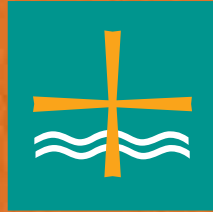


*“It is not enough
2011
to discover Christ –
ACCOUNTABILITY
you must bring
REPORT
Him to others!”*

ARCHDIOCESE



OF LOUISVILLE



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A MESSAGE FROM THE ARCHBISHOP

Dear Sisters and Brothers in Christ:

May God bless you! I present to you our annual report on the ministries and finances of our local Church.

This brief snapshot of the ministries and services offered by our Archdiocese reflects the “good news” that we are called to proclaim. This proclamation does not stem from a lack of understanding of the serious challenges we face. Rather it springs from our faith in our God who so loved us that He sent His only Son for our salvation and from our trust in our God who created the world for good and who lovingly challenges us to become all that we can be. This faith and trust in the Lord naturally calls us to generously love and reach out to bring Christ to others.

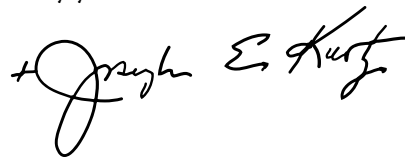
The proclamation of the good news is also inspired by intentional reflection on the good that happens each and every day. As humans, we sometimes have a tendency to focus on problems rather than possibilities. Our call as disciples, however, is to proclaim the hope and love that we have been given while diligently working on the challenges that we face.

We have a great story to tell! The wonderful response to the *Why Catholic?* process, the many capital improvements and new parish ministries generated by the Building a Future of Hope Campaign, and new initiatives in multicultural ministry, vocations, worship, and education all point to a vital Church that is engaged and responsive to spiritual, educational, and human needs throughout the 24 counties that make up the Archdiocese of Louisville.

As we continue to work together to bring Christ to others, I invite you to open your hearts and support the work of our Archdiocese in whatever way you can through your generous responses of time, talent, and treasure.

Please take the time to review this report. I think you will be proud of what we have been able to accomplish together in Christ's name.

Sincerely yours in our Lord,



Most Reverend Joseph E. Kurtz, D.D.
Archbishop of Louisville



◀ At a vocation fair, Archbishop Kurtz talks with students in the religious education program at the Basilica of St. Joseph Pro-Cathedral. During the year more than 4,000 students in parishes, schools, and colleges received vocation presentations on the priesthood and religious life by diocesan and religious order priests, sisters, and men and women in formation.

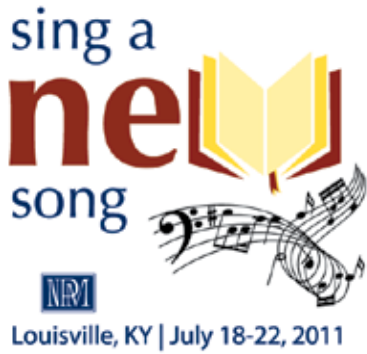


▲ The Rite of Election and Continuing Conversion ceremony at St. Patrick Parish. 504 individuals entered the Church at Easter and another 40 individuals were received throughout the year.



▲ Leaders from St. Ignatius Martyr Parish in Louisville and St. Theresa Parish in Rhodelia participate in an information session about Why Catholic? Nearly 1,000 small group leaders were trained to facilitate Why Catholic? small communities and nearly 10,000 Catholics participated in this process during Lent 2011.

► Ground is broken at the future site of the new St. Peter the Apostle Parish. More the \$30 million in new construction is underway in the Archdiocese. Three new churches (St. Peter the Apostle, St. Bernadette, and St. Michael) are under construction as well as a new school for St. James Parish in Elizabethtown.



▲ The graphic of the National Pastoral Musicians Conference held this July in Louisville. This conference, which was hosted by the Archdiocese, welcomed 3,100 participants and utilized the volunteer services of 400 from local parishes. The theme of the conference was on the new Roman Missal, which was also the focus of more than 125 hours of local formation efforts including programs for clergy, parish leadership, and the lay faithful.



▲ A mother gathers household items for her family at the Catholic Charities resource center on Market Street. The resource center assists refugees by providing household necessities such as furniture, clothing, and cookware. Last year, Catholic Charities resettled 604 refugees, placed 322 in the local workforce, and taught 547 in the English School.





◀ A member of the archdiocesan Youth Advisory Board participates in the Quest program. More than 400 high school-aged teens participated in this day-long conference, which included prayer, Mass with Archbishop Kurtz, workshops, and keynotes by national speakers.



▲ Archbishop Kurtz greets an attendee at the Vigil for All Nascent Human Life at the Cathedral. This vigil was held as Pope Benedict XVI called all Catholics to join in prayer for human life on the eve of the first Sunday of Advent. Assisting parishes and parishioners to be public witnesses of the dignity of human life is a priority in the archdiocesan strategic plan.



▲ Young students at Ascension School participate in a fitness program. During the past year, archdiocesan schools embarked on an accreditation process through AdvancED and the Southern Association of Colleges and Schools (SACS). As part of the accreditation effort 4,000 parents, 700 teachers, and 31 pastors participated in a comprehensive assessment of Catholic school stakeholder opinion. The survey resulted in strong positive evaluations of the quality of education, the caring environment, and the strong Catholic tradition of Christian values in Catholic schools.

