

Go and bring
Christ
into every
area of life
- Pope Francis

ARCHDIOCESE



OF LOUISVILLE

2015 Accountability Report

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▼ Students from St. Aloysius School, Pewee Valley, celebrate their school's designation as a Blue Ribbon School of Excellence. Four Catholic elementary schools – St. Agnes, St. Aloysius, Holy Spirit, and St. Patrick – received this designation in 2014.



A Message from the Archbishop

Dear Sisters and Brothers in Christ:

As I present this report to you about the ministry of the Archdiocese during this past year, I give thanks to God for His bountiful grace and for the wonderful gifts of time, talent, and treasure that supported the work of our parishes, schools, and agencies. We have much for which to be grateful!

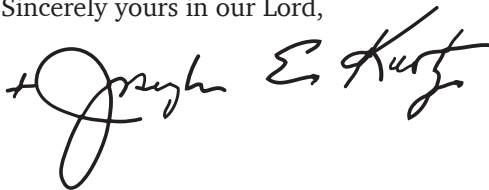
The quote we are using from Pope Francis for the Catholic Services Appeal this year – “Go and bring Christ into every area of life” – reminds us of the need to leave our comfort zones and reach out to the broader community, especially to those in need. This call stems directly from Jesus’ words to His disciples at the end of the Gospel according to St. Mark: “Go into the whole world and proclaim the gospel to every creature.”

In this annual accountability report, we relate our efforts to realize this gospel mandate so urgently and eloquently expressed by our Holy Father. We also report on how the financial resources entrusted to our care have been used. I encourage you to review the following “Report on Mission,” which presents just a fraction of the ministry that has been carried out in your name during the past year, and the “Report on Finances.”

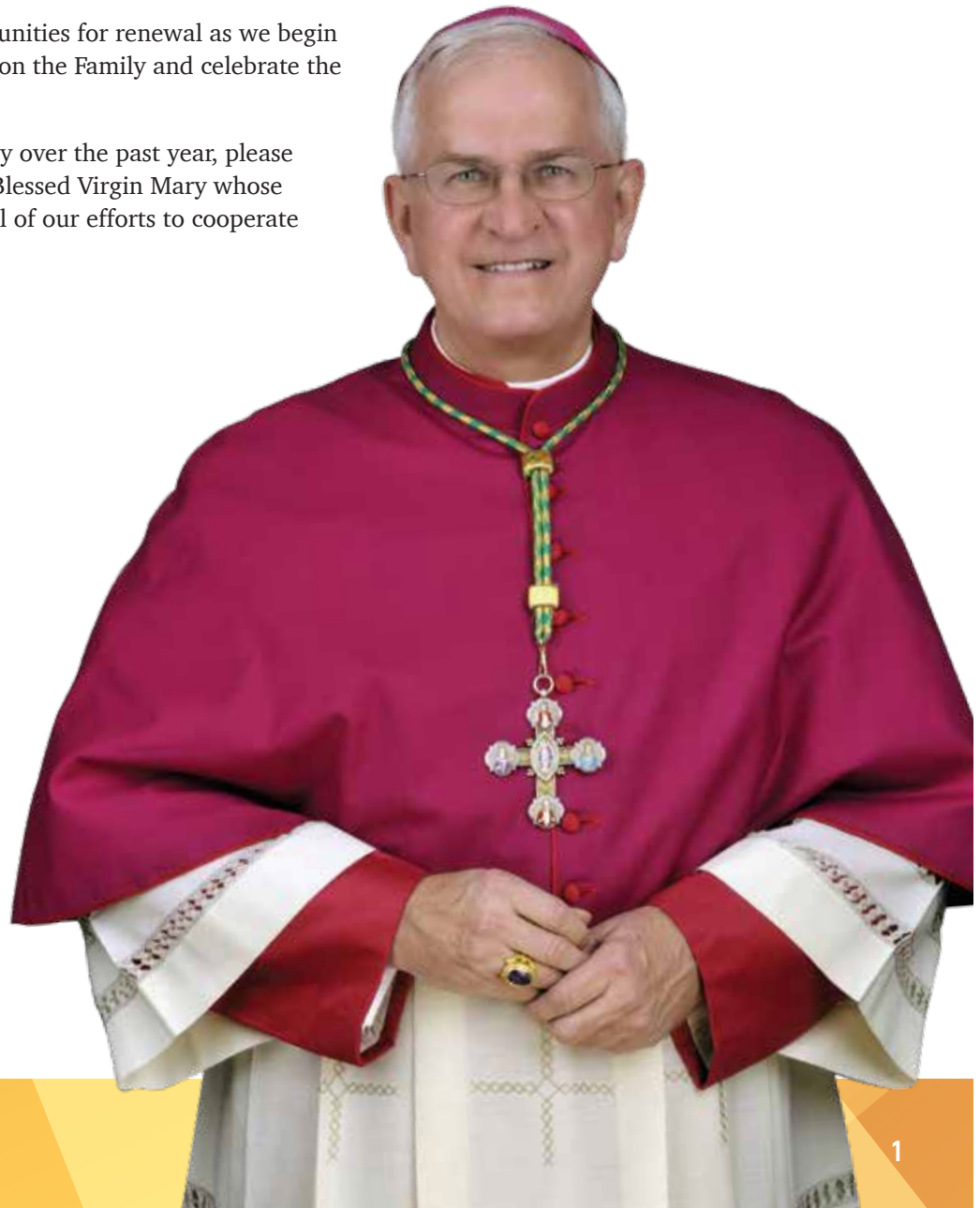
The coming year will present many opportunities for renewal as we begin to realize the outcomes of the two Synods on the Family and celebrate the Year of Mercy.

As we look back at the fruits of our ministry over the past year, please join me in seeking the intercession of our Blessed Virgin Mary whose wholehearted “yes” is the inspiration for all of our efforts to cooperate with God’s grace.

Sincerely yours in our Lord,



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



Report on Mission

► Archbishop Kurtz at a special recognition of clergy in the African American community. This event was designed to promote vocations in this community.



