

Good Morning/afternoon, the following announcement is an update from the finance committee regarding our current year financial status. We feel it must be made clear that we are still in a state of financial crisis.

As you may recall, the budgeted loss for the parish that was communicated in the fall was projected at \$56,000 for 2007. Our fiscal year ends June 30th, 2007. Based on our current position through the first 9 months of the fiscal year, the parish's projected loss is now expected to be approximately \$36,000. The improvement in our loss position compared with the original budget is primarily due to a reduction in operating, repair and maintenance costs. Unfortunately, these reductions are temporary. We have simply delayed initiating repair work based on our current cash position. As an example, we recently learned that we will need to have \$19,000 of repair work to the boiler within the next few months.

Part of the solution is to develop the means to increase revenues so that we are in a position to handle these repairs due to the aging state of our buildings, machinery and equipment.

Related to our revenues, we currently project that church offerings for the year will be \$580,000. This is in line with recent years, but it does not meet the goal we established in the winter to increase each parishioner's weekly offering \$5. If we can achieve a \$5 increase in weekly offerings for the remainder of the fiscal year, revenues of \$20,000 would be generated to offset a significant portion of our current year projected loss. Similarly, each parishioner making a one time donation of \$65 in addition to their normal weekly contribution would generate similar revenues.

Revenues from the gift card program provide the greatest opportunity for financial stability to the parish. We project \$30,000 in revenue from this program this year, but we have the potential to more than triple that amount. While we saw a spike in the revenues from this program during the Christmas holiday season, activity has since leveled off. We would like to reiterate again that usage of the Kroger cards by 300 families who on average spend \$400 per month at the grocery would generate \$58,000 in revenues. This additional revenue would go along way to eliminate our parish's projected deficit. This example does not even consider the impact that usage of the many other participating businesses could have. As a reminder, the cards are available for purchase at the school, rectory and three households in the area and can also be delivered to individual's homes. We also would encourage any suggestions anyone may have to increase usage of the program.

Another part of the solution is addressing the costs associated with operating a school. We feel that we did that at the beginning of this fiscal year, by cutting non-essential costs without impairing the quality of education our students receive. This is also being addressed by St. Ann's participation in the Greater Hamilton Catholic Schools Collaborative. Currently, we believe our enrollment will not decrease next year. The parish needs everyone's financial support to be sure we can remain viable for one more year until a solution for the school is reached. We will then be in the position to become financially stronger than we have been in a long time.

Again, we appreciate everyone's attention and hope that this communication helps you realize your importance to the financial viability to the parish. It is important to remember that small incremental efforts by each one of us through both our weekly offerings, usage of the grocery program, etc. can go along way to solidifying the financial viability of the parish. We hope that you continue to consider St. Ann's in both your giving and in your prayers. Thank you and God bless.