► *Father Matthew Hardesty blesses another priest after his ordination in June. Two men were ordained to the priesthood in 2011, 3 are planned for 2012, and 3 for 2013. This rate will surpass the number of priest pastors retiring in the same time frame.*



▲ *Catholic Charities provided emergency assistance to more than 15,476 persons for rent, utilities, food, clothing, personal and household items, and prescriptions.*



▲ *Archbishop Kurtz presented the new Pastoral Plan for Hispanic Ministry to Deacon Frank Villalobos during a Mass that was held at the Hispanic Heritage Day in October. This is the first plan for Hispanic ministry developed for the Archdiocese.*



▲ *The Catholic Enrichment Center in West Louisville sponsors dozens of programs that focus on strengthening families. The grandparenting program addresses the challenges of urban youth and helps the increasing number of grandparents who are raising grandchildren.*





◀ Participants at the Our Lady of Guadalupe celebration in December. The services and programs of the Office of Multicultural Ministry have been expanded in response to priorities in the archdiocesan strategic plan.



▲ Archbishop Kurtz with two married couples celebrating 20 years of marriage during an archdiocesan wedding anniversary Mass for couples celebrating 5 to 25 years of marriage. During the past year, 457 couples participated in marriage preparation classes or retreats, and 160 couples participated in marriage enrichment opportunities offered by the Family Ministries Office.



▲ Bishop Charles C. Thompson with Archbishop Joseph Kurtz, Archbishop Emeritus Thomas Kelly, and the priests of the Archdiocese at his farewell gathering in June. Bishop Thompson was named the 5th Bishop of Evansville this spring. He is the second archdiocesan priest in the last 2 years to be named a bishop. Bishop Thompson is a native of Marion County and served as a priest of the Archdiocese for 24 years.

The “Charter for the Protection of Children and Young People” provides a comprehensive framework for addressing allegations of sexual abuse and for creating safe environments in parishes and schools, and it directs all sexual abuse policies and procedures in the Archdiocese of Louisville. In October 2010, the United States Conference of Catholic Bishops audited our diocese for the seventh time and as was determined in each previous audit, the Archdiocese of Louisville was found to be fully compliant with all elements of the Charter with no required changes or recommendations for changes.

Prevention/Education

- 3,099 employees and volunteers participated in safe environment programming bringing the total trained to 25,130. Forty-four workshops were offered this past year and continue to be offered each month throughout the Archdiocese.
- All parishes and schools were audited and all updated the comprehensive database that tracks criminal background records checks and verification of attendance at safe environment training sessions for all employees and volunteers who work with children and youth.
- Extensive information is online to provide information on child abuse prevention, resources for parents, safe environment programs, and other materials. See ArchLou.org/RestoringTrust.
- Presentations and workshops on sexual abuse and related issues are offered to parishes and other organizations as requested.

Sexual Abuse Review Board

The Review Board reviews past and present cases and monitors the implementation of our sexual abuse policies.

Victim Assistance and Outreach

The victim assistance coordinator, Dr. Tom Robbins, meets and assists victims/survivors. He can be reached by calling 502/636-1044 or emailing trobbins@archlou.org. The Archdiocese continues to offer counseling assistance and other support to victims/survivors.

Cooperation with Civil Authorities

Any report or suspicion of child abuse is reported immediately to civil authorities, and the Archdiocese cooperates fully with any investigation.

Priest Assignment and Status

In June 2011, Father James Schook, who was directed to a life of prayer and penance in 2010, was indicted on 7 felony charges involving minors, stemming from incidences that occurred in the 1970s and 1980s. As always, the Archdiocese will continue to work with law enforcement in efforts to address childhood sexual abuse.

Sexual Abuse Expenditures

We have pledged to be accountable for the financial costs of sexual abuse. The following is a summary of funds expended from July 1, 2010 to June 30, 2011:

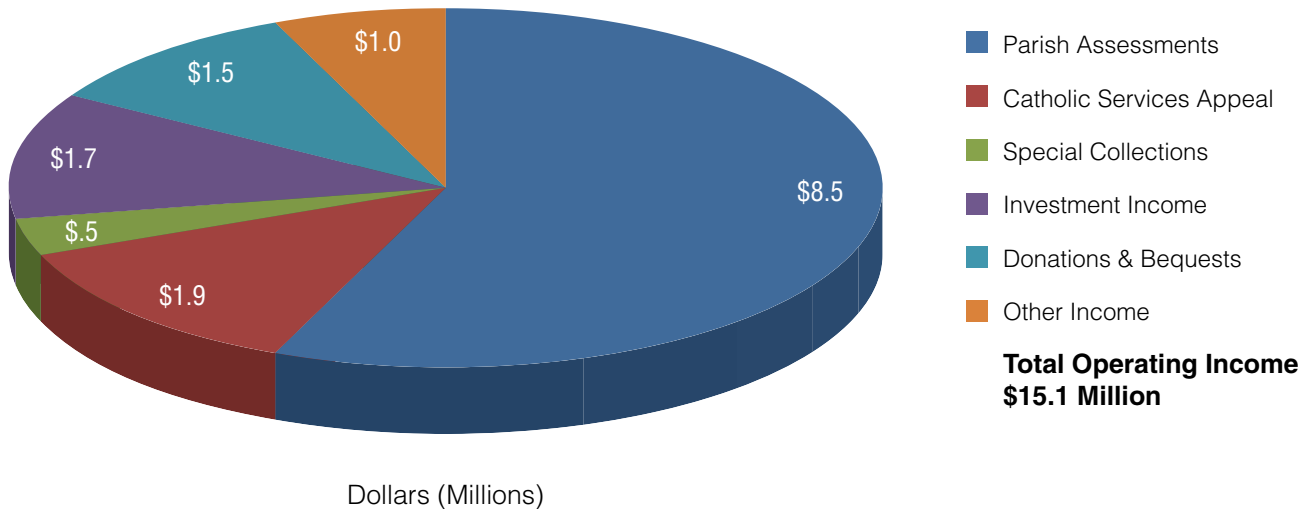
Counseling Fees and Support for Victims/Survivors	\$ 15,500
Legal Fees	\$285
Prevention/Education	\$21,506
	<hr/>
TOTAL	\$37,291