STEVE
I Was Divorced And Remarried...

BOBBY & JACQUELINE
With Busy Lives, We Couldn't Be Bothered With Church

ALEX
...ed Myself As Spiritual But Not Religious...

CARRIDDER
...Hope During A Difficult Time

◀ The front page of the new Catholic Seeker website, www.catholicseekers.org. This site is intended to reach out to those who are searching for a Church home or who wish to come back to the Catholic Church.

▼ From left, Fathers Jason Harris, Shayne Duvall, and Peter Bucalo stand in front of the Cathedral after their ordination to the priesthood.

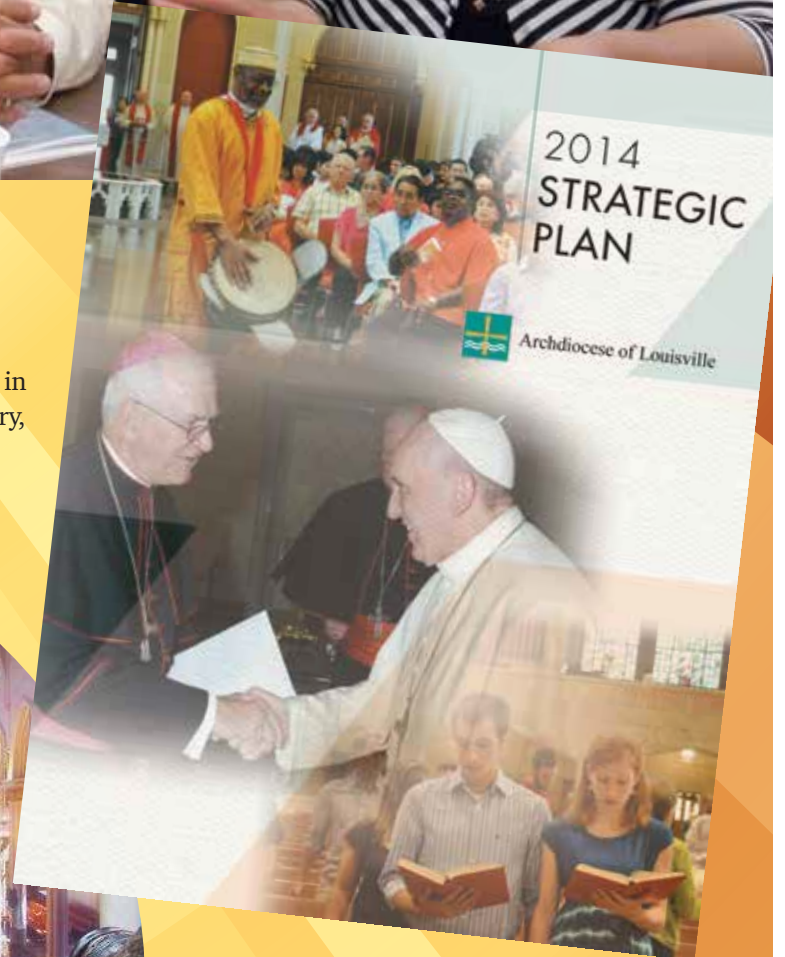


Report on Mission

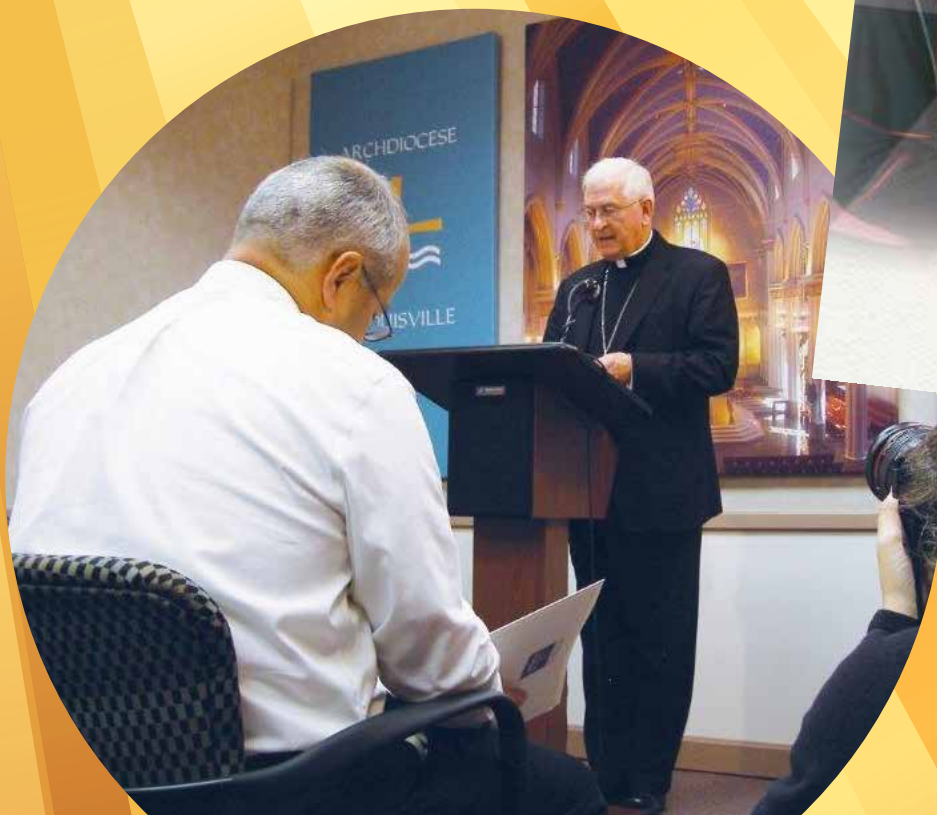


▲ 125 representatives from four states attended the first Hispanic Provincial Encuentro, hosted by the Archdiocese of Louisville.

► The *2014 Strategic Plan* for the Archdiocese was published. It includes the Catholic Elementary School Plan and 96 action steps in the areas of Catholic identity, evangelization, multicultural ministry, vocations and leadership, and Catholic education.



