



FINANCIAL REVIEW 2022

By Fr. John Jasica

WORDS OF GRATITUDE



I want to express my sincerest thanks to the people of the Chatham Catholic Family of Parishes. I have been here now for nearly two years and I must say—there is great faith in

the city of Chatham. Over the last several months we have seen more and more people returning to Mass and slowly returning to ministries, programs and outreach that have been introduced during our “comeback” from the pandemic.

While COVID-19 has imposed some devastating effects, it did cause us to pause, reflect and refocus our efforts to form disciples who reach out to all. While we know that we will never be the same as in 2019, there is new hope that we can become better than we were ever before. I truly believe that we have a renewed purpose, vigor and zeal to share the precious gift of the faith that has sustained us through the challenges of the last few years.

I want to thank the family staff for their hard work, dedication and faithful service as they continue to offer us daily support so that we can live as disciples in our world. They are truly committed to the mission of sharing the Good News and are going above and beyond so that we can encounter Christ and be Christ together. Despite how busy, hectic and overwhelming things can become, the staff continues to serve with generous hearts. We could not be where we are today without their support and guidance.

I also want to thank members of the Pastoral Council and Finance Committee for their wisdom, guidance and support. Working together as five churches in one faith community is a great blessing but also a challenge, as we seek to be true missionaries in our world. I appreciate and depend on their counsel as we continue to discern God’s plan for us as a sign of hope, peace, joy and love.

IGNITE THE MISSION

As we enter into 2023, we as a family of parishes are at a crossroads—prayerfully discerning where and how God will lead us to be a vibrant, active and relevant instrument of love in a world that has drifted off course in so many ways. We have come to the point of decision—hopefully recognizing that we can no longer stay the way we are and must change, adapt and let go for the sake of the Gospel.

I have great hope that we as a family, can see the bigger picture of God’s mission for us that goes above and beyond our church buildings, our current ministries/programs and outreach. We can no longer seek a quick fix, a band-aid, or ignore the circumstances we are in altogether. We need to ignite the mission and spirit of the Apostles in our time, so that everyone can encounter the Risen Lord through us and with us. This is the only mission that we have been given and in our current situation, we cannot fulfill it. The need for change is difficult but also exciting!

We need to remember that the challenges we face are not simply financial or due to aging buildings. Our very structure, the way we minister and are present in the world does not connect, relate or engage the modern world. We have to discover creative new ways, strategies and methods to express our faith and show how placing Jesus at the centre of our lives truly is the best way to live.

I encourage everyone to review our summary document called **IGNITE THE MISSION: APOSTLES FOR A NEW ERA**. You can read it from our website or pick up a copy at any of our churches for an in-depth review of our mission, our current circumstances and the plan for moving forward. It will definitely assist us in our prayerful discernment for the future.



GENERAL FINANCIAL OBSERVATIONS



The financial results for 2022 can be found on page 3 of this report. You can see the totals for each individual community and in the last column, as a family. In this review, I want to add some general observations while also reporting specifically on each church of our family. I hope to offer some insight and information that will be helpful. Here are some general comments:

(1) THE PANDEMIC

There is no question that the pandemic disrupted all aspects of our lives, including our family of parishes. This global health crisis forced lockdowns, restrictions and of course the closure of our churches over the last few years. This affected attendance, volunteer involvement, ministries, programs and of course revenue. The pandemic has not been an interruption, but truly a disruption.



Recovery from the effects of the pandemic will be slow and steady—one step at a time. We have seen a gradual increase in Mass attendance and a subtle return of various ministries, programs and outreach. Unfortunately, every component of our family of parishes is desperately lacking enough volunteers and leaders. This limits the pace of our growth but allows us to discern what is needed for us to live and share the Gospel most effectively. This recovery will take time but is a chance to make things better than they were before.

(2) CANADA EMPLOYMENT WAGE SUBSIDY



One of the significant blessings in the last few years has been the federal government support that we have received through the

Canada Employment Wage Subsidy (CEWS).

The Diocese of London had to apply for support monthly on behalf of all the parishes during the program. It has been a great help for us. In 2021, the family of parishes received **\$171,850** and **\$148,454** in 2020. These funds were used to help pay staff while offsetting the reduced revenue received during the pandemic. Without these funds we would be in much worse shape.