As part of our ongoing commitment to communication and accountability to our archdiocesan community, we present a brief summary of the financial operations of the various entities (Chancery, Catholic Cemeteries, and Catholic Charities) of the Archdiocese of Louisville for fiscal year ending June 30, 2011. The information presented has been derived from the audited financial statements and does not include the activities of parishes, missions, and schools of the Archdiocese.

The complete audited financial statements are available for public inspection at ArchLou.org/Publications

Chancery Operations Operating Income

Fiscal Year Ending June 30, 2011



- Parish assessments of \$8.5M represent a key income source for the Archdiocese. Parish assessments are comprised of three components: 1) a tax on parish income of 4% for cathedraticum (archdiocesan support); 2) 1.34% for clergy retirement; and 3) 1.16% for *The Record* and other communication efforts.
- The Catholic Services Appeal is our annual appeal to support the various programs and ministries provided by the Archdiocese. The total of \$1.9M for free will offerings is down from periods prior to the Building a Future of Hope campaign. (See chart on page 16.)
- Special collections totaling \$0.5M are primarily revenues from the Christmas Collection, which is used to fund the work of Catholic Charities. Several other special collections are conducted throughout the year, and gifts to these collections are forwarded directly to the national

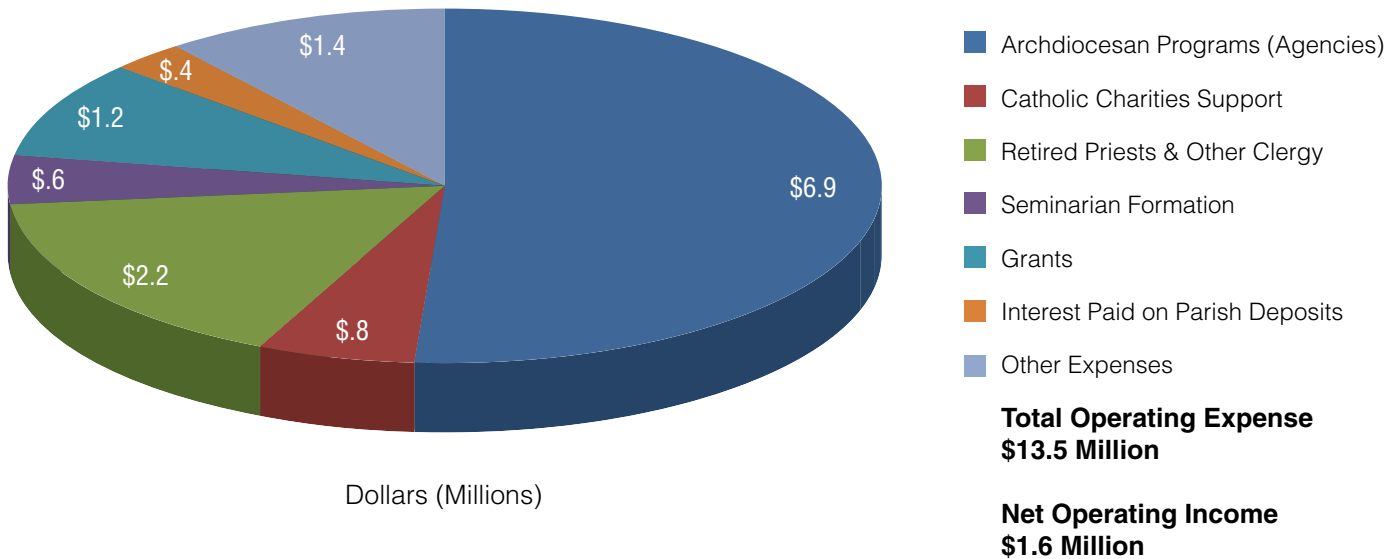
and international organizations for which the collection is designated.

- Investment income of \$1.7M includes interest and dividends earned and reinvested into the Archdiocese of Louisville’s investment portfolio.
- Donations and bequests of \$1.5M include unrestricted and restricted gifts to the Archdiocese.
- Other income of \$1M includes interest earned on loans and on the non-recurring sale of property.

For the fiscal year ending June 30, 2011, operating income increased \$0.2M over the prior fiscal year. Most of the increase is due to higher interest and dividends earned on investments because of improved market conditions, increased donations and bequests, and non-recurring sale of property.

**Chancery Operations
Operating Expenses**

Fiscal Year Ending June 30, 2011



• Archdiocesan program (agencies) expenses of \$6.9M for the various services, activities, and ministries include the following:

- The Office of Lifelong Formation and Education (OLFE) with expenses totaling \$1.3M provides resources, spiritual formation, and training for all age groups. OLFE provides many services, which promote religious formation and academic excellence, to Catholic parishes and schools throughout the Archdiocese.
- The Archdiocesan Communications Center strives to promote evangelization for the Archdiocese by efforts related to *The Record*, radio and television ministries, evangelization ministry, and public relations with expenses totaling approximately \$1.3M.
- The Office of Multicultural Ministry works to identify and provide for the diverse ethnic needs and pastoral concerns within our Catholic community with expenses totaling approximately \$0.5M.

