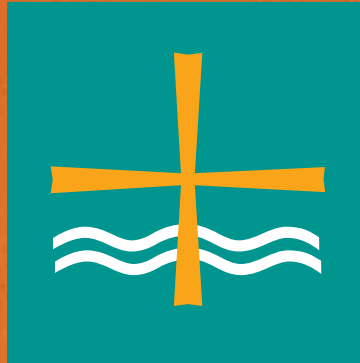




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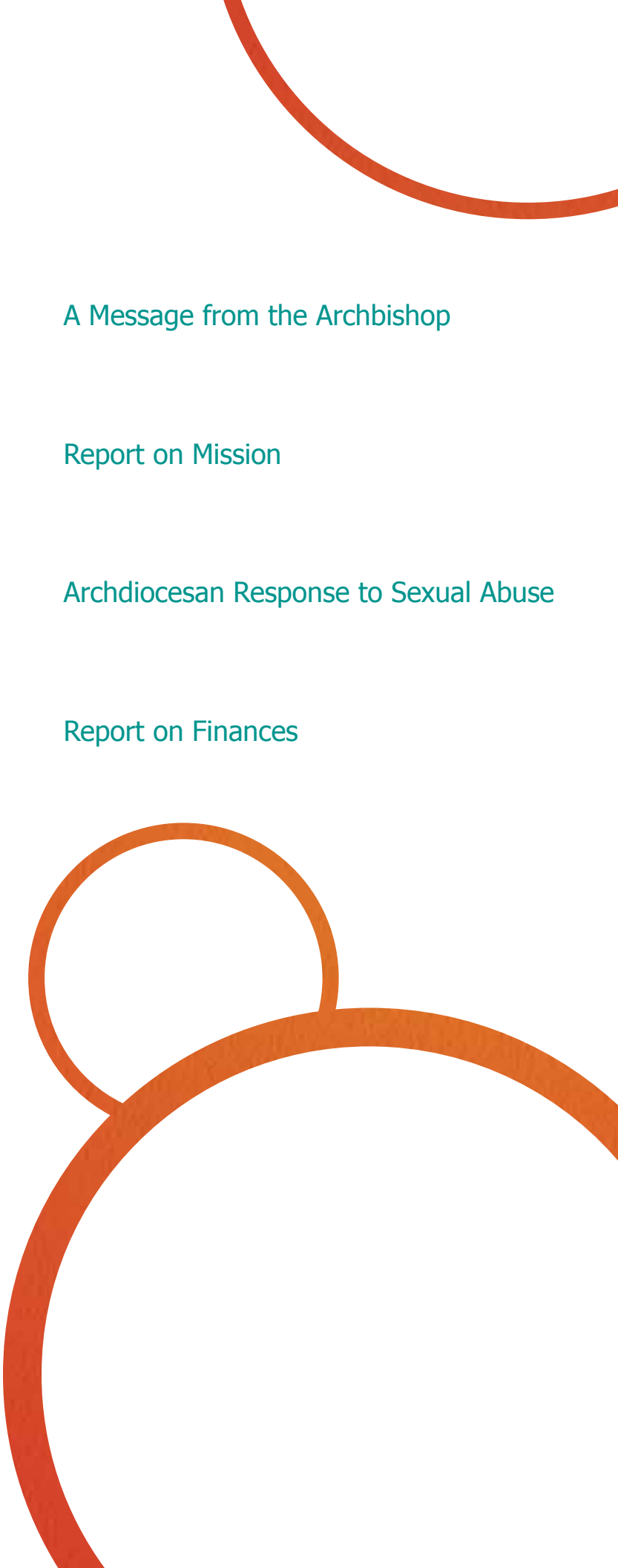
# 2013 Accountability Report

“It is not enough to discover Christ; you must bring Him to others!”

~ Blessed John Paul II







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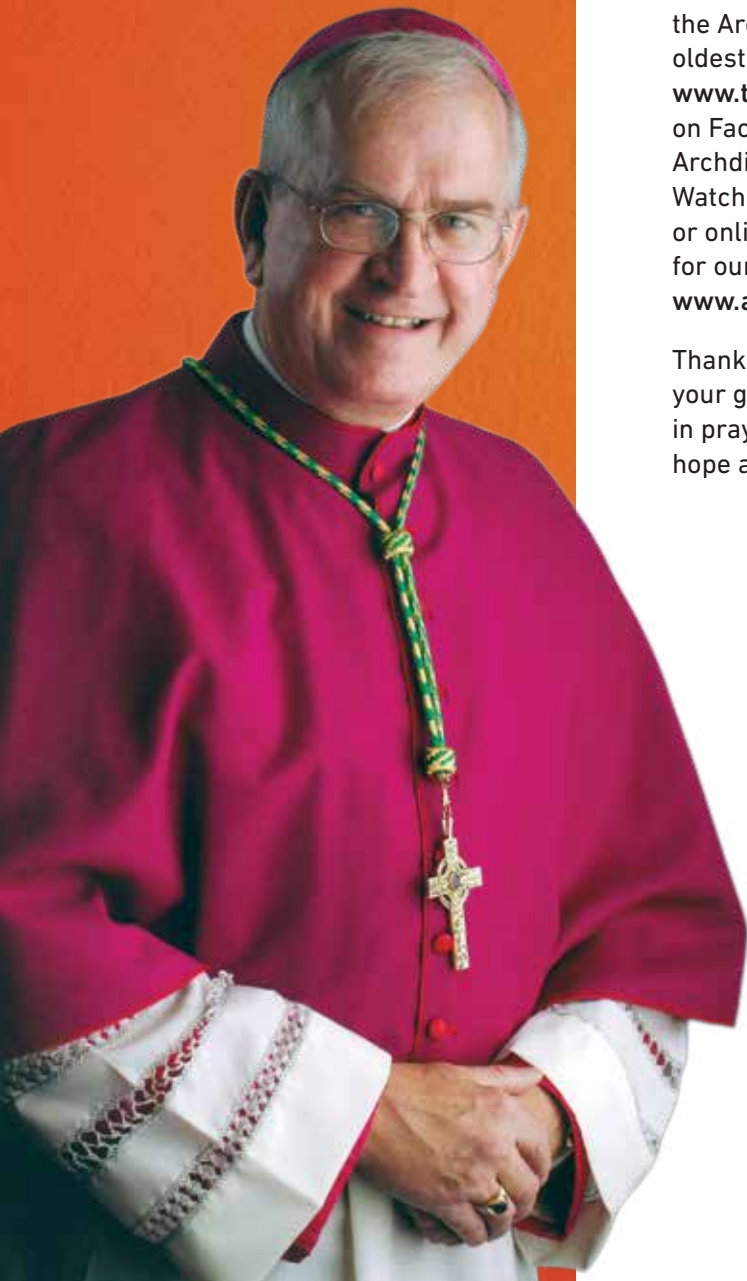
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# A Message from the Archbishop



