

GO FORTH TO OFFER  
EVERYONE  
THE LIFE OF  
JESUS CHRIST.  
~ POPE FRANCIS



2014  
Accountability Report



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This year, the publication of our annual *Accountability Report* coincides with the completion of our 2014 strategic plan for the Archdiocese of Louisville. As always, we strive through this annual report to present how we have been faithful to our mission and how we have been good stewards of our resources. The strategic planning process is an excellent example of the “mission-effectiveness” of our Archdiocese.

This report also includes a brief snapshot of “accomplishments” from the past year, our annual report on sexual abuse, and our annual financial report.

The Archdiocese has been planning in a formal way since 1989, and I was pleased to receive this gift when I came in 2007. Before I summarize the major themes of the 2014 plan, I would like to say a few words about how we plan. The word “strategic” captures our approach. This plan does not attempt to describe all of the activities of our Church or archdiocesan agencies, but presents priorities for the next five years. These priorities emerged from listening sessions, online surveys, demographic research, national and international priorities of the Church, and the combined wisdom of our clergy and pastoral leaders who wrote the plan.

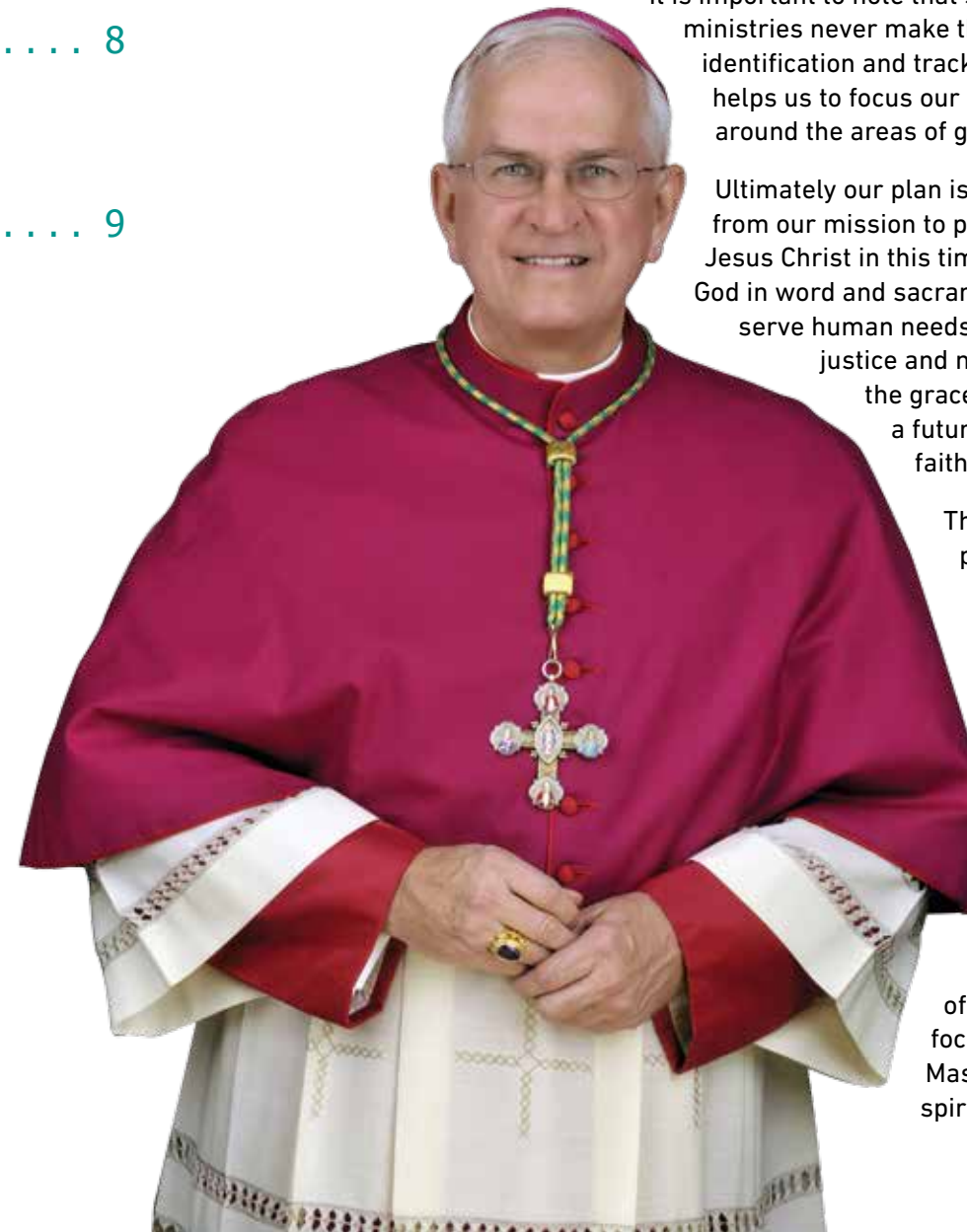
It is important to note that some valuable and essential ministries never make their way into a strategic plan. The identification and tracking of certain priorities, however, helps us to focus our human and material resources around the areas of greatest need.

Ultimately our plan is mission-driven because it flows from our mission to proclaim and live the good news of Jesus Christ in this time and place as we seek to worship God in word and sacrament, witness and share our faith, serve human needs, promote holiness of life, and foster justice and mercy among all God’s people. Led by the grace of the Holy Spirit, we strive to build a future of hope and leave a strong legacy of faith for future generations of Catholics.