◀ Archbishop Kurtz at the press conference announcing the Catholic Elementary School Plan. Tuition assistance for families is expected to double under this plan.



Report on Mission



▲ 410 high school aged youth attended Quest, the day-long youth rally held every other year by the youth and young adult ministry of the Archdiocese. Quest features national keynote speakers break-out sessions, dinner, Mass, dancing, and prayer.

► *The Record* revamped its website. This past year, staff of our archdiocesan newspaper won six 1st place and one 2nd place awards for journalistic excellence from the Society of Professional Journalists.



◀ The television program *Conversations with Archbishop Kurtz* being produced at St. Xavier High School. For this sixth season of *Conversations*, the show has been on the road with visits to the Cathedral, the Archdiocese of Louisville History Museum, and St. Xavier.

Report on Mission

► Jason Hall of the Catholic Conference of Kentucky at a faithful citizenship presentation in Louisville. Catholic Charities and the Catholic Conference of Kentucky resource parishes and educate parishioners about Catholic social teaching and how to advocate for related legislation.

▼ Women religious participate in the annual Jubilee Mass for Religious. This year the Archdiocese also collaborated with local religious orders on a number of observances for the World Year of Consecrated Life.



▼ This team developed a three-day program entitled “Building Intercultural Competence for Ministers” for more than 90 priests at the annual presbyteral assembly. *The 2014 Strategic Plan* called for training in the area of intercultural competencies.



Report on Mission

► David and Denise McDonnell celebrated their 30th wedding anniversary at a Mass held by the Family Ministries Office to honor significant anniversaries of 219 couples, married from 30 to 60+ years. Another Mass celebrates couples married from five to 25 years.



◀ The Vocation Office posts regular updates to strengthen a culture of vocations through Facebook, Instagram, Twitter (@ArchlouVocation), and Pinterest accounts.

▼ Archbishop Kurtz joins members of the Helpers of God's Precious Infants in their prayerful witness against abortion. This year the archdiocesan pro-life ministry took 225 individuals to the March for Life in Washington, D.C.



Report on Mission



▲ Young adults at the LouTEC retreat. The Archdiocese of Louisville's youth and young adult ministry conducted two TEC retreats with a combined enrollment of over 130 people and recruited and engaged 40 young people to serve as leaders in the retreat program.



▲ A mother and her baby participate in the Mother-Infant Care Program of Catholic Charities. Last year 1,331 mothers and fathers-to-be were provided with education, counseling, baby items, and referral to community agencies.

◀ Archdiocesan offices offer thousands of hours of continuing education for clergy and pastoral leaders. One of these offerings featured a presentation by Fr. Thomas Rosica, CSB on "The Francis Effect and the New Evangelization."



Report on Mission

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. In September of 2014, the United States Conference of Catholic Bishops audited our Archdiocese for the eleventh time, and the Archdiocese of Louisville was found to be compliant with all elements of the *Charter*, with no required changes or recommendations for changes.

Prevention/Education

- 2,638 employees and volunteers participated in 45 safe environment workshops during the past fiscal year. For more information, see www.archlou.org/safe.
- The Archdiocese sent bulletin blurbs about sexual abuse to parishes and schools for Sexual Abuse Prevention Month in April.
- A new criminal background record check process was established.
- The Archdiocese implemented new curriculum for students in parishes and schools.
- Extensive information is online about child abuse prevention, resources for parents, safe environment programs, and other materials. For more information, see www.archlou.org/restoringtrust.

Priest Assignment and Status

- Fr. Joseph Hemmerle, who was placed on administrative leave by Archbishop Kurtz on May 14, 2014, after an individual reported being sexually abused by Father Hemmerle in the 1970s, was arrested on September 8, 2014 and awaits a criminal trial for these charges.
- On December 17, 2014, Father Ronald Domhoff returned to ministry as pastor of St. Peter the Apostle Parish. He had been placed on administrative leave in September of 2014 after the Archdiocese received information from the police about an accusation of sexual abuse by Fr. Domhoff from the 1980s. His return to ministry occurred after several steps were taken during the administrative leave, including a police decision not to prosecute and a decision by the Archdiocese of Louisville Sexual Abuse Review Board that it could not substantiate the accusation.
- Early in the current fiscal year on August 12, 2015, Archbishop Kurtz placed Reverend Stephen Pohl on administrative leave after the Cyber Crimes Unit of the FBI executed a search warrant of his property to determine if photos that he took or possessed included child pornography. On August 21, Fr. Pohl was arrested on federal charges of accessing child pornography. Father Pohl has resigned as pastor of St. Margaret Mary Parish.

Sexual Abuse Review Board

- The Review Board reviews 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. She can be reached by calling (502)636-1044 or emailing victimassistance@archlou.org.

Cooperation with Civil Authorities

- Reports or suspicion of child abuse are reported immediately to civil authorities, and the Archdiocese cooperates fully with any investigation. Call (877)597-2331 to report child abuse to the police.

Sexual Abuse Expenditures

The following summarizes expenditures from July 1, 2014 to June 30, 2015:

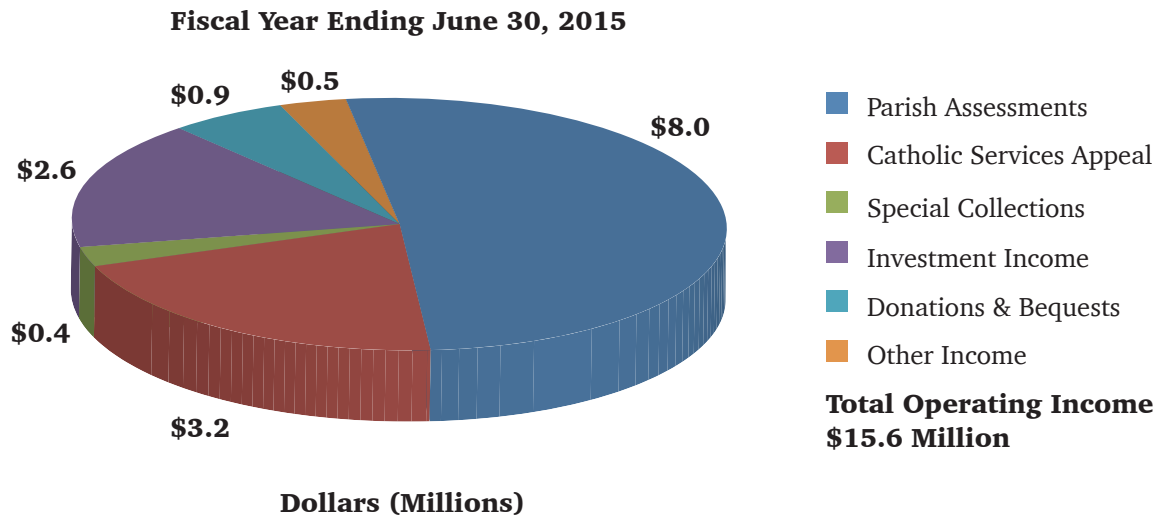
Counseling Fees and Support for Victims/Survivors	\$ 20,714
Legal Expense	\$ 1,290
Sexual Abuse Prevention/Education	\$ 177,390
TOTAL	\$ 199,394

Report on Finances

Archdiocese of Louisville - June 30, 2015

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, 2015. 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.

Chancery Operations Operating Income

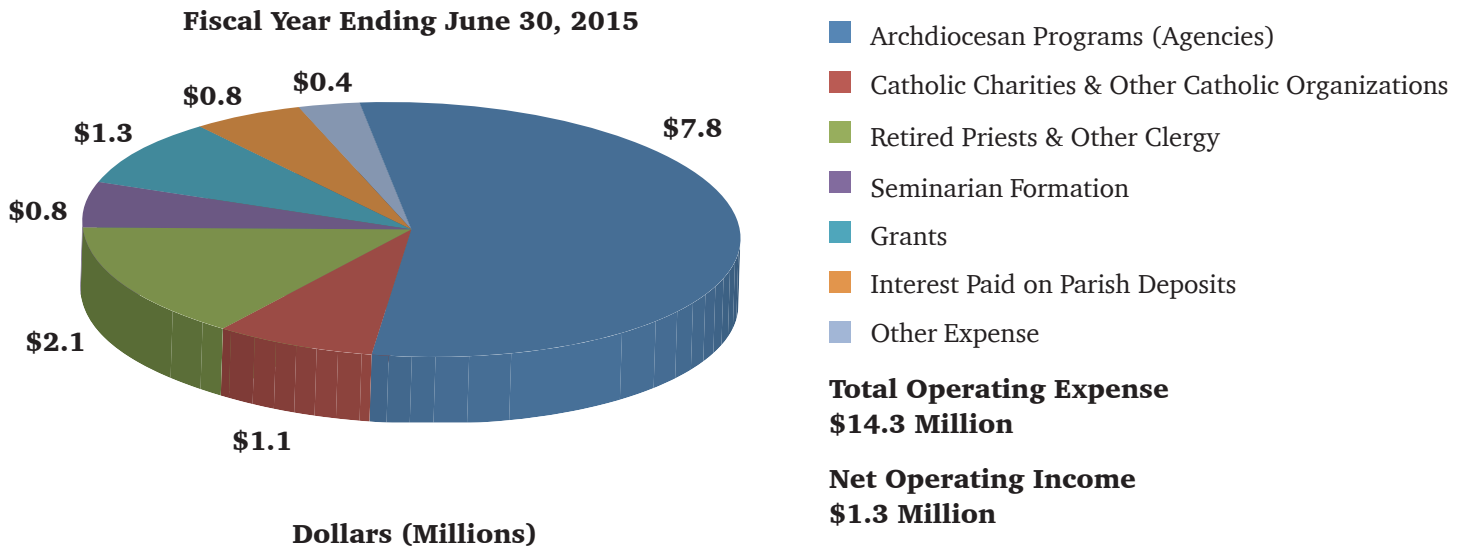


- Parish assessments of \$8M represent a key income source for the Archdiocese. The Christian faithful are obliged to assist with the needs of the Church so that the Church has what is necessary for divine worship, for the works of the apostolate and of charity, and for the decent support of ministers (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 .84% 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 total parish assessment of 6.0% was 0.5% lower than in the previous fiscal year.
- 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 \$3.2M of free will offerings surpassed goal and is up 12% from last year's appeal due to the tremendous response from the faithful.
- Special collections totaling \$0.4M 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 \$2.6M net of fees includes interest and dividends earned and reinvested into the Archdiocese of Louisville's investment portfolio. Income from investments increased 15% from prior fiscal year due to lower investment management fees and diversification of the portfolio.
- Donations and bequests of \$0.9M include unrestricted and restricted gifts to the Archdiocese from generous benefactors.
- Other income of \$0.5M includes interest earned on loans to parishes and other miscellaneous income.

For fiscal year ending June 30, 2015 operating income was \$15.6M, a three percent increase from the prior fiscal year.

Report on Finances

Chancery Operations Operating Expenses



- Archdiocesan program (Agencies) expenses of \$7.8M for the various services, activities, and ministries include the following:
 - The Office of Lifelong Formation and Education (OLFE), with expenses totaling \$1.2M, provide 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 \$.5M.
 - The Family Ministries Office serves the archdiocesan community through services to strengthen marriage and family throughout every phase of life, with expenses totaling \$.3M.
 - Campus Ministries promotes the mission of the Church among Catholic students during their time at college at the University of Louisville through weekly liturgies, faith development, and peer ministry, with expenses of \$.1M.
 - 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.