Dear Sisters and Brothers in Christ:

This has certainly been a momentous year in the life of our Church! With the courageous and humble decision of Pope Emeritus Benedict XVI to resign, we have welcomed our new Holy Father, Pope Francis, who has inspired us with his vision of the new evangelization.

One of Pope Francis' most compelling challenges is his call to go out and tell the good news. Be "bearers of hope," he tells us. Practice charity since this "...concrete attention towards others, towards the poorest, weakest, and most needy is the hallmark of the Christian." Have "the courage to proclaim the newness of the Gospel of Jesus to all, frankly and out loud, in every time and in every place."

This report is one of many efforts to be accountable to you for our fidelity to this mission to share the good news and for our stewardship of the resources that you have entrusted to our care. Hopefully this brief snapshot provides you with good information about our efforts to go out and proclaim the gospel in every time and place.

As the primary stewards of this mission, it is important for you to be informed, and there are many other sources of information about the Archdiocese that I hope you pursue. Of course, *The Record* is our oldest communication ministry, and it is now also available online at [www.therecordnewspaper.org](http://www.therecordnewspaper.org), on Twitter (@Record\_Archlou), and on Facebook (The Record – Archdiocese of Louisville). Follow the Archdiocese and me on Twitter (@ArchLouKY; @Archbishop Kurtz). Watch the half-hour television show *Conversations* on the Faith Channel or online at our website, [www.archlou.org/conversations](http://www.archlou.org/conversations). Sign up for our monthly e-newsletter, *Catholic Connection*, by going to [www.archlou.org/connection](http://www.archlou.org/connection).

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 call to be bearers of hope and joy for all we serve. May God bless you!

Sincerely yours in our Lord,

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

## Report on Mission



1 On the Feast of Our Lady of Guadalupe, parishioners carry a statue during the Mass. Among a variety of programs and services, new Hispanic ministry efforts during the last year included an expanded social media presence and the development of a Hispanic ministry parish grant process. (On Twitter, @Archlou\_es and on Facebook: [www.facebook.com/archlouespanola](http://www.facebook.com/archlouespanola))



2 Archbishop Kurtz attends the Synod on the New Evangelization for the Transmission of the Christian Faith in Rome.



3 Students participate in the Loyola Institute for Ministry's Extension Program (LIMEX). Through this program at Loyola University, New Orleans, adults are able to earn on-site advanced degrees or certificates in pastoral ministry or religious education; 17 in the Archdiocese are participating in 3 cohort groups.



# Report on Mission

1 A student at St. Edward School votes in a mock papal election. As Pope Francis was being elected, students in Catholic schools learned about Church history and the process of electing a Pope.



2 Archbishop Kurtz ordains Fr. Nicholas Brown and Fr. Christopher Lubecke to the priesthood. Fr. Steven Henriksen also was ordained this year for a total of 3 priesthood ordinations.



3 Sal Della Bella, the new Director of Evangelization for the Archdiocese, speaks at an Archdiocesan Leadership Institute about the new evangelization. The Archdiocese established an Office of Evangelization to implement the new evangelization with a special emphasis on parish evangelization.



4 Students at St. Dominic School in Springfield celebrate All Saints Day. The Archdiocese concluded the data-gathering, listening, and discussion phases of a Catholic elementary school study that is focused on promoting Catholic schools as agents of the new evangelization and that will propose new initiatives to stabilize Catholic schools for the future.







5 Catholic Charities' Human Trafficking Program provided assistance to 17 victims and trained 1,730 individuals to provide services to victims of human trafficking.



6 Angela Billups, right, and Francesca Hardin are among 430 to attend the archdiocesan Black Catholic Congress.



7 Volunteers at the Sister Visitor Center sort items received for Christmas. Last year, Catholic Charities benefitted from 16,351 hours of volunteer services for its ministries as it provided emergency assistance to 12,787 for rent, utilities, food, clothing, personal and household items, and prescriptions.



8 Archbishop Kurtz at a Eucharistic Holy Hour for Life, Marriage, and Liberty at St. James Parish in Elizabethtown. Archbishop held 6 Holy Hours throughout the Archdiocese.

