St ANNE
Catholic Community

September 28, 2023

Dear Brothers and Sisters in Christ,

At this time I present to you the St. Anne Catholic Community 2022-2023 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 was busy, and we expect to be even busier this year. Mass attendance has continued to increase at all Masses. We celebrated 163 infant/children Baptisms and 1 Profession of Faith. 12 children and 36 adults completed the Right of Christian Initiation (RCIA), receiving Baptism (or Profession of Faith), Confirmation, and Eucharist. 62 children received First Penance and First Eucharist. 87 youth and adults received Confirmation. 52 Marriages were celebrated. We continue to hold in our hearts the 39 members of our community, including Fr. Jay, whose funerals were held here in the last year.

Our community is welcoming the many opportunities to return to active parish life, to get together and participate. It is wonderful to see that our ministries are busier than they have been in the last few years. The Ministry Fair returned last August, and we received an out-pouring of support for our ministries. We held the inaugural Chocolate Chip Cookie Competition, and our first St. Anne Market. On Fridays during Lent we held a Pizza and Bingo night, and our second Crawfish Boil. These events were great fun, and brought us all together. Vintage Values returned and was a great success.

Our Hispanic community brought richness and depth to our celebrations of Our Lady of Guadalupe, Pastorela and Via Crucis. We celebrated Fr. Eduardo's Birthday and 3rd Ordination Anniversary in May with a great party complete with a piñata and a mariachi band. I was humbled and deeply touched by a party to celebrate my 30th Anniversary of Ordination at the end of June. These activities and celebrations have led to greater involvement between our Hispanic community and our non-Hispanic community. Our parish is rich in diversity, and it is good to see us come together and strengthen our parish community.

At the end of the fiscal year, we said goodbye to Fr. Eduardo Rivera, CSB, as he transitioned into his new role as University Chaplain at the University of St. Thomas. Seminarian Dan Ryan, CSB, also left to continue his education at UST. We welcomed the return of Fr. Paul English, CSB, as Parochial Vicar.

St. Anne remained fiscally healthy in 2022-2023. 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. 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.

Offertory gifts are $200 thousand below 2019 (pre-Covid) levels. While offertory gifts increased 2% last year, our operating costs increased by 13%. These cost increases are driven by inflation. We have been able to offset these increases by reducing other costs, such as parish administration and worship and ministry support. While we have been able to balance our budget and reduce our costs for the past few years, it is becoming more difficult to maintain this with rising costs and a return to a robust parish life and increased ministry activities.

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

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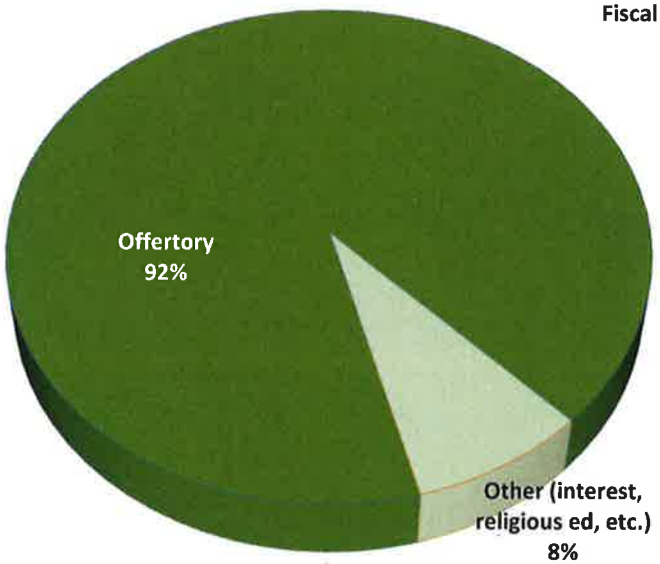
Basilian Fathers | Archdiocese of Galveston-Houston

SOURCES OF FUNDS: $3.4 MM

Fiscal Year is July 1, 2022 - June 30, 2023

The offertory is the primary source of funds for the church, yet offertory receipts are still more than $200 thousand below 2019 (pre-COVID) levels. The church is dependent on increases in offertory giving to offset rising costs driven by inflation. Last year the offertory increased 2% while operating expenses increased 13%. So far, parish staff has been able to balance the budget by reducing other costs - worship and ministry support is currently $160 thousand below 2019 levels and the parish admin cost is more than $110 thousand lower. However, maintaining this level of spend is becoming increasingly difficult given rising costs in general.

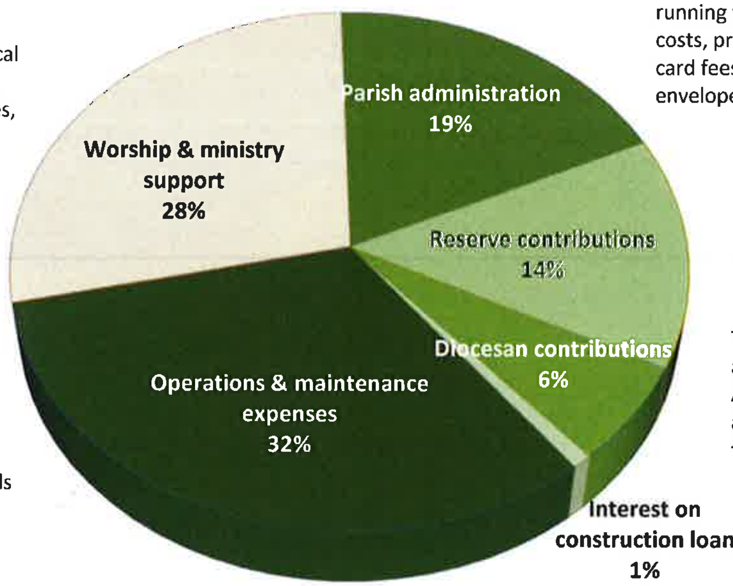


Offertory history:
2019: $3.35 MM
2020: $3.19 MM
2021: $2.71 MM
2022: $3.06 MM
2023: $3.12 MM

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

USES OF FUNDS: $3.4 MM

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



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.).

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.

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-23	Jun-22	Change	% Change
Sources				
Offertory	3,116	3,058	58	2%
Other (int, religious ed, fiesta, etc.)	279	253	26	10%
Total	**3,395**	**3,310**	**84**	**3%**
Uses				
Operations & maintenance expenses	1,088	964	124	13%
Worship & ministry support	950	955	(5)	-1%
Parish administration	629	638	(8)	-1%
Reserve contributions	489	333	156	47%
Diocesan contributions	209	332	(123)	-37%
Interest on construction loan	30	88	(58)	-66%
Total	**3,395**	**3,310**	**84**	**3%**

While operating costs increased 13%, the offertory only increased 2%. The church was able to maintain a balanced budget by holding ministry support and parish administration costs flat vs 2022 ($270 thousand below 2019 levels). Additionally, the finance staff worked to pay down the construction loan to reduce interest expenses. Savings from reduced diocesan fees were used to replenish parish reserves.