These five goals of the strategic plan will provide direction for the next five years. They are:

**GOAL 1: To awaken and affirm a vibrant Catholic faith, arising from the celebration of the Eucharist and our response to the Gospel of Jesus Christ.**

The purpose of this goal is to invite Catholics to a deeper relationship with Jesus Christ and to awaken and affirm in them the beauty and depth of Catholicism. Objectives and action steps focus on how this happens in and through the Mass, the sacraments, the richness of Catholic spirituality, and the social mission of the Church.





## A Message from the Archbishop

1 At the Chrism Mass, the Archbishop blesses three oils, which will be used by parishes in the administration of the sacraments throughout the year. Goal 1 of the new archdiocesan strategic plan calls for increased sacramental catechesis and intensified outreach, especially after the sacraments of baptism and marriage.

2 St. Lawrence Parish celebrates its 60th anniversary. Goal 2 of the new archdiocesan strategic plan encourages parishioners to become missionary disciples as they go out and share the joy of the Gospel.

3 An archdiocesan Pentecost Celebration was held at the Cathedral this year. Goal 3 of the new archdiocesan strategic plan addresses the gift of diversity, including ethnic and racial diversity.



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Recognizing that our faith is a gift from God, Catholics are invited to a deeper understanding of why we do what we do and parishes are encouraged to assess and intensify efforts at reaching out to support and provide formation for individuals and families.

**GOAL 2: To create a more evangelizing church as we invite all people to become missionary disciples who hear, receive, embrace, and live out the Good News of Jesus Christ.**

The purpose of this goal is to create a more evangelizing Church, which will be accomplished by inviting all members to become missionary disciples

– people who learn about and live the Gospel of Jesus Christ in their daily lives. Missionary disciples hear, receive, embrace, and live out these Gospel values and by so doing, help transform society, reaching out to the vulnerable and those

on the margins. Objectives and action steps in this goal focus on building joyful, evangelizing communities; Catholic social teaching; extending the missionary love of Christ during significant moments in people’s lives; and outreach to the family and to young adults.



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**GOAL 3: To celebrate the new and growing breadth of diversity in our Church.**

This goal calls our local Church to embrace diversity as a gift to be received



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rather than a problem to be solved and to recognize that diversity exists in many forms – age, economic realities, race and ethnicity, and geography, to name a few. Within our Church, we celebrate this gift as we strive for unity as the Body of Christ. The objectives and action

steps in this goal focus on deepening our understanding of the Church’s teaching about the dignity of the person and the call of the Holy Spirit to both diversity and *communio*; outreach to those individuals, described in the Beatitudes, who are systematically excluded in our society; multiple

family structures; internal and external outreach for parishes; strengthening intercultural competencies; ethnic and racial strategies for the African American, Asian Pacific, and Hispanic populations; and young adults.

**GOAL 4: To seek out and empower leadership for ministry and evangelization.**



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The purpose of this goal is to identify, form, train, and support leaders for ministry and evangelization. The objectives and action steps of this goal focus on vocations to the priesthood, diaconate, and consecrated religious life; leadership training for ministers; the recruitment and formation of lay ecclesial ministers; and wellness for all in ministry.

**GOAL 5: To advance excellence in, and accessibility to, lifelong Catholic formation and education for all members of the Body of Christ, the Church.**

The purpose of this goal is to promote excellence in and accessibility to lifelong Catholic formation and education, so as to build up the Body of Christ, the Church. Since the continuing formation and education of Catholics is essential to this effort, the objectives and action steps focus on modern digital learning methods; enhanced formation and education about the social mission of the Church; and the opportunity for building community and a sense of belonging through our education/formation ministries. Goal 5 also includes a summary (objective 5.4) of the Catholic elementary school plan, which is included as an addendum to the archdiocesan strategic plan.



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The strategic plan will be available online at our web page, [www.archlou.org](http://www.archlou.org).

As we continue to plan for the future, let us seek the intercession of our Blessed Virgin Mary, whose wholehearted “yes” is the inspiration for our own efforts to cooperate with God’s grace. May God bless you!

Sincerely yours in our Lord,

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



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## A Message from the Archbishop

4 Archbishop Kurtz with priests celebrating 25, 50, and 60 years of priesthood. Goal 4 of the new archdiocesan strategic plan includes action steps to promote vocations to the priesthood, diaconate, and consecrated religious life.

5 Students at an archdiocesan high school use tablets in the classroom. Goal 5 of the new archdiocesan strategic plan includes the new school plan that will address funding and accessibility for Catholic schools and encourages greater use of digital resources in lifelong formation and education.

6 Taylor and Carolyn Sabo at an archdiocesan Young Adult Mass. Outreach to young adults is part of several goals in the new archdiocesan strategic plan.



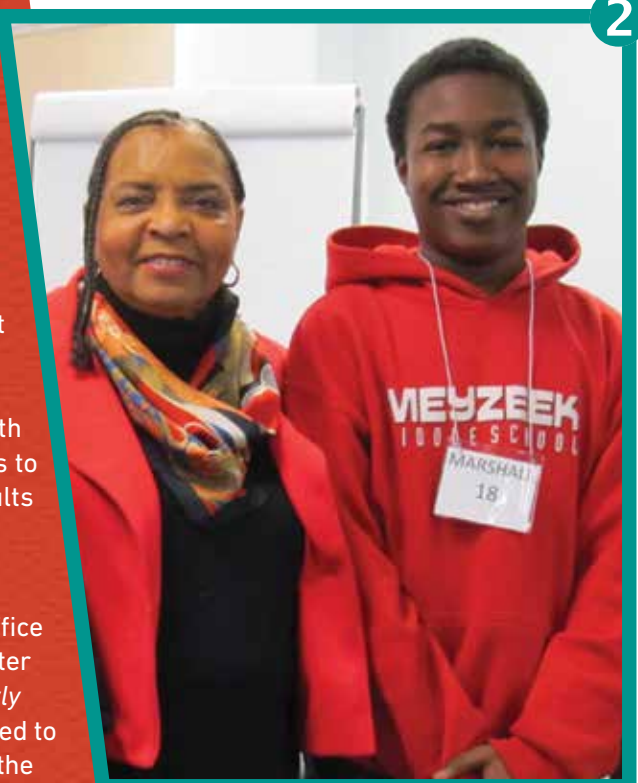
# Report on Mission

**1** Brendan McKenzie and Brad Hart participate in a *Why Catholic?* group in Louisville. This year, the Archdiocese supported and provided resources for approximately 7,500 Catholics in more than 700 English and Spanish *Why Catholic?* small groups.