# Report on Mission

- 1 A father and son at the archdiocesan Catholic Men's Conference. More than 600 men attended.
- 2 Participants at the TEC (Teen and Twenties Encounter Christ) Retreat. Two retreats were held for a combined attendance of 155.
- 3 *Gift of Joy*, co-authored by Archbishop Kurtz. This book explains and extends the "Blessing of the Child in the Womb" for expectant parents and has been promoted as an outreach for parishes to young families.
- 4 Young adults participate in Eucharistic Adoration as part of the regular programming of Louisville Young Catholics (LYC). This group organizes Holy Hours, speakers, and social events for young adults in the Archdiocese.







5 The Office of Multicultural Ministry hosted a Sambang Gabig (pre-Christmas) Mass and celebration for more than 350 Filipino Catholics. This began a process of expanded ministry offerings for the Asian-Pacific population in the Archdiocese.



6 A volunteer for the Mother-Infant Care program soothes a baby. Last year this ministry of Catholic Charities provided 1,051 mothers and fathers-to-be with education, information, counseling, baby items, and referrals to community agencies.



7 Archbishop Kurtz greets the Watkins family at the Dinner with the Archbishop. The annual event, which promotes vocations to the priesthood and religious life, welcomed more than 480 youth, adults, priests, and religious last year.



8 A stained glass window in the new church for St. Michael Parish. Last year, the Archdiocese assisted parishes with various aspects of building renovations, which culminated in the dedication of two new churches (St. Bernadette and St. Michael), a new school (St. James in Elizabethtown), and the completion of a variety of other renovation projects.

# Report on Mission

## Archdiocesan Response to Sexual Abuse

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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 2012, the United States Conference of Catholic Bishops audited our Archdiocese for the ninth 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**

3,248 employees and volunteers participated in safe environment training during the past fiscal year. Seventy-seven workshops were offered this past year and continue to be offered each month throughout the Archdiocese. For more information, see [www.archlou.org/safe](http://www.archlou.org/safe).

The sexual abuse policies and safe environment materials were updated and revised.

For Sexual Abuse Prevention Month in April, the Archdiocese sent suggested bulletin blurbs about sexual abuse to parishes and schools.

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 [www.archlou.org/restoringtrust](http://www.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, Ms. Martine Siegel, RN, MSN, CNS, meets and assists victims/survivors. She can be reached by calling 502/636-1044 or emailing [victimassistance@archlou.org](mailto:victimassistance@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, 2012 to June 30, 2013:

Counseling Fees and Support for Victims/Survivors	\$ 4,772
Prevention/Education	<u>\$37,499</u>
<b>TOTAL</b>	<b>\$42,271</b>



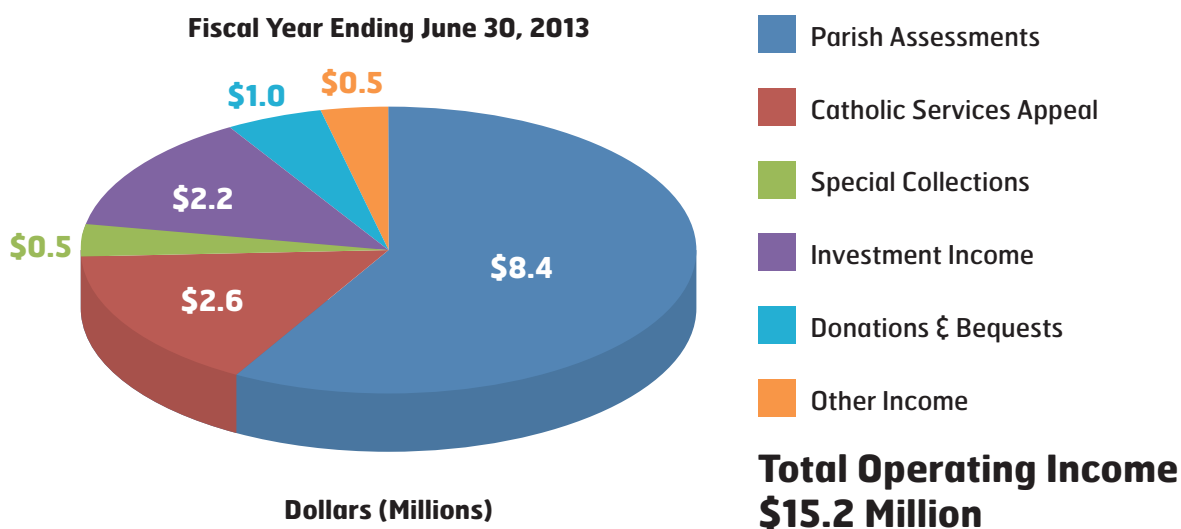
# Report of Finances

Archdiocese of Louisville June 30, 2013

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, 2013. 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

