Strategic Plan 2021-2026

ST. PETER'S SEMINARY

Rector's Governing Council

June 2021

St. Peter's Seminary Vision Statement:

Forming Priests, Deacons, and Laity for Apostolic Ministry according to the Heart of Christ, for the mission of the Church.

Apostles' Creed:

I believe in God, the Father Almighty, Creator of Heaven and earth;
and in Jesus Christ, His only Son Our Lord,
Who was conceived by the Holy Spirit, born of the Virgin Mary,
suffered under Pontius Pilate, was crucified, died, and was buried.
He descended into Hell; on the third day He rose again from the dead;
He ascended into Heaven, and is seated at the right hand of God, the Father almighty; from there He will come to judge the living and the dead.
I believe in the Holy Spirit, the holy Catholic Church, the communion of saints,
the forgiveness of sins, the resurrection of the body and life everlasting.
Amen.

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29 June 2021
Solemnity of Saints Peter and Paul, Apostles

Dear Brothers and Sisters in Christ,

As President of the Board of Directors of St. Peter's Seminary and Bishop responsible for the Seminary, I am pleased to present St. Peter's Seminary's new Five-Year Strategic Plan, which was developed by the Rector's Governing Council of the Seminary and endorsed by the Board.

With my appointment of a new Rector, Father Denis Grecco, in May 2020, I called for the Seminary to commit to its mission in bold, new ways, looking outward to our strategic partners and to the needs of the Church.

For the past several years, under the leadership of former Rector Father Stevan Wlusek, the focus has been on the extensive physical renovation and modernization of the seminary's living and learning facilities. I thank Fr. Wlusek for an impressive decade of commitment to St. Peter's.

Now that the physical improvements that were so greatly needed have been achieved, the time is upon us to advance the Seminary in its formational, academic and organizational dimensions to address the needs for ministry formation in our diocese and dioceses across Canada which the Seminary serves. Father Grecco has embraced the call for renewed commitment to mission with clarity and vigour. Elements of this plan have already been put in place during 2020/2021 and are generating excellent results.

The plan which follows is the result of a year-long investigation and review of the Seminary, from its Mission and Vision, to its relationships with stakeholders, to its operating modes and programming, to its long-term growth and sustainability. It proposes a culture of openness to collaboration and receptivity to new ideas, with an intense focus on the development of men and women who will become good pastoral leaders for our time.

On behalf of the Seminary Board, I want to thank all those who have been consulted and given input, and those who have debated and written multiple drafts, while attending to their very busy lives as formators and educators. This document is no small achievement.

We thank God for the unique opportunity given to us and for the seminary community which is dedicated to the formation of priests, deacons and laity according to the heart of Christ for faith-filled witness to the message of salvation of Christ Jesus. St. Peter's Seminary is worthy of your prayerful support!

Sincerely yours in Christ,

+ Ronald Fabbro, CSB

Most Rev. Ronald P. Fabbro, CSB
Bishop of London

Rector's Letter

29 June 2021

Solemnity of Saints Peter and Paul, Apostles

To the St. Peter's Seminary Community,

Since my appointment as Rector, I embarked upon a journey of discovery in order to ensure that, in this new role, I understood the complexities, challenges, and opportunities of leading St. Peter's Seminary. One year later, I am pleased to present and document the goals and strategy that, over the past year, have underpinned my role as Rector. Our strategy for St. Peter's Seminary is embodied in four goals: 1) Governing Effectively; 2) Engaging Strategic Partners and Stakeholders; 3) Developing Programs and Services; and 4) Marketing Programs and Services.

These goals are focused on strengthening, elevating, and promoting the education and formation of priests, deacons, and laity. To advance these goals, it is necessary to ensure that the Seminary is focused on leadership, culture, stewardship, and innovation as reflected in the following principles:

- That our leadership is inclusive, consultative, delegates appropriately, and ensures that decisions are mission driven.
- That our culture is values based and mission centred; all individuals within St. Peter's are accountable for conducting themselves and treating others according to our values and mission.
- That our practices, processes, and policies reflect appropriate stewardship based on the belief that we are charged with ensuring efficient and effective use of all our resources, financial, personnel, facilities, supplies, and services.
- That our overall approach must support innovation in education, formation, and alternative sources of funding.

Leading our organization effectively is identified as a goal and might be interpreted as a future state. However, it is important to note that we are operating this way today and it is the foundation supporting our revitalization plans. We have formed the Rector's Governing Council (RGC) that brings together key individuals to deal with critical matters of Leadership, Administration, Human Resources, and Finances. In addition, I appointed a Chief Administrative Officer to oversee day-to-day operation while I focus on strategy, external relationships, and the education and formation of seminarians.