1

**2** Dr. Eliza Young with a winner of the City-Wide Spelling Bee held in November of 2013 at the Catholic Enrichment Center (CEC). The CEC provides academic and cultural enrichment, faith formation, and life skills to children, youth, and adults in West Louisville.



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**3** The Family Ministries Office developed an e-newsletter for couples entitled *Newly Married Nuggets*. Designed to support couples during the first five years of marriage, this newsletter is emailed monthly to more than 670 couples.

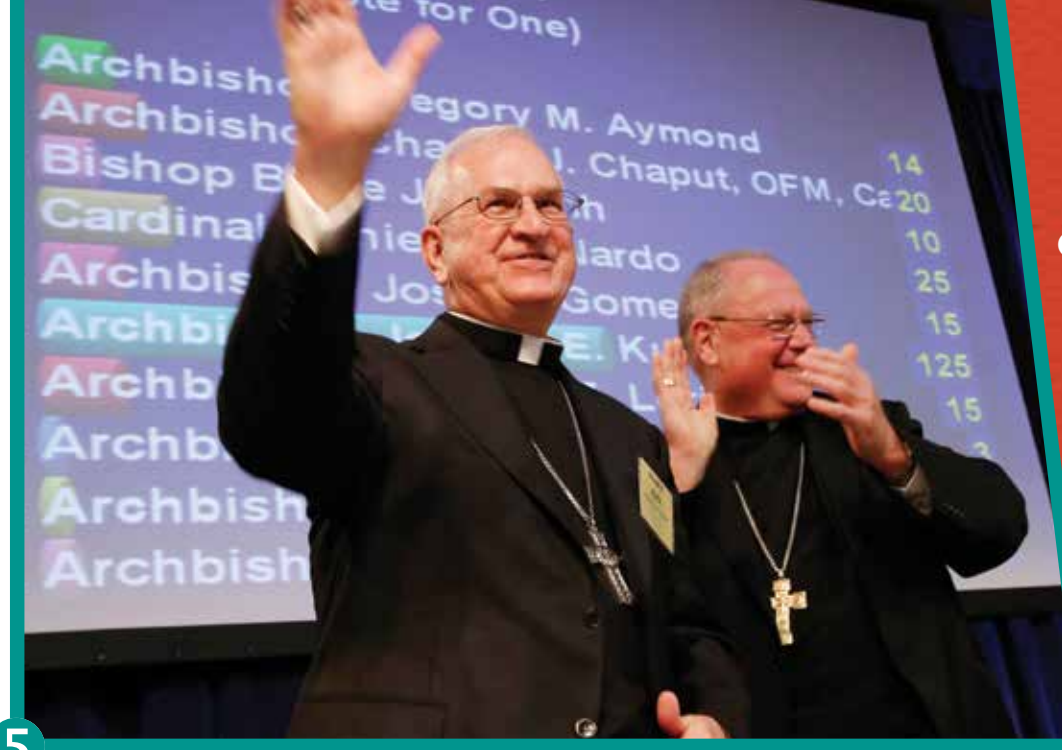


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**4** Several seminarians prepare to serve at the diaconate Mass of Ordination. The Archdiocese supports 16 seminarians who are in formation for the priesthood. Last year, the Vocation Office introduced a "Vocation Initiators" process through which priests play a special role in promoting vocations in the Archdiocese.



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# Report on Mission

**5** Archbishop Kurtz is elected president of the United States Conference of Catholic Bishops in November of 2013.

**6** Fr. Chuck Walker and Sarah Fellows of Catholic Campus Ministry at the University of Louisville. Archbishop Kurtz appointed Fr. Chuck as a full time priest-director for this department, which provides ministry services to U of L students, including leadership and liturgical training, a "First Year" study group, a Spring Break mission trip, and a weekly Mass.



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**7** Celebrating 75 years of marriage, Cecil and Mary Irene Semones talk with a reporter from *The Record*. The Archdiocese holds two annual Wedding Anniversary Masses for couples celebrating from five to more than 60 years of marriage.

7



**8** A ministry of Catholic Charities, the Sister Visitor Center serves thousands of individuals each year with food, clothing, household items and assistance with rent, utilities, and prescriptions. Catholic Charities is celebrating 75 years of service in 2014.

8





## Report on Mission

1 Archbishop Kurtz with catechumens and candidates at the annual Rite of Election. The Archdiocese welcomed more than 506 new members through the RCIA process.



1

2 Catholic Charities broke ground for its 8th senior housing project at the former Most Blessed Sacrament school building, which will provide 30 units of low-cost senior housing in South Louisville.



2

3 Melesio Navarro provides music for the first archdiocesan Encuentro for Hispanic and Latino Catholics. The topics addressed at this gathering include evangelization, catechesis, and vocations.



3

4 Archbishop Kurtz with two attendees at the National Catholic Youth Convention. An archdiocesan delegation with 385 teens and adults, including seven priests, attended this three-day celebration of faith with 24,000 other Catholic youth and leaders.



4



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## Report on Mission

5 Teachers from St. Andrew Academy bring up the gifts at the opening Mass for Catholic school educators. Catholic elementary and secondary schools in the Archdiocese served nearly 20,000 students in grades PK-12.