Report on Finances

Operating Expenses (Continued)

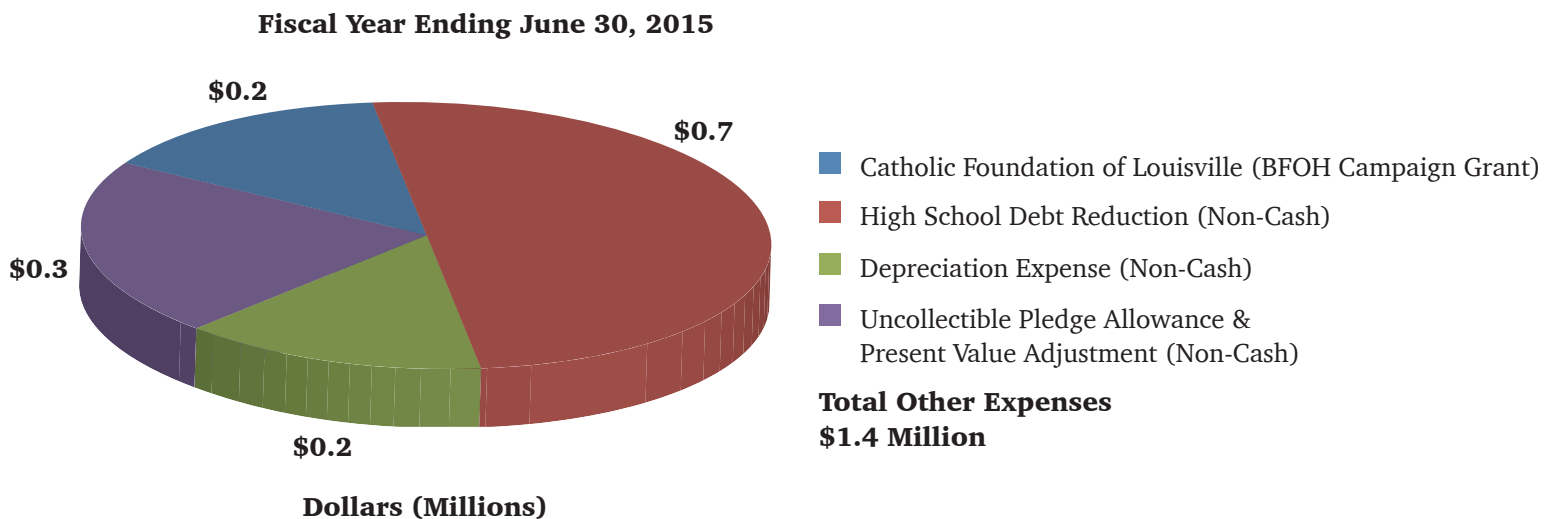
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.1M for operating purposes, in part from gifts to the Catholic Services Appeal and Christmas Collection.
- Retired Priests and Other Clergy expenses of \$2.1M are primarily the cost of priest pensions and medical insurance benefits. As of June 30, 2015, the Archdiocese had 66 retired priests receiving a pension.
- Seminarian education expenses totaled \$.8M. The Archdiocese had 17 seminarians in training for the priesthood and three ordained priests during the fiscal year ending June 30, 2015.
- Grants totaling \$1.3M 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 \$.5M.
- Other expense totaling \$.4M is comprised of property and liability insurance and other miscellaneous items.

Net operating income for fiscal year ending June 30, 2015 is \$1.3M and does not include Other Expenses totaling \$1.4M, 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 losses of \$3.4M are not included in the net operating income.

Chancery Operations

Other Expenses – Campaign Grants & Non-Cash Items

High School grants totaling \$.7M were given to DeSales, Holy Cross, and Bethlehem High Schools to help support capital campus improvements. 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, 2015, \$.2M was transferred to the Catholic Foundation of Louisville for priest retirement, seminarian education, parish assistance, and legacy initiatives. Additionally, \$.3M of uncollectible BFOH pledges were written off as the campaign will officially end December 31, 2015.



Report on Finances

Market Results

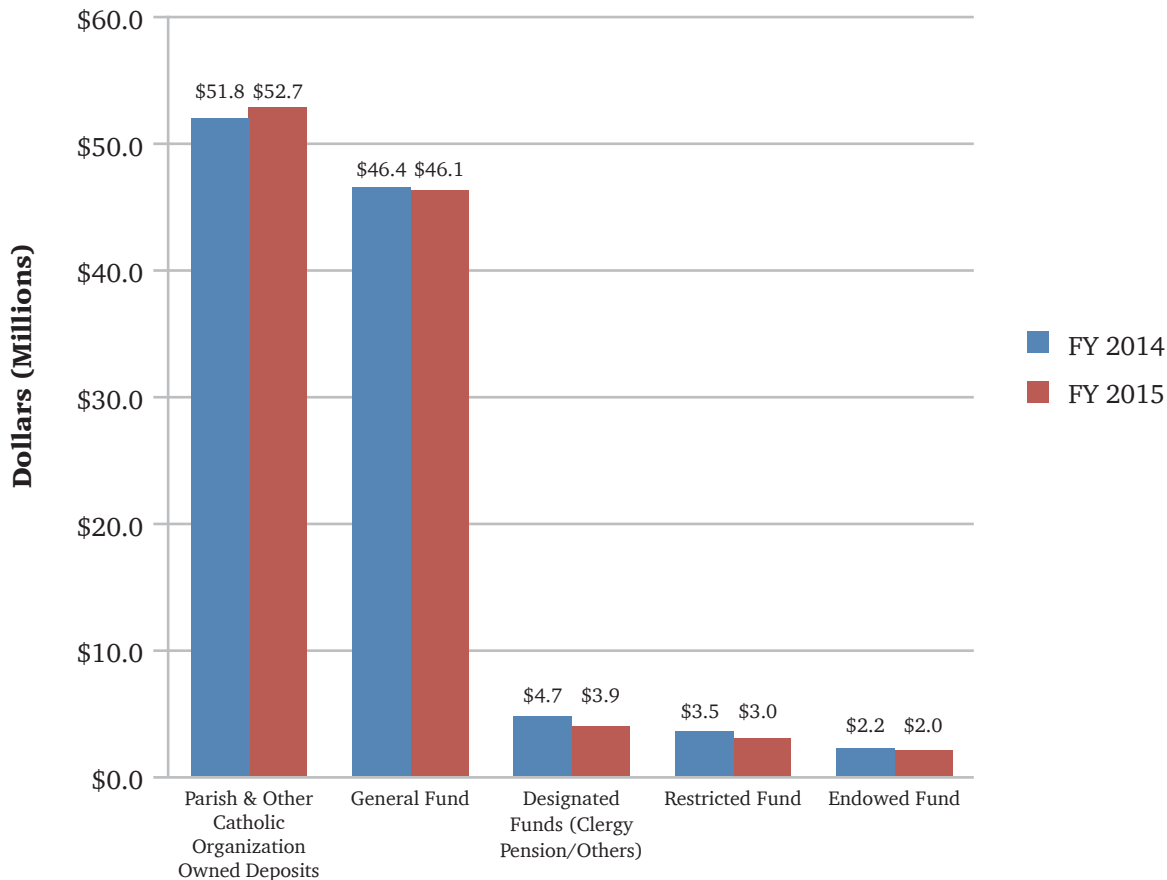
Market results include \$7.7M of unrealized losses and \$4.3M of realized gains from the investment portfolio of the Archdiocese. The unrealized losses were due to declines in both domestic and international equities and real assets (commodities, oil, and real estate). The Archdiocese continues to review 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	\$1.3 Million
Other Expenses/Grants & Non-Cash	(\$1.4) Million
Market Investment Losses	(\$3.4) Million
Overall Net Income	<u>(\$3.5) Million</u>

