

November 28, 2009
Dear Fellow Parishioners,

The Finance Council is pleased to present this year's financial report in the weekly bulletin for November 28-29. Rather than reiterate the information contained in these statements, I thought it would be beneficial to answer some common questions asked by members of the parish.

1. **St. Bernard Endowment?** In 2000 the parish received a generous donation of \$1,000,000 for the "perpetual benefit of the parish." The intent was to provide for the parish with the "income generated" by the gift and not to use the principle. Father White asked the donor if we could use some of the funds to build the elevator addition and repair the parking lot. These two items reduced the principle to \$750,000. To maintain the gift's intent, a trust was established that only permits the parish to receive funds *if the principle is above \$1,000,000*. The principle was almost at \$1,000,000 before the recent downturn in the stock market. While a great deal of the reduction in principle has been recovered in the past six months, we have not passed the \$1,000,000 level at which the parish will start receiving income.
2. **Sale of parish land on Route 30?** Three years ago the Parish sold land adjacent to St. Bernard Cemetery. After legal fees and taxes (the land had not been used for religious purposes so was subject to capital gains taxes and town property tax), the parish received \$875,000. Because the perpetual care fund for the cemetery had been depleted years ago, we placed \$200,000 in that fund and structured it so that it could not be used for other purposes. (We also made sure that in the future one half of revenues from the sale of burial plots will also be placed in this trust as was the original intent.) This perpetual care trust is to provide for maintenance of the cemetery when it is completely filled.

For over 100 years the Parish operated St. Bernard School. It is expected that parishes with schools will subsidize approximately 15% of the school's budget. Due to greatly reduced enrollments in the past five years the Parish subsidy was over 50% and totaled \$1,000,000! We bravely tried to keep our school open, but simply could not afford it any more. Additionally, St. Bernard Cemetery also receives a subsidy that has varied between \$25,000 and \$50,000 in each of the past five years.

So you can see that the funds placed in the Cemetery Perpetual Care Fund, the cemetery subsidy and the large cumulative subsidy to the school all exceeded the proceeds from the land sale. It was only through your continual generosity that we were able to maintain the parish on as sound a basis as possible. For this we thank you.

3. **Without the school won't the parish have a surplus?** During the past five years we were unable to fully subsidize the school and cemetery out of the weekly offertory and used the proceeds of the land sale to keep the school open. We also postponed as many repairs as possible to keep the parish afloat. We should have a slight surplus from the weekly offertory in the future. We also have to make up the deferred maintenance from the past few years. For example, the road in the cemetery is in a deplorable state and will have to be repaired. We are a very giving and involved parish with a pre-school, youth group and religious education programs and 23 active ministries. We will begin a multi-year program to retrofit both the school building and parish center to better accommodate these parish activities. We will undertake these repairs and improvements within our budget.

As with your budgets, the parish is faced with generally increasing expenses due to inflation. A colder than expected winter will increase gas and oil expenses used for heating and a snowier winter will escalate the cost of snow plowing the parking lot. We always do our best to live within our means and the Finance Council works with Father Rick to carefully monitor and preserve our parish funds. If there are other questions please feel free to contact me at plaplaca@journalimm.com.

Prayerfully yours,



Peter LaPlaca, Chair
St. Bernard Finance Council