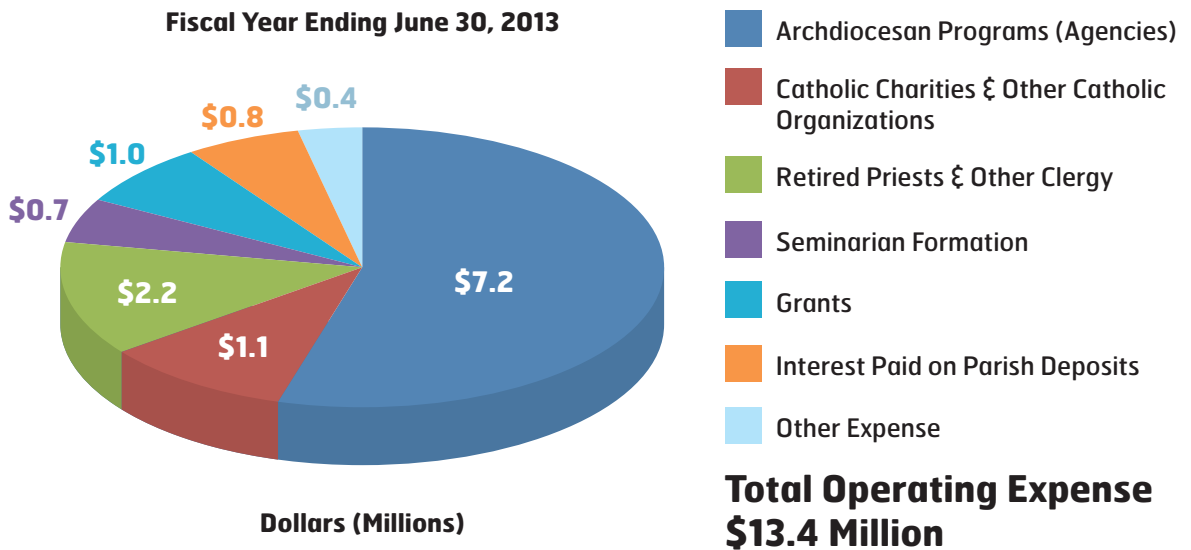
### OPERATING INCOME



- Parish assessments of \$8.4M 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 of the Archdiocese. The total of \$2.6M of free will offerings is up 23% from last year's appeal (see chart above).
- 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 \$2.2M 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. This past year a formal planned giving program was implemented to help support the work of the Church.
- Other income of \$0.5M includes interest earned on loans to parishes and other miscellaneous income.

For fiscal year ending June 30, 2013, operating income increased \$0.9M over the prior fiscal year. This 5% improvement over last year resulted from increased giving to the Catholic Services Appeal and higher investment portfolio earnings.

**OPERATING EXPENSES**



**Total Operating Expense  
\$13.4 Million**

**Net Operating Income  
\$1.8 Million**

- 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 \$1.1M, 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, 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 \$.6M.
  - The Family Ministries Office serves the archdiocesan community through services to strengthen marriage and family throughout every phase of life, with expenses totaling \$.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 \$.3M.
  - The Vocation Office facilitates and coordinates the development and formation of those called to priesthood and religious life, with expenses totaling \$.2M.
  - The Worship Office serves the archdiocesan community through liturgical education and training of Catholics, with expenses totaling \$.2M.
  - The Diaconate Office coordinates the development and formation of men called to religious life as a deacon, with expenses totaling \$.2M.



## OPERATING EXPENSES (CONTINUED)

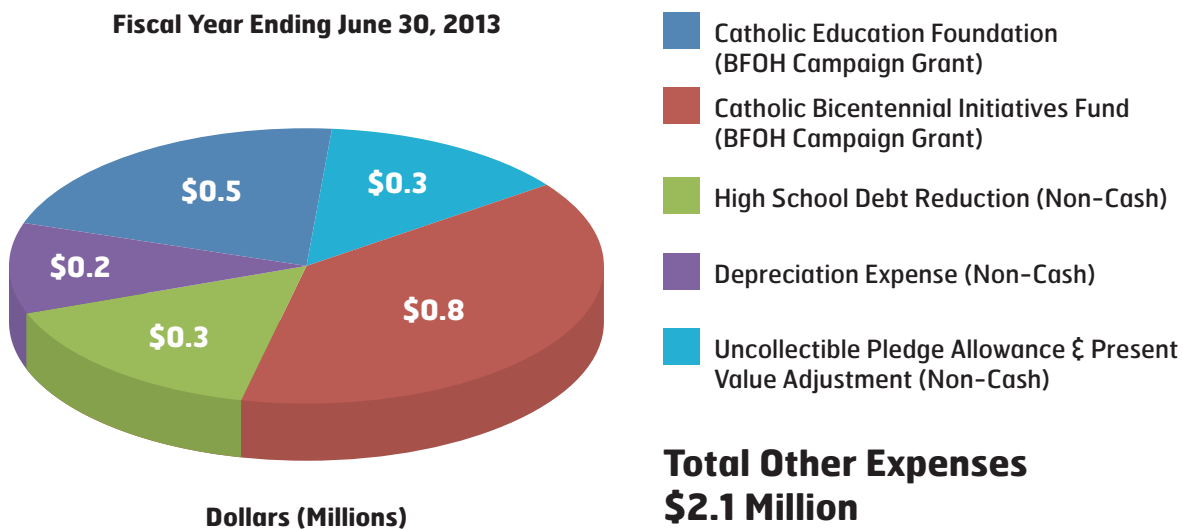
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.1M for operating purposes, in part from gifts to the Catholic Services Appeal.
- Retired Priests and Other Clergy expenses of \$2.2M are primarily the cost of priest pensions and medical insurance benefits. As of June 30, 2013, the Archdiocese had 57 retired priests receiving a pension.
- Seminarian education expenses totaled \$.7M. For the fall 2013 semester, the Archdiocese has 17 seminarians in training for the priesthood. Three seminarians were ordained priests in fiscal year ending June 30, 2013.
- Grants totaling \$1M consist of life and long-term disability insurance benefits paid for parish and school employees of \$.3M, high school tuition assistance of \$.4M, papal and national organizations of \$.1M, and various other grants made to Catholic organizations of \$.2M.
- Other expenses totaling \$.4M are comprised of property and liability insurance and other miscellaneous items.