Investment Portfolio Fund Allocation

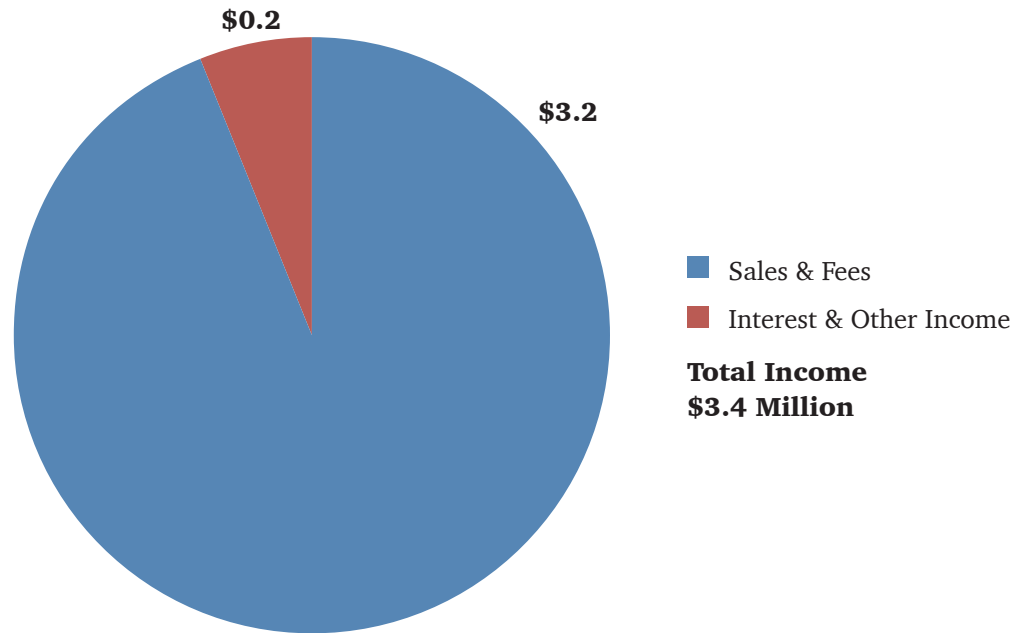
The investment portfolio of the Archdiocese totals approximately \$107.7M as of fiscal year ending June 30, 2015, with parishes and other Catholic organizations owning approximately 49% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.



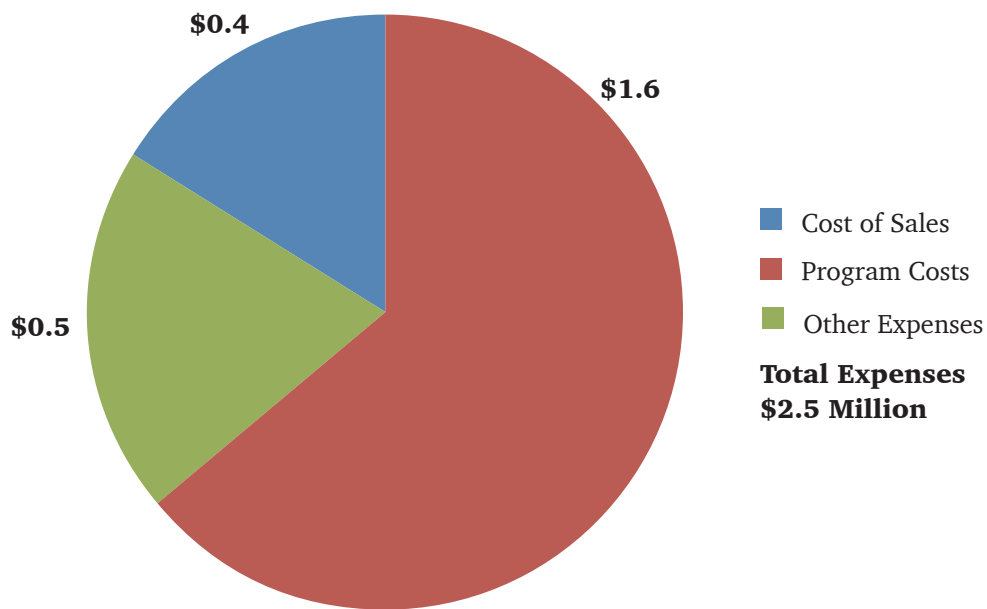
Report on Finances

Catholic Cemeteries Operations

Catholic Cemeteries had a net income of \$.9M in fiscal year ending June 30, 2015, an increase of \$.5M from the prior fiscal year that resulted from a significant increase in burial sales and monuments/memorials. Burial sales, monuments/memorials, and fees totaled \$3.2M for fiscal year 2015, a 20% increase from the prior year; see chart below. The remaining income of \$.2M is from interest income on investments and other income. 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, repair and maintenance, insurance, and administrative expenses.



