STEWARDSHIP • LA ADMINISTRACION

Dear Brothers and Sisters in Christ,

At this time I present to you the St. Anne Catholic Community 2021-2022 Annual Report. This is a good time to reflect on all that has happened this past year and to envision what we hope to achieve in the future.

This past year has been wonderful in many ways. We joyfully began to resume an active parish life following the COVID-19 pandemic. While the virus is still with us, as a society we are learning how to live with it as best we can. We have fully returned to in-person Mass, sacramental preparations classes, Religious Education, and RCIA. Our many parish ministries are returning, and we are welcoming new groups. We were excited to host Sunday Funday in August to welcome families back to campus. During lent we welcomed the return of the Fish Fry, and with the generous donations and help of school and parish families, we held our first Crawfish Boil. What a great evening that was! We also welcomed the return of Vacation Bible School and offered a summer camp experience for our Youth Ministry.

Our campus improvements with the addition of the Budinger Building (gym) and athletic field renovations and the Basilian Building (parking garage), are being fully utilized as we had envisioned when we began our Generations of Faith capital campaign before the global pandemic. We now have the space to host Men's Sunrise Scripture Study, Boy and Girl Scouts, many SAYA activities, Coffee & Donuts, St. Monica Moms, UCAL, Pastorelas, Cursillistas, Lectio Divina, Icon Guild, Spiritual Book Club, St. Anne's Guild, the Society of St. Vincent de Paul, and many more.

In addition to the many joyous events this past year, we also experienced deep sadness. We mourned the losses of Fr. William Frankenberger, CSB on February 15, Fr. Alvin Sinasac, CSB on February 17, and Fr. Jay Walsh, CSB on September 18. These three Basilian priests were a tremendous part of St. Anne Catholic Community, each with their own brand of humor and wit, and they are greatly missed. Fr. Eduardo Rivera, CSB and I remain at St. Anne, along with our deacons, Thad Kudela, José Saucedo, and Jean-Paul Budinger. We were blessed to have welcomed seminarian David Semivule, CSB, who was active in our Religious Education program and other areas before being posted to Detroit Catholic Central High. We are now welcoming seminarian Dan Ryan, CSB to St. Anne.

St. Anne remained fiscally healthy in 2021-2022. Offertory gifts are our number one source of funding. It is this giving that allows St. Anne to fund our liturgical, worship, and pastoral expenses, support our educational, spiritual, sacramental ministries, and maintenance of our campus. We continue to be humble custodians of our finances and we are grateful for the steady, ongoing support by our parishioners that has sustained our ministries and allows us to care for each other. However, while we are fiscally healthy, we fell short of our revenue goals for the Parish. Please prayerfully consider whether you can increase your weekly and annual giving to help us support the needs of our active and growing parish.

We would like to extend a special thanks to all who have joined in online giving through Faith Direct. While overall offertory gifts are down about 9% from pre-COVID levels, in-person donations are slightly below pre-COVID while online giving levels have remained relatively flat throughout the pandemic. Without the sustained online support, the church's financial challenges would be significantly greater. If you have not yet enrolled in Faith Direct, please consider doing so. Online giving saves St. Anne money by eliminating expenditures on postage and envelopes. It also allows our business administration to better plan and budget.

Though offertory gifts were negatively impacted as a result of COVID-19, the parish was also able to largely offset this by prudently reducing our controllable expenses and maintaining our lower expenses. To achieve this, our staff agreed to reduce their hours and, in some cases, decrease their salaries. We also reduced our hours of operations to lower the cost of utilities, and brought more services in-house, such as cleaning. Our maintenance department has worked diligently to ensure the facilities are well cared for.

To conclude, I am humbled by all that has happened this past fiscal year. We continue to weather a great storm and are fiscally sound, yet we continue to fall below where we were. I am thankful to our administration and staff for their dedication, hard work and flexibility. I am grateful to the Pastoral and Finance Councils for their knowledgeable, steadfast guidance, to the Steering Committee, as well as our ministry leaders and many dedicated volunteers. I thank our parishioners, whose support allows us to fulfill our mission *to follow the example of Christ and witness His living presence as we welcome in love and respect all who walk on our journey of faith*.

