



*"It is not enough to discover Christ –  
you must bring Him to others!"*

*~ Blessed John Paul II*



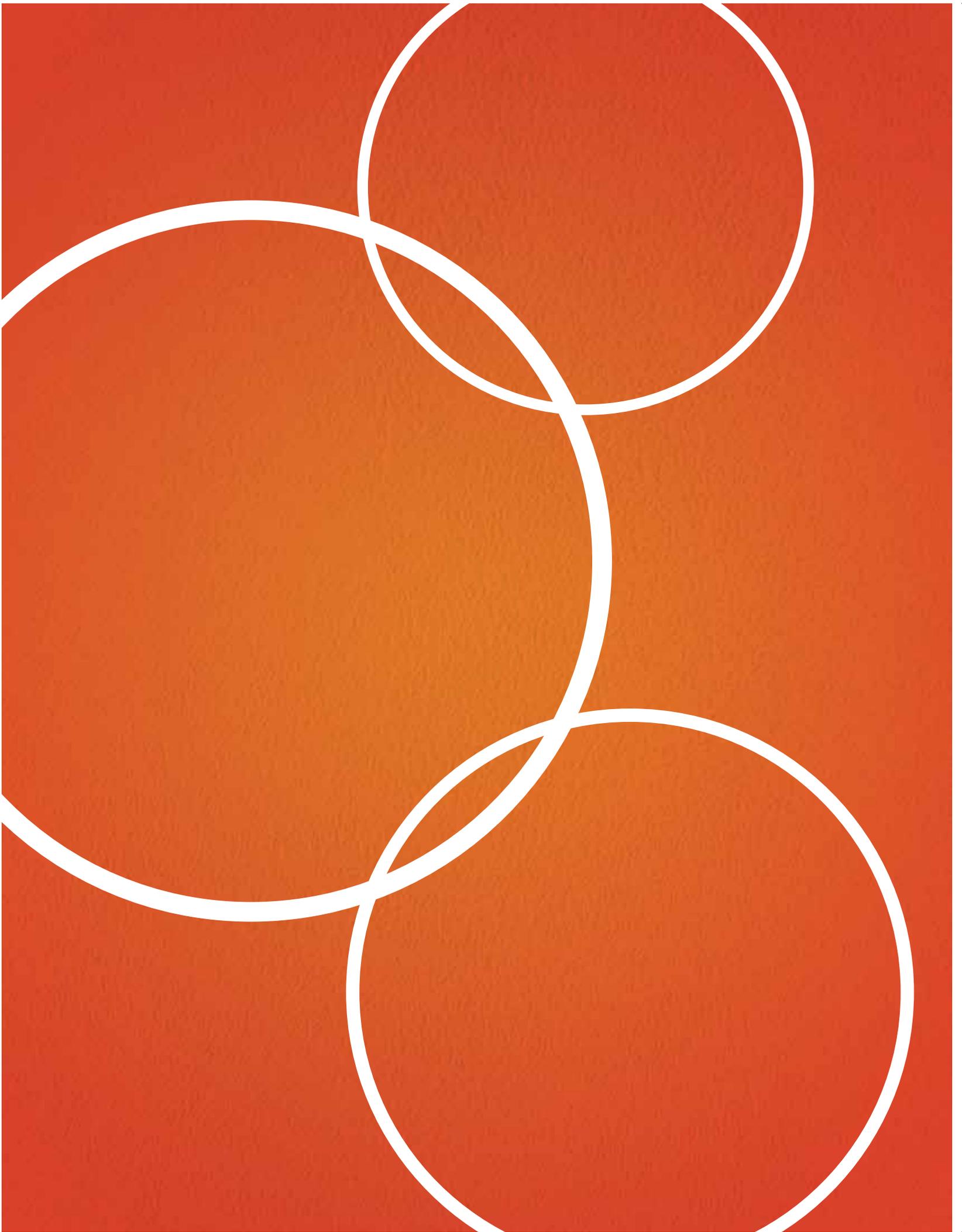
# 2012 Accountability Report



ARCHDIOCESE



OF LOUISVILLE



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## A Message from the Archbishop

Dear Sisters and Brothers in Christ:

May God bless you! This report details the ministries, programs, and accomplishments of the last year, as together we strive to bring Christ to others.

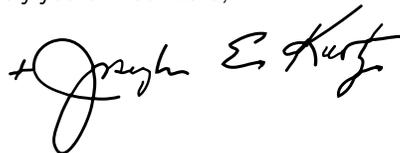
As I reviewed the pages and pages of documents from which this brief snapshot was drawn, I reflected with gratitude on all of the gifts we have received from our loving Father. Of course, the greatest gift is the gift of faith, which we will begin celebrating this month as we begin our “Year of Faith” and as we receive greater understanding and insights from the synod on the new evangelization.

The term “new evangelization” was first coined by Blessed John Paul II in 1983. Joining himself to Pope Paul VI of the decade before, he said that there is a need for an evangelization “new in its ardor, methods, and expression and capable of bringing the good news of Jesus Christ to a modern world hungry for hope and joy.”

This expression reminds us that evangelization can never be expressed fully through any one program or activity. Rather it emerges from a culture of ardor, hope, and joy that seeks to reach out with love and create disciples with burning hearts who cannot help but proclaim the Gospel. Thus the many programs, activities, and resources reflected in this report are servants to the ministry of proclaiming the Gospel, and our “bottom line” is not found in profit and loss statements, but in our ability to foster and inspire an encounter with Risen Christ in all we do.

As I thank God, I also thank you for your stewardship of the gifts you have been given and your generosity in supporting the work of the Church. Please join me in praying that our local Church will embrace the new evangelization and become a beacon of hope and joy for all we serve.