Net operating income for fiscal year ending June 30, 2013 is \$1.8M, and does not include Other Expenses totaling \$2.1M, which consists of grants from the Building a Future of Hope campaign and non-cash items illustrated on the chart below. In addition, market investment gains of \$8.2M are not included in the net operating income.

## OTHER EXPENSES

### CAMPAIGN GRANTS & NON-CASH ITEMS

Cash proceeds received from the fulfillment of pledges to the Building a Future of Hope (BFOH) campaign are split between parishes and the Archdiocese (see chart below). For fiscal year ending June 30, 2013, cash pledge payments of \$.3M and \$.8M 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.



## Chancery Operations

### MARKET RESULTS

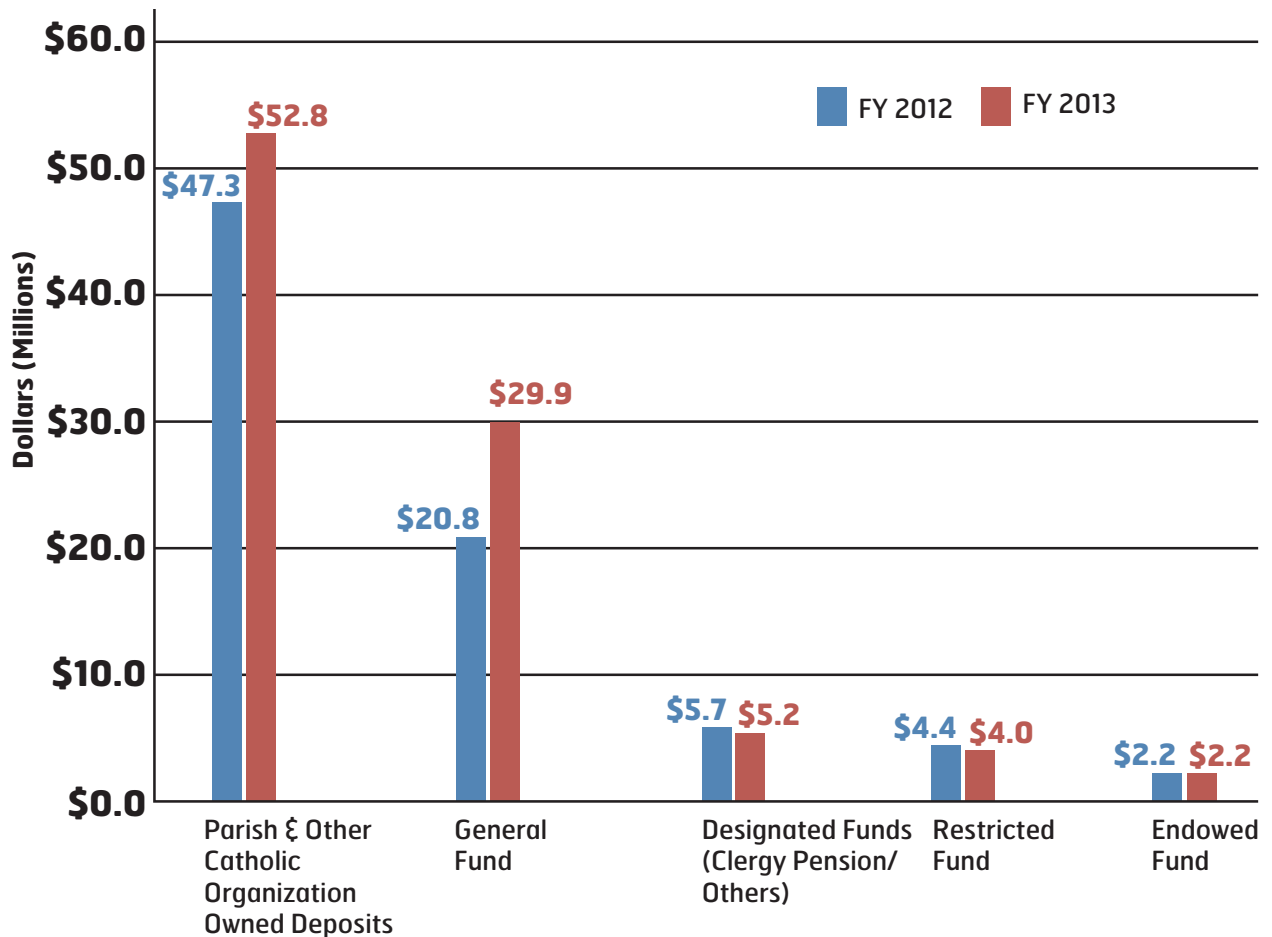
Market results include \$6.3M of unrealized gains and \$1.9M of realized gains from the investment portfolio of the Archdiocese. The Archdiocese continues to review investment policies to minimize risk in a volatile equity market with the goal of obtaining a reasonable return.

