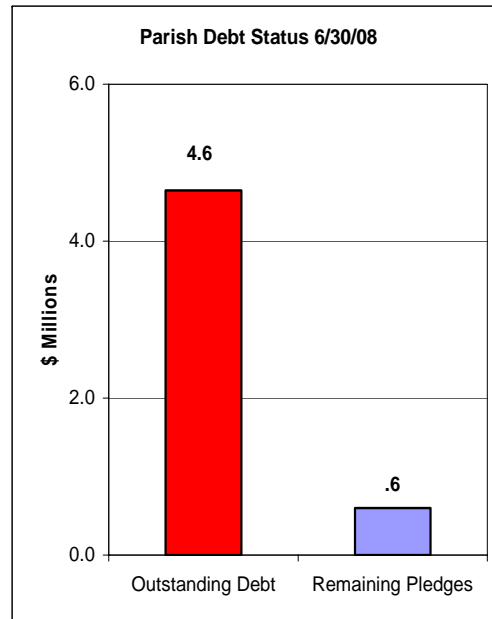


Parish Balance Sheet and Note Payable...

\$ In Thousands	June 30	
	2008	2007
Cash	\$ 1,180	\$ 1,211
Land	4,769	4,755
Rectory	156	156
Parish Center	1,806	1,806
Church Sanctuary	4,849	4,791
New Life Ctr and Education Bldg	16,039	16,039
MACS Equity Education Bldg	(5,500)	(5,500)
Furniture/Equipment/Vehicles	1,723	1,533
Total Assets	\$ 25,022	\$ 24,791
Accounts Payable/ Other Current	\$ 377	\$ 131
Note Payable- Wachovia	83	6,928
Note Payable- Diocese	4,563	0
Other	226	189
Total Liabilities	5,249	7,249
Parish Equity	19,773	17,542
Total Liabilities and Equity	\$ 25,022	\$ 24,791



- 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 begun in 2003. The 2003 campaign is scheduled to be completed in 2009;
- **As of June 30, 2008, the parish has \$4.6 million of debt remaining, and only \$600,000 of remaining unpaid campaign pledges,** leaving a \$4 million shortfall in funds necessary to pay off our current debt and future interest costs;
- **We are dependent on strong future offertory collections to retire the remaining debt;**
- Due to strong offertory collections, prepayments of principal on our note payable of \$1.5 million were made during the current year;
- During June, the parish refinanced our note payable with a favorable interest rate and the same term as our original note. Our current loan is with the Diocese of Charlotte and has a fixed interest rate of 4.69% and a four year term; and
- The parish has \$1.2 million of cash held in interest earning checking and savings accounts as of June 30, 2008. This represents about 2.5 months of operating expenses and debt payment obligations. This cash is viewed as a reserve against unexpected drops in offertory collections and/or any unforeseen needs of our parish community.

ST. MATTHEW CATHOLIC CHURCH
Annual Financial Report
Year Ending June 30, 2008

Financial Highlights...

- Our parish has been a good steward of the financial contributions of its members--strengthening our ministries and community outreach, while retiring \$2.5 million of construction debt during the year;
- Growth in offertory collections reflected the approximately 10% growth in parish membership to 7006 households at June 30, 2008 as well as positive responses to our annual Stewardship of Treasure renewals;
- **The continuing growth in offertory is critical to the parish over the next four years as our capital campaign expires in 2009 and only offertory and debt reduction collections will be available to make debt payments;**
- Capital campaign receipts were \$77,000 below amounts due; and
- The number of households utilizing our electronic giving program increased such that nearly 20% of our total offertory collections are now being received through Faith Direct.

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

- Supported and strengthened the over 100 ministries and programs of our parish;
- Sponsored our fifth Habitat for Humanity house;
- Contributed \$455,000 to the Diocesan Support Appeal;
- Collected over 100,000 tons of food and supplies for the hungry in Haiti ;
- Supported families in life-crisis situations by staffing five clinical counselors, and hosting 17 support groups on our campus;
- Helped over 2000 individuals 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 over 1,000 new families to St. Matthew and 70 new Catholics to the Faith via the RCIA program;
- Celebrated 510 first Holy Communions and confirmed 372 young Catholics;
- Strengthened the faith of over 1,000 parishioners through the 'Why Catholic?' program; and
- Educated over 4,800 youth of our parish through our vibrant faith formation programs and our contributions to the Mecklenburg Area Catholic School system.