Sincerely yours in our Lord,



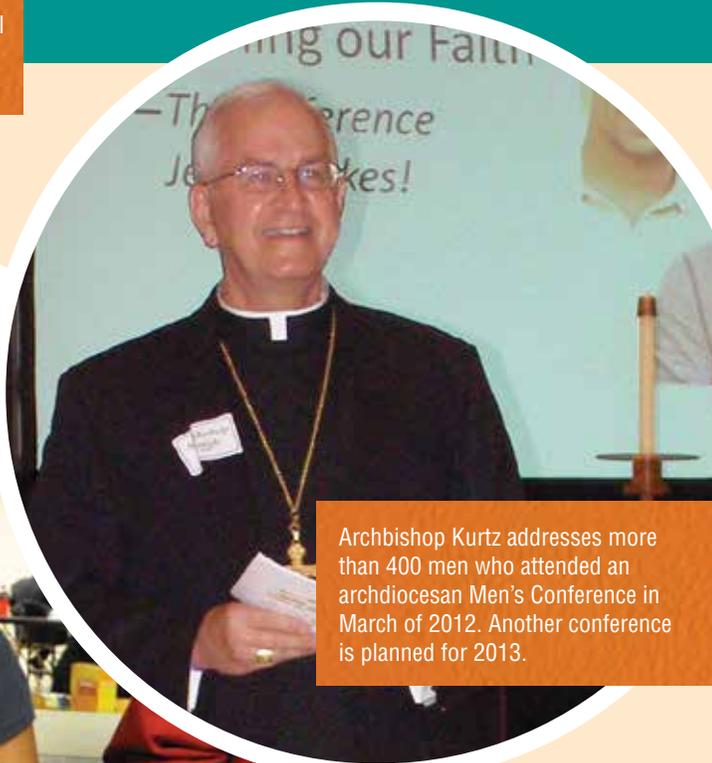
Most Reverend Joseph E. Kurtz, D.D.  
Archbishop of Louisville

*“Each thing, each relationship, each joy, like each difficulty, finds its ultimate meaning in being an occasion for a relationship with the Infinite, the voice of God who continually calls us and invites us to raise our sights and to discover in Him the fullness of our humanity.” ~ Pope Benedict XVI*

## Report on Mission



The Archdiocese entered the world of social media with a Twitter account for Archbishop Kurtz (@ArchbishopKurtz), The Record (@Record\_ArchLou), and the Archdiocese (@ArchLouKy), as well as Facebook pages for The Record and *Why Catholic?*



Archbishop Kurtz addresses more than 400 men who attended an archdiocesan Men's Conference in March of 2012. Another conference is planned for 2013.



A healthy cooking class at the Catholic Enrichment Center in West Louisville. Last year, the Catholic Enrichment Center served the West Louisville community with more than 39,700 interactions involving a wide variety of intergenerational, educational, and faith-based programs.



Young St. Bartholomew parishioners celebrate Our Lady of Guadalupe feast day.



Catholic high school students from the Archdiocese of Louisville at the "Walk for Life" in Washington D.C. One hundred forty adults and youth made the pilgrimage to the 2012 Walk for Life as part of an ongoing effort to promote the Church's teaching about the dignity of life from conception to natural death.

## Report on Mission

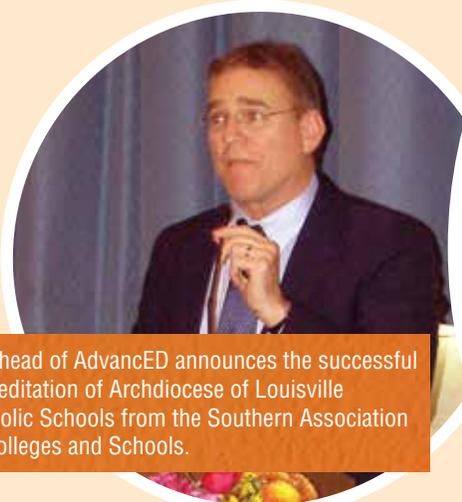
Debris is cleared from tornado-stricken areas. In addition to providing disaster relief services, Catholic Charities collected more than \$270,000 in disaster relief funds for the victims of the March 2012 tornadoes.



Several new initiatives from the archdiocesan strategic plan and the Hispanic pastoral plan were launched to invite Hispanic Catholics into the life of the Church, including the distribution of more than 10,000 holy cards with Spanish Mass times and a billboard advertising the Spanish Rosary.



Seminarians with a speaker at the annual Dinner with the Archbishop. The annual event promotes vocations to the priesthood and religious life and hosts more than 400 students and adults.



The head of AdvancED announces the successful accreditation of Archdiocese of Louisville Catholic Schools from the Southern Association of Colleges and Schools.



Archbishop Kurtz greets a RCIA candidate. 515 new members entered the Church at the Easter Vigil or at other times during the year.

# Report on Mission

A student receives the Eucharist at the Christian Leadership Institute. Fifty-six youth and 12 adults participated in this leadership development program for high school youth.



Nativity Academy students participate in the Way of the Cross at St. Michael Cemetery, one of 5 central sites in addition to 42 parish cemeteries managed by Catholic Cemeteries.



The Catholic community of the Archdiocese gathers at the Cathedral to say good-bye to Archbishop Kelly, who died unexpectedly in December of 2011.



The sanctuary of St. Rose Parish in Springfield was renovated as a result of the Building a Future of Hope Campaign. This year the Archdiocese assisted parishes with ongoing pledge fulfillment of this campaign, collecting \$8.5 million in pledge payments.

## Report on Mission



Three men are ordained to the priesthood in May of 2012. Rev. John Johnson also was ordained in August of 2011.



Parishioners from Louisville and Springfield participate in the local retreat preparing for the National Black Congress. Dozens of parishioners from the Archdiocese attended the Congress.



More than 400 from our Archdiocese attended the National Catholic Youth Convention in Indianapolis.



A *Why Catholic?* group meets. More than 7,000 participated in *Why Catholic?* small communities in the past year.



A youth volunteer helps a young refugee with English language classes. Each year, the thousands of individuals served by Catholic Charities benefit from more than 11,000 volunteer hours from those in the community.

Archbishop Wilton Gregory and sculptor Ed Hamilton at the 25<sup>th</sup> anniversary of the African American Catholic Leadership Awards Banquet.

Archbishop Kurtz with young adults at the annual young adult Mass sponsored by Louisville Young Catholics. Outreach to young adults is a priority in the archdiocesan strategic plan.