6 Archbishop Kurtz at the All Souls Day Mass at Calvary Cemetery. The Catholic Cemeteries of the Archdiocese of Louisville operates four cemeteries in Louisville. In addition, there are dozens of parish cemeteries throughout the 24 counties that make up the Archdiocese.



6

7 The Office of Multicultural Ministry began a Spanish Facebook page. It also hosts a Spanish Twitter page @ArchLou\_es.



7

8 Teens learn leadership skills through the Christian Leadership Institute. The mission of CLI is to empower young people to recognize the gifts God has given to them and to improve on these gifts in order to serve others.



8



## 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, and it directs all sexual abuse policies and procedures in the Archdiocese of Louisville. In September of 2013, the United States Conference of Catholic Bishops audited our Archdiocese for the tenth 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

2,892 employees and volunteers participated in 45 safe environment workshops during the past fiscal year. For more information, see [www.archlou.org/safe](http://www.archlou.org/safe).

The Archdiocese sent bulletin blurbs about sexual abuse to parishes and schools for Sexual Abuse Prevention Month in April.

All parishes and schools were audited and all updated the database that tracks criminal background records checks and verification of attendance at safe environment training sessions.

Extensive information is online about 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.

#### Priest Assignment and Status —

On May 8, 2014, Archbishop Kurtz placed Reverend R. Joseph Hemmerle on administrative leave after an individual made a report of being sexually abused in the 1970s by Father Hemmerle. This accusation also was reported to the authorities and remains under investigation.

On May 31, 2014, Reverend James R. Schook received a 15-year sentence for the abuse of minors. In 2009, Fr. Schook was suspended from ministry after a victim reported to the Archdiocese that he had been abused by Fr. Schook during the 1970s, and the Archdiocese reported this accusation to the authorities. Several more victims came forward, a police investigation ensued, and in 2010 Archbishop Kurtz removed Fr. James Schook from all ministry and directed him to lead a life of prayer and penance. At this time, he is serving his sentence in the Kentucky State Reformatory.

#### 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. She can be reached by calling 502/636-1044 or emailing [victimassistance@archlou.org](mailto:victimassistance@archlou.org).

#### 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, 2013 to June 30, 2014:

Counseling Fees and Support for Victims/Survivors	\$ 6,089
Prevention/Education	\$21,183
<b>TOTAL</b>	<b>\$27,272</b>

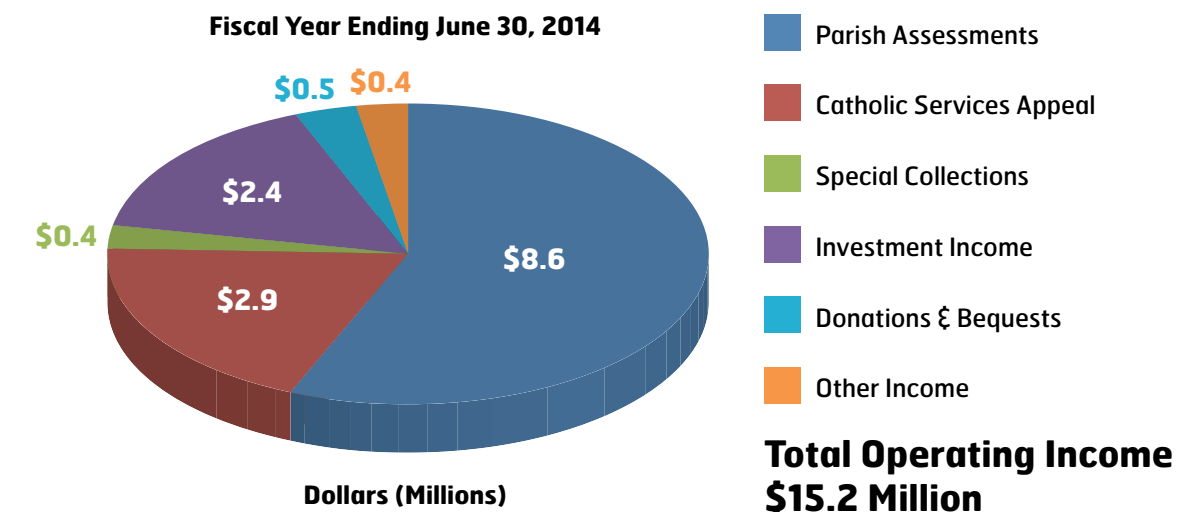
## Report on Finances

### Archdiocese of Louisville June 30, 2014

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, 2014. 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

