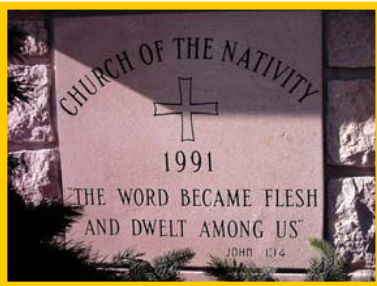


Nativity Parish

Budget Update

Spring 2009





Purpose of this Communication

- Explain current and anticipated financial challenges
- Review budgets
- Reveal plans for fiscal responsibility
- Explain how you can help



Challenge #1:

Income not keeping pace with expenses

- ❑ Total Parish income running approximately 7% behind last year
- ❑ Assumed 10% decline in tithing income in next years budget
- ❑ Interest income on savings and cash rebates from Archdiocesan programs down
- ❑ More fundraisers, surcharges and fees will be required



Challenge #2:
Changing demographics

- Fewer parishioners with children in the K-8 age range
- Stationary parishioner base
- More fixed income (retired) parishioners
- IRAs, stocks, mutual funds and home values down



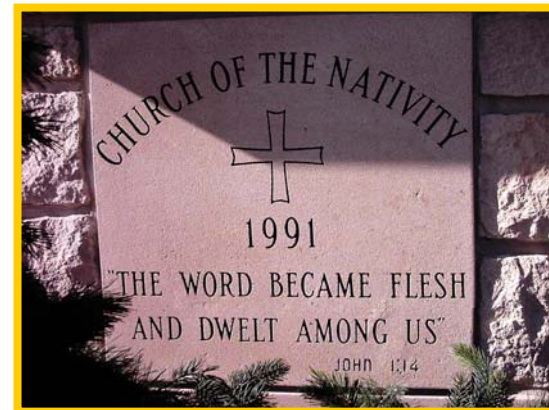
Challenge #3:

Changing household patterns

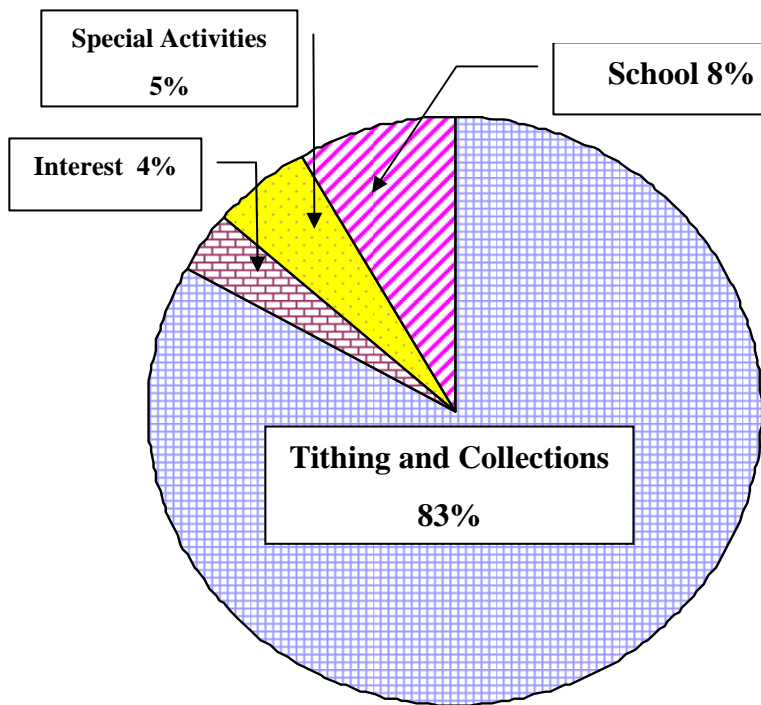
- ❑ Uncertain futures, unemployment and layoff fears
- ❑ Families striving to save more, spend less
- ❑ Declining or stagnating salaries
- ❑ Tithing sometimes viewed as discretionary in difficult times
- ❑ Priorities and competition for charitable dollar even greater

Presentation Overview

- The following slides will illustrate
 - Parish income
 - Parish expenses
 - Distribution of the Parish reserve fund
 - Steps we are taking