In addition to the Initiatives and Implementation Measures outlined in the attached document, the newly formed Rector's Governing Council is addressing the following action items:

- To oversee a multi-year financial plan that ensures the viability of the Seminary.
- To prepare for the next Association of Theological Schools (ATS) Academic Reviews to ensure that the Seminary meets or exceeds the standards.
- To review, revise, and write management policies ensuring clarity as to how the Seminary operates and fulfills its responsibility for effective stewardship.
- To develop a succession plan that ensures the Seminary anticipates and prepares for faculty and staff turnover.
- To establish an implementation plan and tracking mechanism to ensure the Seminary meets the deliverables in the strategic plan.

When I was asked by Bishop Fabbro to become rector, he clearly stated his desire for something 'new' and 'bold'. I want to express my gratitude to him for his kindness, clarity, and reinforcing the Seminary's direction over this past year. Bold initiatives are risky, and their outcome cannot be foreseen. One blessing from a bold initiative has already arrived on the doorstep of the Seminary. With a grant of ($ 42,000 USD) from the Lilly Foundation, the Seminary's human formation counsellor, Angela Townend will lead the faculty in delivering to seminarians *Formation in Relational Maturity* (FiRM). The receipt of this grant exemplifies innovation in identifying new alternative funding pathways through strategic partnerships, grants and endowments, and Catholic lay organizations to support operations, teaching, and programming.

On behalf of the St. Peter's Seminary community, I want to thank all those who participated in the strategic planning process and to express my gratitude to the people in the Diocese of London and the Diocese of Hamilton for their generosity which make possible the renovation of the building and our operations sustainable. A renovated building is a major accomplishment and one part of the vocational equation; the other, we need to fill it! The story of St. Peter is instructive: when Jesus called out to him, he was bold and risked walking on water before he discovered it would hold him up. Christ is asking us to trust Him as we move out into deep uncharted waters which requires a change in our perspective and way of doing things. On this point, Sr. Maria Boulding, O.S.B., remarks, "Otherwise you may not be fully open to the gift and able to claim it." (*Marked for Life*, 41). Join us in our Chapel Prayer, revised by our house spiritual director, Fr. Pio Beorchia, in praying for vocations and for our alumni:

Sincerely Yours in Christ,

Rev. Denis Grecco
Rector

Chapel Prayer

Our help is in the name of the Lord,

…Who made heaven and earth.

Let us pray for *N.* our pope, *N.* our bishop, for all our bishops, and all servants of the Lord.

No longer will I call you servants but friends,

…for I have told you all
that I have heard from my Father.

I will give you shepherds according to my own heart,

…and they will lead you
with wisdom and understanding.

To each is given the manifestation of the Spirit,

…for the common good

and building-up the Body of Christ.

Let them give themselves first to the Lord;

…for the love of Christ impels us.

