility necessary to conduct day-to-day operations.

Q3. What if the cash reserve is depleted?

The Parish believes that a combination of operational expense reductions and programs to increase offertory will allow it to resume operations at a "break-even" or better level, without severely impacting services to Parishioners. If shortfalls do continue at unsustainable levels, the Parish will evaluate and consider all options to remedy the situation.

“GATHER & GROW” CHURCH PROJECT

Q1. What is the “Gather & Grow” Church Project?

The “Gather & Grow” Church Project is made up of three components:

- Renovation of the church interior
- 1,000 sq. ft. addition to the church for community gatherings
- Relocation of Adoration Chapel from school building to the church building

Further details are included in the February “State of the Parish” Winter Newsletter, available on the Parish website, which will also be mailed to all registered families.

Q2. What is the status of the Church Project?

Completion of the “Gather & Grow” Church Project is expected by the middle of June, with a re-opening of the church at that time.

Steady progress is continuing, despite having encountered numerous construction issues, as one might expect in renovating a church over 100 years old. Msgr. Royal, the architect, and the Parish business representative meet weekly with the general contractor to monitor progress and resolve issues.

The primary source of financing the project is being provided by funds from the sale of Parish rental properties, pledge sharing from the *We Stand with Christ* Diocesan campaign and a major contribution from a Parishioner. These funds are separate and apart from offertory donations; they have not and will not be used to address the Parish’s financial losses.

Q3. Was it wise to continue the Church Project in the midst of financial losses?

The decision to proceed with the Church Project was carefully reviewed within the Finance Council and with Msgr. Royal for many months. While the risks were evaluated, and openly discussed, the consensus was to move ahead, as the Church was in serious need of renovation, funds were available that could not be used for operational purposes, and the cost of the project would only increase if postponed.

In addition, it was felt that Parishioner attendance and offertory levels would return to “somewhat normal” after the COVID pandemic subsided, thus helping improve the overall financial situation.

“WE STAND WITH CHRIST” DIOCESAN CAMPAIGN

Q1. What is the “We Stand With Christ” Diocesan Campaign?

“We Stand With Christ” is a \$75 million Diocesan campaign initiated in January 2018 to continue the work of renewal and strengthen the Church for future generations. The campaign initiative stems from the 4th Diocesan Synod and the subsequent pastoral planning process undertaken by the Diocese and its 82 parishes and one shrine.

With its objective of strengthening local parishes to encourage a vibrant Catholic life, the campaign designates 50% of the funds raised, an estimated \$37.5 million, for parish needs.

The remaining 50% is invested in three major foundations:

- Foundations in Education (\$12.4 million)
- Foundations in Faith (\$15.0 million)
- Foundations in Charity (\$10.0 million)

Additional information can be found on the Diocesan website
Bridgeportdiocese.org

Q2. How does the Parish share in the pledges made to “We Stand With Christ”?

St. Mary’s Parish goal for the Diocesan *We Stand with Christ* campaign is \$2.7 million. The actual amount pledged thus far by 328 parishioners, over a five-year period, is \$3.3 million, an overachievement of \$600,000. To date \$1.8 million has been collected by the Diocese. If all pledges were fulfilled, the Parish would receive approximately \$1 million from its original goal and \$420,000 from the overachievement. However, at this time, several payments are in arrears, which places the total amount to be received in question. All donors who are in arrears have been contacted to inquire about the status of their pledges.

The Diocese collects all that has been paid, and remits parish sharing of the proceeds on a quarterly basis. To date, our Parish has received \$489,000.

MISCELLANEOUS

Q1. Is St. Mary Cemetery run by the Diocese or the Parish?

Saint Mary Parish owns and operates St. Mary Cemetery on North Street in Ridgefield, which has been a significant positive cash flow contributor over the years. The cemetery is 21 acres in size, with approximately 7 acres that are full, 4 acres unusable, and 10 acres available for future use. Each year, the Parish sets aside approximately \$15,000 in a restricted “Perpetual Care” investment account to ensure ample funds are available for maintenance needs well after it is full (not expected for well over 100 years). The current balance in this restricted account is \$362,000 as of December 31, 2020.