- The Diaconate Office selects and trains diaconate candidates and provides continuing education to deacons, with expenses totaling \$0.2M.
- The Vocation Office facilitates and coordinates the development and formation of those called to priesthood and religious life with expenses totaling \$0.2M.
- The Worship Office serves the archdiocesan community through the liturgical education and training of Catholics with expenses totaling \$0.2M.
- The Tribunal Office works to resolve issues of justice, primarily related to marriage according to the teachings of the Roman Catholic Church, with expenses totaling \$0.2M.

• The Archdiocese supports the activities of Catholic Charities by funding \$0.8M for operating purposes, in part from gifts to the Catholic Services Appeal.

- Retired Priests and Other Clergy expenses of \$2.2M are primarily the cost of priest pensions totaling \$1.9M. As of June 30, 2011, the Archdiocese had 60 retired priests receiving a pension.
- Seminarian education expenses totaled \$.6M. As of June 30, 2011, the Archdiocese had 15 seminarians in training for the priesthood.
- Grants totaling \$1.2M consist of life and long-term disability insurance benefits for parish employees of \$.5M, high school tuition assistance of \$.4M, papal and national organizations of \$.1M, and various other grants made to parishes of \$.2M.

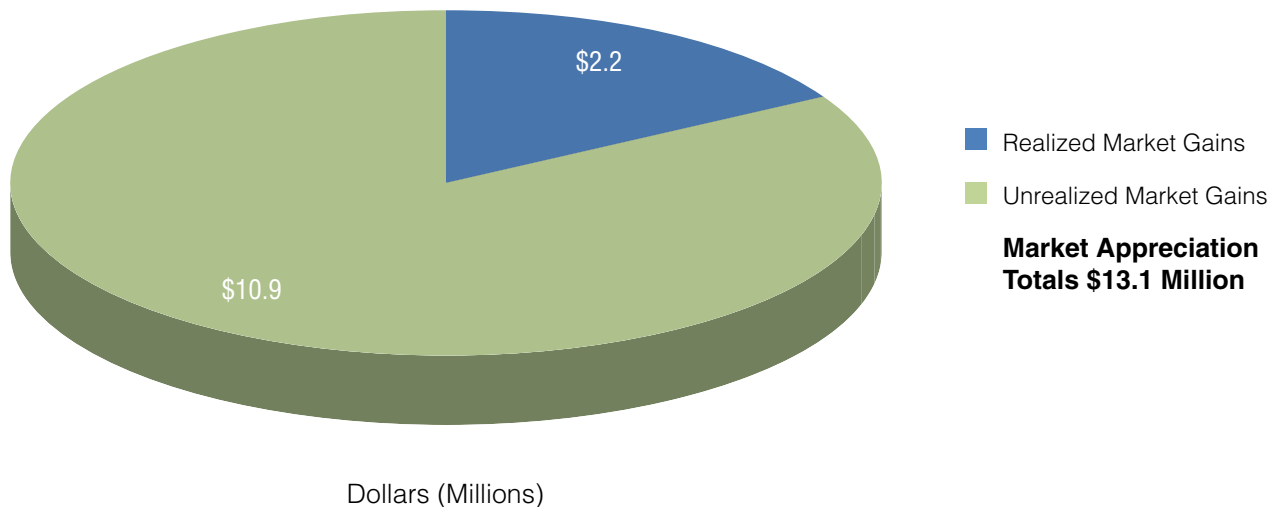
- Other expenses totaling \$1.4M are comprised of depreciation, property and liability insurance, and other miscellaneous items.

For fiscal year ending June 30, 2011, operating expenses increased \$.6M over the prior fiscal year. Most of the increase is due to higher program costs (i.e. *Why Catholic?* process) and increased seminarian formation costs.

Net operating income for fiscal year ending June 30, 2011 is \$1.6M compared to the prior year's net income of \$2.0M. This does not include the Building a Future of Hope campaign and market appreciation.