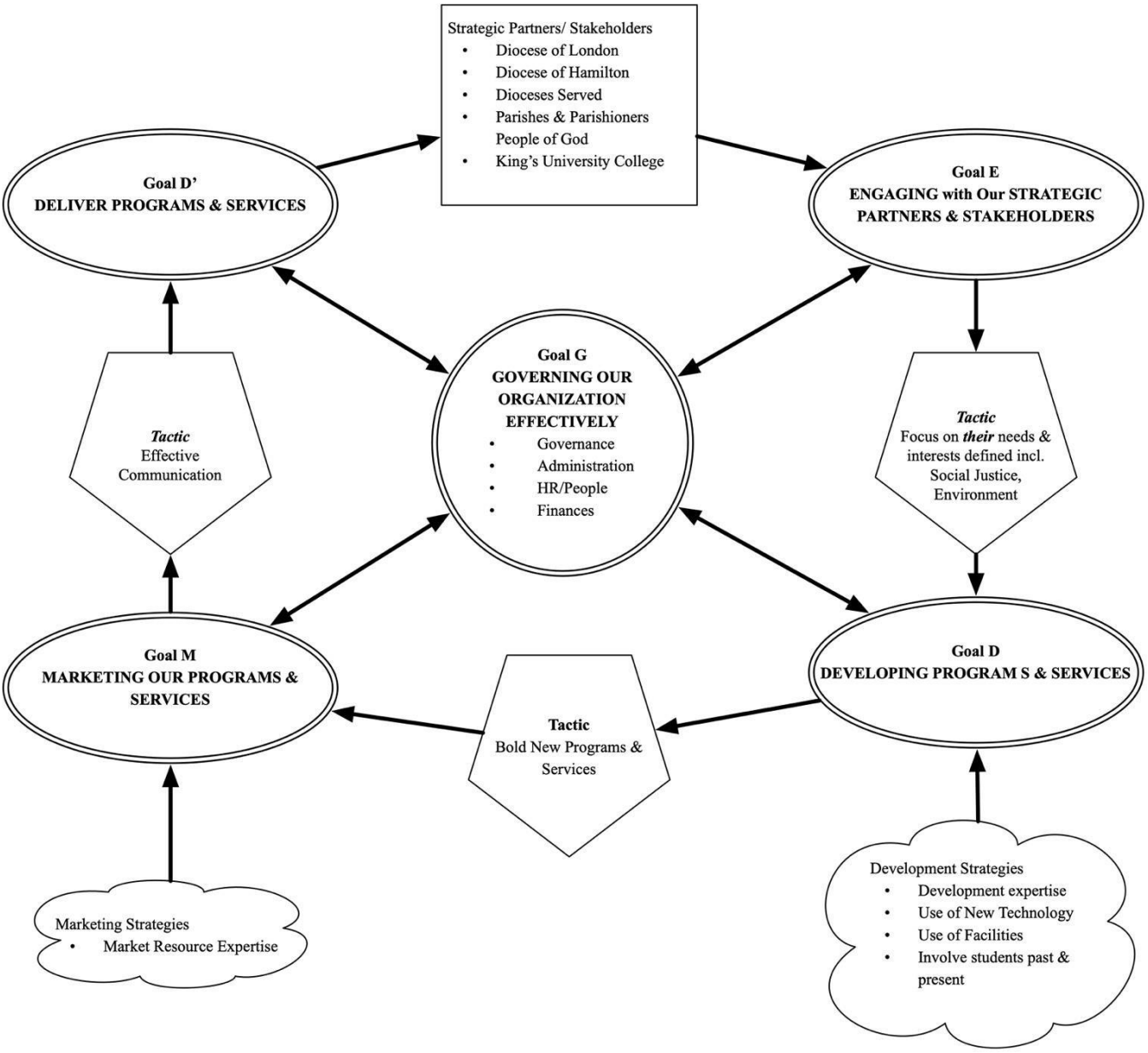
Father, you give to us the ordained,
religious, and lay apostles
to restore all things in Christ by the Holy Spirit.
May they abide in your heart
and, from there, be sent out
to refresh the hearts of the saints
to proclaim your name
to the ends of the world.
Through Christ our Lord. Amen.

Holy Mary, Mother of God,

…pray for us.

Imprimatur: + Ronald Peter Fabbro, Bishop of London Ontario

Interrelationships of Strategic Plan Goals



- ***Governing Our Organization Effectively*** is the fundamental goal of our strategic plan. It is key at the heart of our institution around which all our other goals revolve and function. This covers the critical matters of Governance, Administration, HR/People, and Finances. With this Goal in mind, the Rector's Governing Council was named.

Strategic Goals, Initiatives, Implementation

1. Governing Effectively:

Grounded in the biblical model of human stewardship over Creation (Gen. 2:15), and St. Paul's instruction to use our varied gifts in service of our faith, all members of the Seminary community have a vocational calling to the "koinonia"—participation in a Christian community of prayer, fellowship and service. In particular, we must be mindful to direct our individual gifts to preserve and invest in our physical and financial resources, and even more consequentially in the human relationships which are at the heart of the Seminary community. Above all, the Seminary community must strive to be a covenant community in its human relationships, and this principle will be applied to all dimensions of its institutional and organizational life. Practices will be in place to help build the "koinonia" in a climate of trust, transparency, collaboration, humility and value for the person.

The Seminary's present programs and services must be sustained by a robust financial model, and all future program commitments must be undertaken with responsible financial planning. Wherever possible, revenues need to expand while costs are managed. The use of our facilities need to be optimized year round in ways that contribute meaningfully to the Seminary's Mission.

Initiatives:

A. To establish a management philosophy and decision-making system aimed at building "koinonia" through distributed leadership, ongoing consultation with community members, transparent policies and effective communication.

B. A Five-Year Strategic Financial Plan for both the Seminary and the St. Peter's Seminary Foundation will be operational. It will target balancing the operations budget annually with an emphasis on increasing revenues, and increasing the Seminary's endowment balance each year at a rate higher than annual disbursements plus inflation.

C. The Seminary will take steps to put in place ongoing human relations functions that reflect best professional practices, tailored to the Seminary's Mission and culture.

D. The Seminary will establish a long-term capital utilization and development plan.

Implementation Measures:

Initiative A: To establish a management philosophy and decision-making system aimed at building "koinonia" through distributed leadership, ongoing consultation with community members, transparent policies and effective communication.

A.1 Establishment of a Rector's Governing Council (RGC) to that will meet regularly to provide the Rector with advice on high-level opportunities and challenges for

the Seminary, and establish a consensus on decisions and strategies to address them. All issues of consequence will be routed to the Council for consideration. Membership will be: the Rector, the Vice-Rector, the Spiritual Director, the Director of the Permanent Diaconate program, the Dean of Studies, the Director of Lay Formation and the Chief Administrative Officer.