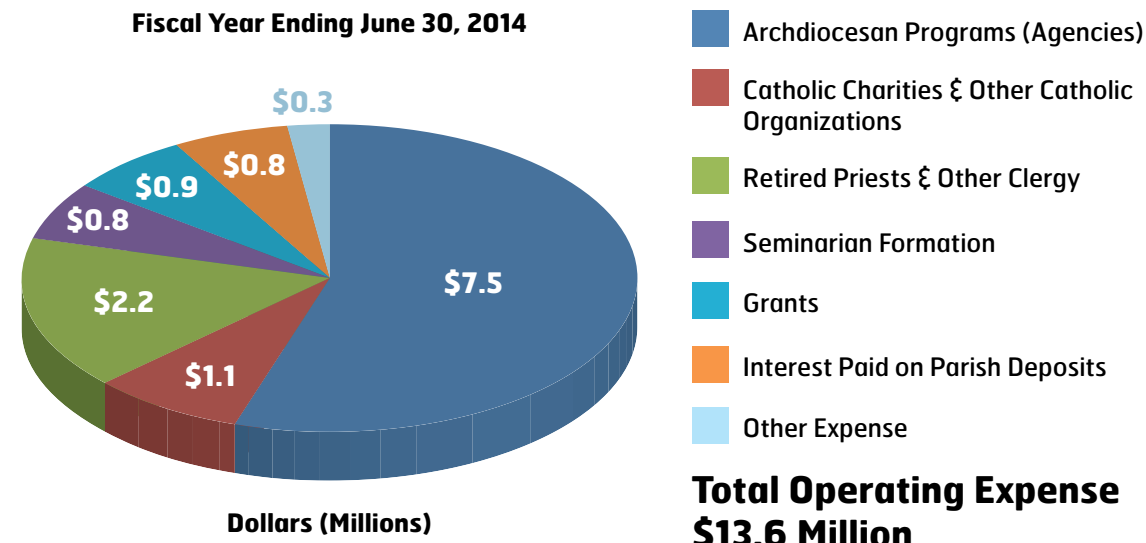
### OPERATING INCOME



- Parish assessments of \$8.6M 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 \$2.9M of free will offerings is up 10% from last year's appeal.
- Special collections totaling \$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 \$2.4M net of fees includes interest and dividends earned and reinvested into the Archdiocese of Louisville's investment portfolio. Income from investments increased 10% from the prior fiscal year due to growth in the portfolio from the recent strong equity market.
- Donations and bequests of \$5.5M include unrestricted and restricted gifts to the Archdiocese from generous benefactors. To help support the work of the Church, planned giving initiatives were introduced to parishes this past year.
- Other income of \$4M includes interest earned on loans to parishes and other miscellaneous income.

For the fiscal year ending June 30, 2014 operating income was \$15.2M, no change from the prior fiscal year.

**OPERATING EXPENSES**



**Total Operating Expense  
\$13.6 Million**

**Net Operating Income  
\$1.6 Million**

- Archdiocesan program (Agencies) expenses of \$7.5M 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 that promote religious formation and academic excellence for 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 \$1.1M.
  - 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 \$0.3M.
  - 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, with expenses totaling \$0.2M.
  - The Diaconate Office coordinates the development and formation of men called to religious life as a deacon, with expenses totaling \$0.2M.

**OPERATING EXPENSES (CONTINUED)**

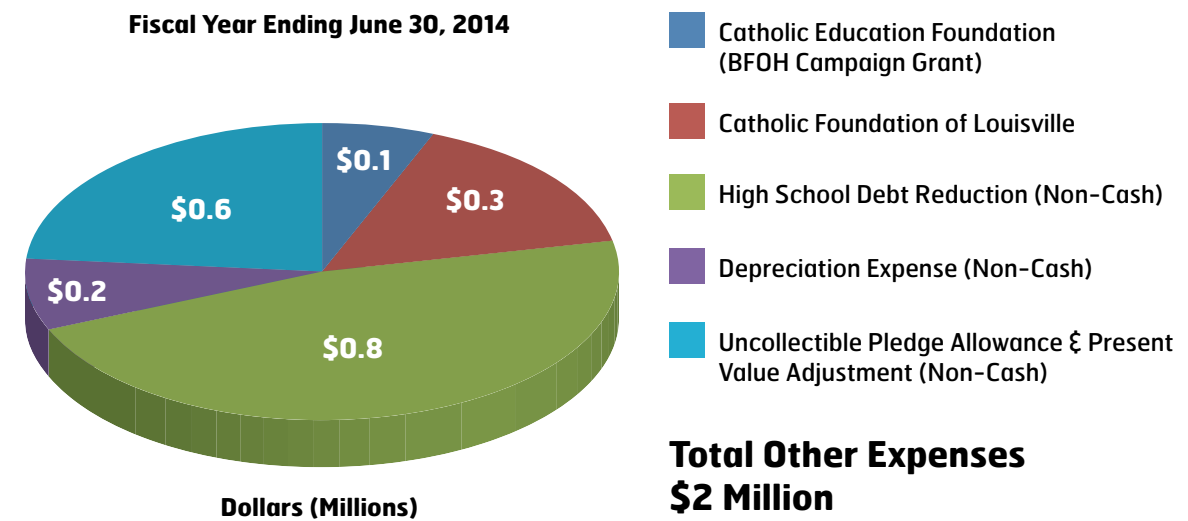
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.1M for operating purposes, in part from gifts to the Catholic Services Appeal.
- Retired Priests and Other Clergy expenses of \$2.2M are primarily the cost of priest pensions and medical insurance benefits. As of June 30, 2014, the Archdiocese had 65 retired priests receiving a pension.
- Seminarian education expenses totaled \$0.8M. The Archdiocese had 17 seminarians in training for the priesthood and ordained one priest during the fiscal year ending June 30, 2014.
- Grants totaling \$0.9M consist of life and long-term disability insurance benefits paid for parish and school employees of \$0.3M, high school tuition assistance of \$0.4M, papal and national organizations of \$0.1M, and various other grants made to Catholic organizations of \$0.1M.
- Other expenses totaling \$0.3M are comprised of property and liability insurance and other miscellaneous items.

Net operating income for fiscal year ending June 30, 2014 is \$1.6M, and does not include Other Expenses totaling \$2.0M, 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 \$12.7M 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 campaign are split between parishes and the Archdiocese. (See chart below.) For fiscal year ending June 30, 2014, cash pledge payments of \$0.1M and \$0.3M were transferred to the Catholic Education Foundation for tuition assistance and to the Catholic Foundation of Louisville for priest retirement, seminarian education, parish assistance, and legacy initiatives, respectively.



