

Report: St. John is in the black

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St. John Roman Catholic Parish got some good news this weekend in the form of a quarterly financial report from new finance committee chairman Hank Satterthwaite.

Though diocesan rules dictate that financial statements only need to be disclosed yearly, the parish administration plans to distribute the information quarterly.

The 2007 budget was prepared and distributed at all of last weekend's Masses, as well as a letter from the finance committee explaining new financial controls put in place. These financial controls were to assure parishioners that they should be confident this fiscal year will be unlike the last.

This past summer, the diocese released an audit report that detailed a loss to the parish of approximately \$1.4 million as a result of financial misconduct by its former pastor, the Rev. Michael Jude Fay. The results of a criminal investigation by the FBI of that financial misconduct are pending.

St. John's pastor of five months, the Rev. Frank McGrath, said the parish is in good financial shape.

"We're doing fine," he said.

In his column in the weekly church bulletin, Father McGrath noted that the budget is balanced, there is money in the bank, and no current liabilities.

He also said he would welcome increased giving by the parish.

"Yes, I would definitely welcome your increased giving. I need your help on this," he wrote.

Father McGrath also addressed financial control.

"We now have controls in place that I hope will assure you that your offering to the Lord will be used for his purposes," he wrote.

According to the letter, dated Oct. 14, some controls established for parish finances include putting monetary donations into tamper proof bags after each Mass, any gift over \$250 will be acknowledged with a thank you letter within 30 days, a new checking and savings account for the church has been opened at People's Bank, and an annual external audit of the parish finance and accounting procedures will take place.

The finance committee is a transitional one that includes some new members as well as the previous members who are providing their experience, according to Satterthwaite. He told The Darien Times that these earlier members will not renew their terms of service at the end of the year when they expire.

"We needed them for the experience they had in the parish," he said.

Satterthwaite pointed out that this change of membership in no way implicated any of the former committee members in any wrong-doing.

"They were completely duped, they are good people, and long-term parishioners, and not implicated by anyone in any of this stuff," he said.

According to the letter to the parish from the finance committee, due to Father Fay's financial wrongdoing, "reliable financial statements for St. John's Parish for prior years are not available."

The accompanying budget projects over \$1.2 million in revenues for the parish, which includes donations and other fees. Expenses for staffing amount to approximately \$615,000, plus some other expenses including insurance fees and utilities. Future capital expenditures amount to \$50,000, which projects an excess of \$13,000 in revenue for the coming fiscal year.

Satterthwaite said the financial condition of the parish is “good” and donations are not down materially.

“I think because of Father McGrath, what he’s done is bring the parish together and in fact it is a stronger place, in all ways. And it will be financially,” he said.

While Satterthwaite said that it is not an “overnight” process, the organization is “not in debt.”

“The giving is continuing at a good pace,” he said.

Also mentioned in the committee’s letter is a debt of \$266,000 that the parish owes the diocese, due to “Father Fay’s financial actions.”

“This is the direct observable negative impact to the parish of his actions,” the letter reads. It goes on to state that at “some time in the future, all insurance and restitution from Father Fay’s assets will come to the parish and the diocese and the liability to the diocese will be reduced and eliminated.”

According to Satterthwaite, this debt is a result of payments the diocese made on behalf of the parish, and the parish is not getting any pressure to pay off this debt.

“The diocese is flexible about paying it back, there is no obligation on the part of the parish until the legal due process has been resolved, and there’s no pressure whatsoever even after that,” he said.

The FBI has not commented on the status of their investigation.

Satterthwaite said that the new controls put in place should make sure that what happened with Father Fay “should never happen again.”

“We are handling the finances in a an open way, being completely transparent on the balance sheet, we have cash in the bank, we are operating and moving forward, we are in a good situation and even spending less money than we planned for,” he said.

Satterthwaite said the finance committee plans to report quarterly on the state of the parish’s finances to the parishioners just as “any public company would.”

He also said that a great amount of credit is due pastor Father McGrath.

“Father McGrath has brought this parish together in this time of difficulty, and we really are moving forward. We’re financially OK, and spiritually OK, it is a good environment,” he said.

According to the letter, the finance committee will be available at the parish hall on Sunday, Oct. 22, at 11 a.m. to answer any questions.