A couple celebrating 25 years of marriage at the annual marriage anniversary celebration Mass. In response to action steps in the archdiocesan strategic plan, a study was conducted during the past year about marriage preparation and initiatives were identified to strengthen marriages, especially marriages in the first five years.

A choir performs at the National Pastoral Musicians Convention, hosted by the Archdiocese of Louisville. Last year the Worship Office provided many education and formation opportunities for pastors, parish leadership, and laity as the *Third Edition of the Roman Missal* was implemented.

# Archdiocesan Response to Sexual Abuse

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 August of 2011, the United States Conference of Catholic Bishops audited our diocese for the eighth 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

- 3,122 employees and volunteers participated in safe environment training during the past fiscal year. Forty-six workshops were offered this past year and continue to be offered each month throughout the Archdiocese.
- For Sexual Abuse Prevention Month in April, the Archdiocese ran a full page ad several times in *The Courier-Journal* and *The Record*. This ad outlined the steps adults can take to prevent and address sexual abuse and thanked community agencies who serve families and children in this area.
- 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](http://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 [trobbsins@archlou.org](mailto:trobbsins@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.

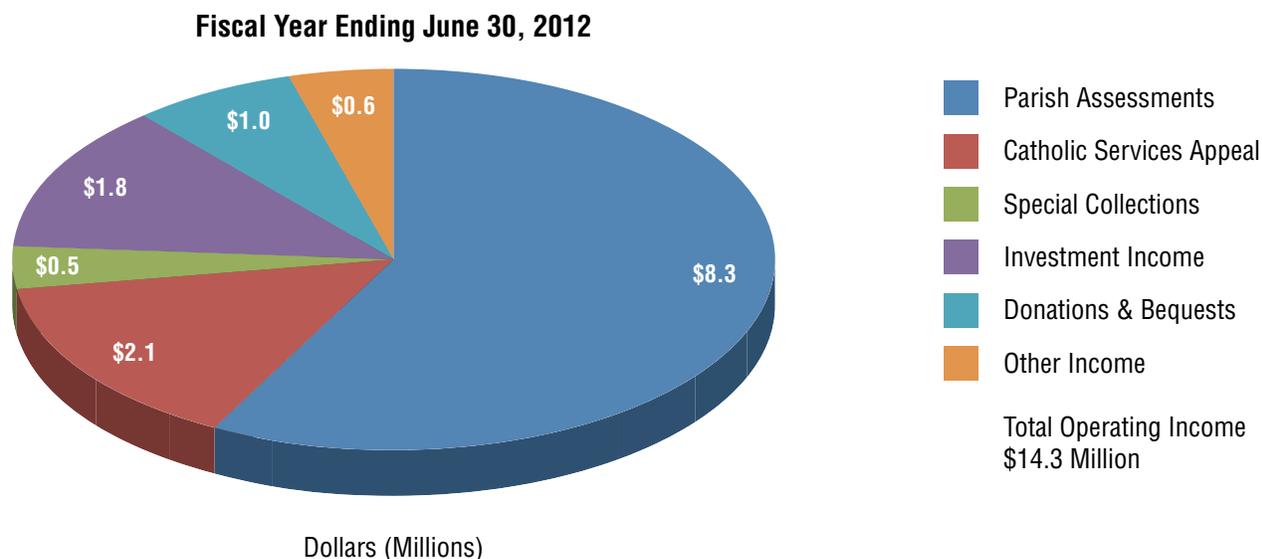
## Sexual Abuse Expenditures

We pledge to be accountable for the financial costs of sexual abuse. The following summarizes funds expended from July 1, 2011 to June 30, 2012:

Counseling Fees and Support for Victims/Survivors	\$3,566
Legal Fees	\$165
Prevention/Education	\$26,524
<b>TOTAL</b>	<b>\$30,255</b>

## Report on Finances - Archdiocese of Louisville - June 30, 2012

As part of our ongoing commitment to communication and accountability, 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, 2012. 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 [www.archlou.org](http://www.archlou.org).



### Chancery Operations

#### Operating Income

- Parish assessments of \$8.3M represent a key income source for the Archdiocese. The Christian faithful are obliged to assist with the needs of the Church so that the Church has what is necessary for divine worship, for the works of the apostolate and of charity, and for the decent support of ministers (Canon 222). Parish assessments are comprised of three components: 1) an ordinary assessment on parish income of 4% to carry on the foreseeable needs of the Church; 2) a specific assessment of 1.34% to provide funds for the support of retired priests; and 3) a specific assessment of 1.16% for the archdiocesan newspaper, *The Record*, and other communication efforts.
- The Catholic Services Appeal is an annual appeal that invites free will donations from the faithful to provide support to the Church for various programs and ministries provided by the Archdiocese. The total of \$2.1M of free will offerings is up 11% from last year's appeal. (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. Gifts to these collections are forwarded directly to the national and international organizations for which the collection is designated.
- Investment income of \$1.8M net of fees includes interest and dividends earned and reinvested into the Archdiocese of Louisville's investment portfolio.
- Donations and bequests of \$1M include unrestricted and restricted gifts to the Archdiocese from generous benefactors.
- Other income of \$0.6M includes interest earned on loans to parishes and other miscellaneous income.