**Total Other Expenses  
\$2 Million**

## Chancery Operations

### MARKET RESULTS

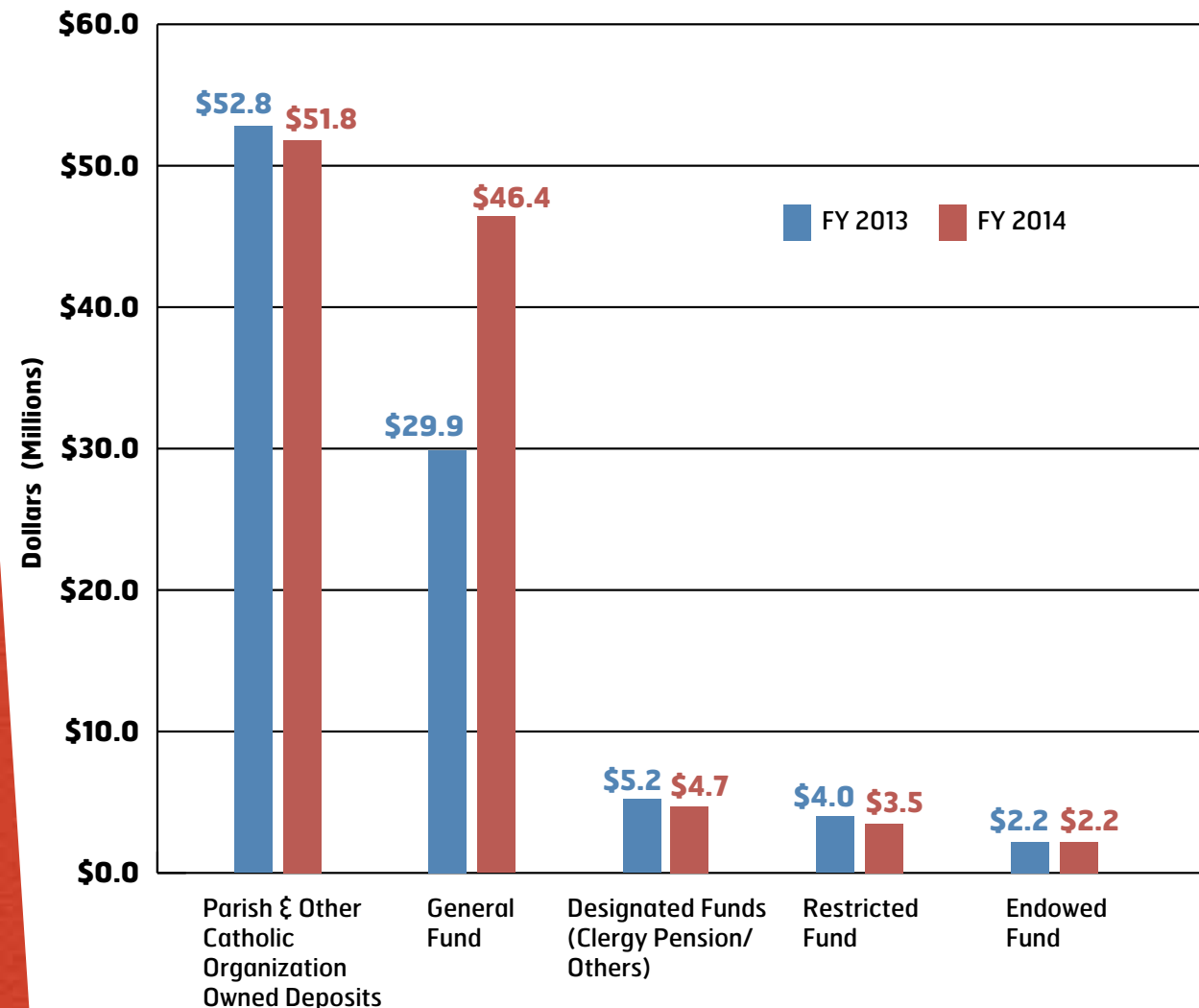
Market results include \$10.0M of unrealized gains and \$2.7M of realized gains from the investment portfolio of the Archdiocese. The Archdiocese continues to review investment policies to minimize risk in a volatile equity market with the goal of obtaining a reasonable return.

### CHANCERY OPERATIONS SUMMARY

Net Income from Operations	\$1.6 Million
Other Expenses/Grants & Non-Cash	(\$2.0) Million
Market Investment Gains	\$12.7 Million
<b>Overall Net Income</b>	<b>\$12.3 Million</b>

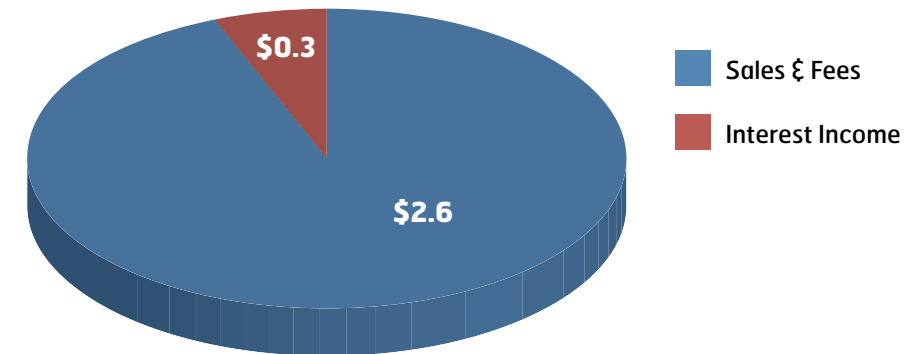
### Investment Portfolio Fund Allocation

The investment portfolio of the Archdiocese totals approximately \$108.6M as of fiscal year ending June 30, 2014, with parishes and other Catholic organizations owning approximately 48% 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.