Truly we strive every day to be true to our parish mission by "loving Christ above all things and our neighbor as ourselves".

ST. MATTHEW CATHOLIC CHURCH
Statement of Revenue and Expenditures

	Year Ending June 30			
	2007 Actual	2008 Budget	2008 Actual	2009 Budget
\$ In Thousands				
Offertory	\$ 3,932	\$ 4,050	\$ 5,018	\$ 4,965
Educator Building Rent	242	240	252	240
Faith Formation Fees	228	245	208	240
Donations	197	51	69	45
Other	102	116	166	121
Total Operating Revenue	\$ 4,701	\$ 4,703	\$ 5,712	\$ 5,611
Clergy and Lay Personnel	\$ 798	\$ 1,034	\$ 1,045	\$ 1,212
Faith Formation and Programs	636	760	734	802
MACS Subsidy	614	666	666	670
Facilities Operating Expense	503	514	527	530
Education Building Expense	346	331	317	338
Diocesan Assessments	326	376	371	413
Charity	263	286	274	370
Other	235	256	266	259
Facilities Improvements	61	75	252	220
Total Operating Expenditures	\$ 3,781	\$ 4,298	\$ 4,452	\$ 4,815
Net Operating Revenue (Note 1)	\$ 920	\$ 404	\$ 1,260	\$ 797
Capital Campaign Receipts	\$ 1,256	\$ 1,159	\$ 1,082	\$ 465
Debt Reduction Collections	166	136	184	150
Other	67	41	74	56
Debt Interest	(527)	(444)	(620)	(192)
Debt Principal Payments (Note 2):				
Regularly Scheduled	(1,144)	(978)	(978)	(1,254)
Prepayments			(1,500)	
Financing Deficit	\$ (183)	\$ (86)	\$ (1,758)	\$ (775)
Net Surplus (Deficit)	\$ 737	\$ 318	\$ (498)	\$ 22

Note 1: Net operating revenue amounts were used to pay debt principal and interest payments and will be critical in the future as the Capital Campaign is completed in 2009.

Note 2: In June 2008, the parish refinanced the construction debt with Wachovia with a note payable to the Diocese. See back page for further details.

Challenges Ahead...

While we are most grateful for all those who financially and prayerfully support our parish, the finance council is concerned about the following statistics/trends:

- Receipts from capital campaign pledges will end in 2009 prior to our debt being retired, leaving an estimated \$4 million of debt that will need to be paid from our operating receipts;
 - As an example, without the capital campaign/debt reduction receipts, our expenses and scheduled debt payments would have exceeded our receipts by \$338,000 over the past year. Once current pledges are fulfilled in 2009, given current offertory giving levels, parish receipts will fall short of operating expenses and debt payment obligations;
- Delinquencies on pledged capital campaign payments are rising; and
- Nearly half (47%) of our registered households do not provide regular financial support to the parish.

What You Can Do...

- **Prayerfully consider the amount of your stewardship of treasure. Specifically,**
 - Make regular use of your weekly envelopes, or consider utilizing Faith Direct (planned electronic giving using your bank account or credit card) as a safe and convenient way to contribute to St. Matthew. Call 866-507-8757 or visit www.faithdirect.net and sign up as a member of St. Matthew (church code NC36);
 - If your campaign pledge is fulfilled or you are new to the parish and did not participate in this campaign, consider increasing your debt reduction offering taken as a second collection on the first Sunday of each month;
 - If your campaign pledge is not yet fulfilled, remain faithful to your remaining capital campaign pledge;
- **Volunteer** in one of the many ministries that St. Matthew supports (visit the Ministry Fair to be held after mass the weekend of September 20 & 21 to learn more about all our ministries);
- Stay informed about St. Matthew via the website, www.stmatthewcatholic.org; and
- Take pride in your role supporting our parish and our broader communities!

Although there are challenges ahead, we are confident in the support of the many generous benefactors of our parish. We thank you all. Working together, we can vibrantly live our mission of “loving Christ above all things and our neighbor as ourselves”.

Parish Finance Council

Kevin O’Hara, Chair

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