

September 20, 2009

Re: 2008-2009 Fiscal Year Report

Dear Friends,

I remember growing up and watching my uncles come down the aisle with these long handled baskets bobbing and weaving in and out of the pews taking up the collection. Having six kids in the pew meant that there was always a “little” tussle to see who got to put mom’s envelope in the collection...usually the one closest to her. It helped having Aunt Sissy sitting in front of us and Grandma and Grandpa Beying behind us, it left a 50/50 chance of getting in on the offertory action from somebody in the family.

Giving was and always has been a family event. I never knew how much mom put in the church envelope, she always did that before we were out of bed every Sunday morning, but I do remember we never missed a Sunday. When we were old enough to work on the farm, Grandpa always paid us for helping. Let me tell you, as a kid it was always easier putting in mom’s envelope than our own, but somewhere the lesson was learned that we always gave back something of what was given to us along the way.

It is one of the highlights of the Liturgy for me to see the kids come running to the altar to put “their” offering in the basket. For me, the lesson of giving is now being taught in reverse...if only we all could give back to God for all his blessings with such joy, enthusiasm and delight as I see in these little ones as they race for God’s holy altar with gift in hand!

As you look over this year’s financial report, I ask you to reflect upon the blessings God has showered upon you and your families this past year. This past week we reflected on how God has called us to share our many talents with one another. In the coming weeks, we will ask each family to consider how they might contribute to the financial needs of our parish family.

I know that for many of you this year was one of economic anxiety and even dire hardship. You’ll notice our income is down and we, like many of you, have had to make some hard decisions. I am most grateful to you all for your continued support of our parish and its missions of worship, education, plant maintenance and community outreach.

May God who sees our every need give us the courage to trust in His care and respond in faith to be good stewards of his many blessings.

May God bless you and yours!

Fr. Keith

2008-09 FINANCIAL RESULTS

For the fiscal year ending 6/30/09, total parish expenses exceeded revenue by \$26K. This loss was largely due to the severe economic decline and its adverse impact on Spirit of Giving collections. Collections of \$1,301K were down \$124K (8.7%) from budget and \$148K (10.2%) from last year. We recognize that these are difficult economic times and we are extremely grateful to our parishioners for the considerable sacrifices made to support St. Ann.

In response to lower collections, we were able to reduce expenses by freezing salaries for all staff, not filling budgeted positions and closely monitoring other non-personnel costs. Expenses also benefited from a decision to forgo the transfer of cell tower income to the endowment fund (\$34K). Total parish expenses of \$3,323K million were lower than budget by \$169K and last year by \$43K.

Total cash and investments (excluding endowment assets) of \$1,012K declined \$153K from last year. The parish has no debt. A summary of cash and investments at 6/30/09 is provided below:

Unrestricted Funds	\$ 726K
Capital Reserve	230K
Scholarship Funds	<u>56K</u>
	\$1,012K

SCHOOL FUNDING

For the 2008-09 fiscal year, tuition and registration fees funded \$1,163K or 57% of school expenses. The parish subsidized \$740K or 36% of school expenses. The remaining \$150K or 7% was covered by fundraising, donations and endowment distributions. All parish school families were again asked to contribute \$75 per student up to a maximum of \$150 per family to the St. Ann Endowment Fund in appreciation of the parish's financial support. This was reduced to a flat \$50 per family for the 2009-10 school year. Enrollment at the school was 450 students.

YOUNG CHILD CENTER

The Young Child Center generated income of \$23K on revenue of \$347K. Income was slightly better than planned. The YCC had an average of 106 preschoolers, 37 Kid's Day Out and 17 grade school extended day students.

SCHOOL OF RELIGION

The School of Religion had 182 in religious education from preschool through Jr. High and 64 in the Catechesis of the Good Shepherd program. Over 85 children and 10 high school students participated in the Totus Tuus program this past summer.

ARCHDIOCESAN SUPPORT

The high school operations subsidy this past fiscal year was \$96K. In addition, St. Ann paid \$76K as an additional assessment specifically related to St. James Academy. Other Archdiocesan assessments totaled \$122K.

(cont'd on next page)

2008-09 FINANCIAL RESULTS (cont'd from previous page)**CAPITAL REPLACEMENT FUND**

The Capital Replacement Fund is used to finance capital improvements and large maintenance projects. Last fiscal year we received contributions of \$300K for this fund. Of this amount, \$57K was from the blue "Capital Reserve and Replacement Fund" envelopes included in the monthly envelope package. Thank you to all the parishioners who generously contributed to this fund. We were also blessed with donations for specific projects from the Fall Festival (\$131K, church roof), McCarthy & Deramus Family Trusts (\$88K, school library renovation) and a school family (\$10K, library computer lab).

During the 2008-09 fiscal year, we spent \$377K for various parish and school projects. Major projects included \$149K for renovation of the school bathrooms, \$129K for a make-over of the school library and \$40K for the new YCC playground. The fund had a balance of \$230K as of 6/30/09, most of which will be required to pay for replacement of the church roof. We extend our thanks to the Building and Grounds Committee and the Finance Council for their expertise and support, and for the time and talents of parish volunteers who help us maintain the parish grounds.

