### Partners in Charity

**Revenue Sources:**
- Donations: $4,835,998
- Less Uncollected Pledges: 259,783
- Available Funds for Use: $4,576,215

**Use of Funds:**
- African Ministry: $44,199
- Campus Ministry: 83,631
- Catholic Charities: 350,000
- Central Catholic Schools Subsidy: 102,277
- Development: 336,748
- Diocesan Cemetery System: 119,098
- Office of Marriage & Family: 41,116
- Central Schools Assessment Subsidy: 24,850
- Communications: 202,767
- Office of Divine Worship: 65,297
- Office of Ongoing Priestly Formation: 26,969
- Minister to Priests: 57,874
- Advance Studies for Clergy & Laity: 49,649
- Pastoral Planning: 14,447
- Permanent Diaconate Program: 68,276
- Pemet Family Health: 30,000
- Priests’ Retirement Fund: 865,000
- Religious Education: 301,743
- Respect Life Office: 54,138
- Retired Priests’ Ministry: 58,916
- Seminarian Education: 311,729
- Special Projects: 57,407
- Subsidy to St. Paul Cathedral: 136,734
- Superintendent of Schools: 243,446
- Vocations & House of Studies: 323,937
- Youth Ministry: 25,036
- Administration: 127,264

**Total Use of Partners in Charity Funds:** $4,722,017

**Partners in Charity Expenses over Revenue:** ($145,802)

### Central Catholic Schools

**Revenue Sources:**
- Tuition: $10,444,331
- Fund Raising & Non-Educational: 923,699
- Bookstore Income: 159,908
- Parish Assessment: 73,100
- Other Income: 197,150

**Expenditures:**
- Educational Expenses: $11,269,494
- Fundraising & Non-Educational: 382,683

**Central Catholic Schools Operations:** $146,011

**Other:**
- **Partners in Charity Funding**: 102,277
- Depreciation: 122,330

**Revenue over Expenses:** $710,787

### St. John Cemetery System

**Revenue Sources:**
- Revenues from Cemetery Operations: $1,147,774
- Release of Restricted Funds: 64,613

**Expenditures:**
- General Expenses: 1,331,485
- **Excess Expenditures**: (119,098)

**Partners in Charity Funding:** 119,098

### Priests’ Retirement

**Revenue Sources:**
- **Partners in Charity Funding**: $865,000
- Parish Assessments: 736,868
- Investment Income: 45,315
- Bequests/Donations: 64,823

**Expenditures:**
- Support for Retired Priests: $2,218,326
- Nursing Home/Assisted Living: 344,126

**Unrealized Gain on Investments:** 135,121

**Expenses over Revenue:** ($715,325)

### Diocesan Expansion Fund

**Revenue Sources:**
- Investment Income: $1,018,405
- Interest on Loans: 2,025,239

**Expenditures:**
- Interest on Savings Accounts: 159,274
- Bad Debt Expense: 560,000
- Administration: 193,777

**Unrealized Loss on Investments:** (608,301)

**Revenue over Expenses:** $215,700

### The Catholic Free Press

**Revenue Sources:**
- Parish Quota Subscriptions, Net: 254,925
- Direct Subscriptions: 19,615
- Advertising: 237,570
- Print Shop: 15,214
- Miscellaneous Sales: 1,663

**Expenditures:**
- Newspaper: 628,089
- Print Shop: 20,045

**Expenses over Revenue:** (648,134)

### Restricted Funds

**Released:**
- Forward in Faith: $496,902
- Endowment & Annuities: 497,384
- Donor Restricted Funds: 207,167

**Expended:**
- Forward in Faith: $496,902
- Endowment & Annuity Commitments: 497,384
- Donor Restricted Support to Ministries: 88,648

**Change in Funds:** $118,519

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* Included in Partners in Charity Detail of Use.

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DIOCESE OF WORCESTER
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To learn more visit worcesterdiocese.org for a complete report.
Dear friends in Christ

The New Year is a time of reflecting on the past year and setting goals for the future. It is fitting, then, that I make this report to you, our loyal donors and parishioners, on the work of the Diocese of Worcester in the fiscal year which ended August 31, 2013. Together with our parishes, schools and agencies, the Diocese of Worcester serves directly more than 110,000 Catholic households, along with anyone in need through charitable ministries. Why do we do it? Because we are Catholic. Called by Baptism to be witnesses to God’s love for all people, we exercise our faith responsibly both in the pew and beyond the pew, through pastoral ministry, educational programs, and charitable services.

It is my sincere conviction that our financial reports demonstrate that we have been good stewards of the donations we have received either directly or through our parishes. Agencies and ministries funded by Partners in Charity operated within their allocations. The appeal raised $4,868,683 during this past fiscal year, $33,526 over the previous year’s total, enabling us to support these various ministries for the current fiscal year. I am grateful for the commitment to our mission by over 17,825 households in our diocese, including 1,608 new households who participated through online giving and the 117 members of the St. Paul Society who donated a minimum of $5,000 each.

The various departments in our central administration continued to exercise tight fiscal controls in order to operate within their budgets. We saw positive results from our investment portfolio which is guided by our investment committee of lay professionals and assisted by our investment advisory firm. The cathedraticum continued to realize benefits from the Sharing Our Blessings Offertory Campaign held several years ago in our parishes.

Thanks to the prudent oversight of our Diocesan Expansion Fund (DEF) Board, I am also pleased to report that the DEF saw a substantive increase of revenues over expenses of $215,700 after unrealized losses on investments. This fund provides a safe and secure resource for parish and diocesan savings while providing better-than-market rates for the borrowing needs of our parishes.

There are two significant areas of ongoing concern that are reflected in our financial report. First is the continued need to service outstanding debt which cost Central Administration $994,797 last year. A significant portion of this debt is the result of interest paid to the DEF to cover unpaid group bills by some parishes. Upon recommendation of our Diocesan Finance Committee, I recently sent a letter to pastors, addressing the need for parishes to follow diocesan finance policies and be fully transparent in their reporting. This is crucial in order for parishioners to be fully engaged in the financial viability of their parishes. Education and more collaborative finance councils will be promoted in the current fiscal year to help address this issue.

The unfunded portion of Priests’ Retirement Costs is an area of on-going concern, given that expenses exceeded revenue sources by $715,325. As I wrote last year, the trend of deficit spending in this area cannot and will not disappear in the near future, but ongoing discussions will help to bring improved cost controls to bear.

The Central Catholic Schools System operated at nearly break-even with revenues exceeding expenses by less than 1.25%. During this past year, I commissioned a data study to strengthen our schools in the areas of marketing and management, and it is encouraging to hear that broader interest by families at open houses was seen at many of our schools for the coming school year.

Given the ongoing challenges of print media, with local and regional newspapers being bought and sold within the past few months, The Catholic Free Press saw revenues run short of expenses by 18.38% or $119,147. St. John Cemetery System continued to be challenged with the management of many former parish cemeteries and the continuing choice of cremation over internment, causing expenses to exceed revenues by $119,098.

Allow me to underscore the question at the heart of our mission: Why do we provide all these ministries and programs to so many people? It is what it means to be Catholic. We must be witnesses to our faith within and beyond our church walls, being Christ to those we meet and serving in the public square and on the periphery of society. My fervent hope and prayer is that, during the coming year, the Diocese of Worcester will prove to be a zealous and effective promoter of the New Evangelization.

With every prayerful best wish, I remain

Sincerely yours in Christ,

Most Reverend Robert J. McManus
Bishop of Worcester