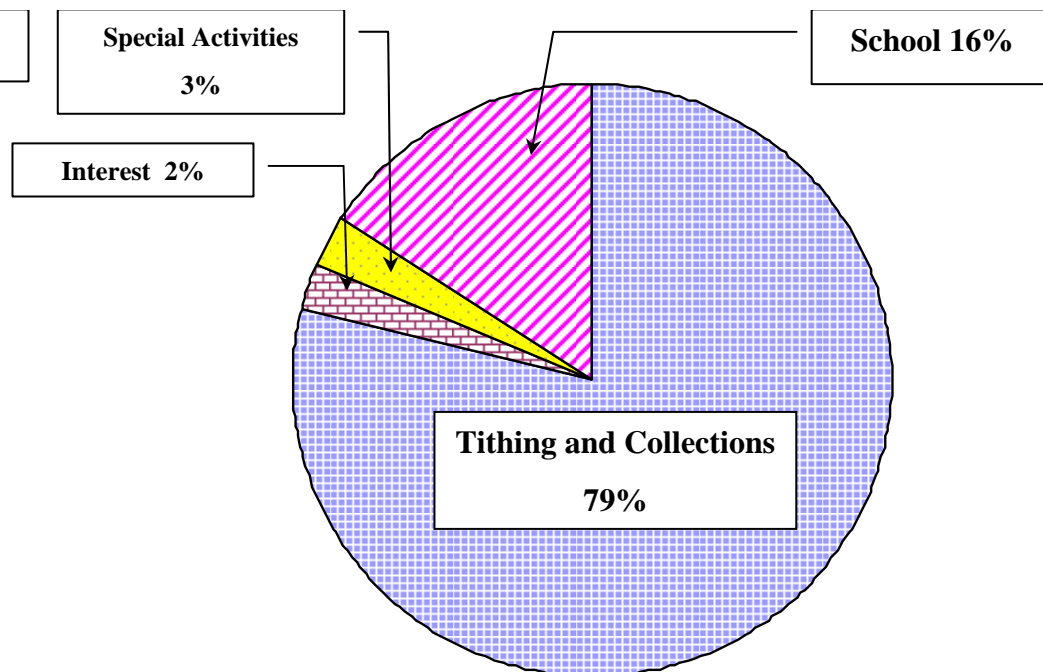


Where Does Our Money Come From?



