



Moncton, May 1, 2024  
Feast of St. Joseph the Worker

## **Pastoral considerations and an administrative and financial recovery plan to start afresh!**

Dear brothers and sisters in Christ,

Since the very beginnings of our Archdiocese, the faithful have been blessed to be able to celebrate their faith in a large number of churches built here thanks to the generosity, tenacity and dedication of our ancestors. We must always remember that they worked hard in their time: they didn't count the many hours, sacrifices and even generous gifts they invested in their local church and in the diocesan Church. Their gifts and labors have enabled our churches to establish themselves, grow and endure over time, despite the difficult times they have had to endure.

For the faithful, these churches were and still are places of formation in Christian and human life; places where each member can meet alone or in a group to pray to God; privileged places where we can celebrate the important moments of our lives: baptisms, communions, confirmations, weddings, funerals.

And what about the celebrations we sometimes create because they have had a decisive impact on the lives of members of our Christian community in one way or another? They allow us to express inwardly and outwardly the emotions that we often tend to repress deep down, and which are detrimental to our well-being. Finally, is it appropriate here to recall the beauty of our liturgical celebrations, which recur every year during liturgical high points, and which constantly remind us of the extent to which God loves us personally, unconditionally and infinitely?

In the light of the foregoing, it's now easier to understand the link between our parish churches and our family homes: our churches are in reality extensions of our family homes, with the difference that our churches are places where we can gather in greater numbers, and where the Lord Jesus himself becomes our heavenly food through listening to his Word and through the sacraments. This supernatural food is given to us to strengthen and sanctify us in the midst of the difficulties, obstacles and sufferings that punctuate our path during our earthly pilgrimage.

When I wrote my letter to parishes last January, I explained how we had narrowly avoided bankruptcy thanks to the generous donations of several organizations. We even managed to raise a certain surplus to manage our annual operations, which we didn't have in the bank until the end of December 2023. However, the surplus we currently have on hand will quickly melt away if we consider the enormous amounts required each month (close to \$100,000.00) to keep our archdiocese running.

You can guess where I'm going with this last comment. Our 2024 budget forecast calls for a deficit of \$311,000.00 this year. As our ancestors did when the archdiocese was first founded, we must now roll up our sleeves and stick together for a while, making sacrifices that will enable us to gradually rebuild our capital, so that our parishes, which are currently struggling, can once again count on loans or make withdrawals in the future through the archdiocese.

I now give the floor to our new Director of Finance, Mr. Ronald Drisdelle, to explain what our new Economic Affairs Committee intends to do to help us turn around our current financial deficit.

Towards administrative and financial recovery (R.D.)

We urgently need to rebuild the Archdiocese's finances. Since Archbishop Desrochers' correspondence to us last January, the new Economic Affairs Committee has been conducting a thorough review of the elements impacting the archdiocese's financial results. This exercise was necessary to provide us with clear, easy-to-understand information on projected expenses and revenues, enabling us to interpret the information correctly and put in place the necessary measures to regain our financial stability.

As you know, in the past, parishes were invited to deposit their surplus funds (reserves) with the Archdiocese, with the understanding that interest would be paid in return, if circumstances so warranted, and that they would have the possibility to withdraw sums from these investments.

To comply with court orders relating to the abuse cases and to avoid the insolvency of the diocese, all of these funds were used as a source for court-ordered payments to be made at the very beginning of 2024. Consequently, none of these funds are available today to meet the original objective of this Loan and Investment service.

Faced with this new reality that we are now experiencing in 2024 - that is, the lack of funds available to process withdrawal requests - the archdiocese must take strategic measures with regard to any withdrawals. It goes without saying that, from now on, requests for funds will be a financial burden for the archdiocese, increasing its operating expenses. Consequently, the archdiocese will have to adopt a policy that will be much more restrictive than the previous unwritten policy. As a result, the Archdiocesan Economic Affairs Committee will have to considerably limit future withdrawals in these exceptional times.

We look forward to continuing to support parish initiatives such as renovation projects, major construction projects, cemetery projects, and to support parishes facing difficult financial circumstances. However, we must do so in a calculated and measured way.

Under normal circumstances, we would expect that funds deposited by parishioners at the Archdiocese would always be available. However, the current financial situation of the Archdiocese is such that we are not in a position to continue as in the past when there was no approval protocol to follow or review. A parish would ask and usually be granted the amount requested. Because of our recent past, we have to manage our resources very carefully and unfortunately, do what we can with what we have.

