

Annual Report on Financial Activities FY2013

SUPPLEMENTAL DETAILS

Partners in Charity

Revenue Sources	
Donations	\$4,835,998
Less Uncollected Pledges	<u>259,783</u>
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
Grant-In-Aid	400,000
Haitian Apostolate Ministry	63,587
Hispanic Ministry	102,882
McAuley Nazareth Home	33,000
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
Pernet 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	<u>127,264</u>
Total Use of Partners in Charity Funds:	\$4,722,017

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

Central Administration

Revenue Sources:	
Cathedraticum	\$2,302,363
Insurance Program	900,539
Realized Investment Income	119,197
Unrealized Investment Gain	568,679
Other Income	58,793
Bequests	<u>5,000</u>
	\$3,954,571

Expenditures:

Bishop's Office	\$190,752
Bishop's Residence	80,770
Building Commission	93,523
Chancellor's Office	90,611
Computer Services	15,822

(Continued at the top of next column)

(Central Admin. Use of Funds continued)

Donations and Memberships	187,423
Fiscal Affairs Office	509,059
Interest on Indebtedness	994,797
Legal Services	8,393
Office of Healing and Prevention	129,793
Priests' Financial Assistance	268,859
Reserve for Bad Debt	250,000
Miscellaneous Expenses	37,260
Therapeutic Assistance	45,911
Tribunal	151,082
Vicar for Religious	50,467
Vicar General Office	9,832
Women's Commission & Conference	<u>7,100</u>
Total Departmental Expenses	\$3,121,454

Depreciation 122,330

Revenue over Expenses \$710,787

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	<u>197,150</u>
	\$11,798,188

Expenditures:

Educational Expenses	\$11,269,494
Fundraising & Non-Educational	<u>382,683</u>
	\$11,652,177

Central Catholic Schools Operations \$146,011

Other:

Partners in Charity Funding	102,277*
Depreciation	(317,867)

Net Change in Assets (\$69,579)

St. John Cemetery System

Revenue Sources:	
Revenues from Cemetery Operations	\$1,147,774
Release of Restricted Funds	64,613
	1,212,387

Expenditures: 1,331,485

Excess Expenditures (119,098)

Partners in Charity Funding 119,098*
-0-



Priests' Retirement

Revenue Sources:	
Partners in Charity Funding	\$865,000*
Parish Assessments	736,868
Investment Income	45,315
Bequests/Donations	<u>64,823</u>
	\$1,712,006

Expenditures:

Support for Retired Priests	\$2,218,326
Nursing Home/Assisted Living	<u>344,126</u>
	\$2,562,452

Unrealized Gain on Investments 135,121

Expenses over Revenue (\$715,325)

Diocesan Expansion Fund

Revenue Sources:	
Investment Income	\$1,018,405
Interest on Loans	<u>2,025,239</u>
	\$3,043,644

Expenditures:

Interest on Savings Accounts	\$1,306,592
Interest Waived on Loans	159,274
Bad Debt Expense	560,000
Administration	<u>193,777</u>
	\$2,219,643

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	<u>1,663</u>
	\$528,987

Expenditures: \$628,089

Newspaper	\$628,089
Print Shop	<u>20,045</u>
	\$648,134

Expenses over Revenue (\$119,147)

Restricted Funds

Released:	
Forward in Faith	\$496,902
Endowment & Annuities	497,384
Donor Restricted Funds	<u>207,167</u>
	\$1,201,453

Expended:

Forward in Faith	\$496,902
Endowment & Annuity Commitments	497,384
Donor Restricted Support to Ministries	<u>88,648</u>
	\$1,082,934

Change in Funds: \$118,519

* Included in Partners in Charity Detail of Use.

DIOCESE OF WORCESTER

49 Elm Street, Worcester, MA 01609 * 508-791-7171

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 prudential 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.

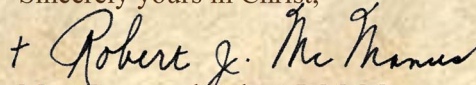
The Central Catholic Schools System operated at nearly break-even with revenues exceeding expenses by less than 1.25%. During this past year, I commissioned a data study to strengthen our schools in the areas of marketing and management, and it is encouraging to hear that broader interest by families 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 interment, causing expenses to exceed revenues by \$119,098.

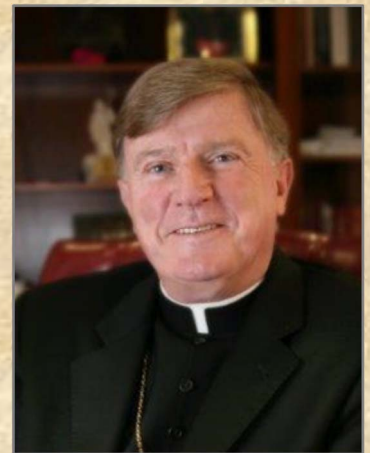
Allow me to underscore the question at the heart of our mission: Why do we provide all these ministries and programs to so many people? It is what it means to be Catholic. We must be witnesses to our faith within and beyond our church walls, being Christ to those we meet and serving in the public square 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



"...witnesses to God's love for all people, we exercise our faith responsibly both in the pew and beyond..."