A.2 Direct reporting to the Rector will be limited to the members of the Rector's Governing Council.

A.3 The Rector will create, with the approval of the Seminary Board, a Chief Administrative Officer to oversee finance, food services and facilities. The Chief Administrative Officer will brief the Rector on business matters, when delegated undertake actions on behalf of the Rector in business matters, and provide such advice and support as requested by the Rector, especially with regard to strategic initiatives.

A.4 A Governance Manual will be a living document that defines and describes the values, vision, goals, structures, roles and responsibilities and other prominent aspects of how the values and vision relate to, inform, and infuse the structures, personnel, and goals and will be initiated beginning in 2022 and regularly updated.

Initiative B: A Five-Year Strategic Financial Plan for both the Seminary and the St. Peter's Seminary Foundation will be operational. It will target balancing the operations budget annually with an emphasis on increasing revenues, and increasing the Seminary's endowment balance each year at a rate higher than annual disbursements plus inflation.

B.1 The Chief Administrative Officer will manage the annual operations budget process to develop a realistic annual business plan, with a balanced budget for consideration and approval by the Rector's Governing Council, and eventually by the Seminary Board. The annual budget will aim for a +/-5% reliability.

B.2 The Chief Administrative Officer will undertake initiatives aimed at increasing revenues by a minimum of $100,000 annually. To the extent possible these initiatives will aim to optimally utilize the Seminary's physical resources and serve the Seminary's present and future partners/stakeholders, especially during the months of May through July.

B.3 The Executive Director of the Seminary Foundation will develop for approval by the Rector's Governing Council a plan to increase the Foundation's endowment assets by a minimum of 6% per year, net of disbursements, and implement the plan as soon as practicable.

B.4 The Foundation, in consultation with the Rector's governing council, will create a "Friends of the Seminary" body to enhance regular annual giving to the Seminary.

Initiative C: The Rector will create, with the approval of the Seminary Board, a Chief Administrative Officer to oversee finance, food services and facilities. The Chief Administrative Officer will brief the Rector on business matters, when delegated undertake actions on behalf of the Rector in business matters, and provide such advice and support as requested by the Rector, especially with regard to strategic initiatives.

C.1 The Chief Administrative Officer will develop a two-year plan in consultation with the Diocese of London, to put in place essential human relations resources and practices that support the Seminary's Mission. That plan will be presented to the Seminary Board in June 2021, fully costed and in place by September 2021.

Initiative D: The Seminary will establish a long-term capital utilization and development plan.

D.1 The Rector's Governing Council will undertake a study of the possible uses of Level 3 East, and a business plan to support the most compelling potential uses. The study results will be presented to the Seminary Board no later than June 2022.

D.2 The Rector's Governing Council will undertake long-term succession planning for faculty and staff.

2. Engaging Strategic Partners and Stakeholders:

In his encyclical, *Fratelli Tutti*, Pope Francis speaks of the importance of religious leaders engaging in dialogue and serving as mediators (284). Desiring to form men and women for ministry and leadership at various levels, the need to work collaboratively and provide opportunities of open dialogue are imperative. As mediators, the leadership at St. Peter's Seminary acknowledges the need for attentive listening and open dialogue with the bishops and vocation directors across Canada to ensure transparency between the Church leaders and the seminarians entrusted to their care. Our mission also requires dialogue between St. Peter's Seminary and other institutes of Catholic higher education, particularly those within the Diocese of London. Finally, there is a need for engagement with benefactors and individuals whose best interest is in exceptional formation of men and women who will minister in our parishes across Canada. The leadership of St. Peter's Seminary will aim for creative dialogue and attentive listening while remaining open to new possibilities.

Initiatives:

A. To establish an ongoing communication structure to actively engage the Bishops, Dioceses, and Vocation Directors across Canada to identify the needs of each party.

B. To foster a culture of conversation with the Bishop(s), Diocesan Leadership, Vocations Director, aimed at responding to the needs of both the Diocese of London and St. Peter's Seminary.

C. To foster respectful dialogue, a sharing of talents, and a continuum of events between St. Peter's Seminary and the various institutes of Catholic higher education.

D. To implement a viable Seminary Advisory Council to be populated by parish staff and parishioners from dioceses from which seminarians were received for priestly formation.

Implementation Measures:

Initiative A: To establish ongoing, sustainable communication to engage the Bishops, Dioceses, and Vocation Directors across Canada.