Recently, the Archdiocese restructured its Economic Affairs Committee which now includes professional accountants. This committee is responsible for the sound financial management of the Archdiocese and, in the future, will oversee the withdrawal program. Thanks to the advice we'll receive from our accounting experts, I'm confident that we will achieve positive results in the future.

There are four types of requests that are forwarded to the archdiocese:

1. Withdrawals for new construction, renovation projects and major construction work, and cemetery maintenance.
2. Withdrawals to help balance a parish's operating budget.
3. Withdrawals to maintain the Cathedral.
4. Withdrawals from Archdiocesan trust funds.

It is with a heavy heart that I must inform you of an important and difficult decision that was taken in the last few days by the Economic Affairs Committee and that Mgr. Desrochers and myself strongly support. Matured in prayer and discernment, this decision was not taken lightly. It represents a last resort, since it is a matter of ensuring the long-term viability of the Archdiocese. In light of the above, and as part of its fundamental mandate to ensure the sound financial management of the Archdiocese, we will undertake the following corrective financial strategy:

**1. Withdrawal requests for new construction, renovation projects and major construction, and cemetery capital costs.**

For the year 2024, the amount reserved for withdrawals that fall under this heading will be capped. We will proceed in examining the financial situation of parishes individually, i.e. on a case-by-case basis.

**2. Withdrawal requests to finance daily parish operations.**

For the first year, i.e. 2024, we will use a case-by-case approach and will study all requests individually based on the parish's financial situation.

The year 2024 will serve as an adjustment period for parishes. No approval will be granted for withdrawal requests related to parish operations starting January 1, 2025.

**3. Withdrawal maintenance of the Cathedral**

The Cathedral is the main church of the Archdiocese and home to our Archbishop. This church is managed by the cathedral's pastoral and finance committees. It is they who

host, coordinate and organize ordinations, special events and major celebrations such as the Christian feasts scheduled during the liturgical year. Because these major "diocesan" events take place there, in 2024 the Archdiocesan Economic Affairs Committee will approve requests for withdrawals from the Cathedral Finance Committee. For subsequent years (2025 and after), a projected budget for the Cathedral must be submitted to the Archdiocesan Economic Affairs Committee for analysis and approval.

#### **4. Withdrawal of trust funds from the Archdiocese**

No withdrawal of these funds will be permitted at this time. It will be necessary to examine each trust to find out whether or not they have restrictive clauses and whether certain withdrawals should be permitted on an exceptional basis if required by the terms of these agreements.

#### **5. Interests**

Henceforth, the Archdiocese will not credit interest on any amounts deposited by parishes at the Archdiocese until such time as financial stability is achieved.

#### **6. Diocesan tax**

In order to rebuild the Archdiocese's finances, an increase in the diocesan tax will take place according to the following formula:

- 10%** - first \$100,000.00
- 12%** - next \$100,000.00
- 14%** - next \$200,000.00

Its scope will be limited to ordinary collections: Sundays, donations, Christmas and New Year's Day.

[Example: If a parish declares revenues of \$220,000.00, it will be taxed at 10% on the first \$100,000.00, 12% on the second \$100,000.00 and finally 14% on the remaining \$20,000.00].

5% will also be taxed on all other income from various activities.

This increase in the Diocesan tax and the new tax on various activities are effective as of January 1, 2024.

**Note:** The amount reserved for withdrawals for construction/renovation and operation projects is capped at \$300,000.00 for the 2024 period.

***All these new measures - except for the diocesan tax and for the tax on activities (which take effect on January 1, 2024) - are effective on May 1, 2024.***

#### **Conclusion**

As Archbishop, I fully support the approach and recommendations of the Director of Finance and of the Economic Affairs Committee in relation to our Archdiocese. I

understand that, at first glance, these new measures are destabilizing for parishes and for our diocesan community. Financial challenges, as you can see, sometimes lead to difficult decisions. We ask for your understanding and support during this period of austerity and financial restructuring.

I invite you to remain resolute in solidarity and prayer through these turbulent times. I hope you will continue to support us, and that you will always keep us in your prayers, as we do for each and every one of you.

In these challenging times, I ask God to bless you and grant you courage and fervor. We don't know what the future holds, but we do know that God is faithful and will never abandon us.

In Jesus Christ, our Redeemer, and with Mary, our Blessed Mother,

*+ Guy Desrochers, C.M.*

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Mgr Guy Desrochers, C.Ss.R.  
Archevêque de Moncton.