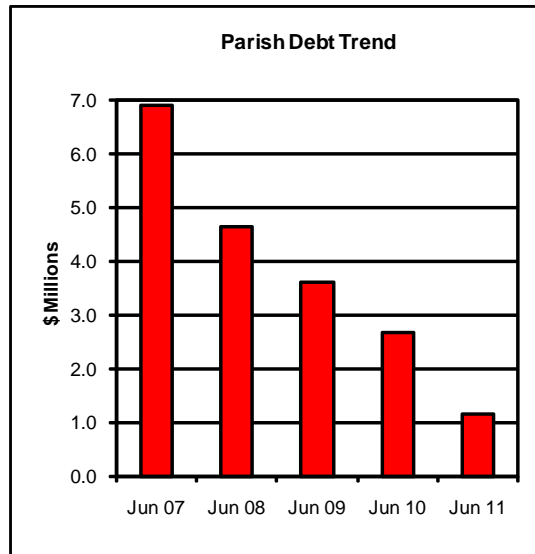


ST. MATTHEW CATHOLIC CHURCH
Annual Financial Report
Year Ending June 30, 2011

Parish Balance Sheet

\$ In Thousands	June 30	
	2011	2010
Cash	\$ 2,310	\$ 2,232
Land	5,283	5,279
Rectory	165	165
Parish Center	1,806	1,806
Church Sanctuary	4,932	4,928
New Life Ctr and Education Bldg	16,039	16,039
MACS Equity Education Bldg	(5,500)	(5,500)
Furniture/Equipment/Vehicles	2,151	1,864
Total Assets	\$ 27,185	\$ 26,813
Accounts Payable/ Other Current	\$ 151	\$ 199
Note Payable	1,167	2,683
Other	330	279
Total Liabilities	1,648	3,161
Parish Equity	25,537	23,652
Total Liabilities and Equity	\$ 27,185	\$ 26,813



- **All donations received through our monthly debt reduction collection have been used to prepay our remaining construction debt.**
- The current note payable balance represents the remaining borrowing for the construction of parish facilities. The original loan was for \$10.4 million and has been repaid with payments received through two capital campaigns, the first from 1999-2002 and the second from 2003-2009, and from our monthly debt reduction collections.
- During June 2008, the Parish refinanced our note payable with a more favorable interest rate and a term consistent with the original loan.
- St. Matthew continues to reduce its debt obligations, from \$6.9 million at 6/30/07 to \$1.2 million at 6/30/11. By making multiple principal prepayments and refinancing our original debt to a lower rate, **the parish has saved about \$300,000 of interest expense** and will be repaid 18 months sooner than its original term.
- Now that the capital campaign is essentially completed, **we are dependent on strong future offertory and debt collections to meet the remaining debt obligations.**
- The parish has \$2.3 million of cash held in interest earning checking and savings accounts as of June 30, 2011. This represents about four months of operating expenses and debt payment obligations. **The cash is a reserve against the projected deficit for next fiscal year, further declines in offertory collections, and the increasing needs of our parish community.** Given current economic conditions and the conclusion of our capital campaign, the finance council believes maintaining strong cash reserves is both necessary and prudent.

Financial Highlights...

- Our parish has been a good steward of the financial contributions of its members—expanding our ministries and community outreach, while providing necessary reserves for future economic challenges and required debt payments.
- Offertory collections grew by 9% driven by a 5% increase in households and a modest increase in average contribution per registered household from \$55 to \$57 per month.
- During this economic downturn, the parish was able to retire \$1.5 million of debt (including a prepayment of \$250,000), limit total parish expenditures to budget, and fund half the salary of a Disability Specialist at Urban Ministry Center who assists the chronically homeless in obtaining disability income.
- Future debt payments must be made solely from offertory and debt reduction collections. Debt payments in 2011 exceeded debt reduction collections by \$1.3 million. Additionally, our current year budget anticipates a net deficit of (\$96,000). Therefore, **we are striving to build cash reserves to be prepared for these future events.**

Beyond the financial data—it's all about how we outreach to impact lives. Over the past year our parish...