Market Appreciation

Fiscal Year Ending June 30, 2011

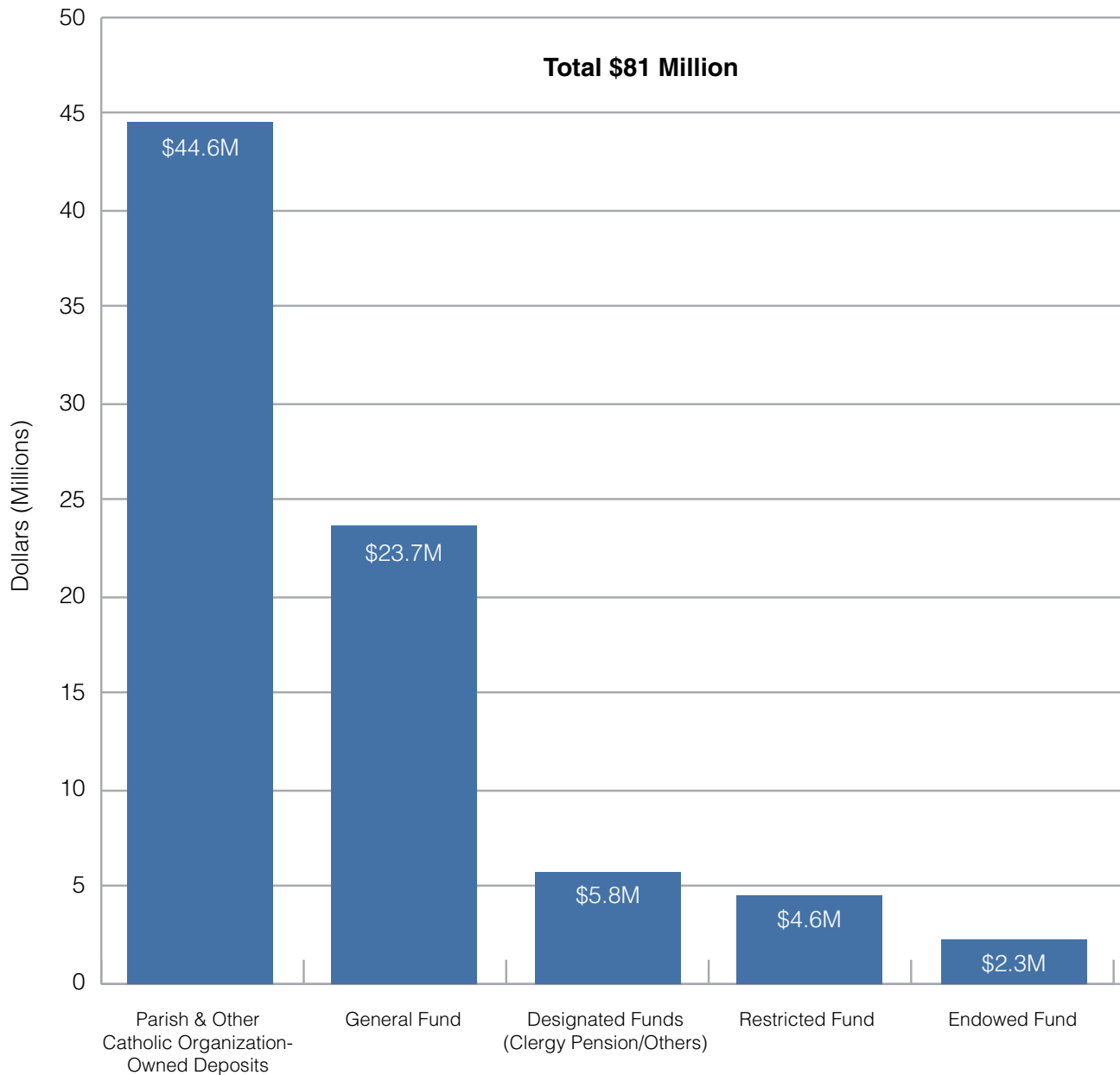


Market appreciation includes \$10.9M of unrealized gains, and \$2.2M of realized gains from the investment portfolio of the Archdiocese. The Archdiocese continues to review investment policies to minimize risk in a volatile equity market with the goal of obtaining a reasonable return. The Archdiocese's investments are still recovering from the economic recession that began in year 2008/2009. On a positive note, the single most significant impact on the

financial position of the Archdiocese of Louisville in fiscal year ending June 30, 2011 was the strong rebound in the investment market as indicated above.

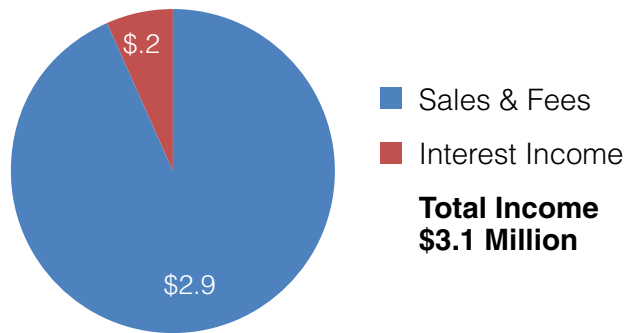
Investment Portfolio Fund Allocation

The investment portfolio of the Archdiocese totals approximately \$81M, as of fiscal year ending June 30, 2011, with our parishes and other Catholic organizations owning over 56% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.

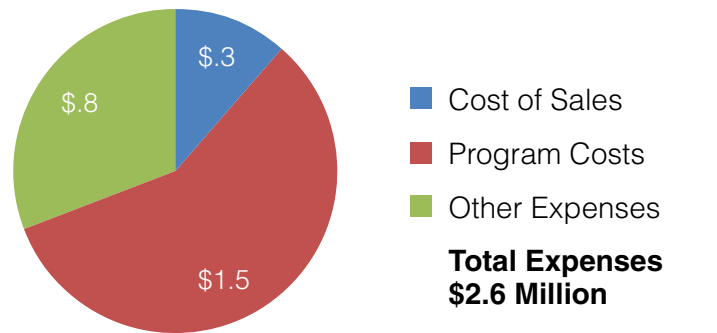


Catholic Cemeteries Operations

Catholic Cemeteries had net income of \$.5M in fiscal year ending June 30, 2011, which is the same as the prior fiscal year’s net income. Most of Catholic Cemeteries’ income is burial sales and fees which total \$2.9M as reflected in the chart below. The remaining income is interest income on investments of \$.2M. Expenses total \$2.6M of which the cost of sales is \$.3M. Program costs, including salaries and benefits, total \$1.5M, and other expenses of \$.8M include depreciation, insurance, and administrative expenses.



