

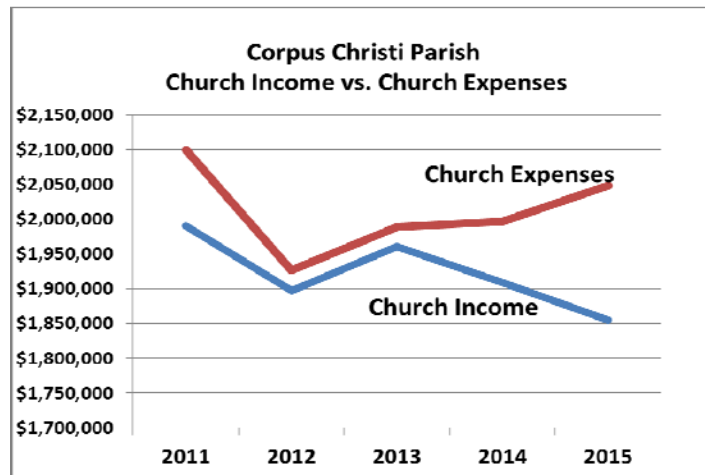
A Report on the Financial Status of Corpus Christi Parish – January 2016

Dear Parishioners and Friends,

The Situation

The good news is that our faith community remains strongly active and committed to our mission as demonstrated by the numerous good works performed by the individuals and ministries with which we are blessed. The concerning news is that the parish population and collection income have been declining and without some changes, we will not be able to meet the enthusiasm and associated expenses as we have been privileged in the past. This decrease in collections, along with our continued debt service obligations for the mortgage, small increases in annual salaries for the parish staff, continued support and development for our programs, and significant increases in healthcare premiums intensifies our situation.

While parishioners register with a parish when they move in, they seldom unregister when they move away. This phenomenon makes it very difficult for parishes to predict and budget future income streams. In fact, the only crude barometers a parish has to obtain a sense of active enrollment are mass attendance and the Sunday collection. While we can speculate on issues that have affected our collections, such as which industries have had layoffs or changes in population and/or mass attendance, the illustration below indicates our annual collections' downward trend (blue line) over the last five years.



When income is compared to expenses (red line) in the above illustration, you can see that there has been a gap of 1.4% to 10% with that gap projected to become bigger by 2-3% next year and each succeeding year. This gap has been covered by bank reserves that have not been replenished. A continuation of this annual deficit will negatively impact our ability to maintain our programs and the buildings and grounds of the parish. While the school is accounted for separately from the church, we have and plan to continue to subsidize the grade school and REC program. However, if that subsidy needed to be reduced as a result of lower collections, our school tuition and fees will also be negatively impacted.

The Plan

Over the past few months, we have shared some of the expenses and their rate of growth over the past few years. In a letter distributed in September, we asked all to consider increasing their contribution to the parish. While still early to know for sure, this appeal has resulted in an increase but more needs to be done. To bring closure to the message, we put forth the following:

First

We will continue to carefully evaluate all services, vendors and contracts and limit selection to those which bring the most value to the parish. In addition, while no parish wants to scale down programs or eliminate organizations, all ministries will be asked to identify and eliminate cost elements that provide minimal value and exercise extreme prudence with all future purchases. While cost evaluation and reduction is a critical component, it is anticipated that this will have a minimal effect on the financial situation because the operations have been lean for many years.

Second

We ask everyone to prayerfully reflect on their contributions and think about:

- How long have I been making the same weekly contribution?
- Do I have the ability to increase what I give?
- Can I increase my offering by 13% (the current gap or projected difference in expenses)? Can I contribute a little more to cover the 20% gap projected three years from now?
- Can I contribute a little more that can help with the long term capital building and grounds expenses?
- Can I make a gift to the church? Can we memorialize a loved one?
- Can I help the parish financial situation in another way by donating my time or talent?

Third

We are pleased to announce that two gifts of stock totaling \$32,000 have allowed us to start a Capital Fund to maintain the buildings and grounds. Donations and gifts to this fund will be utilized for major projects that have a long term life. Two projects that have already been identified are:

- FY 2017 structural replacement of Fr. Doyle Hall roof costing \$50,000
- FY 2018-2020 parking lot repaving over 3 years at \$50,000/year totaling \$150,000

As your pastor, along with the members of our Finance Council, we have been truly blessed to be part of a wonderfully faithful and resilient community that surpasses our expectations time and time again. We thank you for your serious personal reflection at this critical time as we try to maintain our parish legacy for the future.

Sincerely,



Rev. Msgr. Thomas P. Flanigan, Ed.D. & the Members of the Parish Finance Council

John Smerke
Pat O'Donnell
Steve Gudowski

Trudy Duardo
Stan Jaskiewicz
Donna Belardi

Charlie Lewis
Ann Marie Finley