Unfortunately, the CEWS program concluded at the end of March 2022. So we only received **\$22,551** in 2022. (see the chart on page 3 line 7)

(3) REVENUES & EXPENDITURES

The 2022 financial summary chart on page 3 shows the general revenues and expenditures for each church in our family. We understand that the majority of our revenue is made up of the Sunday offertory, Christmas, Easter and the Thanksgiving Appeal. We actually do see an increase in our revenues in 2022 vs 2021—We had a 7% increase in Operating Revenues combined with a 2% reduction in Operating Expenses, producing a significant (34%) reduction in the total Family of Parishes Operating Deficit. Four of the five parishes had operating deficits in 2022 (page 3 line 3) and the total family deficit was (-\$147,021).



Expenditures generally stay constant. This includes hydro, gas, insurance and compensation. Liturgical and ministry expenses increased over the last year due to the fact that we are offering more programs, outreach and ministries.

Please remember that we still have a significant Operating Deficit while having insufficient staff and activities. We lack a Business Manager, Family & Youth Ministry Coordinator and another Pastoral Minister to adequately serve our family of parishes.

(4) PASTORAL PLANNING



As I mentioned at the beginning of this financial review, we are at the crossroads—discerning how we need to change and let go so that we can become what God wants us to be and what the world needs. This will include a shift from maintenance (trying to hold on to what we are and have) to mission (like the first Apostles sharing the Gospel).

The world has drastically changed and the current methods of sharing our faith are no longer effective. Society has drifted away from Christian values. Faith has been pushed to the sidelines and we need to adapt our strategy so that people may see Christ in us and our faith community. This means we need the staffing, financial resources, volunteers and facilities to be relevant in our families, schools and workplaces.

Some of this has already begun with our new pastoral plan called the GAME PLAN in which we are focusing our efforts on mission—to form disciples who reach out to all.

CHATHAM FAMILY OF CATHOLIC PARISHES

TOTAL FINANCIAL RESULTS FOR 2022

	St. Ursula	St. Joseph's	St. Agnes	Blessed Sacrament	Our Lady of Victory	Total Family
1) Operating Revenues	\$270,856	\$310,568	\$238,713	\$344,477	\$82,834	\$1,247,448
2) Operating Expenses	\$306,459	\$400,581	\$267,735	\$318,231	\$101,463	\$1,394,469
3) Operating Surplus (Deficit)	(\$35,603)	(\$90,013)	(\$29,022)	\$26,246	(\$18,629)	(\$147,021)
4) Capital Revenues	\$37,021	\$49,329	\$3,644	\$12,327	\$30,983	\$133,304
5) Capital Expenditures	\$27,937	\$126,377	\$0	\$0	\$60,765	\$215,079
6) Capital Surplus (Deficit)	\$9,084	(\$77,048)	\$3,644	\$12,327	(\$29,782)	(\$81,775)
7) Canada Wage Subsidy	\$6,163	\$6,599	\$4,585	\$5,204	\$0	\$22,551
8) Total Surplus (Deficit)	(\$20,356)	(\$160,462)	(\$20,793)	\$43,777	(\$48,411)	(\$206,245)
9) Total Cash Resources	\$442,472	\$337,653	\$79,612	\$336,011	\$96,410	\$1,292,158

ST. URSULA CHURCH



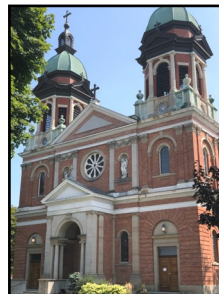
As you can see in the chart above, St. Ursula Church had a total deficit of (-\$20,356) (line 8) in 2022 which includes the CEWS benefit of \$6,163 (line 7). Total cash resources as of

December 31, 2022 includes \$38,738 in the general account, \$42,552 in the Spirit and Life Centre account and \$358,429 in the Capital Loan Fund with the diocese. Diocesan policy requires that funds in excess of current needs be invested in the Load Fund. The parish receives interest on these funds.

In 2022 St. Ursula Church had a new PowerPoint computer installed while also doing some minor repairs throughout the year. We also installed a new screen and video projector in the hall for presentations and events. In general, the building is in good shape with no planned major maintenance.

ST. JOSEPH CHURCH

As you can see in the chart above, St. Joseph Church had a total deficit of (-\$160,462) which includes the CEWS benefit of \$6,599. As of



December 31, 2022 the church had \$41,511 in the general bank account, \$212,560 in the Spirit and Life Centre account (please note the mold and asbestos abatement on the second floor and basement took place in December 2022 but payment was made in 2023 for \$85,000), and \$176,895 in the Capital Loan Fund account with the diocese.