Dollars (Millions)

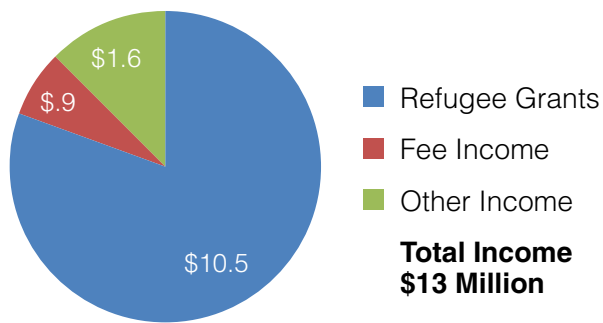


Dollars (Millions)

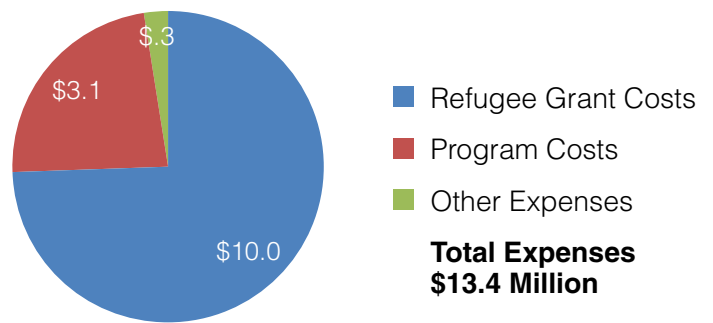
Net Income \$.5M

Catholic Charities Operations

Catholic Charities suffered a loss of \$.4M in fiscal year ending June 30, 2011 and recorded a loss of the same amount last fiscal year as well. Most of Catholic Charities’ income is federal and state grants of \$10.5M. Fee income for services total \$.9M, and other income includes donations, archdiocesan support, and miscellaneous items of \$1.6M. Refugee grant costs total \$10M for grant expenses and grants distributed to sub-recipients. Program costs including salaries and benefits total \$3.1M, and other expenses of \$.3M include depreciation, insurance, and administrative expenses.



Dollars (Millions)



Dollars (Millions)