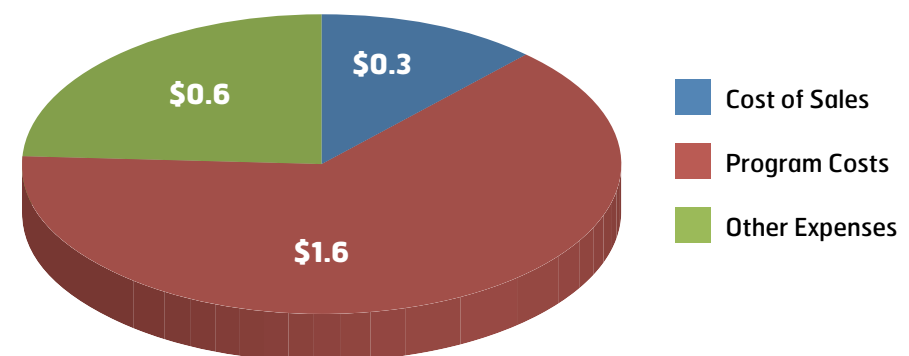
## Catholic Cemeteries Operations

Cemeteries had net income of \$.4M in fiscal year ending June 30, 2014, a decrease of \$.4M from the prior fiscal year. A decline in burial sales and monuments/memorials of approximately \$.4M from last year accounts for the variance. Burial sales, monuments/memorials, and fees totaled \$2.6M for fiscal year 2014 as reflected in the chart below. The remaining income is interest income on investments of \$.2M and other income of \$.1M. Expenses total \$2.5M of which the cost of sales is \$.3M. Program costs, including salaries and benefits, total \$1.6M, and other expenses of \$.6M include depreciation, insurance, and administrative expenses.



Dollars (Millions)

**Total Income  
\$2.9 Million**



Dollars (Millions)

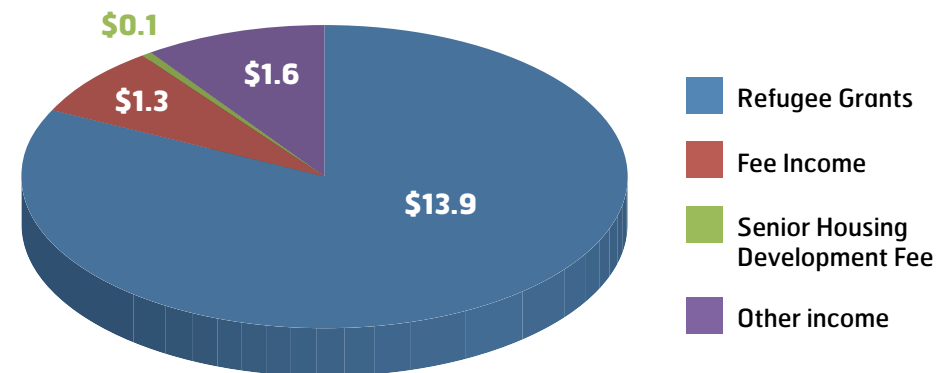
**Total Expenses  
\$2.5 Million**

**Net Income  
\$0.4 Million**



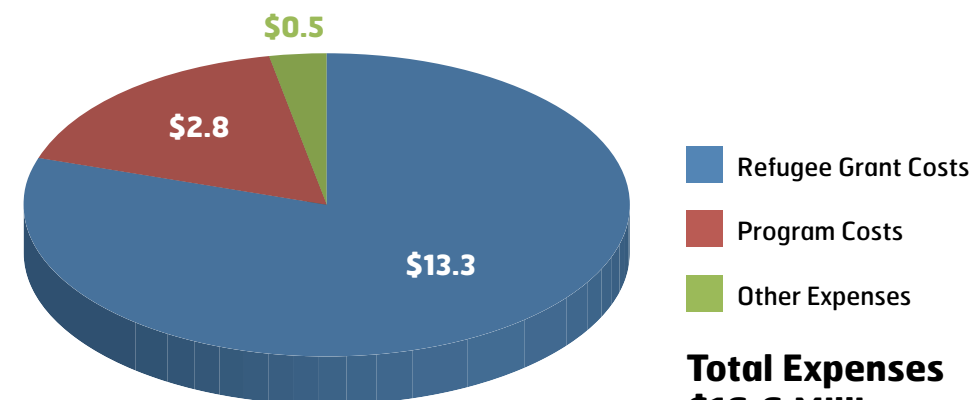
## Catholic Charities Operations

Catholic Charities had a net income of \$.3M in fiscal year ending June 30, 2014. Most of this agency's income includes federal and state grants of \$13.9M. These grants declined 10% from prior fiscal year due to a mid-year reduction of the refugee medical insurance program under the new Affordable Care Act. Program fee income for services total \$1.3M, senior housing development fees are \$.1M, and other income includes donations, archdiocesan support, and miscellaneous items of \$1.6M. Refugee grant costs total \$13.3M for grant expenses and grants distributed to sub-recipients. Program costs, including salaries and benefits, total \$2.8M, and other expenses are \$.5M for development and fundraising, administration, and other support services.