2008-2009 Budgeted

\$4,640,635



2009-2010 Budgeted

\$4,308,300

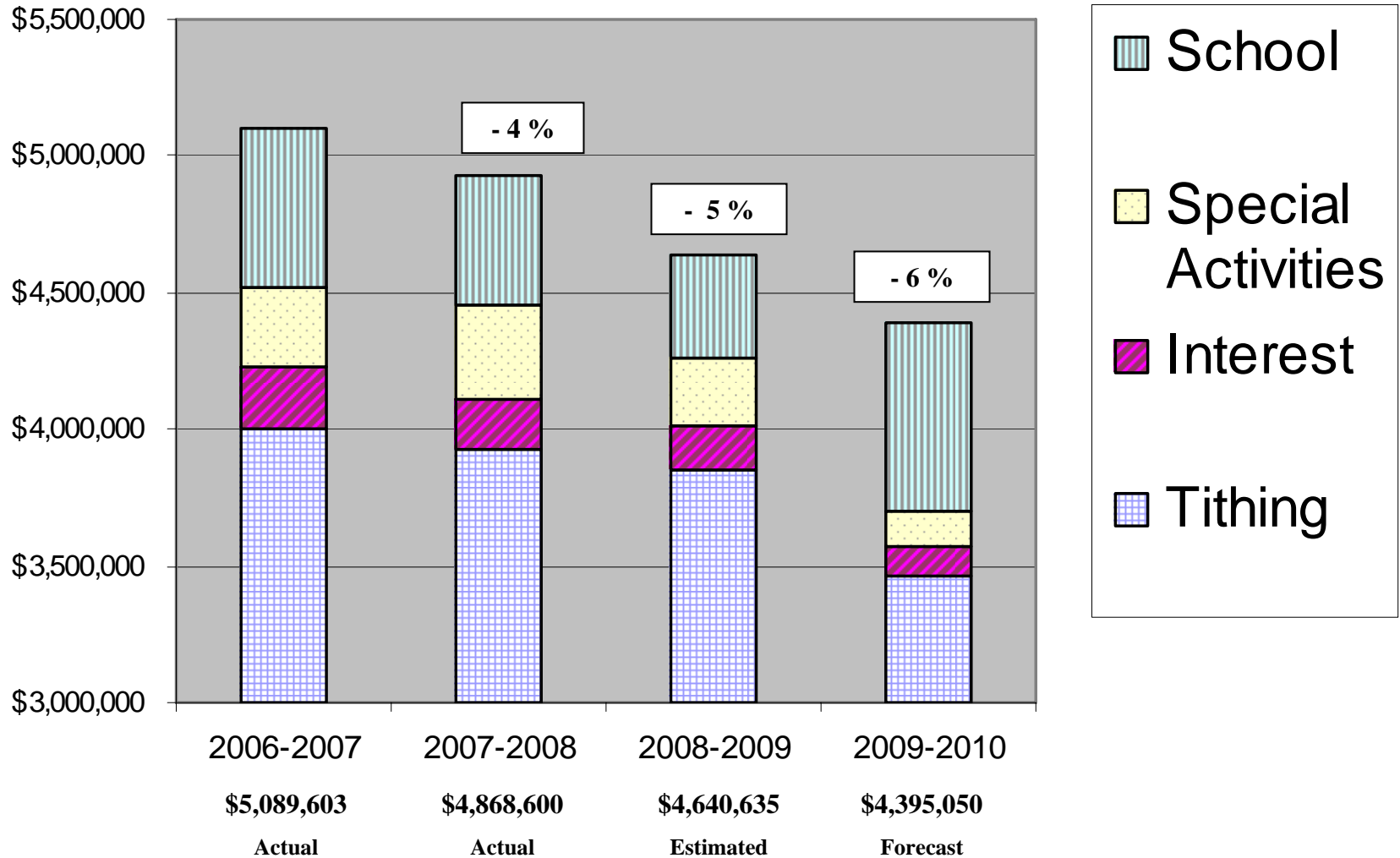
Tithing = Tithing from Parishioners

School = Registration Fees, Fundraising, Cafeteria, CYO, Preschool

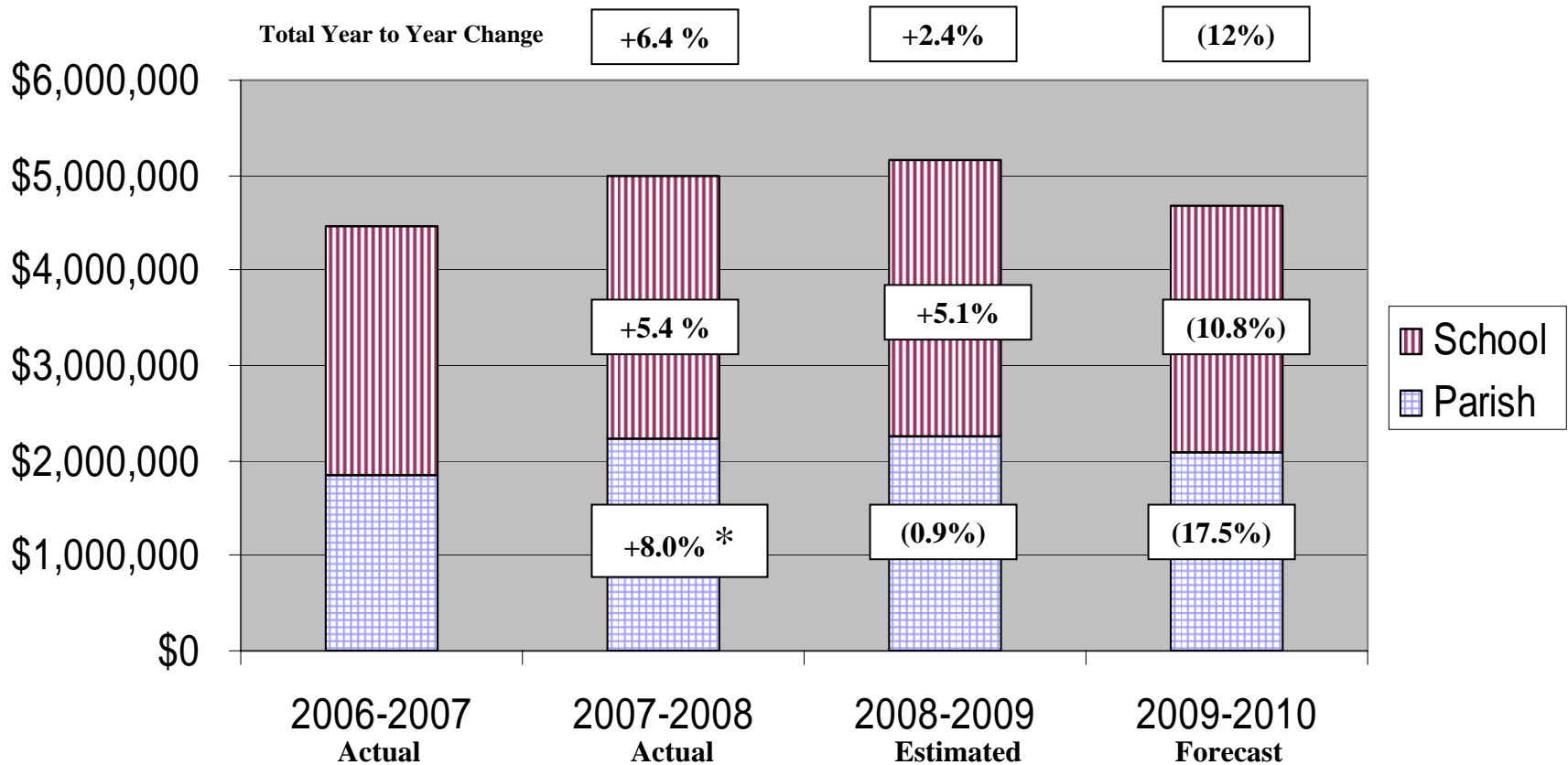
Special Activities = Special Activities, Christian Formation Income