Dollars (Millions)



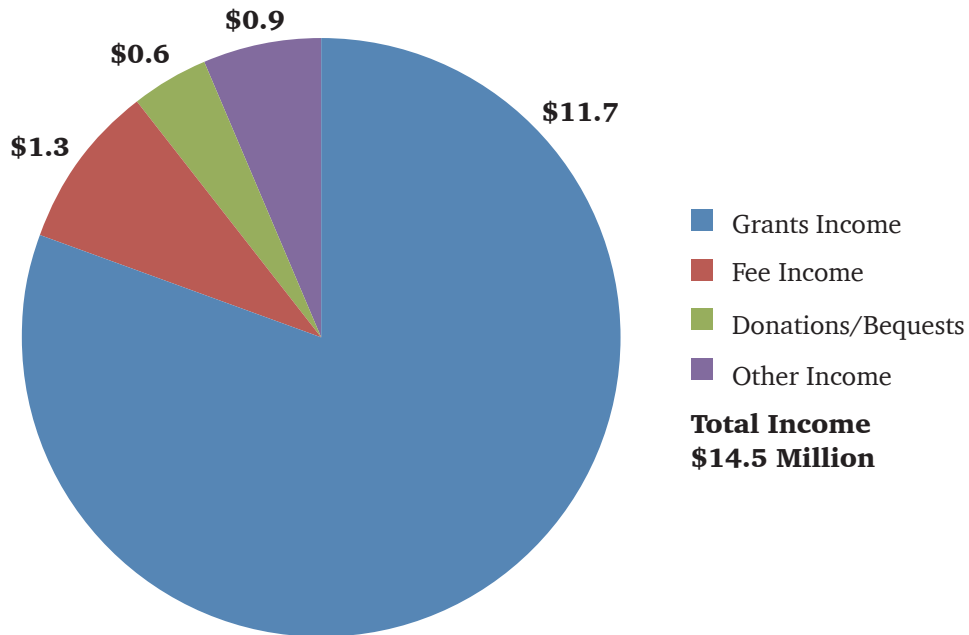
Dollars (Millions)

\$0.9 Million Net Income

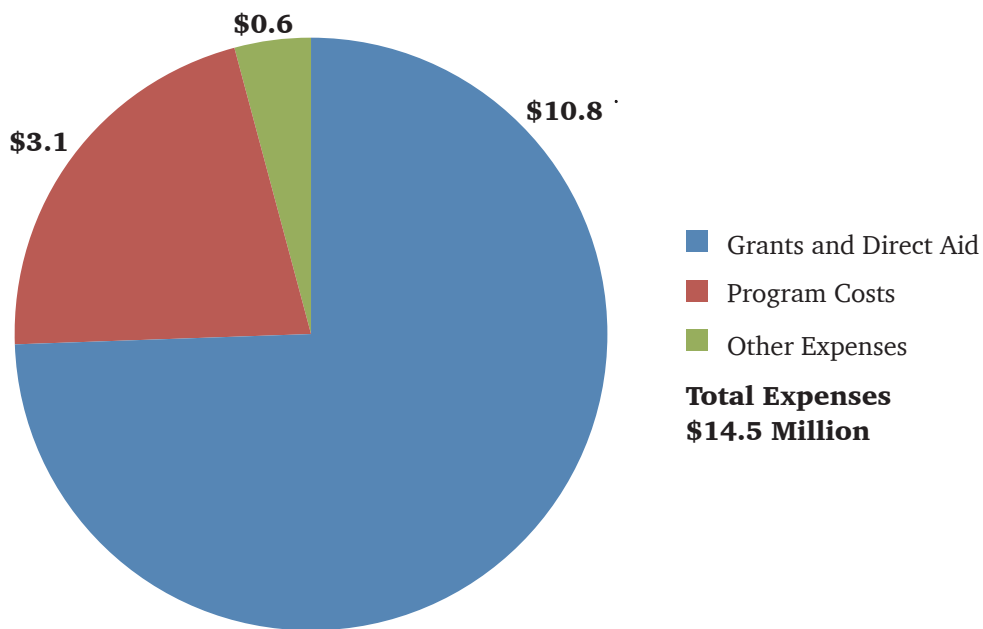
Report on Finances

Catholic Charities Operations

Catholic Charities had zero net income for fiscal year ending June 30, 2015, including depreciation of \$.1M. A further delay in senior housing development fee payments of \$.2M contributed to this performance. Most of this agency's income includes federal and state grants of \$11.7M. Program fee income for services total \$1.3M, donations/bequests \$.6M and other income includes archdiocesan support and miscellaneous items of \$.9M. Refugee grant costs total \$10.8M for grant expenses and grants distributed to sub-recipients. Program costs, including salaries and benefits, total \$3.1M, and other expenses of \$.6M for development and fundraising, administration, and other support services.



