

**ST. CATHERINE OF SIENA CATHOLIC CHURCH
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011**

Commentary on Financial Results

This was the first fiscal year following the completion of our new church. Overall we saw better than expected financial results. The following represents the financial highlights:

- Cash flow from operations was a positive \$19,645
- Operational revenue grew \$89,000 or 7% over the previous year; offertory increased 6% and investment earnings were up by \$36,000
- Operating expenses also increased with our new church; utility costs were up \$36,000, insurance expense increased \$26,000 and routine maintenance and IT system enhancements were up as well
- Our APA deficiency was \$46,000; this shortfall of APA collections compared to our Diocesan assessment came out of our parish operating results
- Successfully completed a secondary capital campaign
 - reduced our debt and began an endowment fund for parish ministries
 - this initiative positively positions our church for future years
- Building Fund offertory remained strong and collections from our capital campaigns remain on track allowing us to fund the interest costs of \$50,000 and reduce our SunTrust mortgage loan during the fiscal year by \$618,000, including the use of \$300,000 from our existing savings to pay down debt
- Total outstanding debt at June 30, 2011 was \$1,360,000. This was reduced by \$180,000 this past summer with funds on hand in June
- Outstanding pledges from our two capital campaigns are \$975,000

There remains much to be done. This coming year will be a year of change in many ways. The emphasis financially will be to keep doing what we're doing, stay ahead operationally, continue to reduce our outstanding debt and build our endowment for parish ministries.

It is only through the generosity of our parishioners that St Catherine of Siena is able to be successful.

Thank You for your continuing support!

Prepared by your Finance Council:

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**St. Catherine of Siena Catholic Church
Balance Sheet**

	As of June 30	
	<u>2011</u>	<u>2010</u>
<u>Liquid Assets</u>		
Checking Account	\$36,533	\$10,977
Operational Savings	\$376,658	\$783,630
Pastoral Savings	\$153,213	\$141,014
Educational Endowment Funds (2)	\$513,739	\$459,549
Building/Endowment Funds (1)	<u>\$214,812</u>	<u>\$128,186</u>
Cash & Invested Assets	\$1,294,955	\$1,523,356
Bequest Receivable	\$62,500	\$0
Deposits	<u>\$9,200</u>	<u>\$46,000</u>
Total Liquid Assets	\$1,366,655	\$1,569,356
 <u>Property & Equipment, at original cost</u>		
Land	\$622,315	\$622,315
New Church Building	\$7,501,657	\$7,451,657
Finnegan Center	\$1,052,576	\$1,052,576
Rectory & Office	\$381,169	\$381,169
Church Furniture & Equipment	\$878,610	\$878,610
Rectory Furniture & Equipment	\$61,858	\$61,858
Houses & Other	<u>\$178,975</u>	<u>\$178,975</u>
Total Property & Equipment	<u>\$10,677,160</u>	<u>\$10,627,160</u>
Total Assets	<u>\$12,043,815</u>	<u>\$12,196,516</u>
 <u>Liabilities</u>		
Mortgage - SunTrust (3)	\$1,359,688	\$1,978,151
Stained Glass cost accrual	<u>\$50,000</u>	<u>\$0</u>
Total Liabilities	\$1,409,688	\$1,978,151
 <u>Surplus</u>		
Total Liabilities & Surplus	<u>\$10,634,127</u>	<u>\$10,218,365</u>
Total Liabilities & Surplus	<u>\$12,043,815</u>	<u>\$12,196,516</u>

(1) Building Funds do not include \$974,930 of uncollected pledges from capital campaigns, which are being collected in the ordinary course of business. Of the building funds on hand at June 30, 2011, \$181,000 will be applied to the debt and the balance will be used for the Endowment for Faith Formation.

(2) Educational Endowment Funds include accumulated investment earnings of \$152,000, which can be used for educational purposes only. Principal amounts of \$362,000 are restricted from use.

(3) The SunTrust 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.

**St. Catherine of Siena Catholic Church
Cash Flow From Operations**

	<u>Year Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Offertory	\$877,718	\$827,571
APA Collections (1)	\$106,276	\$93,340
Donations & Bequests	\$63,550	\$68,813
Diocesan Collections	\$37,286	\$62,707
Ministries & Other Income	\$141,029	\$115,599
Investment Earnings	<u>\$97,835</u>	<u>\$66,691</u>
	<u>\$1,323,694</u>	<u>\$1,234,721</u>
<u>Expenditures</u>		
Salaries & Employee Benefits (2)	\$601,946	\$595,098
APA Assessment (1)	\$152,644	\$147,685
Facility Costs (3)	\$260,811	\$164,255
Ministry	\$96,213	\$85,266
Diocesan Collections	\$37,236	\$62,707
School Subsidies	\$32,081	\$43,132
Other Expenses	<u>\$123,118</u>	<u>\$82,895</u>
	<u>\$1,304,049</u>	<u>\$1,181,038</u>
Net Cash Flow from Operations	<u>\$19,645</u>	<u>\$53,683</u>

(1) The APA deficiency of \$46,368 is paid from regular offertory funds and represents the difference between the Diocesan assessment of \$152,644 and parishioner contributions of \$106,276.

(2) Salaries and employee benefits includes \$403,746 representing the cost for 2 priests, visiting clergy, 2 religious ministers, 2 musicians, 3 office workers, 2 maintenance employees and a youth director. Employee benefits include payroll taxes, health insurance, retirement contributions and automobile expense.

(3) Facility cost increases are associated with utility cost (\$36,000), insurance (\$26,000) and increased levels of repair and maintenance costs.

Certain amounts from the previous year have been reclassified to conform to the current year classification.

**St. Catherine of Siena Catholic Church
Cash & Invested Asset Activity
Year Ended June 30, 2011**

Cash & Invested Assets - June 30, 2010	\$1,523,356
Cash Flow from Operations - see page 3	\$19,645
Building/Capital Cash Inflow	
Building Fund Collections	\$98,290
Capital Campaign Collections	\$385,503
Deposit Refund	\$36,800
Other Transfers	<u>\$46,000</u>
	<u>\$566,593</u>
Building/Capital Cash Outflow	
Building Costs (1)	(\$51,000)
Capital Campaign Costs	<u>(\$95,172)</u>
	<u>(\$146,172)</u>
Financing Transactions	
Interest Expense	(\$50,004)
Debt Repayment	<u>(\$618,463)</u>
	<u>(\$668,467)</u>
Cash & Invested Assets - June 30, 2011	<u>\$1,294,955</u>

(1) Represents the approximate cost of uncapitalized improvements to the Finnegan Center.