A.1 Identify all currently invested Bishops and Vocations Directors as well as communication practices already in place, including, (i) Evaluation and Discernment meetings and, (ii) Vice-Rector connecting one-on-one with Bishops and Vocations Directors

A.2 Engage with religious orders and their Vocations Directors

A.3 Initiate Zoom conversations / relationship building process with these parties according to the Regions identified by the CCCB.

Initiative B: To foster a culture of conversation with the Bishop(s), Diocesan Leadership, Vocations Director, aimed at responding to the needs of both the Diocese of London and St. Peter's Seminary.

B.1 In dialogue with the Diocesan Liaison, the Seminary Leadership will identify various parties and how they can be heard.**i**n order to clarify roles and needs.

B.2 Initiate introductory virtual meeting with priests serving in the Diocese of London who come from dioceses outside of Canada to support the work of Priest Personnel.

B.3 Seminary representatives meet with Deaneries to lay out Seminary's vision and to learn how best the Seminary can serve the parishes.

B.4 Build a culture of trust by listening to priests, deacons, and lay ecclesial ministers from across the Diocese of London.

Initiative C: To foster respectful dialogue, a sharing of talents, and a continuum of events between St. Peter's Seminary and the various institutes of Catholic higher education.

C.1 Seminary faculty are to engage with Institutes of Catholic Higher Education located particularly in the Diocese of London; the relationship with King's University College, with whom we are formally affiliated, is especially crucial.

C.2 Initiate opportunities for respectful dialogue between the Seminary and these other Institutes. These can occur at the administrative level, among faculty, and among students.

C.3 Continue accepting the opportunities to share gifts and talents of those serving at the Seminary and other Institutes. Collaboration with the Centre for Advanced Research in Catholic Thought and with Chaplaincy Services at King's, for example, can be continued and enriched.

Initiative D: To implement a viable Seminary Advisory Council to be populated by parish staff and parishioners from dioceses from which seminarians were received for priestly formation.

D.1 Advise Bishops, Dioceses, and Vocations Directors of the desire to form the Seminary Advisory Council.

D.2 Request from them names of one or two individuals from parish staff or who would be mandated to sit on the Council for a prescribed term.

D.3 Members of the Seminary Advisory Council will come from the Church across Canada who have / had seminarians in formation at St. Peter's Seminary.

D.4 Role of the Seminary Advisory Council is to keep the Seminary abreast of current pastoral needs and how they can be addressed by the Seminary.

3. Developing Programs and Services:

St Peter's Seminary is called to provide education and formation in service to the Church and the world. This requires not only directing its current philosophical and theological curricula but also to seek new and renewed ways of fulfilling its mission. This includes revitalizing and updating current offerings and programs and seeking new venues, means, and audiences to extend the reach of our service. The goal is to embrace the call of the contemporary church to *aggioranmento*, the ongoing renewal of the church and its tradition so as to make the gospel heard in each new time and place. This renewal requires a two-fold focus: (1) identifying and implementing formation in the virtues, habits, skills, and knowledge that will equip our graduates, ordained and lay, to fulfill their vocations in the world today; (2) understanding the dynamics at work in the culture in which these vocations will be exercised, so that graduates will be prepared to me effectively the issues and demands of the day. The focus of formation, therefore, must be on both the students themselves, and the context in which theology and ministry are practiced.

Innovative programs or outreach should also be considered. The Seminary can be an agent of formation in diverse ways and for the new audiences, who must be identified and whose needs and interests must be assessed. This must be done within the existing scope of references (both human and financial), though partnerships with others and creative means of delivery might help mitigate these limitations.

Initiatives:

A. Establish the virtues, habits, skills, and knowledge in which our graduates need to be formed.

B. Identify key issues and questions in the culture and assess how they are currently being addressed in formation and what improvements or additions are needed.

C. Explore the viability of non-degree programming and the means through which these could be delivered.

D. Consultation with lay and ordained graduates to find out how formation in key qualities and skills preparation for cultural questions and dynamics could be better addressed in formation.

Implementation Measures:

Initiative A: Establish the virtues, habits, skills, and knowledge in which our graduates need to be formed.

A.1 Renew the focus of faculty meetings to be centred on discussion of formative activities.

A.2 Focused faculty discussion of virtues and skills essential for formation. This conversation can be enriched as the views of bishops, vocation directors, and others are heard through Goal#1. This will serve to create new frameworks to integrate our formative activities.

A.3 Coordinate this discussion with the learnings gained through the Formation in Relational Maturity program (FiRM).

A.4 Study and potential revision of our pre-theology intellectual formation curriculum.

A.5 Exploring the questions of the major in philosophy.

A.6 Enhancing the integration of pre-theological and theological formation to meet the needs of theological formation.

Initiative B. Identify key issues and questions in the culture and assess how they are currently being addressed in formation and what improvements or additions are needed.

