

**Annual Financial Report  
St. Catherine of Siena Catholic Church  
Fiscal Year Ended June 30, 2010**

**THANK YOU VERY MUCH FOR YOUR CONTINUED SUPPORT!**

**Commentary on Financial Results**

The new church building project was completed in June of 2010. The total cost of the project since inception was \$8,343,000. Thanks to the prior efforts of Father Finnegan, to those who took part in the Capital Campaign, to those who contributed to the monthly building fund collections and to the tireless work of Father Malley, the parish staff and volunteers, most of the money for the project has been provided. After all the dust settled in September 2010, the mortgage loan was approximately \$1,850,000. This was reduced in November by \$300,000 through a payment from existing savings and will be further reduced as collection of the outstanding pledges and monthly building fund collections take place. In addition, the parish expects to conduct a capital campaign in the near future. More detail on building finances is on Page 3, Cash Flows.

Operationally, the parish had a good year with a positive cash flow of \$53,683. However, there was both good news and not so good news. On the 'good news' side, investment earnings and bequests were significantly over budget by \$25,000 and \$45,000, respectively. In addition, expense management kept salary and benefit costs under budget by approximately \$35,000. On the 'not so good news' side, our offertory, while comparable to the previous year, was 4% below our budget and the parish also had to make up a \$55,000 shortfall in the Annual Pastoral Appeal pledges. Nonetheless, it was the first year in the last several where operational cash flow was on the positive side.

As we look towards 2011, there are a number of challenges. The new church will bring increased operational costs as routine maintenance, insurance and utility costs will increase significantly. At the same time, it's unlikely that the parish will enjoy the same level of investment return nor can it rely on receiving significant bequest money, both of which certainly helped this past year. Lastly, it looks like the deficit for our Annual Pastoral Appeal assessment will be close to \$60,000. Accordingly, the budget for next year projects an operational loss of \$78,000.

While the parish goal is to annually operate within the level of our ongoing revenue, there has been much uncertainty over the past few years. From a financial position standpoint, the parish has operational funds of \$493,000 (after the October loan payment), pastoral funds of \$141,000 and available educational funds of \$97,000 to meet the ongoing needs of the parish. These funds provide a comfortable timeframe while we work through the uncertainties of the next couple years and attempt to reach a 'balanced budget'. At the same time, the parish has the loan of \$1,500,000, which will need to be repaid. So, significant challenges indeed lie ahead.

Any questions or comments on this report or the finances of the parish should be directed to the Finance Committee through Kate Hargrove, the Parish Manager, [hargrove@scosparish.com](mailto:hargrove@scosparish.com), 727

**Balance Sheet**  
**St Catherine of Siena Catholic Church**  
**As of June 30, 2010**

**Liquid Assets**

Checking Account	\$10,977
Operational Savings	\$782,630
Pastoral Savings	\$141,014
Educational Endowment Funds (2)	\$459,549
Building Funds (1)	\$128,186
Deposits (3)	<u>\$46,000</u>

**Total Liquid Assets** **\$1,568,356**

**Property & Equipment, at original cost**

Land	\$622,315
New Church Building	\$7,451,657
Finnegan Center	\$1,052,576
Rectory & Office	\$381,169
Church Furniture & Equipment	\$878,610
Rectory Furniture & Equipment	\$61,858
Houses & Other	<u>\$178,975</u>

**Total Property & Equipment** **\$10,627,160**

**Total Assets** **\$12,195,516**

**Liabilities - Mortgage - Sun Trust Bank (4)** **\$1,978,151**

**Surplus** **\$10,218,365**

**Total Liabilities & Surplus** **\$12,196,516**

(1) Building Funds do not include \$389,000 of uncollected outstanding pledges from the original capital Campaign; these are being collected in the ordinary course of business and applied to the outstanding mortgage as collected. Of the building funds on hand, \$50,000 has been allocated to pending improvements to the Finnegan Center and the balance was applied to the outstanding mortgage in July 2010.

(2) Educational Endowment Funds include accumulated investment earnings of \$97,000, which can be used for educational purposes only. Principal amounts of \$362,000 are restricted from use.