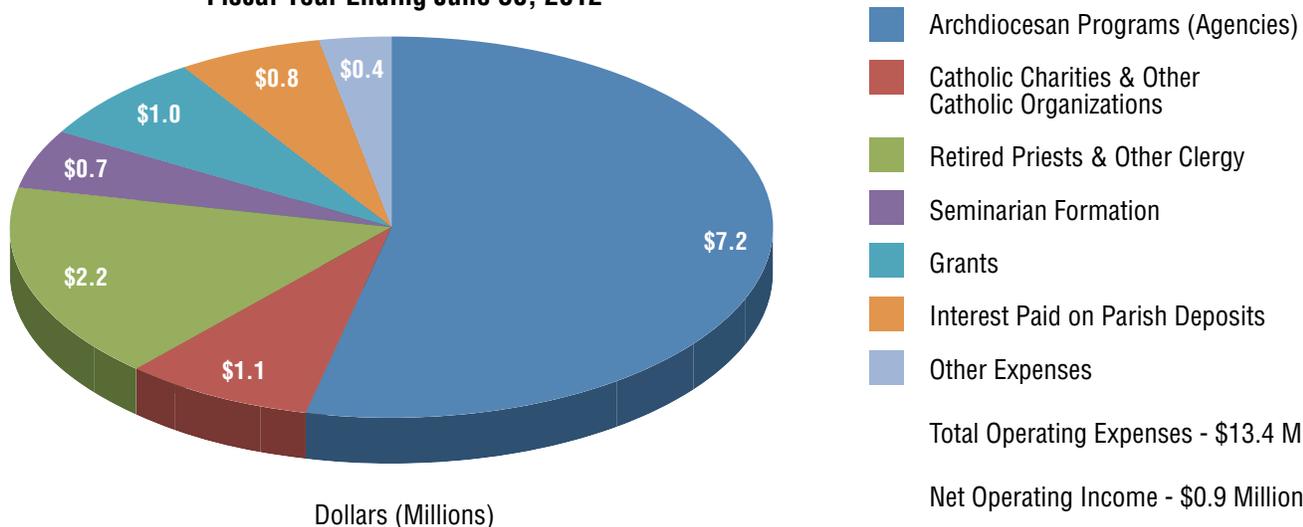
For the fiscal year ending June 30, 2012, operating income decreased \$0.8M over the prior fiscal year. A reduction in assessment income from parishes and lower gifts from bequests and donations explain the variance.

# Report on Finances

## Chancery Operations

### Operating Expenses

Fiscal Year Ending June 30, 2012



- Archdiocesan program (Agencies) expenses of \$7.2M 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 and houses the office of the Superintendent of Schools. 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* newspaper, radio and television ministries, the 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 Family Ministries Office serves the archdiocesan community through services to strengthen marriage

and family throughout every phase of life, with expenses totaling \$0.4M.

- 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 \$0.3M.
- 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 liturgical education and training of Catholics, including the recent implementation of the *Third Edition of the Roman Missal*, with expenses totaling \$0.2M.
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.1M 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 \$2M. As of June 30, 2012, the Archdiocese had 63 retired priests receiving a pension.

## Report on Finances

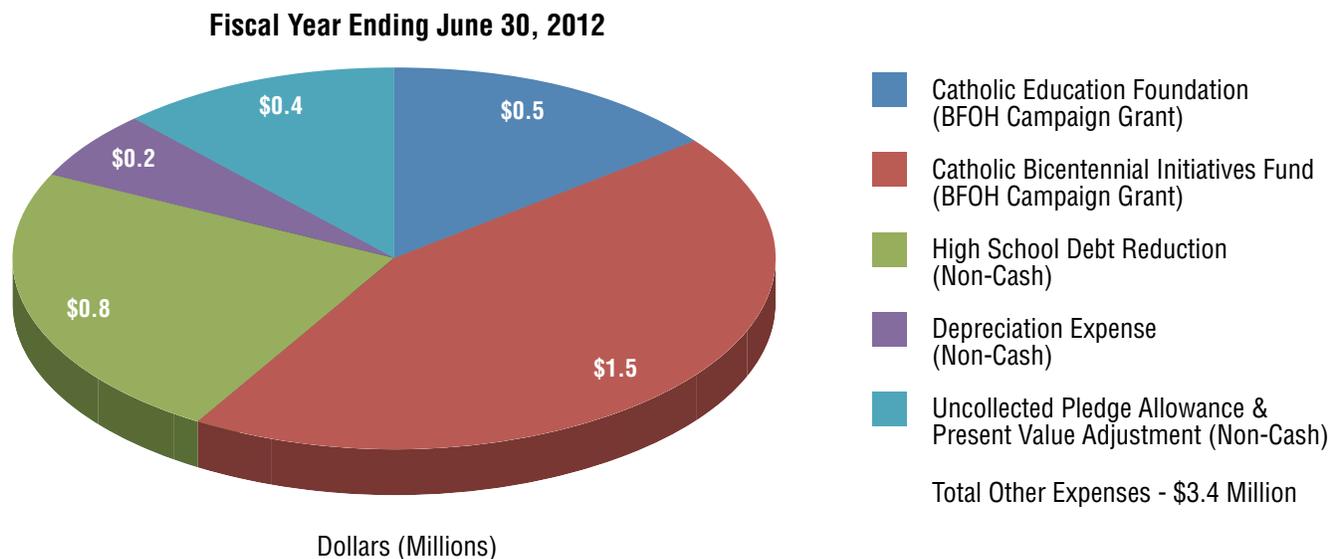
- Seminarian education expenses totaled \$.7M. For the fall 2012 semester, the Archdiocese has 17 seminarians in training for the priesthood. Three seminarians were ordained priests in May 2012.
- Grants totaling \$1M consist of life and long-term disability insurance benefits paid for parish and school employees of \$.4M, high school tuition assistance of \$.4M, papal and national organizations of \$.1M, and various other grants made to Catholic organizations of \$.1M.
- Other expenses totaling \$.4M are comprised of property and liability insurance and other miscellaneous items.

Net operating income for fiscal year ending June 30, 2012 is \$.9M, and does not include Other Expenses totaling \$3.4M, which consists of campaign grants from the Building a Future of Hope campaign and non-cash items illustrated on the chart below. In addition, market investment results of negative \$2.2M are not included in the net operating income.

## Chancery Operations

### Other Expenses – Campaign Grants & Non-Cash Items

Cash proceeds received from the fulfillment of pledges to the Building a Future of Hope campaign are split between parishes and the Archdiocese. (See chart below.) For fiscal year ending June 30, 2012, cash pledge payments of \$.5M and \$1.5M were transferred to the Catholic Education Foundation for tuition assistance and to the Catholic Bicentennial Initiatives Fund for priest retirement, seminarian education, parish assistance and legacy initiatives, respectively.



## Market Results

Market results include \$2.7M of unrealized losses, and \$.5M 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.