### CHANCERY OPERATIONS SUMMARY

Net Income from Operations	\$1.8 Million
Other Expenses/Grants & Non-Cash	(\$2.1) Million
Market Investment Gains	<u>\$8.2 Million</u>
<b>Overall Net Income</b>	<b>\$7.9 Million</b>

## Investment Portfolio Fund Allocation

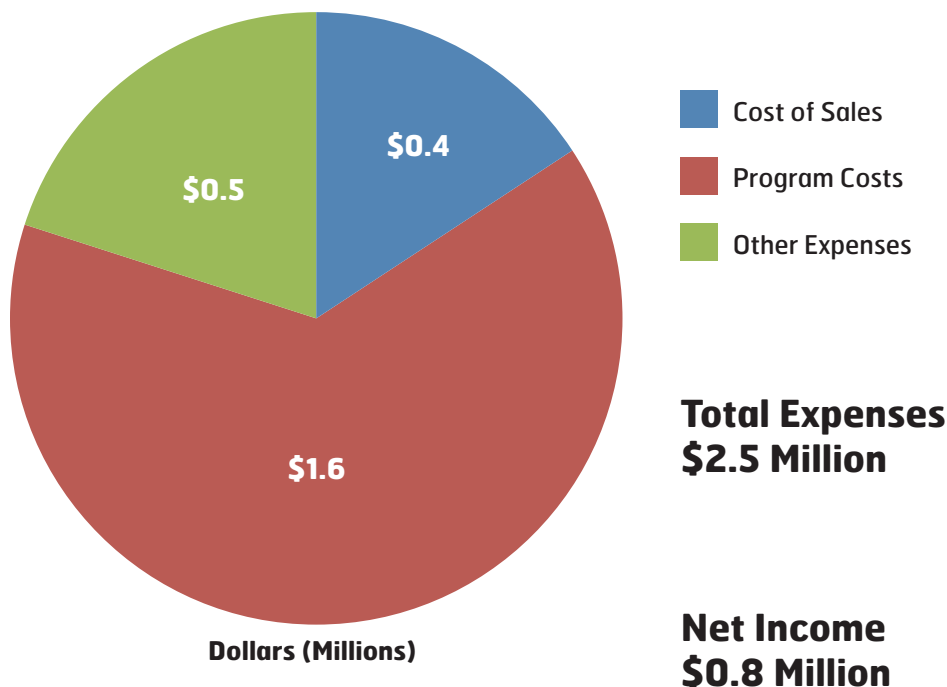
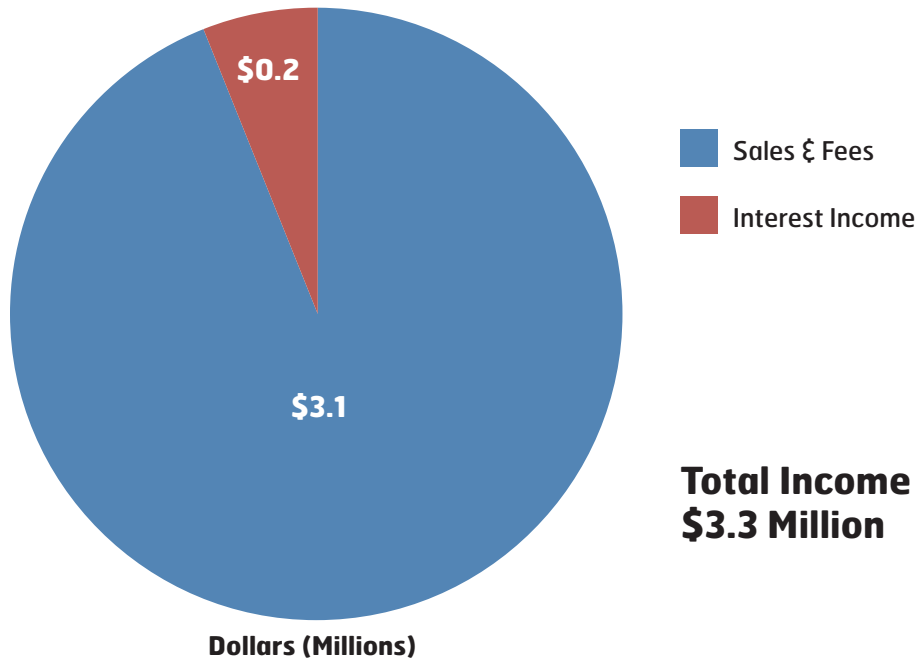
The investment portfolio of the Archdiocese totals approximately \$94.1M as of fiscal year ending June 30, 2013, with parishes and other Catholic organizations owning more than 56% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.





