

**St. Francis of Assisi Parish
Business Manager's Report
Fiscal Year: July 1, 2002 – June 30, 2003**

To My Fellow Parishioners

The enclosed financial statement presents the results from on-going operations of the Parish for the fiscal year ended June 30, 2003. As I noted in my report to you last year, we had set aside some funds in fiscal 2002 and prior years to use during this past fiscal year for a number of specific projects, including the renovation of the School Music Room and the replacement of HVAC units in the Parish Activities Center and the School Art and Music Rooms. This was very fortunate because, as Fr. Jim notes in his letter, Sunday Contributions to the Parish declined in the year just ended. In fact, they not only declined over \$57,000 from fiscal 2002, despite fiscal 2003 having an extra Sunday in it, but they fell some \$28,000 short of the adjusted budgeted goal (which had already been reduced by the \$100,000 Fr. Jim refers to in his letter). Thankfully, we had the reserves established in previous years, and were able to tap them for the aforementioned projects, as well as some significant and unanticipated repairs to the Church Nursery and the fire alarm system in the School.

However, other capital improvement projects have had to be put on hold, with two visible exceptions. One, we have completed the installation of new, energy efficient windows in the remainder of our School. As anticipated, this was paid for entirely by School Development funds, and should produce significant savings this year in our heating expenses, as well as providing enhanced safety, security, and appearance. Second, the old house on the parcel of land purchased in fiscal 2001, located contiguous to and just west of the main Church property along East Stadium, was demolished in July 2003. Although we had put the project on "the back burner" for financial reasons, the City of Ann Arbor advised us that they would cancel our demolition permit, which had been a major ordeal to obtain, if we did not proceed immediately. We swallowed hard, and after finding a demolition contractor who was willing to work with us given our financial constraints, had the project completed last month.

Our situation today is that our reserves have been depleted, and we are in a no-capital expenditure mode, while praying for no emergencies. This clearly is not in the long-term interest of the Parish, but it is a short-term necessity.

Finally, our Capital Fund Drive was completed in fiscal 2003, with pledges of about \$760,000, of which all except \$15,000 had been collected as of June 30, 2003. Donations continue to come in, and are most welcome, should you have an interest in contributing to this beautiful project. As this is written, construction work is about 99% finished, as we are down to resolving the final "punch-list" items. Thank you very much for your support of this project.

Respectfully submitted,

David S. Barera
Parish Business Manager
June 30, 2003

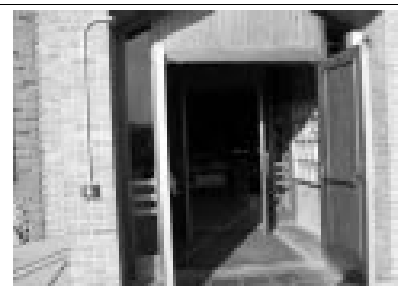
**Renovation
Improvements**



Our new baptismal font was used for the first time at Easter Vigil 2003.



A space for parents to worship while attending to their child's needs.



Handicap-accessible doors and a main floor restroom are now in use.



Holy Family Shrine reminds us of our pilgrimage in this life.