

FINANCIAL HOMILY – SUNDAY, FEBRUARY 7

Thanks for your past, present and future support of St. Peter's Parish and Parish School through your time, talent and treasure.

A couple of weeks ago I was telling our junior high and high school students at their weekly Mass my story of the decision to become a Priest. It occurs to me that not any part of that decision was a desire to handle other people's money, much less deal with a multi-million dollar budget....but. Here I am, with you, in this wonderful, vital, and blessed faith community of St. Peter's and it is again time to give you an update on the financial state of our Parish and Parish school.

While the year has been full of challenges we have accomplished much. Due to the work and generosity of many.....individuals and foundations, this past year we have completed the renovation of the Sr. Bernard Marie Campbell Science Wing, replaced our fifty-year-old elevator, paid down our mortgage on Spartan Fields, it should be paid off this year and through the Annual Tuition Drive funding, there are 102 students and their families benefiting from Catholic education in St. Peter's School.....the actual tally on this...over \$500,000. We have been very blessed!

I am reminded that the debt did not occur over night and will not go away over night... it will take time...but we are working on it.

Now, we need to look at the rest of the story. As most of you are aware, we are in debt to the Diocese of Toledo. However, we have made progress in dealing with both the debt and our 2010-2011 budget. Last year, I promised you that we would keep you informed. Each week in the bulletin we have published the weekly totals of our Sunday contributions and the money received in the second collection for debt reduction. Since we began the debt reduction program last year, we have received \$90,935.00 in contributions and have paid \$73,500.00 to the Diocese. I would like to THANK YOU for your support of the Debt Reduction Collection.

It is very important to remember that the two areas most critical to our finances are our debt to the Diocese and our budget going forward. The single largest factor in both is salaries and benefits. During a three year period from 2004 to 2007 teachers' salaries were raised (as recommended by the Diocese). However, Sunday contributions did not increase proportionately to cover that cost, which resulted in approximately \$600,000.00 of the debt. In addition, salaries and benefits comprise approximately 75% of our budget annually. This will continue to be the most important factor moving forward. At the end of 2007 and beginning of 2008, parishioners were asked to increase their contribution for Sunday offering. Many people agreed and our Sunday collection increased. Then the economy, well you know what happened. Since that time, collections have declined. We all began to look at our finances more closely. I am hoping that as the economy changes for the better that many of us will return to our commitment to increase our Sunday contribution.

The diocesan average for parish subsidy to schools is 60%, as the bishop stated in his presentation. At St. Peter's it is 38 %.

Teachers starting salaries at St. Peter's is 75% of Mansfield City Schools. The diocesan average as the bishop stated last week is 67% for elementary and 72% for high school teachers. As a teacher remains at St. Peter's the salary difference **increases**.

In this regard, we are grateful to the Monsignor Dunn Foundation for their annual contribution in SUPPORT of teachers' salaries. The Foundation has given the Parish approximately \$305,000 for

salary assistance over the past three years. If the 20/20 program of planned gifts to the Foundation reaches its goal of 20 million dollars, imagine the possibilities.

I also promised you that we would make every effort to reduce our costs and increase our revenue. Through attrition, reorganization and a wage freeze, we made headway in that area during the current fiscal year 2009-2010. Other costs, such as utilities and maintenance, as well as shortfalls in a few fundraising efforts also play into the balance.

This fiscal year, 2010-2011, we have expanded the budget committee to include two certified public accountants, **Rich Morris and John Lump** and a former public school superintendent and current principal at St. Mary Mansfield, Roger Harraman also John Kastelic chair of the Finance Committee sits on this committee. Both principals, our parish finance director as well as myself sit on this committee. **I would like to thank the budget committee for their assistance with looking at the 2010-2011 budget.** With their help, our administrators, finance director and myself are constructing a conservative budget based on this year's expenses, revenue and enrollment. As the process continues for the upcoming year, we have initiated work with department heads in cost containment and reduction. Hard choices will have to be made. As a result of these measures, we are confident that we can make an additional \$50,000.00 payment during the next fiscal year on the principal of our debt to Toledo.

As promised, we will not compromise the work of our parish especially in the area of the quality of Catholic education at St. Peter in our School and PSR (Parish School of Religion) program, but its delivery may need to be changed, simplified or reduced in an effort to balance the budget and repay the debt. **Our students are our mission and commitment.**

Please look over the financial statement which is in today's bulletin.

We, the finance and budget committees continue to explore revenue generation and cost containment.

Thank you for your ongoing support and generosity and please keep us in your prayers as you are gratefully remembered in ours.

Let us also remember all those who have lost their jobs.

Thank you