

October, 2009

Dear Saint Ann Parishioner:

In today's economy, it is important to recognize the wonderful gifts bestowed upon us by our Church and parish, and acknowledge all you did to make this past year spiritually rewarding, even if our finances were challenged. We appreciate your generosity of time, talent, and treasure.

As we seek this year to become a new parish with our cluster partners, it seems especially important to report the details of our 2009 financial situation, printed on the reverse of this letter.

You heard from the pulpit over the year that we faced financial hurdles in fiscal 2009. Our budget, created in healthier times, forecast increases in revenue that did not materialize and an expense structure that was manageable only if we achieved our revenue targets.

It has long been a principle that surpluses from the Church provide a subsidy to the School, enabling us to serve our community with the highest quality Catholic educational alternative. In the Church, Regular Offertory giving fell \$101,000 below our increased expectations and \$55,000 below prior year. Even with our extraordinary campaign last spring, we still came \$102,000 short of budgeted total revenue. Controllable expenses were managed to budget, but we fell far short of our operating goal.

School enrollment, tuition, and total revenues also fell short of our goals and our prior year. Controllable operating expenses were managed to budget, but with revenue below targets we incurred unplanned losses. In this climate, painful cuts had to be made for the current year.

Our lovely but aging facility surprised us last year with unexpected maintenance expenses to repair damage due to flooding and gas line leaks. Insurance did not cover all damages.

In the end expenses exceeded budget and revenues were down. We finished this year with a total consolidated loss of \$150,387 on revenues of \$2,230,658. **This loss was funded by surpluses from prior years that are now stretched to the limit. We have little operating flexibility.**

Our 2010 budget is built around conservative revenue forecasts – based on history – and bare-bones expenses. We are watching every expense and closely monitoring revenue. We need your ongoing prayers and increased financial support.

Thank you for all your contributions to the parish and the school. Reporting dollars and cents is important, but the real accounting for our ongoing work has to do with love, care, and the forgiveness of others. We are rich in that regard.

With gratitude in Christ's name,

The Rev. James E. Singler, Pastor

Father Jim Singler

St. Ann Parish, Cleveland Heights

Revenue and Expenses

For Fiscal Year Ending June 30, 2009

	School		Church	
Tuition	\$871,758		Weekly Offertory	\$741,369
Financial Aid	\$65,735		Christmas Easter & Holy Days	\$76,587
Registration	\$6,982		Net fundraising	\$51,829
Red Envelope	\$25,589		Sacramental PSR	\$3,640
Mandated Services	\$93,001		Rental Powers Hall, Walsh Hall	\$4,260
Before/After School Net Receipt	\$16,188		Votive Lights	(\$330)
Other	\$18,086		Other	\$255,964
	<u>\$1,097,339</u>			<u>\$1,133,319</u>
Salaries	\$1,059,632		Clergy Salaries	\$52,416
Benefits	\$251,988		Lay Salaries	\$58,300
Office Expense	\$25,455		Benefits	\$41,394
Memberships	\$14,547		Office Expense	\$42,426
Instructional Expenses	\$61,448		Rectory Household	\$12,661
Library			Seminars, Cont. Ed.	\$6,575
Landscape Snow Removal	\$7,522		Alter, Sanctuary, Liturgical	\$12,283
Maintenance Salaries	\$59,231		Misc Expenses	\$1,740
Contracted Services	\$15,754		Musician & Instrumentalists	\$27,275
Utilities	\$85,073		Parish Activities	\$29,653
Maintenance Supplies	\$15,007		Maintenance Salaries/Benefits	\$97,785
Property/Casualty Insurance			Contracted Services	\$87,322
Property Taxes	\$5,829		Landscape Snow Removal	\$7,522
Replacement of Equip Bldg	\$534		Utilities	\$85,015
Extracurricular	\$598		Property/Casualty Insurance	\$54,274
			Property Taxes	(\$27,295)
			Maintenance Supplies	\$7,726
			Plant Misc. Expenses	\$83,807
			Diocesan Assessment	\$97,548
Total School Expenses	<u>\$1,602,618</u>		Total Church Expenses	<u>\$778,427</u>
Expenses over Revenue	<u>(\$505,279)</u>		Revenue over Expenses	<u>\$354,892</u>
TOTAL EXPENSES OVER REVENUE			(\$150,387)	