# Report on Finances

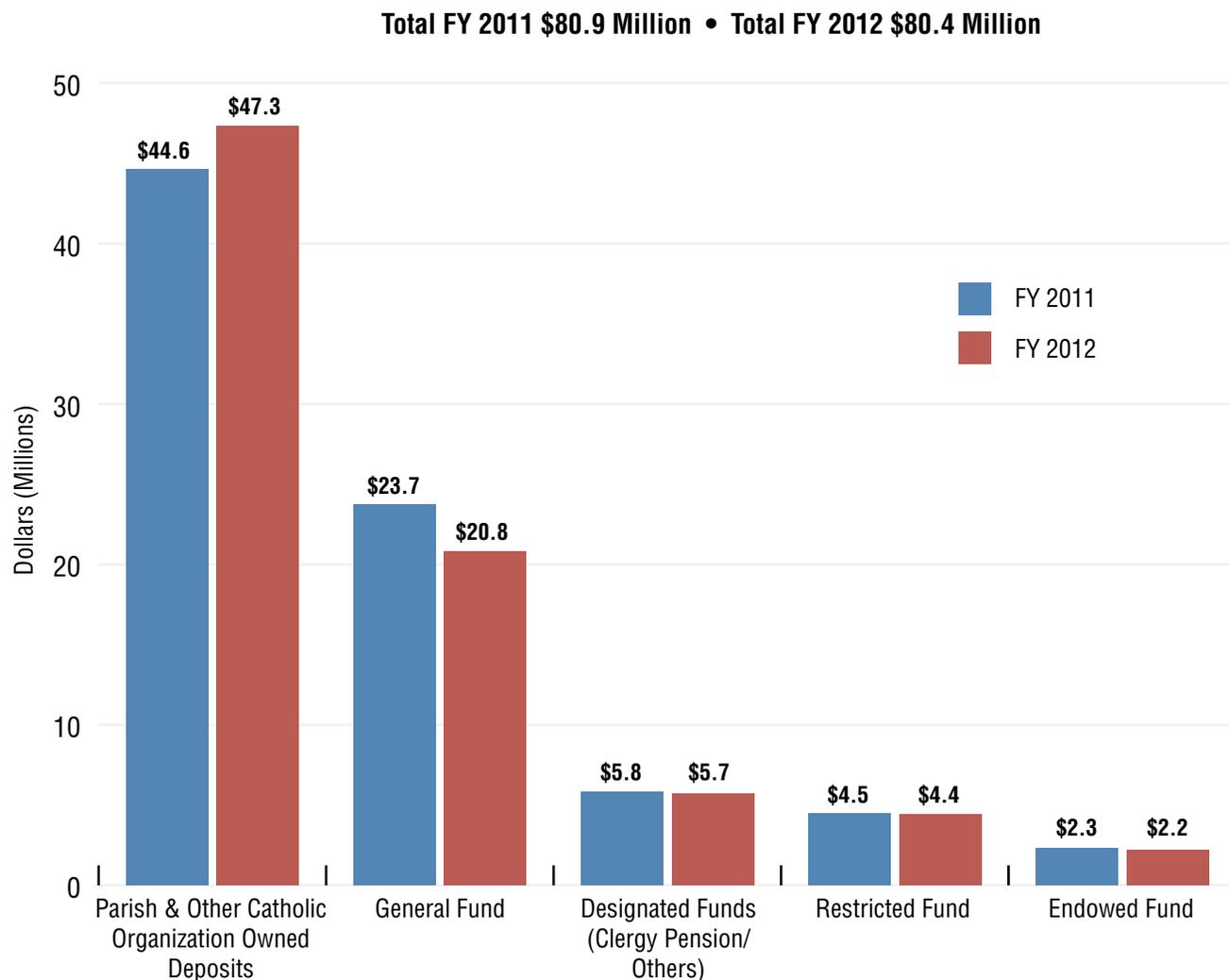
## Chancery Operations

### Summary

Net Income from Operations	\$0.9 Million
Other Expenses/Grants & Non-Cash	(\$3.4) Million
Market Investment Losses	(\$2.2) Million
<b>Overall Net Loss</b>	<b>(\$4.7) Million</b>

## Investment Portfolio Fund Allocation

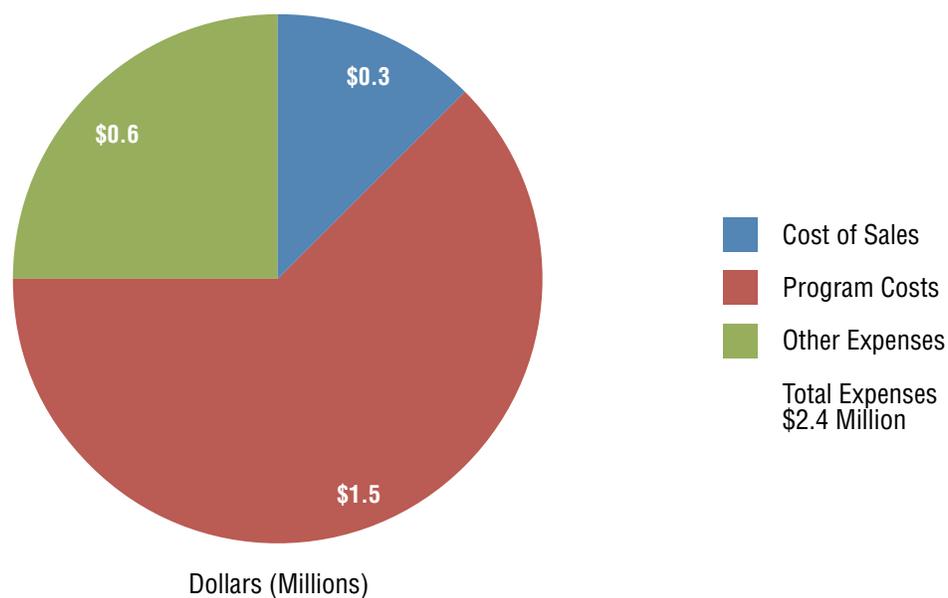
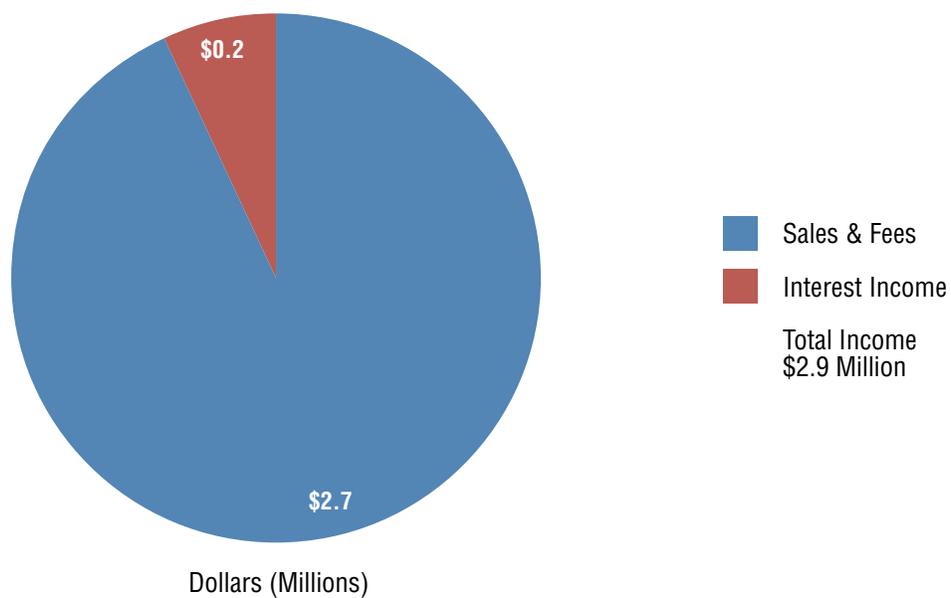
The investment portfolio of the Archdiocese totals approximately \$80M as of fiscal year ending June 30, 2012, with parishes and other Catholic organizations owning more than 59% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.



