

**PARISH FINANCIAL RESULTS MESSAGE TO BE DELIVERED AT ALL
MASSES ON THE WEEKEND OF OCT. _____ BY A MEMBER OF THE PFC**

Hello, my name is _____ and I am a member of the Parish Finance Council here at St. Joseph. Thank you for the time today to provide a brief report on our Parish's financial results for the fiscal year which ended June 30, 2006.

This past fiscal year, as in most years, we planned for a balanced budget, expecting that our revenues from collections, donations, bingo, etc. would be enough to just cover our expenses such as staff salaries and benefits, utilities, programs, insurance, repairs and maintenance, required diocesan remittances. Etc. As you may recall, last December Fr. Greg provided a mid-year update at all Masses during which he explained that, at that time, we were experiencing revenue shortfalls against our budget, and that if improvements were not made, we would lose somewhere between \$50,000 and \$80,000. I am very pleased to report that we ended the year with a surplus of nearly \$20,000. This was due primarily to the positive response from you, our parishioners, by increasing your weekly and special collections during the second half of the fiscal year, including approximately \$50,000 in one-time special donations, and it was also due to excellent control of expenses by Fr. Greg and everyone on the parish staff.

To summarize the Parish financial performance last year, actual total revenues were \$1,127,000 compared with a budgeted amount of \$1,121,000, so we were able to exceed our budget by \$6,000 on revenues. In terms of expenses, total budgeted expenses were \$1,121,000, and total actual expenses were \$1,107,000, a savings against budget of approximately \$14,000. Combined, these positive variances resulted in the \$20,000 surplus I mentioned above. From a cash savings standpoint, we ended the year with approximately \$74,000 more cash than last year's ending balance. This is important because the operating results that I just summarized do not include an accounting charge for depreciation, so it is critical that we try to add to savings each year in order to be able to handle significant repairs or replacement of our buildings over time.

Looking forward to the current fiscal year, we are again planning for a balanced budget with revenues and expenses equal to \$1,030,000, which represents a decrease of 9% from last year's revenue levels. We believe this is prudent financial planning, given that recent trends have shown our mass attendance and collections have been declining slowly. By matching expenses to this lower revenue amount, we hope to insure no worse than break-even performance without counting on high-risk unplanned donations.

In closing, I would again like to thank and congratulate our loyal and generous parishioners, and the hard-working, conscientious Parish staff led by our pastor, Fr. Greg Kim. By contributing to solid fiscal results, we all help to preserve our legacy of faith here at St. Joseph of Cupertino Church.