

Dear Friends in Christ,

This is a heart-wrenching time for our Church. The recent reports of the failure of some Church leaders to protect the most vulnerable among us has filled us with anger and sorrow. As Christian stewards, this is not the time to stand idly by, helpless or disengaged. Rather, we are called to participate in the healing and guiding work of the Holy Spirit.

We begin by praying for the victims and their families and act with new resolve to reform the structures that have abetted any wrongdoing. We must embrace a greater awareness of our stewardship of the Church. Our Church is found in the Eucharistic celebrations in our parishes around the diocese. It is found in the religious education of our young people, in our care for the elderly and those less fortunate, and in the many ways we give witness to the loving presence of Christ and offer hope to a suffering world.

For my part, I continue to seek the best counsel possible from many good sources to, in the words of Pope Francis, “create a culture to prevent the possibility of this ever repeating, or the possibility of being covered up and perpetuated.” As your bishop, I am committed to being fully transparent and accountable regarding all personnel and financial issues.

The condensed financial information presented here is taken from the annual audit performed by an independent, certified public accounting firm. Let me assure you that all Bishop’s Annual Appeal funds are used, without exception, to support the vital ministries and services offered by the Diocese of Metuchen. These contributions are never used to pay legal fees or settlements from sexual abuse cases. In fact money contributed to the Appeal helps to fund programs to prevent sexual misconduct in any form through the Office of Child & Youth Protection.

Please continue to pray that healing, truth and hope may be found throughout our universal Catholic Church. As we persevere throughout the current crisis, may we be active instruments of God’s mercy and faithful stewards of the Gospel through prayer, word and deed.

With renewed best wishes, I remain

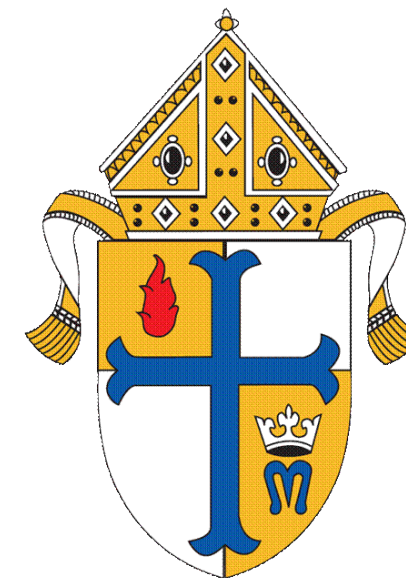
Yours in Christ,

Most Reverend James F. Checchio, JCD, MBA
Bishop of Metuchen

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PO Box 191
Metuchen, NJ 08840-0191

Diocese of Metuchen



FINANCIAL SUMMARY

For the Fiscal Year Ended June 30, 2018

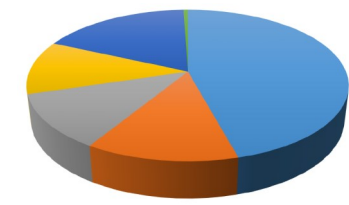
Assets	2018
Cash and cash equivalents	\$ 12,918,410
Accounts and loans receivable from parishes, net	15,729,809
Contributions receivable, net	535,967
Prepaid expenses and other assets	3,666,902
Note Receivable, net	15,826,812
Investments primarily for parishes, cemeteries, perpetual care, insurance reserves and donor restricted funds	150,576,507
Inventory of Crypts	9,404,657
Property and equipment, net	18,937,082
TOTAL ASSETS	\$ 227,596,146

Statement of Activity and Changes in Net Assets	2018
Operating support and revenue	\$ 66,370,821
Operating expenses	\$ 53,353,560
Increase in unrestricted net assets from operations	\$ 13,017,261
Non operating revenue	4,756,180
Increase in unrestricted net assets	\$ 17,773,441
Decrease in temporarily restricted net assets	(26,717)
Increase in net assets	\$ 17,746,724
Net assets, beginning of the year	\$ 79,452,130
NET ASSETS, END OF THE YEAR	\$ 97,198,854

Liabilities and Net Assets	2018
LIABILITIES:	
Accounts payable and accrued expenses	\$ 2,865,700
Deferred revenue and support	4,694,116
Custodial Funds	1,335,061
Clergy pension & post-retirement obligations	23,660,751
Loans payable	23,488,268
Self Insurance	
Incurred But Not Reported (IBNR) reserves	5,095,818
Obligation due under split-interest agreements	80,936
Funds held for parishes, parish cemeteries and affiliates	69,176,642
TOTAL LIABILITIES	\$ 130,397,292
NET ASSETS:	
Unrestricted net assets	\$ 94,754,280
Temporarily restricted net assets	1,698,367
Permanently restricted net assets	746,207
TOTAL NET ASSETS	\$ 97,198,854
TOTAL LIABILITIES & NET ASSETS	\$ 227,596,146

Statement of Cash Flows	2018
Net cash provided by operating activities	\$ 9,387,356
Net cash used by investing activities	(23,447,588)
Net cash provided by financing activities	6,174,387
Net decrease in cash and cash equivalents	\$ (7,885,845)
Cash and cash equivalents, beginning of the year	\$ 20,804,255
Cash and cash equivalents, end of the year	\$ 12,918,410
Supplemental Data:	
Interest Paid	\$ 2,727,471

Support and Revenue	Revenue	Percent
FY 17-18		
Program Revenue	\$ 30,392,605	46%
Assessments	8,588,117	13%
Bishop's Annual Appeal	7,652,544	12%
Cemeteries	7,640,972	12%
Investment Income	11,751,455	18%
Donations & Bequests	345,128	1%
	<u>\$ 66,370,821</u>	<u>100%</u>



Operating Services	Expense	Percent
FY 17-18 Items		
Health Insurance and Property & Liability Insurance Claims/Premiums Paid	\$ 21,540,662	40%
Parish/Cemetery/Affiliate Interest on Deposits, School and Catholic Spirit Subsidies	9,984,347	19%
Parish, Cemetery & Diocesan Support Services Pastoral	6,498,547	12%
Cemeteries	2,003,426	4%
Priestly Ministry & Formation	5,468,308	10%
Diocesan Properties Operations, Maintenance and Depreciation	2,892,690	5%
Catholic Charities	2,166,083	4%
Development	1,700,000	3%
	<u>\$ 53,353,560</u>	<u>100%</u>