B.1 Focused faculty discussion of critical cultural issues. This may be augmented with the invited input from persons in the community with expertise, especially once key issues have been identified.

B.2. Focused discussion of the document of the CCCB on sexual abuse and how that issue shapes the perception and reality of ministry today.

B.3. In accord with the pastoral focus of Pope Francis, explore particularly issues concerning those marginalized in society and in the Church: the poor, women, indigenous people.

Initiative C: Explore the viability of non-degree programming and the means through which these could be delivered.

C.1. Form a committee to explore possible means of reaching out to wider audiences. These audiences could include outreach to school boards, parishes, and professions (law and health care). Means could include workshops, video presentations, colloquia.

Initiative D. Consultation with lay and ordained graduates to find out how formation in key qualities and skills preparation for cultural questions and dynamics could be better addressed in formation.

D.1 Conduct focus groups with five-year graduates. Engage with professionals to construct effective focus group sessions. This work will converge with the ATS self-study.

4. Marketing Programs and Services:

Scripture exhorts us not to hide Christ's light under a bushel basket. With this in mind we wish to share the gift of formation with our stakeholders by promoting how God works in the lives of seminarians and lay students at St. Peter's Seminary. Our goals is to have an integrated marketing plan which gathers and focuses all events, literature, internal and external communication and directs it to all our stakeholders as a group and as individuals. This work will be the responsibility of the Rector's Governing Council with the appropriate human and financial resources allocated to increase the visible participation in Catholic events and other strategic opportunities.

There is also the dimension of marketing our facilities for use by various partners. The St Peter's brand will hold weight with religious organizations and our ATS accreditation will do the same for educational groups. The attractive grounds, the unique and historical character of the building, and renovated space could open possibilities both to generate revenue and to open the doors of St. Peter's to a wider spectrum of people.

Initiatives:

A. To mandate a marketing team.

B. Market Team's Mandat**e**

C. Possible Activities

Implementation Measures:

Initiative A: To mandate a marketing team

A.1 Select and orient members, both internal (faculty and staff), and external. Focus on mission as the guiding principle for marketing.

Initiative B: Market Team's Mandate

B.1 The team will develop a report on goals and strategies; consultation can then be broadened to faculty, staff, and administrative leadership.

Initiative C: Possible Activities

C.1 To develop communications strategy beyond the Alumni Bulletin, e.g.:Virtual Newsletter and to inform our stakeholders across Canada of news and events at the Seminary, and through which support for further growth of the Seminary can be realized.

C.2 Broaden the social media presence of St. Peter's Seminary; develop platforms as well as strategies to make them current and sustainable.

ST. PETER'S SEMINARY

STRATEGIC FINANCIAL

PLAN 2021-2026

The St. Peter's Seminary strategic financial plan has the following principal aims:

- Securing and enhancing formation and education program excellence, including strategic initiatives, in an annually balanced operations budget
- Eliminating the seminary's accumulated deficit
- Growing financial resources to fund endowment and future major renovations
- Ensuring that new initiatives do not incur financial risk

Following this narrative are financial forecasts that chart the course of achieving these objectives, and a sensitivity analysis.

Balancing the operations budget

The financial plan aims to balance the Seminary's operations budget by fiscal year 2022/2023 and going forward, by a combination of revenue and expense management initiatives. The Rector's Governing Council will actively monitor the Seminary's cash position, and revenue and expense trends, and in collaboration with the Finance Advisory Committee of the Seminary Board undertake remedial actions as may be required to ensure operations balance at the minimum.

- Ten-year historical seminarian enrolment trends support forecasting annual net growth of the in-house seminarian population by 2 per year for the life of the strategic plan.
- Starting immediately, internal cost reviews, some of which are already underway, will generate expense savings. A review of building management organization, year-round outdoor maintenance, and communications have led the way in uncovering savings through new service models and providers, yielding $80,000/yr in reduced operating costs while maintaining or enhancing quality and reliability. Rigorous cost review is ongoing, with further savings opportunities anticipated.
- Revenue adjustments are also underway. Seminarian formation and residence fees have been adjusted for 2021/2022 by 30% to address the gap between charges billed and actual operational costs, and will be adjusted each year to account for inflation. Formation fees for those seminarians on their pastoral year have been put in place, and lay student formation fees have introduced.
- As the pandemic health emergency subsides, new off-semester programs to monetize seminary classrooms, residences and dining facilities in ways that will address the needs of diocesan and education partners (especially King's University College and the Catholic school boards of SW Ontario), parishes, organizations and individuals will start bearing fruit in 2022/2023, though the early net revenue projections are modest. It is expected that this initiative will add net revenue progressively in the years following.