Dollars (Millions)

**Total Income  
\$16.9 Million**



Dollars (Millions)

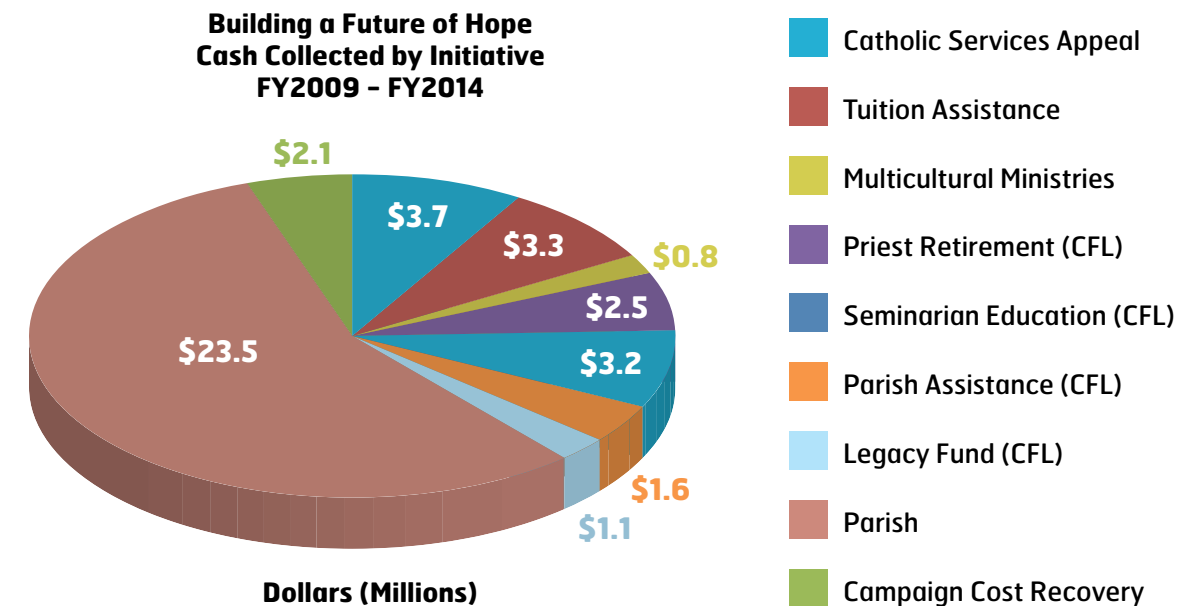
**Total Expenses  
\$16.6 Million**

**Net Income  
\$0.3 Million**

## Recap of Building a Future of Hope Capital Campaign

The Building a Future of Hope campaign has collected \$41.8M since it began in the fall of 2008. It is a "share" campaign with at least 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, 2014, the pledge balance was \$4.1M. Given the campaign is nearing completion, approximately \$1.7M of the \$4.1M remaining pledges is estimated to be collectable. 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 Foundation of Louisville (CFL) 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



Dollars (Millions)

**Total Cash Collected  
\$41.8 Million**

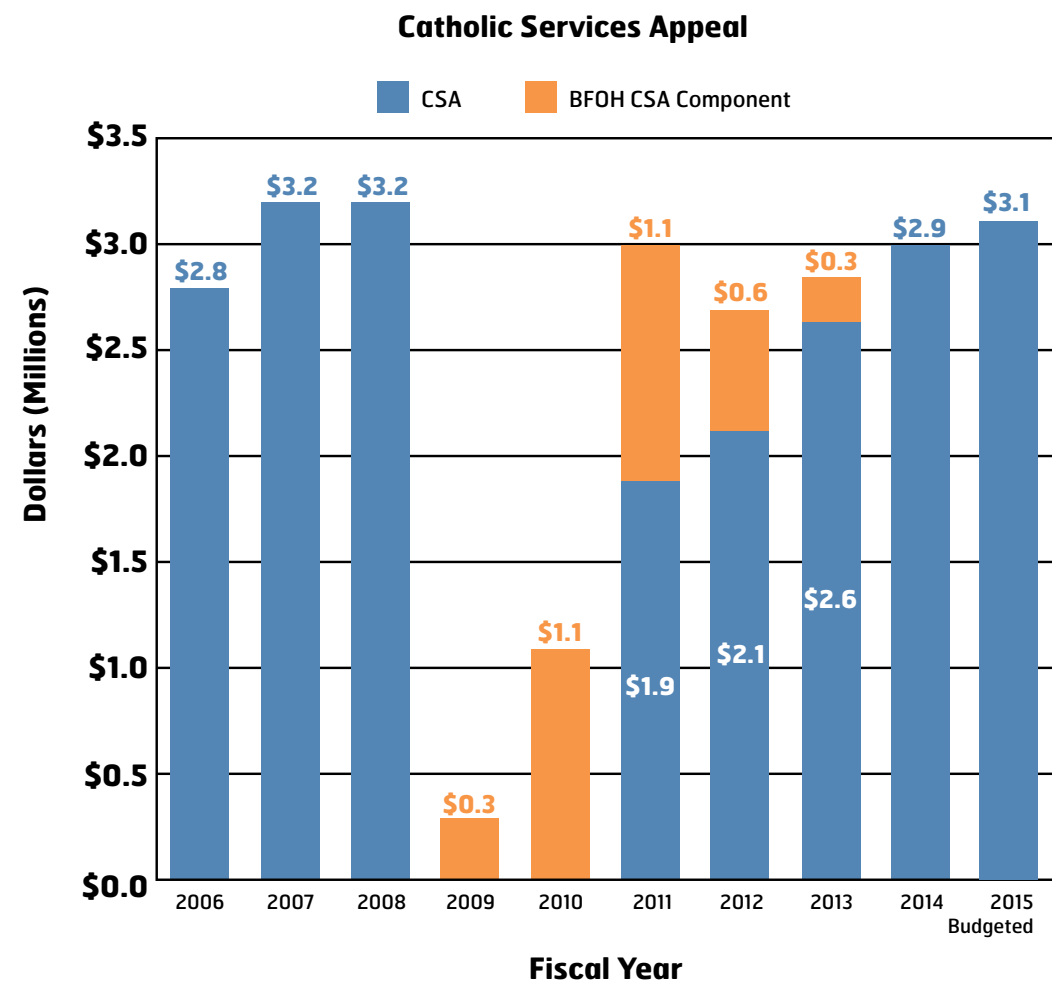


## Catholic Services Appeal (2006 through 2014)

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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