## Report on Finances

### Catholic Cemetery Operations

Catholic Cemeteries had net income of \$.5M in fiscal year ending June 30, 2012, which is the same as the prior fiscal year's net income. Most of Cemeteries' income is burial sales, which total \$2.7M as reflected in the chart below. The remaining income is interest income on investments of \$.2M. Expenses total \$2.4M of which the cost of sales is \$.3M. Program costs, including salaries and benefits, total \$1.5M, and other expenses of \$.6M include depreciation, insurance, and administrative expenses.

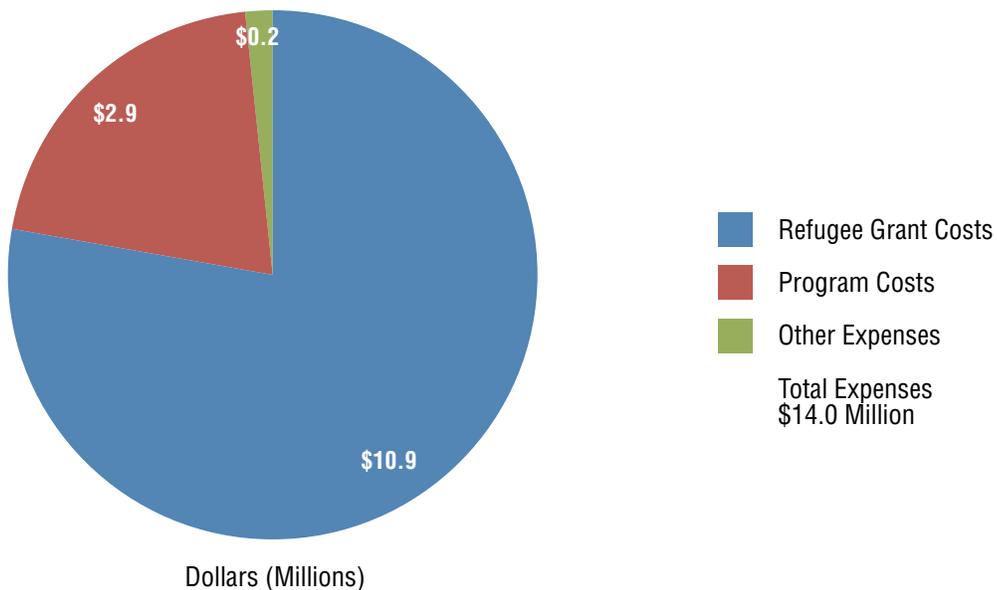
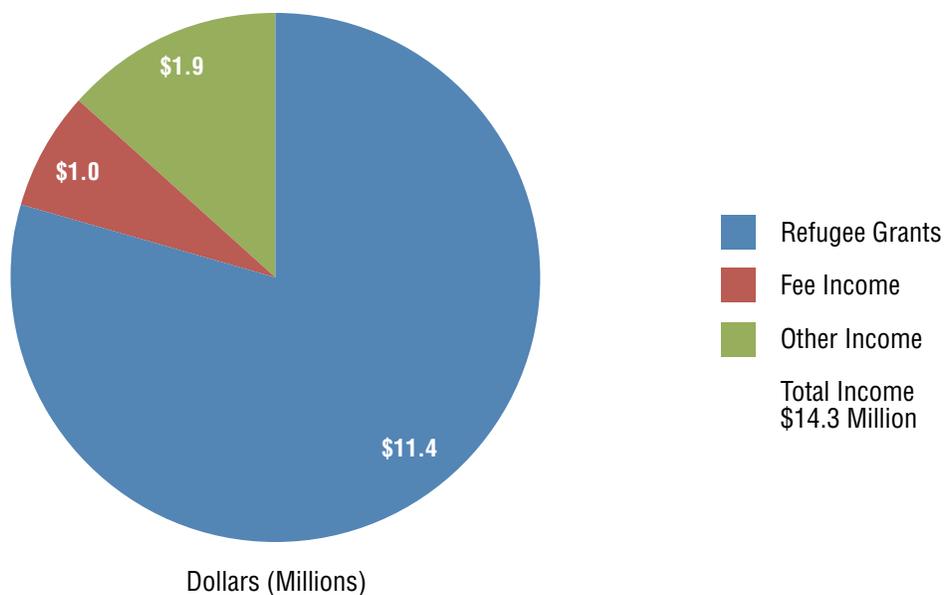


Net Income \$.5M

# Report on Finances

## Catholic Charities Operations

Catholic Charities had net income of \$.3M in fiscal year ending June 30, 2012 and improvement over the recorded loss of \$.4M for the prior fiscal year. An unexpected bequest of \$.2M improved the financial position of Catholic Charities in 2012. Most of this agency's income includes federal and state grants of \$11.4M. Fee income for services total \$1M, and other income includes donations, archdiocesan support, and miscellaneous items of \$1.9M. Refugee grant costs total \$10.9M for grant expenses and grants distributed to sub-recipients. Program costs, including salaries and benefits, total \$2.9M, and other expenses of \$.2M include depreciation, insurance, and administrative expenses.