Interest = Interest from Parish assets and other contributions

Parish Income

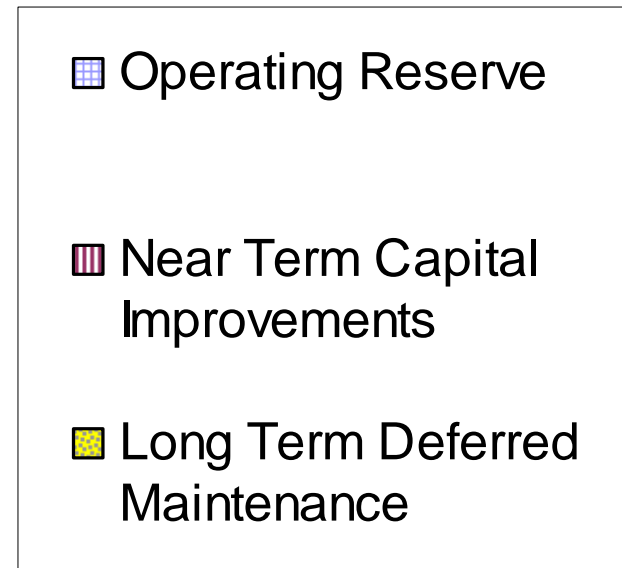
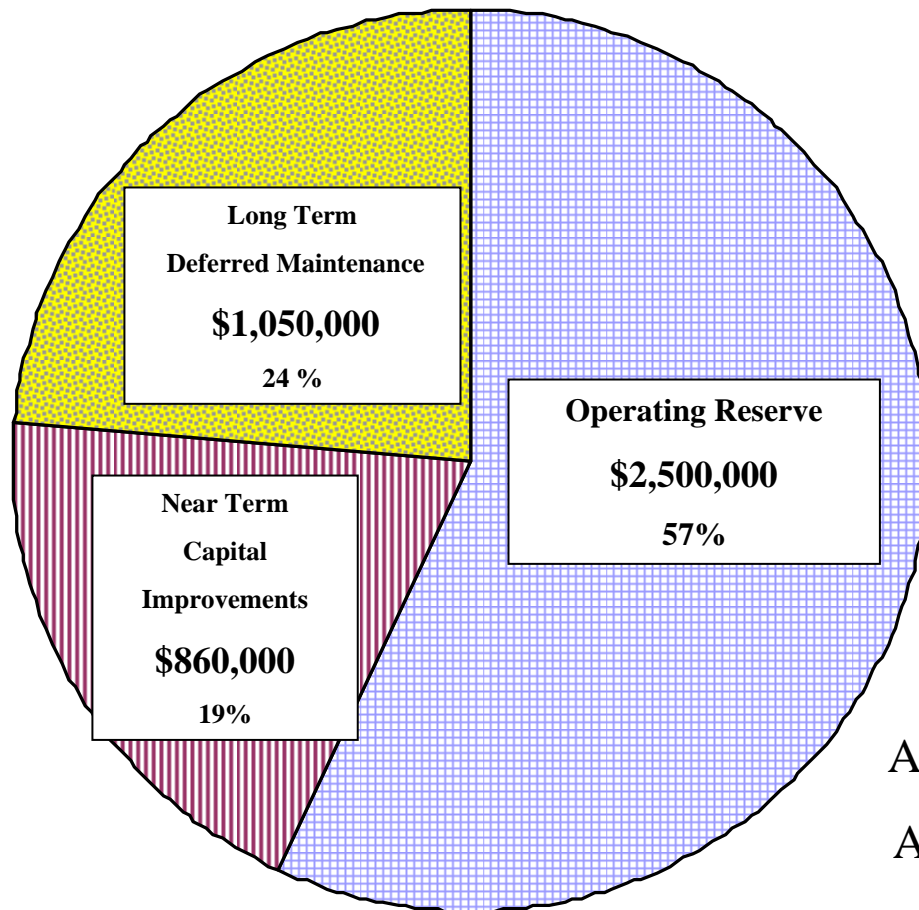