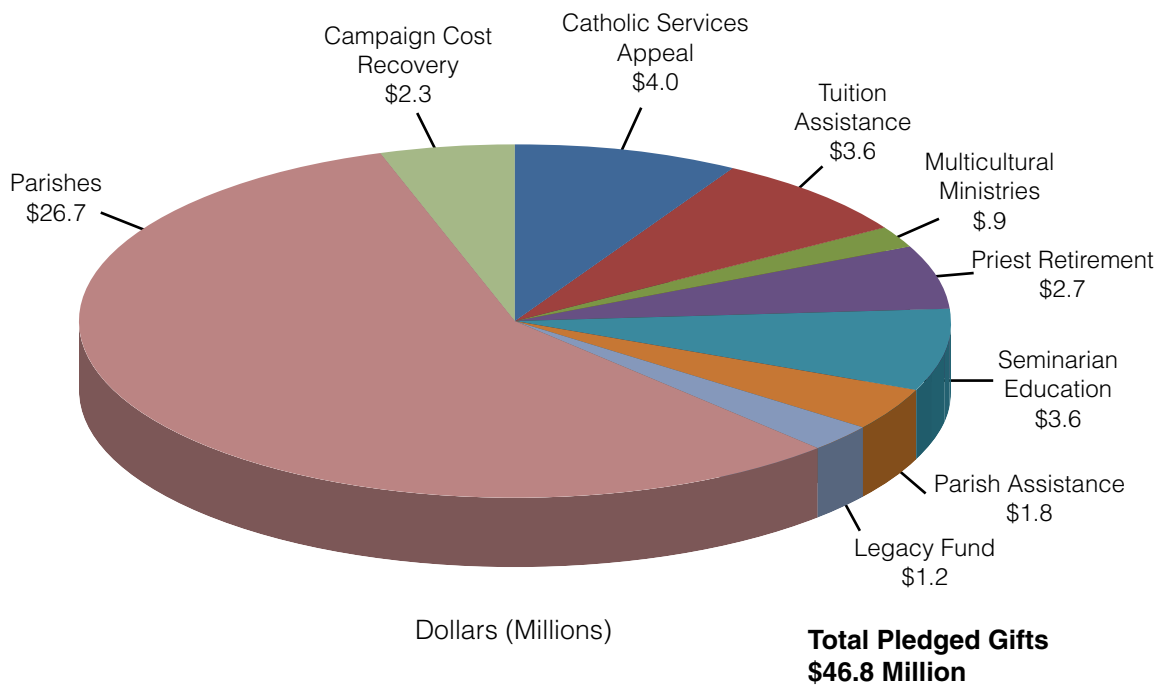
Net Loss \$.4M

Building a Future of Hope Capital Campaign

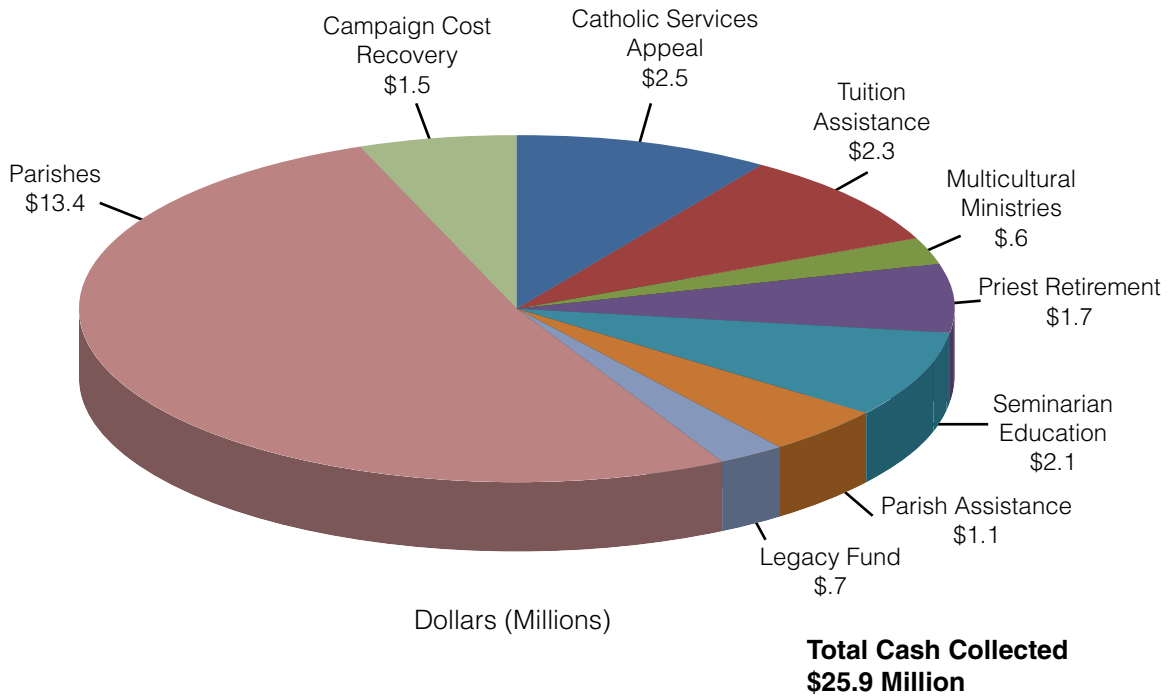
The Building a Future of Hope campaign has received \$46.8M in pledges since the campaign began in the fall of 2008. The campaign is a “share” campaign with 50% of the proceeds allocated to parishes. Specific donor restrictions were honored as well. Approximately 75% of parishes began the campaign in the fall of 2009 and the spring of 2010, and most donors made a three-year pledge commitment. As of fiscal year ending June 30, 2011, 45% of pledge commitments are still in the collection process. Parishes have used campaign proceeds on renovations, new construction projects, and new programs. Currently, three new churches and a new elementary school with grades K-8 are being constructed at a cumulative cost of more than \$30M.

The remaining 50% is allocated toward eight archdiocesan initiatives, which include the Catholic Services Appeal, Tuition Assistance, Multicultural Ministries, and Campaign Cost Recovery. The Catholic Bicentennial Initiatives Fund includes the remaining four initiatives of Seminarian Education, Priest Retirement, Parish Assistance, and the Legacy Fund. The results are depicted in the graphs that follow.

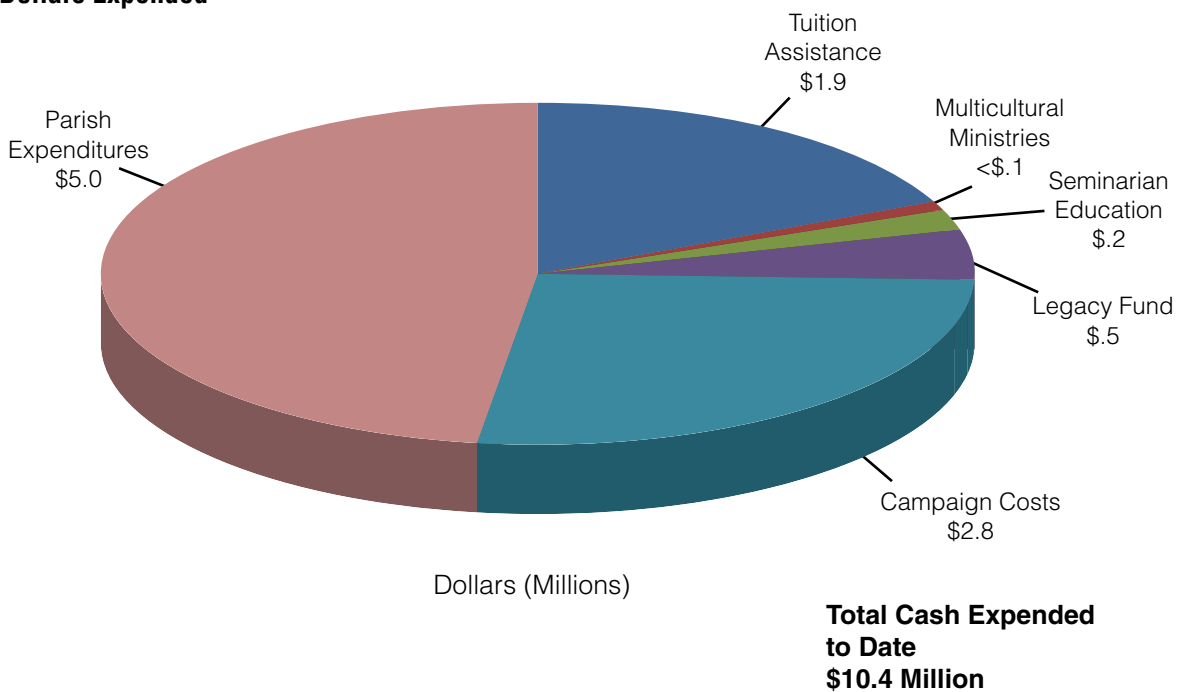
Building a Future of Hope Gifts Pledged by Initiative