(3) Deposits relate to right of way deposits for church construction and will be recovered in Fiscal Year 2011.

(4) The Sun Trust mortgage is at an interest rate of Libor + 3% (currently 3.25%) and is on an interest only basis until January, 2013 at which time any remaining balance will be converted to a monthly mortgage amortized over 20 years, with a balloon payment due in the eighth year.

**Actual Cash Flow**  
**St. Catherine of Siena Catholic Church**  
**Year Ended June 30, 2010**

<u>Revenues</u>	<u>Recurring Operations</u>	<u>New Building Related (1)</u>
Offertory Collection	\$827,571	
Building Fund Collections		\$115,896
APA Collections (2)	\$93,340	
Capital Campaign Receipts		\$422,846
Donations & Bequests	\$68,813	\$33,950
Diocesan Collections	\$62,707	
Ministry and Other Income	\$115,599	
Investment Earnings	<u>\$66,691</u>	
<b>Total Revenues</b>	<b><u>\$1,234,721</u></b>	<b><u>\$572,692</u></b>
<u>Expenditures</u>		
Salaries & Employee Benefits (3)	\$587,671	
New Church Expenditures		\$4,263,863
APA Expenditure (2)	\$147,685	
Facility Related	\$175,159	
Ministry	\$85,266	
Diocesan Collections	\$62,707	
School Subsidy	\$43,132	
Interest Expense		\$9,458
Other Expenditures	<u>\$79,418</u>	
<b>Total Expenditures</b>	<b><u>\$1,181,038</u></b>	<b><u>\$4,273,321</u></b>
<b>Net Cash Flow/(Deficit)</b>	<b><u>\$53,683</u></b>	<b><u>(\$3,700,629)</u></b>

(1) The amounts shown above relate solely to the activity in this fiscal year. The aggregate cost of the new church and renovations was \$8,343,117 and the funding status is summarized below:

Mortgage as of June 30, 2010	\$1,978,151
Building Funds on hand	(\$128,186)
Unpaid Remaining Costs	\$153,000
Expected Remaining Pledge Collections	<u>(\$250,000)</u>
Projected Debt Balance	<u>\$1,752,965</u>

The church is aware of a pending bequest of which \$150,000 will be applied to the outstanding debt. The Church also made a debt reduction payment of \$350,000 in October 2010.

(2) The APA deficiency of \$54,345 is paid from regular offertory funds. The deficiency is the difference between the Diocesan assessment of \$147,685 and the parishioners' contributions received of \$93,340.

(3) Salaries and Employee Benefit includes \$389,938 representing the cost of 2 priests, visiting clergy, 2 religious ministers, 3 part-time musicians, 3 office and 2 maintenance employees and a youth director. It also includes \$197,733 representing the cost of employee benefits related to these employees, including payroll taxes, health insurance, retirement contributions and automobile expense.

**Budgeted Cash Flow**  
**St. Catherine of Siena Catholic Church**  
**Year Ending June 30, 2011**

	<u>Recurring Operations</u>	<u>Building &amp; Mortgage Activity</u>
<b><u>Revenues</u></b>		
Offertory Collection	\$846,787	
Building Fund Collections		\$77,826
APA Collections	\$90,000	
Capital Campaign Receipts		\$125,000
Donations & Bequests	\$35,000	
Diocesan Collections	\$47,000	
Ministry and Other Income	\$76,500	
Investment Earnings	<u>\$35,664</u>	
<b>Total Revenues</b>	<b><u>\$1,130,951</u></b>	<b><u>\$202,826</u></b>
<b><u>Expenditures</u></b>		
Salaries & Employee Benefits	\$590,154	
Capital Expenses		\$153,000
APA Expenditure	\$152,000	
Facility Related	\$192,974	
Ministry	\$33,000	
Diocesan Collections	\$47,000	
School Subsidy	\$37,300	
Interest Expense		\$64,809
Other Expenditures	<u>\$156,449</u>	
<b>Total Expenditures</b>	<b><u>\$1,208,877</u></b>	<b><u>\$217,809</u></b>
<b>Net Cash Flow/(Deficit)</b>	<b><u>(\$77,926)</u></b>	<b><u>(\$14,983)</u></b>