## Catholic Cemeteries Operations

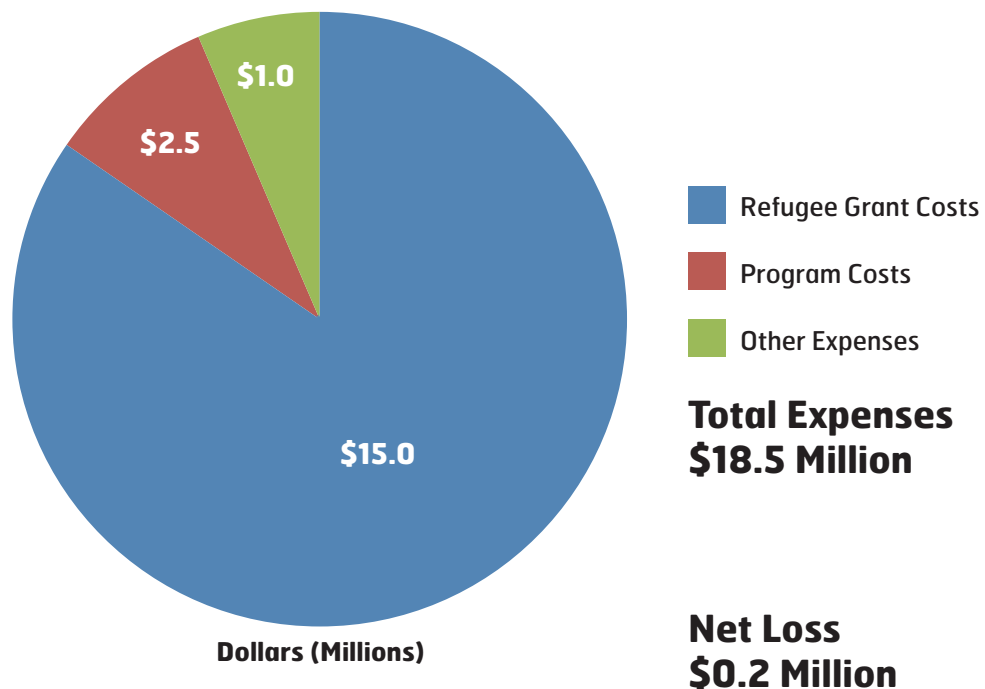
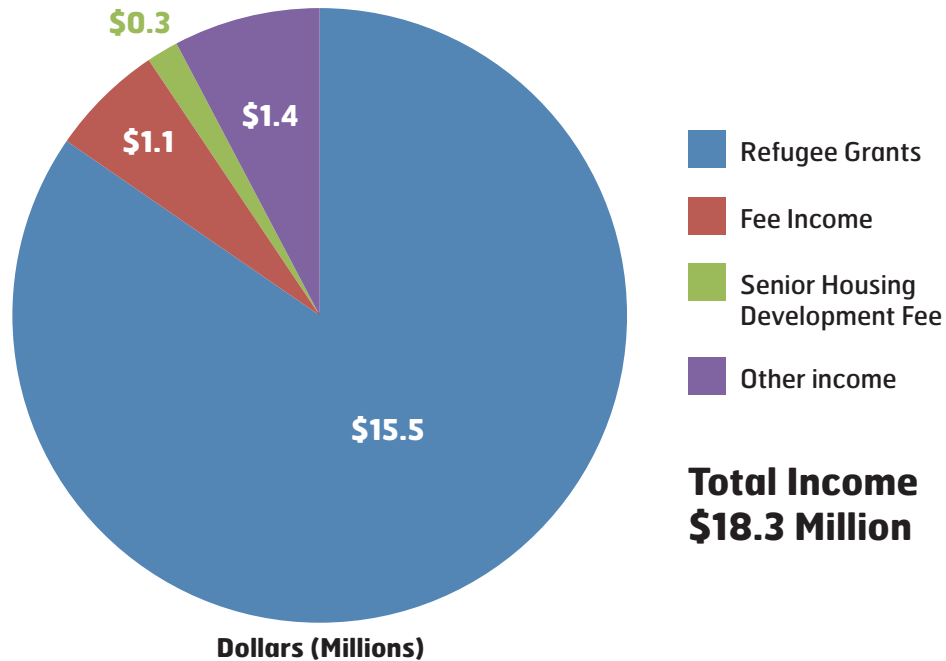
Cemeteries had net income of \$.8M in fiscal year ending June 30, 2013, an increase of \$.3M over the prior fiscal year. Most of Catholic Cemeteries' income is burial sales and fees, which total \$3.1M as reflected in the chart below. The remaining income is interest income on investments of \$.2M. Expenses total \$2.5M of which the cost of sales is \$.4M. Program costs, including salaries and benefits, total \$1.6M, and other expenses of \$.5M include depreciation, insurance, and administrative expenses.



**Net Income  
\$0.8 Million**

## Catholic Charities Operations

Catholic Charities had a net loss of \$.2M in fiscal year ending June 30, 2013. This loss is due to timing of donation income for tornado victims received in the prior year not disbursed until the current year. Most of this agency's income includes federal and state grants of \$15.5M. Program Fee income for services total \$1.1M, senior housing development fees of \$.3M, and other income includes donations, archdiocesan support, and miscellaneous items of \$1.4M. Refugee grant costs total \$15.0M for grant expenses and grants distributed to sub-recipients. Program costs including salaries and benefits total \$2.5M, and other expenses of \$1.0M for development and fundraising, administration, and other support services.