In 2022 we installed a video projector and screen system in the church so we could use it for music, Mass parts and homilies. Installing this permanent system allowed us to regain space in the sanctuary and when the system is not used, the screen is retracted which makes it less noticeable.

As a reminder from the 2021 review—we know that both towers of the church will need major work from a July 27, 2018 report by POW PETERMAN Consulting Engineers. Both towers require some masonry work, mortar joint repairs, new caulking and repairs to flashing so that water does not come in. The preliminary report estimated the costs at \$487,000. We are still waiting for updated costs but it will likely be closer to \$900,000.

The Spirit & Life Centre main floor has activity daily. The front conference rooms are being used by AA since the basement cannot be occupied until it is renovated. The hall is used for various activities, ministries and programs.

No further significant upgrades will occur until we have a clearer understanding of the future for our family of parishes. Clarity will come through the Ignite the Mission discernment process in consultation with Bishop Fabbro.

ST. AGNES CHURCH



As you can see in the chart on page 3, St. Agnes Church had a deficit of (-\$20,793) which includes the CEWS benefit of \$4,585. As of December 31, 2022 the church had \$33,343 in their general account and \$44,653 in the diocesan Capital Load Fund.

Please note that St. Agnes Church has been running an overall deficit for the last six years. This means that we have had to transfer funds from the diocesan Capital Loan Fund account to cover regular operating expenses. In 2017, St. Agnes had a Capital Loan Fund balance of \$201,739. The building itself is in good shape and there are no plans for renovations or upgrades.

BLESSED SACRAMENT CHURCH



The chart on page 3 shows Blessed Sacrament had a surplus of \$43,777 (line 8) which included a CEWS benefit of \$5,204. As of December 31, 2022 Blessed Sacrament had \$141,956 in their general account and \$191,801 in the diocesan Capital Load Fund

account. There are no plans for any renovations but quotes have been sought for the replacement of a broken air conditioning unit that serves the Good Shepherd Room and the entire stairwell addition built between the church and the rectory. We have also sought quotes for new carpeting in the church. We have an issue with a bulging section of wall in the hall that will be looked at this spring. We will be repainting the parking lot lines this year as they have faded over time.

In 2022 we installed a permanent sound system in the hall along with a permanent screen and video projector for presentations and events. We added an additional camera to the church live-streaming system and upgraded WIFI capabilities in the church, hall, and Emmaus Road Meeting Room (fireplace room).

OUR LADY OF VICTORY



As you see in the summary on page 3, Our Lady of Victory had a total deficit of (-\$48,411) and did not receive any CEWS funds because the church only covers a small portion of one priest in the family. CEWS was directed to support employee compensation. As of December 31, 2022, Our Lady of Victory had \$33,578 in their general account and \$59,504 in the diocesan Capital Loan Fund.

The flat roof that spans the sacristy, hall, washrooms and hall kitchen was replaced in November of 2022 for a total cost of \$61,000. Now that the church has a new flat roof, there will be some minor repairs done to the hall and washroom areas that were damaged by water leaks and age.

IN CONCLUSION—WE NEED TO CHANGE

We as a family of parishes continue to struggle financially. Despite some revenue increases and expense decreases, we cannot stay where we are.



We are still running a significant deficit while having limited ministries/programs, staff and outreach. Those costs will continue to increase. We are still losing money while our buildings continue to need repair.

Total cash and Capital Loan Fund resources in the family of parishes were reduced by the overall deficit of \$202,500, from \$1.5 million at the end of 2021 to \$1.3 million at December 31, 2022—a reduction of 13.5%. Two churches now have less than \$100,000 in resources at the end of 2022, while all the churches had at least that level at December 31, 2021.

So where do we go from here? It is clear that we will have to close more than one church building in the coming years not in an attempt to survive, but to create resources and reduce costs so that we have the necessary programming, ministries, outreach and staffing to fulfill our mission to form disciples who reach out to all.

This is a difficult and challenging time for everyone but I truly believe that God is calling us on a new road that offers us bigger and better opportunities to live out our faith in the present and the future, so that the people of Chatham can experience the Risen Lord through each of us in new and meaningful ways.