As we seek to be the best stewards of the gifts you have entrusted us with, the FAQ series continues to share Holy Trinity’s needs and plans with parishioners. This week we address questions raised during the planning study about parish debt and financial obligations.

I think it is important to share both details and the rationale for these issues. The debt information presented is in the spirit of educating parishioners about the very real needs we are facing and to thank you for the tremendous generosity you have shown throughout the years in building and supporting Holy Trinity. I am appreciative to our Finance Council members for their efforts to share succinct, detailed information with you.

Fully addressing our debt and adequately funding our reserves will position us to handle unexpected funding needs that may arise. The forthcoming campaign will allow us to better plan by setting aside resources to minimize any challenges we could experience down the road.

We are blessed with the gifts we have been given at Holy Trinity and the generosity with which we share them to strengthen our spiritual home and family of faith, at home and abroad.

Yours in Christ,
Fr. Larry Beck

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**Frequently Asked Questions Series**

**Parish Debt and Financial Obligations**

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**A Note from Fr. Larry**

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**Parish Debt and Other Financial Obligations**

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**What are sources, amounts and due dates of Holy Trinity’s debts?**

<table>
<thead>
<tr>
<th>Debt Source</th>
<th>Original Amount</th>
<th>Outstanding Debt</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social and Education Centers’ construction</td>
<td>$6,800,000</td>
<td>$961,000</td>
<td>Jan. 2014</td>
</tr>
<tr>
<td>FY 2019 Diocese of Sacramento parish assessment</td>
<td>$413,000</td>
<td>$413,000</td>
<td>Jun. 30, 2020</td>
</tr>
<tr>
<td>Adjacent 43-acre parcel</td>
<td>$2,000,000</td>
<td>$408,000</td>
<td>Nov. 30, 2023</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,213,000</strong></td>
<td><strong>$1,782,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Do we have any other debts?**

No, we do not have any other debts.

I remember seeing the loan balance in the bulletin regularly; these updates stopped in Spring 2019. Why?

The decision to remove the balance information in the weekly bulletin was made because it did not fully reflect our financial obligations. It has always been our intention to return to the practice. We will include this information again beginning in January 2020.
Is the diocese aware of our financial issues?
Yes. In January 2019, Fr. Larry contacted the Finance Office of the Diocese to begin a process of review. The parish Finance Council met with Tom McNamara, diocesan Chief Financial Officer, in March and again in August. Jeremy Youngers, Parish Life Director, is also in regular communication with Mr. McNamara and the diocesan Finance Office.

What is causing the urgency to pay off the debt now?
The loan on the Social and Education Center was a ten-year note due in full by January 1, 2014. Since 2014, Holy Trinity Parish has accrued over $200,000 in interest.

Taking charge of our fiscal responsibility now and paying off this loan, the diocesan assessment and the 43 acres will free up considerable income for the parish and ensure a strong future for our many ministries. We want the current and future financial gifts of our parish family to have a direct impact on helping people come to know the Lord and live as his disciples.

Does the building loan have a high interest rate?
The Diocese has an established savings and loan fund called the “Parochial Fund” that all parishes are required to utilize. Managed by the Catholic Foundation of the Diocese of Sacramento, the fund allows parishes to save money and earn higher interest rates than traditional banks offer while securing loans at lower interest rates. The interest rate on savings is 2%. The interest rate on our loan is 3.25%.

Can we refinance or restructure the debt?
To ensure Holy Trinity’s financial stability going forward, the Diocese is asking that we aggressively address the issue of paying off our loan and annual diocesan assessment.

NOV. 17 FAQ CORRECTION:
In the November 17 bulletin insert the following question was asked: “Can repairs be covered by operating revenue (annual offertory)?” While the first part of the answer is accurate “No, the parish has been unable to complete capital expenditures using only offertory”, there was an error in the next sentence, “Since 2013-14, annual offertory amounts have decreased 15 percent, from $2,083,318 to $1,767,399 for our last fiscal year.” This is inaccurate because the amounts reported included more than “offertory” and also included an estate gift of more than $280,000 in 2014. We apologize for our error. The graph below presents a more complete overview of parishioners’ contributions to the parish for the last ten fiscal years.