Net Income \$.3M

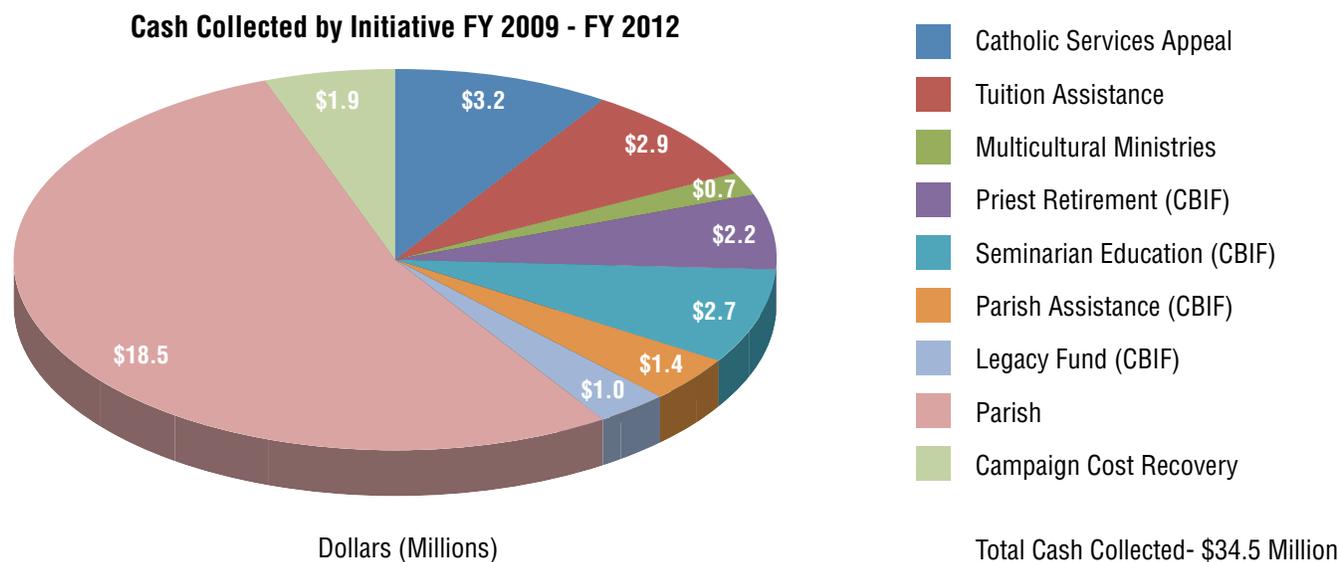
## Report on Finances

### Recap of 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 our 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, 2012, 26% of pledge commitments or \$12.1M are still in the collection process. Approximately 94% of gross pledges are estimated to be collected. Parishes have used campaign proceeds on facility renovations, new construction projects, and new programs.

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 total of all cash collected for the campaign, including new gifts, is depicted in the chart below.

### Building a Future of Hope Gifts



# Report on Finances

## Catholic Services Appeal

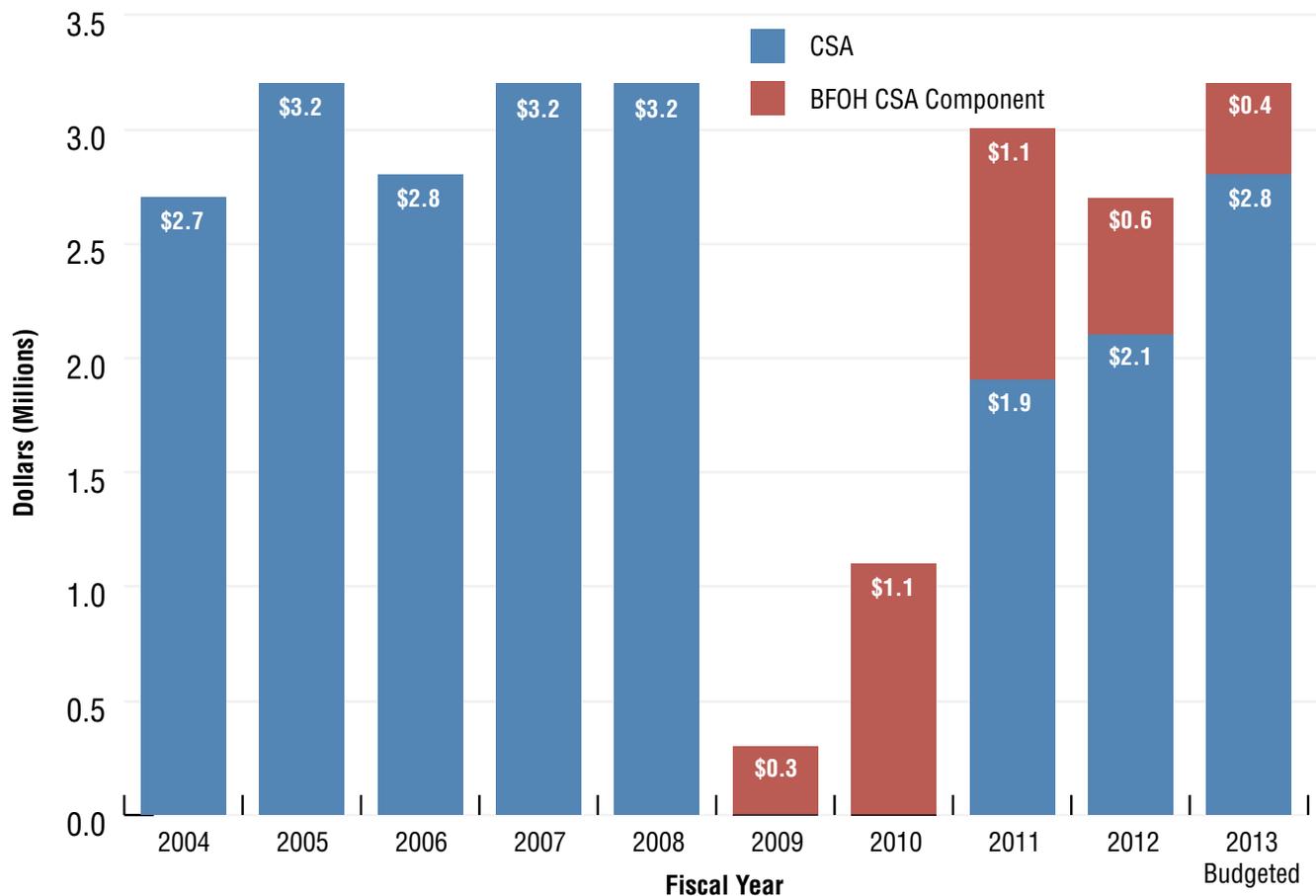
(2004 through 2012)