Where Does The Money Go?



* 6% of the 8% increase was due to unbudgeted renovation planning expenses

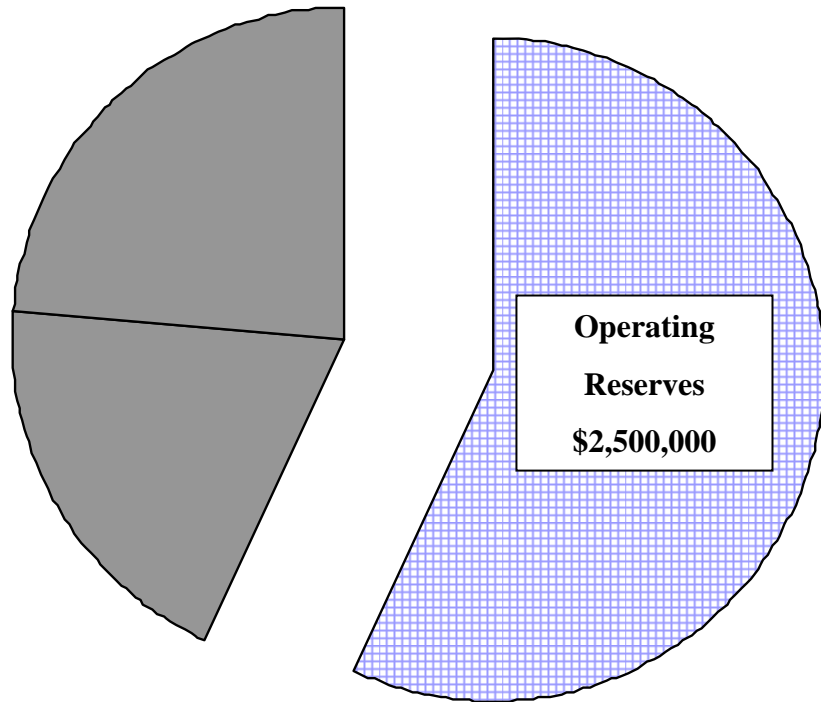
Nativity Parish Reserve Allocation



Approximate Reserve = \$4,000,000

Approximate Needs = \$4,410,000

Operating Reserve Detail

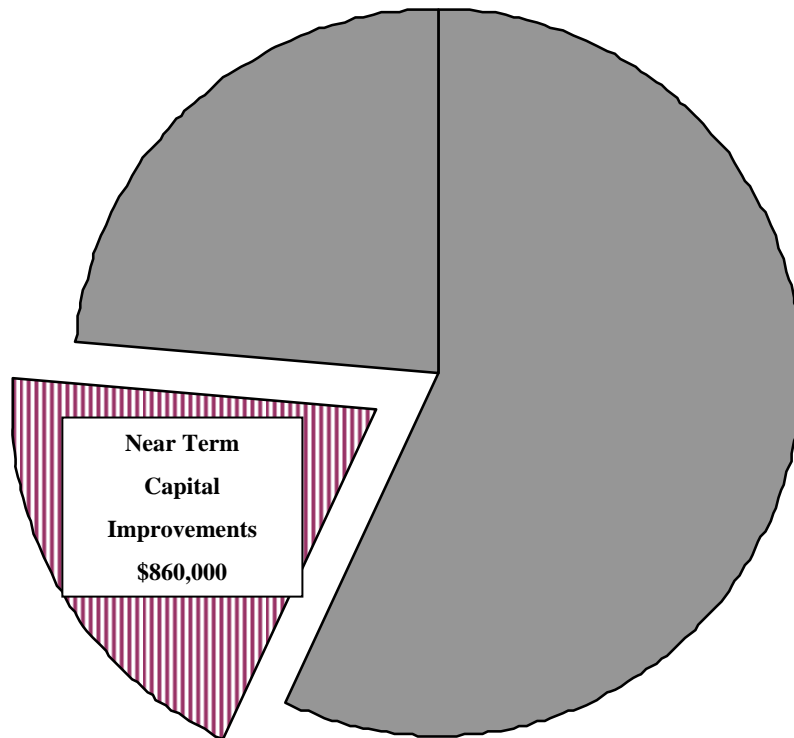


Operating Reserves:

The Parish currently maintains an operating and deferred maintenance reserve of approximately \$4 million. The Parish and Finance Councils desire to maintain \$2.5 million for emergency operating reserves, equivalent to six months operating expenses.

\$2,500,000

Near Term Capital Improvements

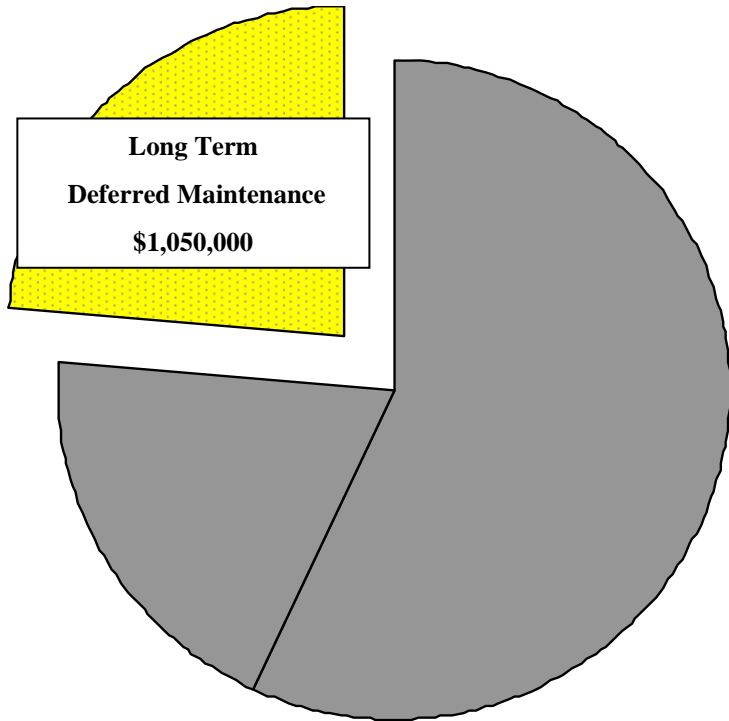


Estimated Near Term Capital Expenses:

Church Roof Repairs *	\$170,000
Middle School Enhancements	\$180,000
Baptism Font, Stations, etc.	\$20,000
Church Lighting Upgrades	\$380,000
Sound Improvements	\$50,000
Audio Visual	<u>\$60,000</u>
Total:	\$860,000

* Estimated preliminary roofing repair costs (1st phase)

Long Term Deferred Maintenance



* Source: "Conditional Facility Assessment Report"
DLR Engineering Group

Estimated Long Term Deferred Maintenance (School) *

Roof	\$300,000
Middle School Elevator	\$160,000
Middle School Lockers	\$30,000
Heating and Cooling	\$330,000
Electrical Improvements	\$40,000
Other	<u>\$40,000</u>

School Sub Total: \$900,000

Estimated Long Term Deferred Maintenance (Church) *

Condensing Units	\$100,000
Electrical and Plumbing	\$20,000
Security Enhancements	\$20,000
Other upgrades, etc.	<u>\$10,000</u>

Church Sub Total: \$150,000



Steps We Are Taking

- ❑ Consolidating staff
- ❑ Temporarily suspending (1 year) the 5th Sunday allocations
- ❑ Reducing expenses: Parish (17%); School (11%)
- ❑ Increase school registration fees
- ❑ Increasing revenue through fee based preschool
- ❑ Freezing salaries for all staff (Parish/School) per Archdiocese instruction
- ❑ One time \$350 surcharge per child for all school families (maximum three children per family)
- ❑ Increased emphasis on fundraising

How Can You Help?

- ❑ Pray, be patient and understanding
- ❑ Support leadership and staff
- ❑ Tithe, contribute and volunteer
- ❑ Help find solutions
- ❑ Consider a planned gift from your estate