Campaign Cash Collected by Initiative



Campaign Dollars Expended

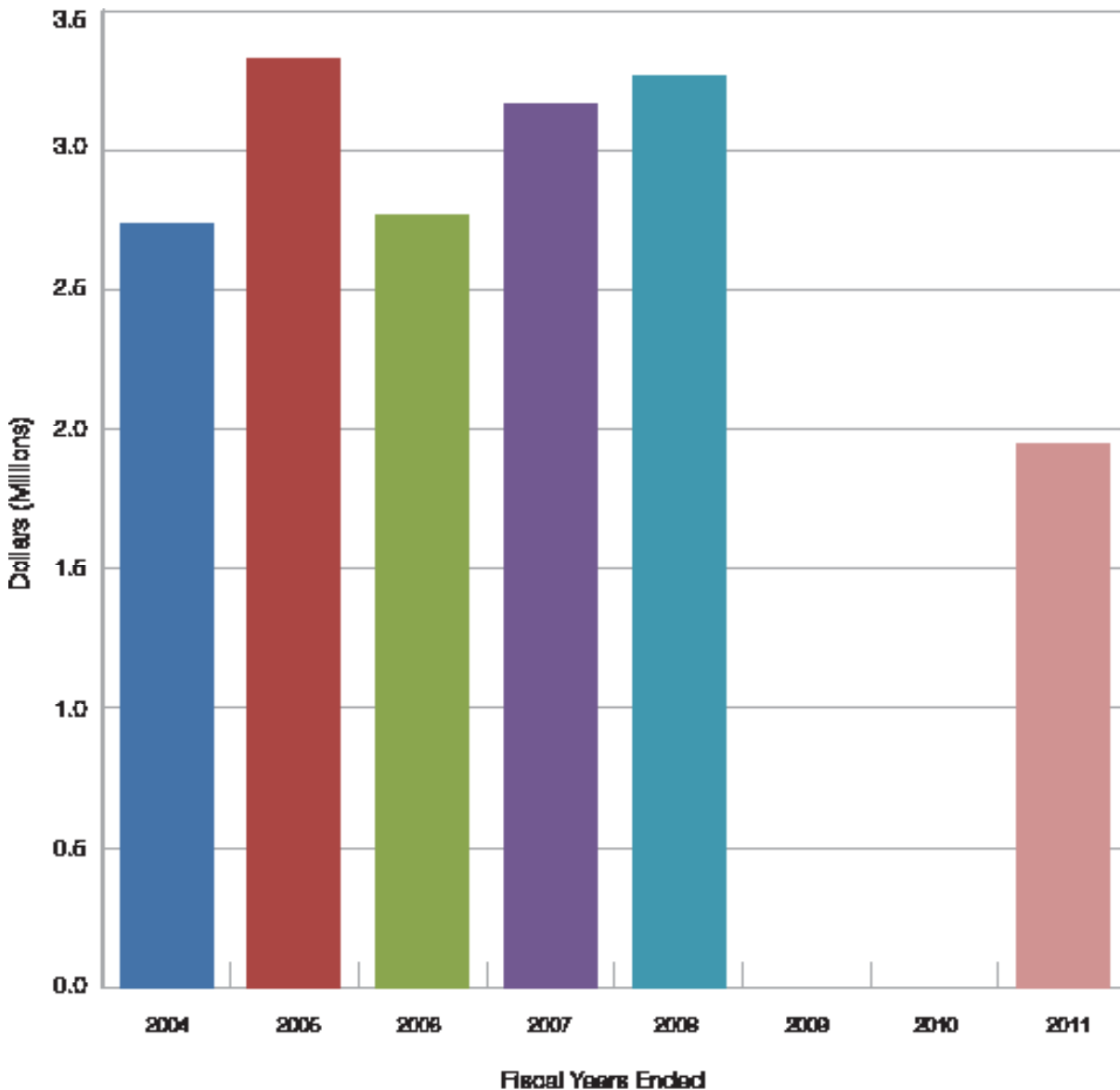


Catholic Services Appeal (2004 through 2011)

The revenues generated from the Catholic Services Appeal make possible the various programs, services, and ministries within the Archdiocese. Without it, these services would not be available. The Catholic Services Appeal serves as one of the Archdiocese’s key income sources, along with parish assessments and investment income.

Generally revenues from the Catholic Services Appeal (CSA) prior to the introduction of the Building a Future of Hope campaign produced approximately \$3M in revenues annually. For fiscal years ending 2009 and 2010, the Catholic Services Appeal was rolled into the Building a Future of Hope campaign.

We strive to serve our community and fulfill the spiritual and individual needs of our people through the Catholic Services Appeal. There are various ways to contribute to the Catholic Services Appeal. Parishioners may contribute through their parish during the in-pew collection process, through the donor form included with the archdiocesan appeal letter, or online at ArchLou.org/CatholicServicesAppeal.



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OF LOUISVILLE

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