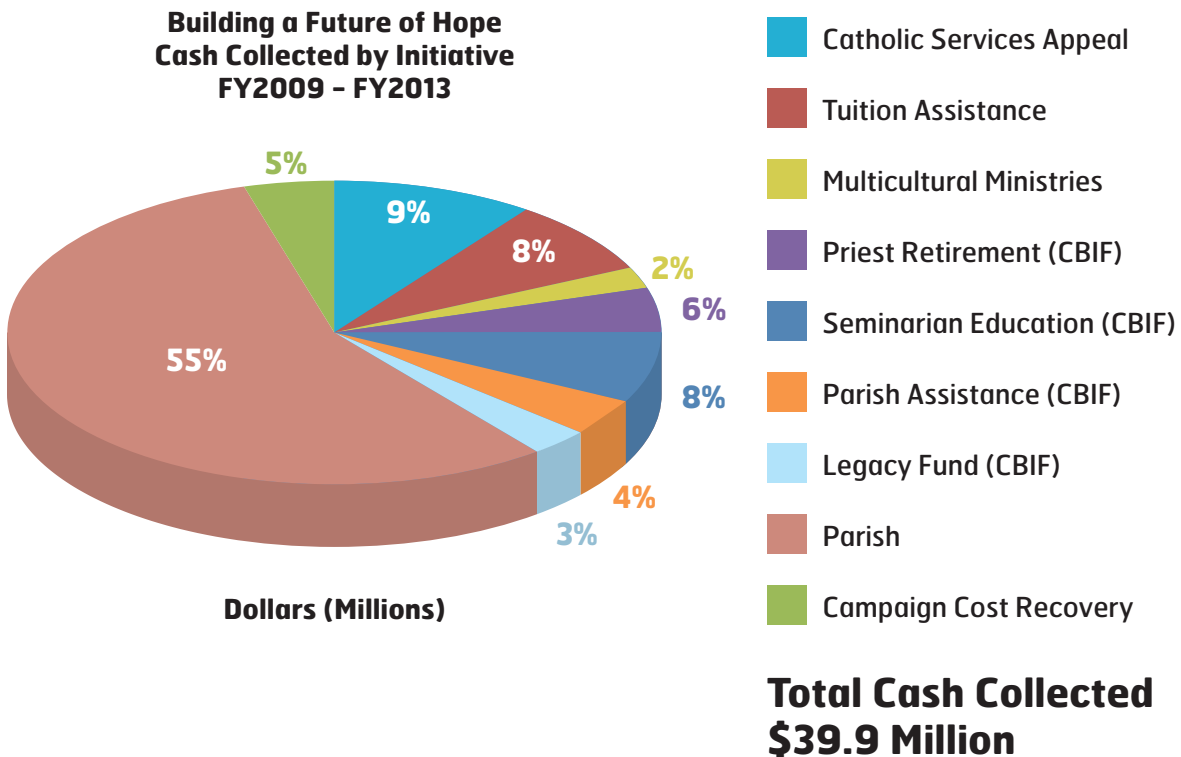




## Recap of Building a Future of Hope Capital Campaign

The Building a Future of Hope campaign has \$46.8M in net 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, 2013, \$6.9M is still in the collection process. Approximately 91% of total gross pledges and gifts to the campaign 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

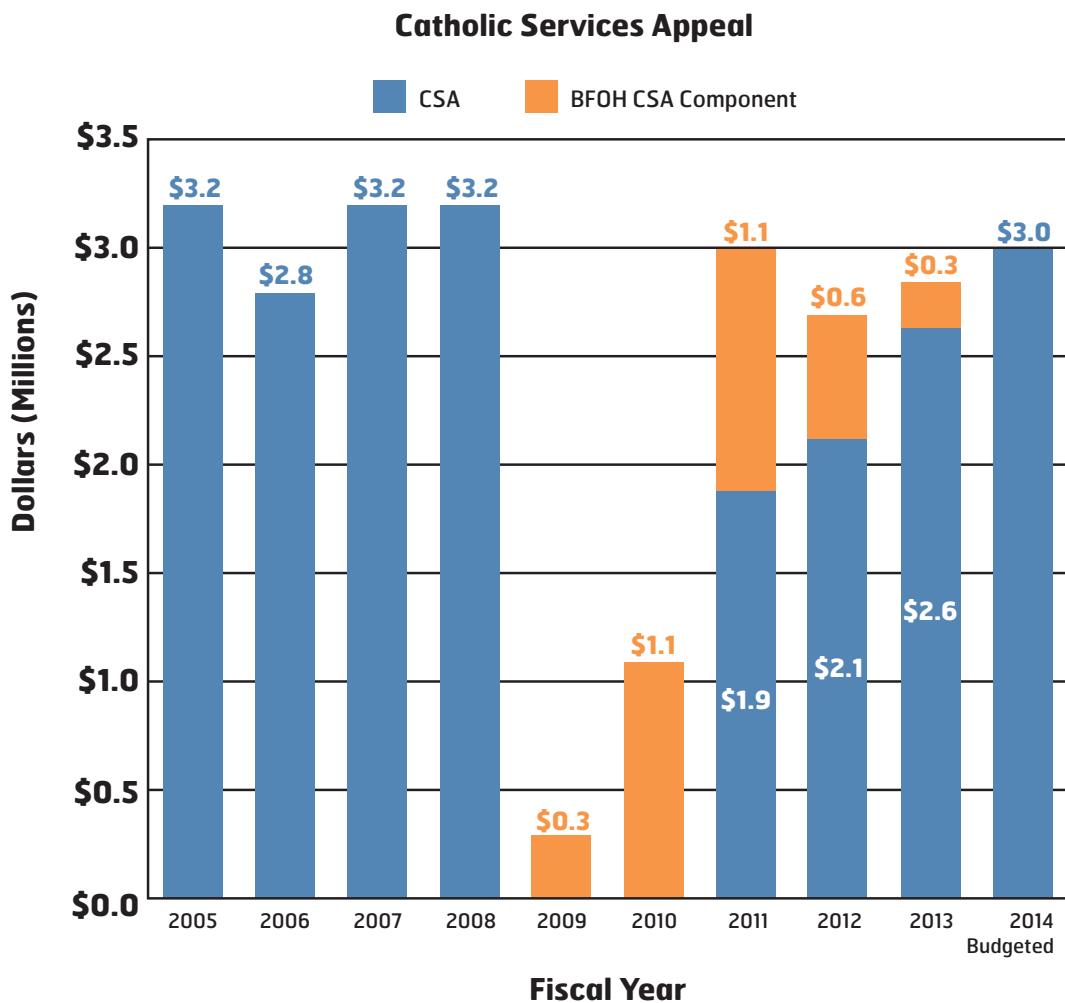


## Catholic Services Appeal (2005 through 2013)

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 [www.archlou.org/csa](http://www.archlou.org/csa).







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