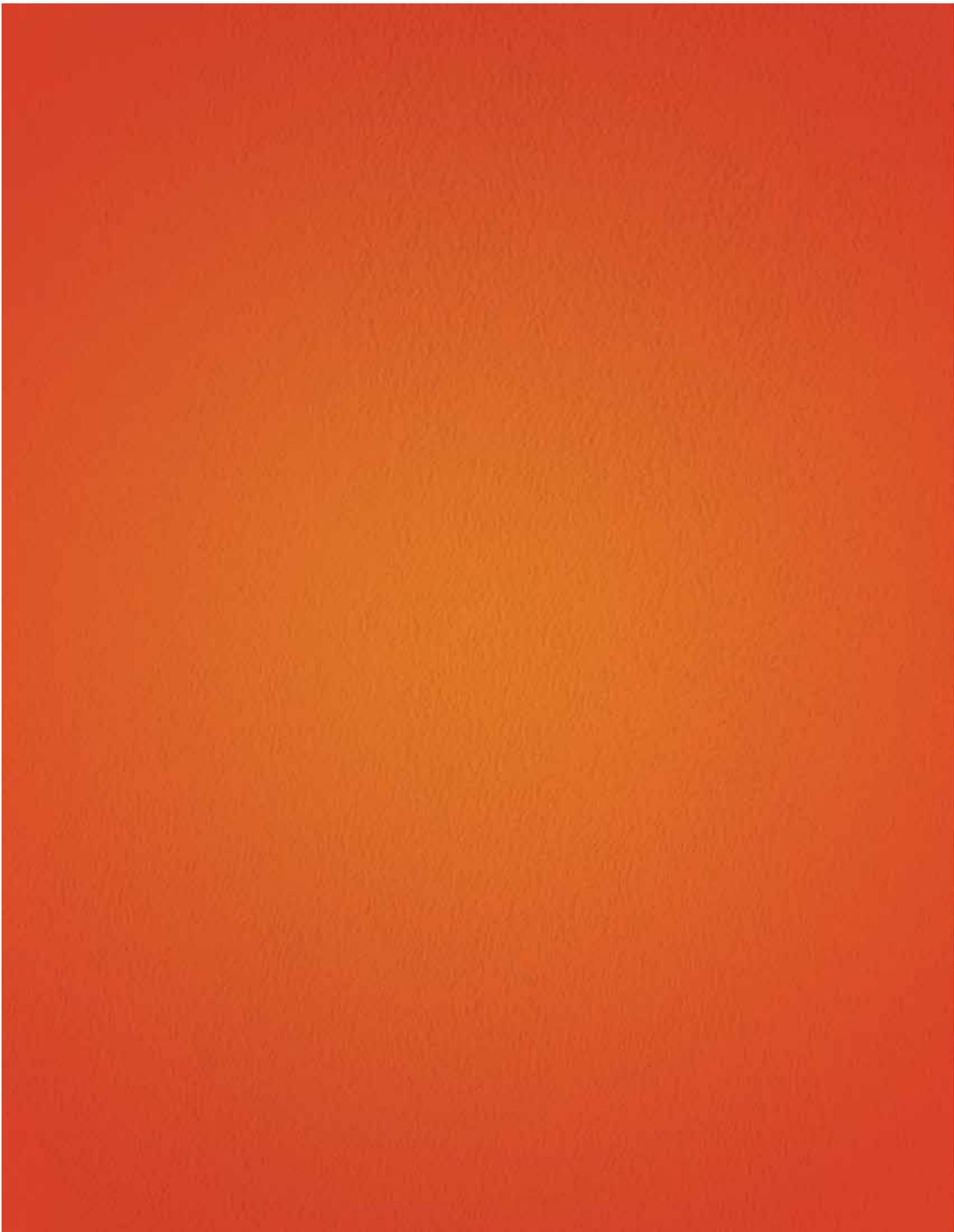
The revenues generated from the Catholic Services Appeal make possible the various programs, services, and ministries within the Archdiocese. Without it, these services would not be available. The Catholic Services Appeal serves as one of the Archdiocese's key income sources, along with parish assessments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

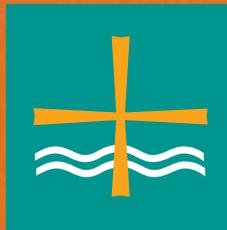
We strive to serve our community and fulfill the spiritual and individual needs of our people through the Catholic Services Appeal. There are various ways to contribute to the Catholic Services Appeal. A parishioner may contribute through his or her parish during the in-pew collection process, respond to the archdiocesan appeal letter, or donate online at <http://www.archlou.org/catholic-services-appeal>.

### Catholic Services Appeal





ARCHDIOCESE



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