ENDOWMENT FUND

The Endowment Fund was established in 1993 to provide for the long-term financial health of St. Ann Church and School. The Endowment Fund decreased \$205K during the year to a market value of \$995K at 6/30/09. This decline was the result of unrealized losses on equity investments (\$237K) and distributions to the church and school (\$52K), partially offset by contributions of \$63K and interest/dividend income of \$21K. Contributions were largely from school families (\$28K), memorial gifts (\$13K) and an estate gift (\$15K).

The St. Ann "Legacy Society" was established to recognize and thank parishioners who have included St. Ann Church or School in their estate plans. There are currently over 50 Legacy Society members. If you would like more information about the St. Ann Legacy Society or how to name St. Ann as a beneficiary in your trust or will, please contact Donna O'Connor at (913) 660-1129.

2009-10 BUDGET

For the 2009-10 fiscal year, the Finance Council has approved a budget deficit of \$125K reflecting the expectation of continuing economic difficulties. Although the council was reluctant to budget a deficit this large, they felt strongly that they did want to reduce expenses that could impact education quality or parishioner services. Total revenues of \$3,182K are budgeted to be \$115K or 3.5% below last year. Expenses are projected to be slightly below this year's level. Please prayerfully consider your financial support of St. Ann Parish so that we can exceed our budgeted goals.

If you have any questions regarding these financial results, please feel free to contact Bill Schafer at (913) 660-1128.

**ST. ANN CATHOLIC CHURCH
STATEMENT OF SUPPORT AND EXPENSES
FOR THE YEARS ENDED JUNE 30,**

	<u>2009 Actual</u>	<u>2009 Budget</u>	<u>2008 Actual</u>	<u>2007 Actual</u>
Spirit of Giving Collection	1,300,751	\$1,425,000	1,448,883	1,358,490
Plate Collection	53,084	50,000	48,463	53,516
Fall Festival Receipts	309,006	295,000	339,699	210,058
Tower Fund Income	33,800	33,080	33,080	36,000
Interest Income	36,727	36,000	40,428	26,074
Endowment Income	30,158	30,000	30,087	16,428
Distribution of Fall Festival Income	(184,000)	(190,000)	(210,000)	(80,957)
Other Church Support	35,382	36,000	46,209	44,253
Catholic Formation Revenue	21,897	18,080	22,811	18,960
School Tuition & Fees	1,163,437	1,139,600	1,110,249	1,024,725
Other School Support	149,931	166,700	150,611	165,691
Young Child Care Revenue	347,397	360,078	358,431	350,047
Total Support	<u>\$3,297,570</u>	<u>\$3,399,538</u>	<u>\$3,418,951</u>	<u>\$3,223,285</u>
Church Operations				
Salaries & Benefits	355,364	\$437,974	340,567	320,743
Maintenance	33,883	30,100	33,781	37,815
Utilities	28,465	39,500	40,104	32,758
Other Operations Expense	38,288	27,600	40,247	34,515
Fall Festival Expense	74,804	45,000	44,582	48,144
Parish Event Expense	7,170	10,000	13,439	2,993
H.S. Education Assessment	95,968	95,968	97,311	98,094
Diocesan and Regional Assessments	122,110	122,110	118,151	115,196
Contributions to Endowment Fund	0	33,080	33,080	36,000
Other Church Expenses	3,539	3,100	85	1,925
Total Church Operations	<u>\$759,591</u>	<u>\$844,432</u>	<u>\$761,347</u>	<u>\$728,183</u>
School & Cafeteria Expenses	2,045,942	2,100,598	2,040,006	1,924,639
Catholic Formation Expenses	162,555	171,039	204,574	183,603
Young Child Care Expenses	323,899	339,764	321,065	298,779
Rectory Expenses	15,954	15,075	15,595	17,160
Parish Center (Net Expense)	15,314	21,370	23,952	17,726
Total Expenses	<u>\$3,323,255</u>	<u>\$3,492,278</u>	<u>\$3,366,539</u>	<u>\$3,170,090</u>
Support Over/(Under) Expenses	<u>(\$25,685)</u>	<u>(\$92,740)</u>	<u>\$52,412</u>	<u>\$53,195</u>
Memo: Parish School Subsidy	<u>\$740,189</u>	<u>\$778,724</u>	<u>\$766,562</u>	<u>\$741,795</u>

**Endowment Fund (Market Value)
For the Years Ended June 30,**

	<u>2009</u>	<u>2008</u>
Beginning Balance	1,199,299	1,261,271
Contributions	63,376	84,103
Income Net of Expense	20,740	19,227
Distributions to Parish/School	(52,000)	(52,376)
Unrealized Gains/(Losses)	(236,705)	(112,926)
Ending Balance	<u>\$994,710</u>	<u>\$1,199,299</u>