Yours in Christ,

David J. Zapalac, CSB

Rev. David Zapalac, CSB
Pastor, St. Anne Catholic Community

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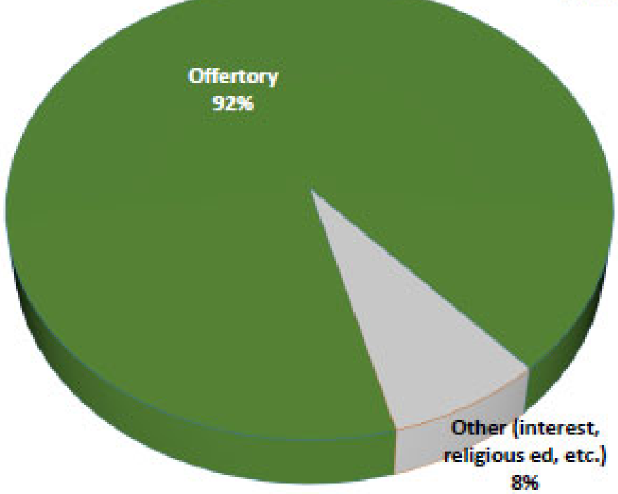
SOURCES OF FUNDS: $3.3 MM

Fiscal Year is July 1, 2021 - June 30, 2022

The offertory is the primary source of funds for the church. While the offertory was 13% higher last year ('22) relative to the prior year ('21), it is still about $25 thousand less per month than it was in the 12 months preceding COVID ('19). As noted in the table below, the parish staff continues to make significant adjustments to reduce parish expenses in order to offset this reduction and balance the annual budget.



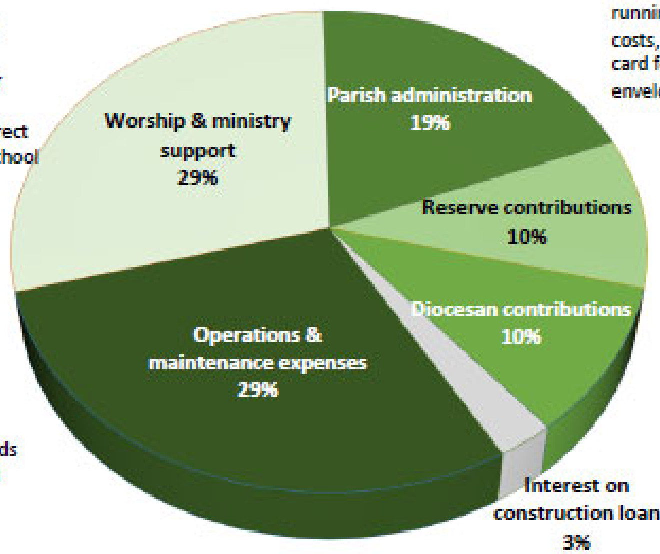
Offertory history:
2018: $3.30 MM
2019: $3.35 MM
2020: $3.19 MM
2021: $2.71 MM
2022: $3.06 MM

Higher interest revenues on reserve deposits and increased facilities fees largely offset a reduction in Fiesta revenues.

USES OF FUNDS: $3.3 MM

Parish Administration includes the cost of running the church offices, communications costs, professional services, bank and credit card fees, and printing costs (collection envelopes, stationery, etc.).

Worship and ministry support includes pastoral expenses, liturgical expenses, support for educational, spiritual and sacramental ministries, and direct support of St. Anne Catholic School



Capital reserves are required to cover major repairs or improvements to church buildings and property.

The Cathedraticum tax is required from all Archdiocese Parishes to support Archdiocese level expenses and activities undertaken in support of all the parishioners in the Archdiocese. In 2022, this amount also includes a $25k DSF shortfall the church had to fund.

Operations & maintenance expenses includes utilities, insurance, building and grounds maintenance and repairs, and related personnel expenses.

Interest is related to the outstanding debt balance on the Generations of Faith improvements.

TWO-YEAR COMPARISON ($ THOUSANDS)

	Jun-19 *(pre-COVID)*	Jun-22	Change	% Change
Sources				
Offertory	3,345	3,058	(288)	-9%
Other (int, religious ed, fiesta, etc.)	250	253	3	1%
Total	**3,596**	**3,310**	**(285)**	**-8%**
Uses				
Operations & maintenance expenses	1,051	964	(87)	-8%
Worship & ministry support	1,105	955	(150)	-14%
Parish administration	743	638	(105)	-14%
Reserve contributions	352	333	(18)	-5%
Diocesan contributions	344	332	(12)	-4%
Interest on construction loan	0	88	88	N/A
Total	**3,596**	**3,310**	**(285)**	**-8%**

As the offertory dropped due to COVID, the church took prudent steps to reduce expenses. Despite significant inflationary pressure, the church has still been able to maintain expenses below 2019 levels primarily through salary reductions.