- The post-COVID environment should set the stage for returning Foundation fundraising, and therefore transfers to the seminary, to more historical levels at least by 2022/2023, with the prospect of increasing high-touch engagement with friends and supporters through events and personal contact.
- Transfers from the seminary's Pentecost 2000 endowment will continue at the relatively high level of distribution of $52,900 per month until 2023/2024, at which point the Seminary intends reduce monthly budget expectation to the equivalent rate of 4.25%.
- The operations forecast supports continuing the seminary's relatively lean staffing model, while funding internal reorganization and new programming initiatives as described in the Strategic Plan's goals on management practices and programming.
- The area of greatest revenue risk is seminarian enrolment. The operations budget overall is positioned to buffer enrolment target misses or declines, and the Seminary Foundation may be in a position to slightly increase its annual distributions, if needed.

<u>Eliminating the accumulated deficit</u>

It is in the Seminary's interest to pay down its accumulated deficit as soon as possible to avoid interest carrying costs and support long-term viability.

- Deficit paydown has been and will continue to be assisted by special transfers from the seminary's Pentecost 2000 endowment.
- With one-time support from a key partner, the Diocese of London, the Seminary would be in a position to eliminate the deficit as early as 2021/2022.
- If that support does not materialize, the deficit paydown will take an incremental approach over several years.
- The chart which follows called "Cashflow Continuity" describes how deficit paydown could unfold.

<u>Growing endowment and funding for future capital renovations</u>

- The Seminary Foundation will take an opportunistic approach to increasing its endowment corpus and to funding future capital renovations, following the opening of the classroom complex in September 2021. Given the uncertainty of these initiatives, they have not been budgeted in the following models.
- Seminary leadership is committed to finding new endowed sources for the funding of teaching chairs.
- From a major capital point of view, the seminary must complete life safety and other projects to conclude Phase 2C of its renovations. However, future renovations plans are on hold until funding is in place.
- Level 3E remains a development opportunity should demand for seminarian residences necessitate or a business development opportunity is found.
- In the longer run, the St. Thomas Aquinas Chapel needs significant capital repairs, and the A.P. Mahoney Library could improve services through interior design improvements.

Oversight and management of the Strategic Financial Plan

In collaboration with the Finance Advisory Committee and the Finance Administrator, the Rector's Governing Council will have the ongoing responsibility to review financial trends, be aware of and analyze important variances from budget, and to determine recommendations for the Rector on mid-course corrective actions as may be required. The Finance Administrator will provide the RGC with monthly reports and the RGC will deliberate on them on a monthly basis, at a minimum. The CAO will ensure that the Finance Advisory Committee is engaged with the monthly financial results and the deliberations and actions of the RGC and the Rector, and that recommendations of the FAC are communicated to the Rector and the RGC.

St. Peter's Seminary

Consolidated Preliminary Budget - Five Year Forecast

	Actual F20-21	F21-22	F22-23 (c)	F23-24 (c)	F24-25 (c)	F25-26 (c)
Operating Revenue						
Student income	981,673	1,198,048	1,282,009 (a)(f)	1,367,649 (a)(f)	1,455,002 (a)(f)	1,544,102 (a)(f)
Operating Expenditures						
Student expenses	212,994	253,394	253,394	258,462	263,631	268,904
Faculty expenses	831,846	858,502	825,672 (b)	842,185	859,029	876,210
Library expenses	118,675	133,864	136,541	139,272	142,057	144,898
Facilities expenses	533,648	677,283	630,828 (h)	623,445 (h)	615,914 (h)	608,232 (h)
Food Services expenses	309,225	401,693	409,727	417,922	426,280	434,806
Custodial & Housekeeping Services	159,194	55,607	56,719	57,853	59,010	60,190
Administration expenses	377,681	374,701	382,195	389,839	397,636	405,589
	2,543,263	2,755,043	2,695,076	2,728,978	2,763,557	2,798,829
Total Income(Loss) from Operations	**(1,561,590)**	**(1,556,995)**	**(1,413,067)**	**(1,361,329)**	**(1,308,555)**	**(1,254,727)**
Other Revenue						
Other income	(906)	1,000	1,000	1,000	1,000	1,000
Program revenue	138,400	161,500	171,500 (g)	181,500 (g)	191,500 (g)	201,500 (g)
Institute of Ongoing Formation	-	-	-	-	-	-
Conference revenue	319	1,050	1,050	1,050	1,050	1,050
Rental Property income	28,574	34,572	34,572	34,572	34,572	34,572
Total Other Revenue	**166,387**	**198,122**	**208,122**	**218,122**	**228,122**	**238,122**
Other Expenditures						
Program expenses	89,998	151,404	151,404	151,404	151,404	151,404
Development expenses	368	3,300	3,300	3,300	3,300	3,300
Institute for Ongoing Formation	13,119	-	-	-	-	-
Vocations Office	340	4,400	4,400	4,400	4,400	4,400
Alumni Association	-	-	-	-	-	-
	103,825	159,104	159,104	159,104	159,104	159,104
Income(Loss) before Transfers & Pentecost	**(1,499,028)**	**(1,517,977)**	**(1,364,049)**	**(1,302,311)**	**(1,239,537)**	**(1,175,709)**
Transfers from Foundation Investments	297,764	292,436	292,436	292,436	292,436	292,436
Transfers from Foundation Fundraising	293,287	400,000	500,000 (d)	575,000 (e)(j)	575,000 (j)	575,000 (j)
Economic Interest in Pentecost 2000	634,800	634,800	634,800	482,808 (i)	482,808 (i)	482,808 (i)
	1,225,851	1,327,236	1,427,236	1,350,244	1,350,244	1,350,244
Income (loss) before extra-ordinary and amortization	**(273,177)**	**(190,741)**	**63,187**	**47,933**	**110,707**	**174,535**
Extra-Ordinary Events	493,957	-	-	-	-	-
Income (loss) before extra-ordinary and amortization	**220,780**	**(190,741)**	**63,187**	**47,933**	**110,707**	**174,535**
Amortization	99,146	150,000				
Income (loss) for period	**121,634**	**(340,741)**				
					Sum of the 5 years =	205,621
Capital Renovation Activity						
Capital donation amortization	211,219	193,348				
Amortization - Renovations	746,354	783,464				
Net Income (Loss) after Reno Amorts	**(413,501)**	**(930,857)**				

