

A Financial Review by Finance Council. This has been a difficult year for our parish financially. The biggest problem is the decline of Sunday and Holiday giving. The biggest contributors to St. James Parish have been the older generation and many of these parishioners have died or are now in a nursing home. The downturn of the U. S. economy has not helped the situation either.

Sunday & Holiday giving was \$136,000 under budget. The actual amount given in the offertory giving was \$69,000 less than the previous year. The average contribution of the giving families is \$849, which is about the same as last year. We ended the year with a loss of \$29,595. This loss would have been much greater if the parish and schools staff had not continued material cost cutting. We thank them for their continued sacrifices. Total School Revenue was under budget by \$20,000, but increased by \$38,000 over the prior year due primarily to increases in school tuition.

On the expense side, there were no major increases in parish expenses. In fact, the whole parish, including the school, cut items that we were used to in the budget so that expenses would be reduced. Total parish expenses were \$154,000 under budget and \$36,000 less than the previous year. School expenses were slightly under budget by \$22,000 but more than the previous year by \$12,000. The parish subsidy to the school this year was \$416,890, down approximately \$26,000 from the prior year. This reduction in school subsidy is due primarily to the decrease in Sunday and Holiday giving. Please take the time to review the accompanying financial report. Any questions or request for additional information may be directed to Al Hudepohl at 245-0885 or Amy Cira at the parish office.

The Festival, Holiday Bonanza, Fish Fry and Bingo proceeds are not in the parish operating budget. These events fund the capital improvements of the parish. The 2008 Festival proceeds (\$55,000), the 2008 Holiday Bonanza (\$18,700), the 2009 Fish Fry (\$15,700) and the Bingo proceeds for the fiscal year were \$21,000. These proceeds (\$110,400) were used for the following capital allocations projects: Tuck pointing the church roof, \$4,345, remodeling bathroom at church for handicap accessible, \$1,100, Tree trimming, \$2,300, new heat in the school cafeteria, \$23,900, new phone and voice mail system for entire parish, \$20,500, final phase of school roof replacement, \$34,000, final phase of school lighting project, \$18,400. Without the support of these fundraisers these items would be in the operating budget, therefore impacting tuition rates. We are very grateful for these successful events and appreciate our volunteers.

St. James Parish has funds on deposit at the Archdiocese of Cincinnati totaling \$272,777. The funds are composed of the St. James Restricted Fund [school] (\$100,350), Koch Memorial Fund [school] (\$38,982), Technology Savings [school] (\$91,316), Blue Ribbon Permanent Education Endowment Fund [school] (\$32,934) and Mission Certificates (\$9,195). These funds are held for specific purposes and are **not** available for the operation of the parish.

The parish has no outstanding debt but is operating on a hand to mouth basis and has no significant savings or reserves. We would like to build a cash reserve to cover unforeseen expenditures and repairs, but at present we do not see any immediate chance of accomplishing it. In lieu of the parish's \$30,000 loss this year and the continuing decline in Sunday and Holiday contributions, Finance Council recommends the parish reduce their subsidy to the School and/or materially reduce the programs and services to the parishioners. This comes on the start of the Parish Renewal program which is recommending the Parish hires additional employees (youth coordinator, etc). Where are these funds coming from? Without significant increases in Sunday contributions, we will not be able to maintain our current level of services. If this does not happen there is no alternative other than a significant increase in school tuition.

We want to take this opportunity to thank everyone who financially supports our parish. As the Finance Council, we work hard to use your gifts to the Lord responsibly for the good of the Church. Every dollar you give benefits the people of this parish and furthers the work of the Kingdom of God. We hope that you will continue to share your blessings in the Stewardship Commitment for the coming year. Thank you in the name of the Lord.