- Sponsored, built and financed our sixth Habitat for Humanity house;
- Collected over \$22,000 in our Life Teen Just Cause Fast to help fight gang violence, both locally and in El Salvador;
- Responded to the emergency need for the Salvation Army's Center of Hope with a gift of \$25,000, supporting homeless women and children in Charlotte;
- Contributed to the emergency relief efforts of Eastern North Carolina, and Japan;
- Sent 100 tons of food and supplies to Haiti, Jamaica and Africa during our World Food Drive;
- Supported Christians of the Holy Land with a gift of \$5,000 to the Latin Patriarchate of Jerusalem;
- Provided mission support of \$29,000 to Kabale, Uganda;
- Supported local families in life-crisis situations by staffing five clinical counselors, and hosting 17 support groups on our campus;
- Contributed \$520,000 to diocesan charitable efforts through the Diocesan Support Appeal;
- Helped over 2,000 at Thanksgiving, Christmas and Easter by providing food baskets and gifts;
- Fed the needy within our community through our food pantry and delivery of over 30,000 sandwiches to local shelters;
- Welcomed 73 new Catholics to the faith via the RCIA program;
- Celebrated 575 first Holy Communions and confirmed 470 young Catholics;
- Educated over 6,000 youth of our Parish through our vibrant faith formation programs and our contributions of \$790,000 to the Mecklenburg Area Catholic School system; and
- Supported and strengthened over 100 ministries and programs of our parish.

Statement of Revenue and Expenditures

Year Ending June 30

<u>In \$ Thousands</u>	<u>Actual</u>		<u>Budget</u>	<u>Variance</u>	<u>Budget</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>		<u>2012</u>
Offertory	\$ 5,320	\$ 5,808	\$ 5,300	\$ 508	\$ 5,840
Education Building Rent	224	226	216	10	228
Faith Formation fees	243	234	228	6	67
Donations	91	113	64	49	228
Other	250	197	126	71	138
Total Operating Revenue	\$ 6,127	\$ 6,578	\$ 5,934	\$ 644	\$ 6,501
Clergy and Lay Personnel	\$ 1,173	\$ 1,339	\$ 1,335	\$ 5	\$ 1,526
Faith Formation & Programs	803	789	818	(29)	861
MACS Subsidy	676	790	790	(0)	792
Facilities Operating Expense	544	553	552	1	555
Education Building Expense	351	318	339	(20)	330
Diocesan Assessments	379	440	470	(29)	485
Charity	400	384	369	15	435
Other	235	275	241	35	258
Facilities Improvements	217	266	225	41	380
Total Operating Expenditures	\$ 4,777	\$ 5,156	\$ 5,138	\$ 18	\$ 5,621
Operating Surplus	\$ 1,350	\$ 1,422	\$ 796	\$ 626	\$ 879
Capital Campaign Receipts	\$ 78	\$ -	\$ -	\$ -	\$ -
Debt Reduction Collections	277	277	264	13	176
Other	9	14	4	10	8
Debt Principal Payments	(1,393)	(1,515)	(1,265)	(250)	(1,125)
Debt Interest Payments	(144)	(94)	(94)	(0)	(35)
Financing Surplus (Deficit)	\$ (1,173)	\$ (1,318)	\$ (1,091)	(227)	\$ (975)
Net Surplus (Deficit)	\$ 177	\$ 104	\$ (295)	\$ 399	\$ (96)

Challenges Ahead...

- Being ready to financially respond to the increasing needs of our parish of over 8,500 households and community in these challenging economic times;
- Keeping the offertory collections strong in an uncertain and difficult economic environment;
- Continuing to operate in a mode of ‘conscious frugality’ and strict cost management; and
- Meeting scheduled debt repayment terms. Debt payments in 2011 exceeded debt reduction collections by about \$1.3 million.

What You Can Do...

- St. Matthew is a tithing parish, giving a minimum of 10% of our offertory to those in need. All households are encouraged to participate in this generosity by giving back a portion of their income to the church in grateful appreciation of God’s blessings, and in good stewardship;
- **Consider your level of financial stewardship and the possibility of increasing that giving if you are able. Given that many in our parish family are experiencing economic hardships, it is critical for those that are able to fully and consistently support the parish.** Specifically,
 - Consider utilizing Faith Direct (electronic giving using your bank account or credit card) as a safe and convenient method of giving. Call 866-507-8757 or visit www.faithdirect.net (using our parish church code of NC36).
 - If you are new to the parish and did not participate in our capital campaigns, consider increasing your debt reduction offering taken as a second collection on the first Sunday of each month;
 - For those who have not given to your parish previously, start now! Any amount will be graciously accepted. While one gift may seem insignificant by itself, together we can accomplish much (recall the success of our World Food Drive!);
- **Volunteer** in one of the many ministries that St. Matthew supports (visit the Ministry Fair to be held after mass the weekend of September 10 & 11 to learn more about all our ministries);
- Stay informed about St. Matthew via the website, www.stmatthewcatholic.org; and
- **Pray** for the success of our parish!

*We are most grateful for all those who financially and prayerfully support our Parish. Despite the difficult economic environment, many parishioners have maintained or stepped up their level of financial support... **THANK YOU!** Although there are challenges ahead, we are confident in the continued support of the many generous benefactors of our parish.*

Parish Finance Council

Kevin O’Hara, Chair

Keith Butler, Bob Desch, Darren Earnhardt, Bill Kane, Ray Misiunas, Mike Ruff and Joan Slep