(a) Assume new students increase in house seminarian population by 2; contribution each of $ 30,000
(b) Succession plan results in net decrease of $50,000
(c) Assume inflation rate of 2% per annum
(d) Adjustment to fundraising split equates to about $100,000 capture
(e) Assume additional fundraising successes add another $50,000 per year
(f) Additional 2% increase added to student revenue (inflation protection)
(g) New program revenue added each year (additional of $10K per year)
(h) Facilities cost savings endeavours (2023=$60K, thereafter $20K)
(i) Decrease P2000 dependency to $40,234 monthly by year 2023-24; assumes increased amount continues in F22-23
(j) Change of "spending rule" causing increase in Fdn transfers to Seminary ($25K)

St. Peter's Seminary

Consolidated Cashflow Continuity

	Actual F20-21	F21-22	F22-23	F23-24	F24-25	F25-26
Yearend Ending Balances						
Operating	(756,970)					
Capital Construction *	1,800,289					
Cashflow Continuity Forward						
Operating Cash surplus/(deficit) per end of prior year		(756,970)	4,281	17,682	16,499	78,031
Retroactive P2000 topup		151,992	-	-	-	-
Singular P2000 withdrawl		350,000	-	-	-	-
Diocese of London one-time contribution		500,000	-	-	-	-
Anticipated cash operating results		(215,741)	38,401	23,817	86,532	153,437
Anticipated non-reno capital needs		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Other		-	-	-	-	-
Anticipated yearend ending cash surplus/(deficit) position		4,281	17,682	16,499	78,031	206,468

Note:
Assumed Capital construction will be self funding with work being completed when funding for same is in hand.

St. Peter's Seminary

Sensitivity Analysis

Sensitivity analysis allows us to establish the potential impact - positive or negative - of unplanned events. In this case the purpose of the information below is to describe the challenges or opportunities that would be created by certain events, expressed in their impact on final year-end cashflows.
The final figure is not a prediction of how a given year would end, but rather an indication of the scale of the financial reality that would have to be managed.

The noted impacts represent only the degree of sensitivity of our assumptions. Any negative impacts or trends leading to negative impacts from the plan would be identified and actively be managed by frequent and dynamic financial administration and finance advisory committee reviews.

	F21-22	F22-23	F23-24	F24-25	F25-26
a) Net number of new seminarians is 0 every year	(190,741)	3,187	(73,267)	(72,917)	(72,761)
b) Foundation dollars available for transfer to the Seminary reamins at $400,000	(190,741)	(36,813)	(127,067)	(64,293)	(465)
c) Inflation doubles from the planned 2% to 4%	(190,741)	26,978	(17,985)	14,924	48,750
d) Seminarian growth at a net rate of 5 new in F22-23, then 2 thereafter	(190,741)	153,187	139,733	204,343	270,044
e) Seminary receives an added $1M in endowment in Year 3 of the plan	(190,741)	105,687	90,433	153,207	217,035
f) Diocese of London does not contribute $500,000 during the Strategic Plan	(215,741)	38,401	23,817	86,532	153,437
g) Pentecost 2000 additional Top-up not renewed in Fiscal 2022-23	(190,741)	(88,805)	47,933	110,707	174,535

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