Dollars (Millions)



Dollars (Millions)

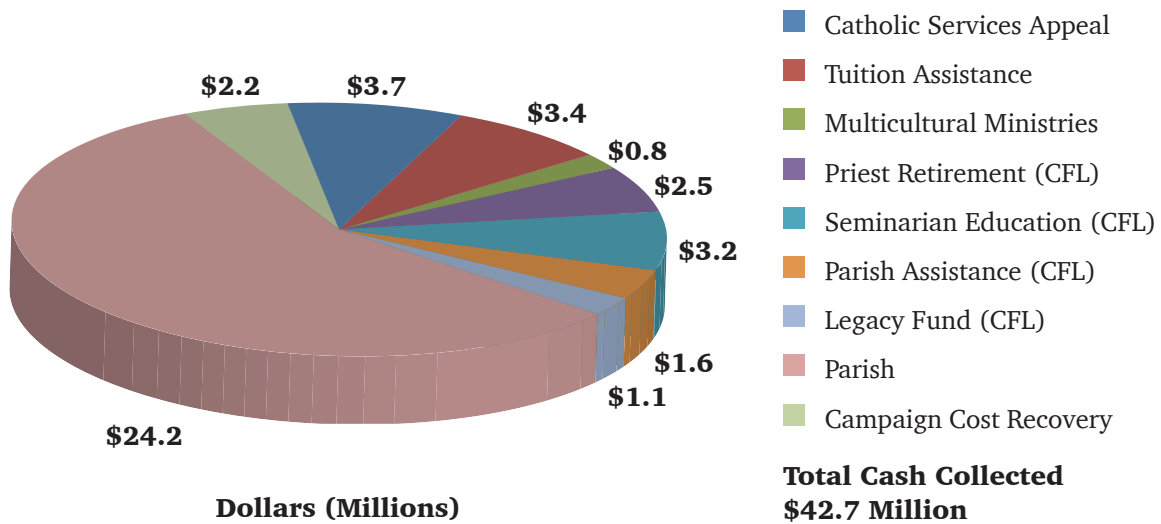
“Zero” Net Income

Report on Finances

Recap of Building a Future of Hope Capital Campaign

The Building a Future of Hope capital campaign was conducted by the Archdiocese of Louisville to address both parish and archdiocesan needs. It was a capital share campaign with the parishes that commenced in the fall of 2008. The campaign will officially end December 31, 2015. The parishes have used the campaign proceeds on facility renovations, new construction projects, and new programs. The Archdiocese has allocated their proceeds towards eight archdiocesan initiatives, which include the Catholic Services Appeal, Tuition Assistance, Multicultural Ministries, and Campaign Cost Recovery. The Catholic Foundation of Louisville Fund includes the remaining four initiatives of Seminarian Education, Priest Retirement, Parish Assistance, and the Legacy Fund. As of June 30, 2015, total receipts were \$42.7 million for the campaign, of which 57% stayed with the parishes.

Building a Future of Hope Cash Collected by Initiative FY 2009 - FY 2015



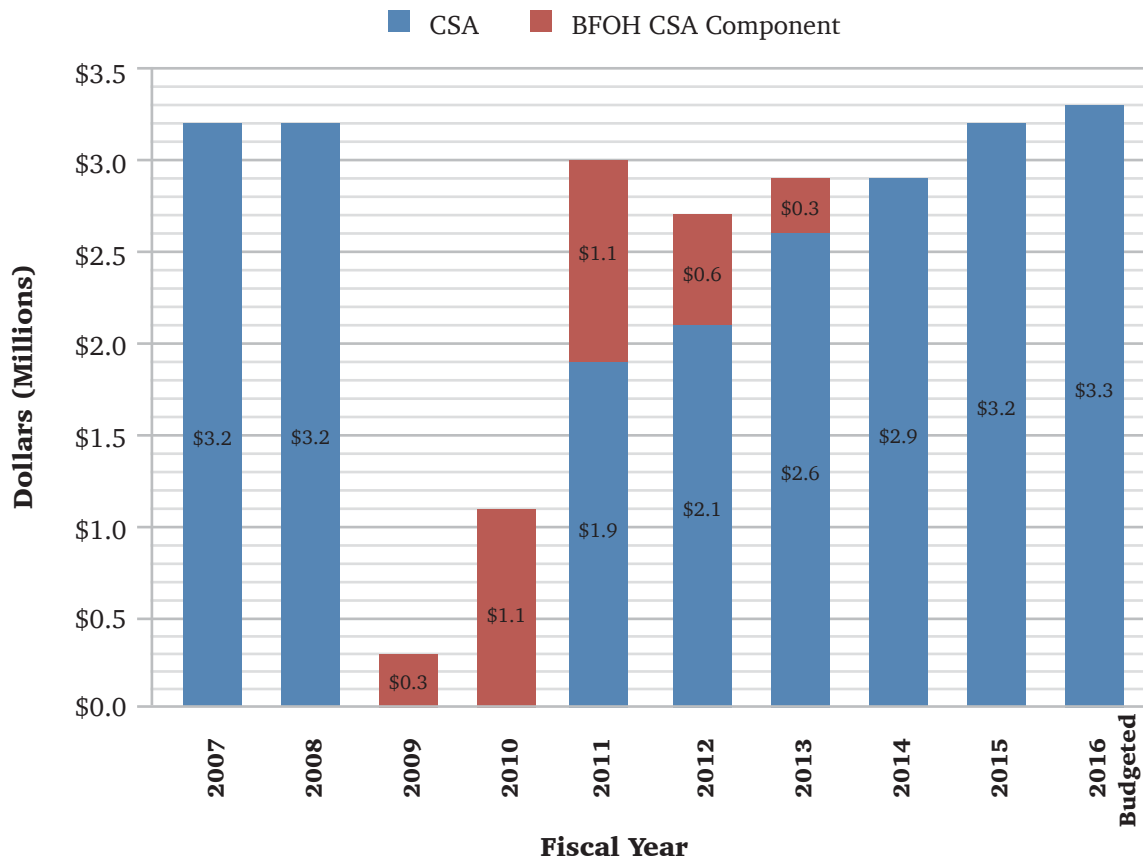
Report on Finances

Catholic Services Appeal (2007 through 2015)

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.

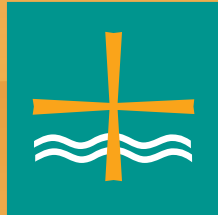
Generally, revenues from the Catholic Services Appeal (CSA), prior to the introduction of the Building a Future of Hope campaign, produced approximately \$3M in revenues annually. For fiscal years ending 2009 and 2010, the Catholic Services Appeal was rolled into the Building a Future of Hope campaign. Within the last few years, the annual CSA donations have steadily increased, with a projected goal of \$3.3M for the 2016 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.





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