

Everyone  
is called,  
Everyone  
is sent  
~ Pope Francis

ARCHDIOCESE



OF LOUISVILLE

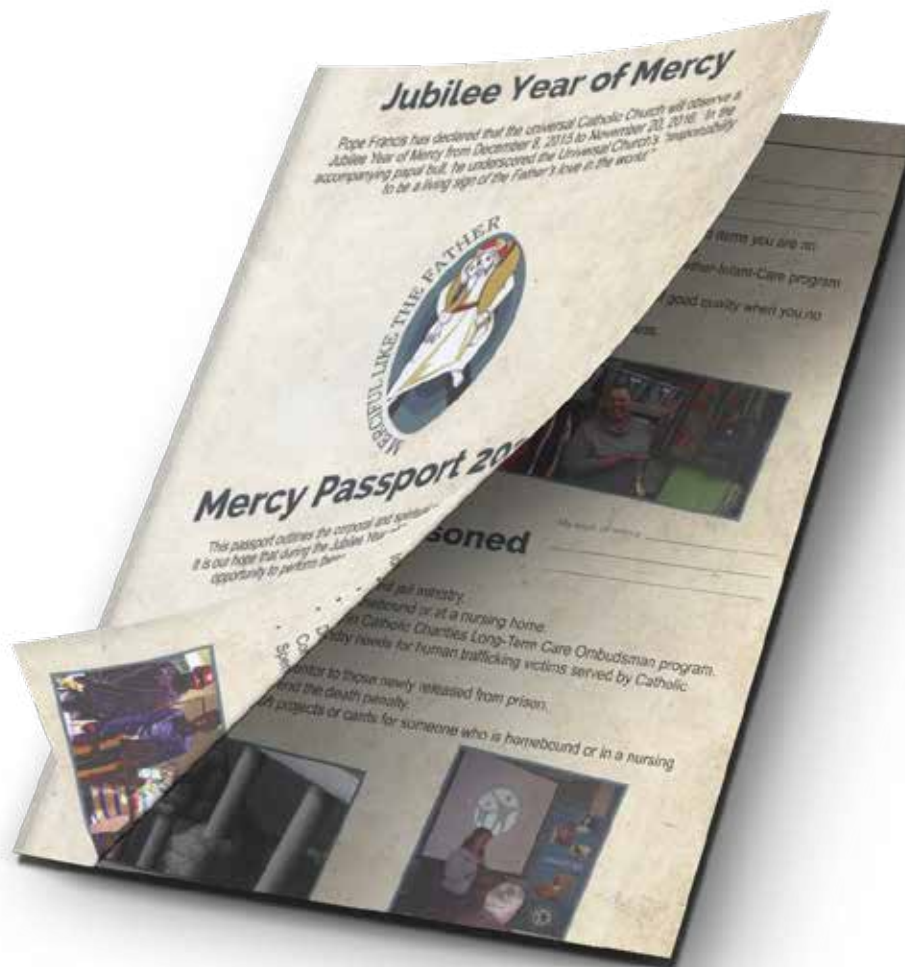
## 2016 Accountability Report



# Table of Contents

A Message from the Archbishop.....	1
Report on Mission .....	2
Archdiocesan Response to Sexual Abuse .....	8
Report on Finances.....	9

▼ The Year of Mercy Passport was produced and distributed to 12,500 individuals. Listing the corporal and spiritual works of mercy, it provides suggestions for carrying them out and invites parishioners to log their works of mercy at [www.archlou.org/worksmercy](http://www.archlou.org/worksmercy).



## A Message from the Archbishop

Dear Sisters and Brothers in Christ,

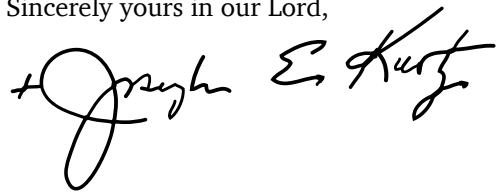
During this Jubilee Year of Mercy, I have given a lot of thought to the virtues of giving and generosity, which is what we celebrate as we present this annual report on our stewardship of the ministries and finances of the Archdiocese of Louisville.

Pope Francis constantly challenges us to sacrifice, give, and go out of ourselves in an era in which we face multiple temptations to assert ourselves, take, and even withdraw. He calls us to an attitude of abundance in recognizing that “God has loved us infinitely in order to make us capable of loving like Him, without measure” (Message of His Holiness Pope Francis for the Thirty-First World Youth Day 2016). Without limit or conditions, God gave us the gifts of life and love. We will only know true happiness as we strive to share those gifts in the same way with others.

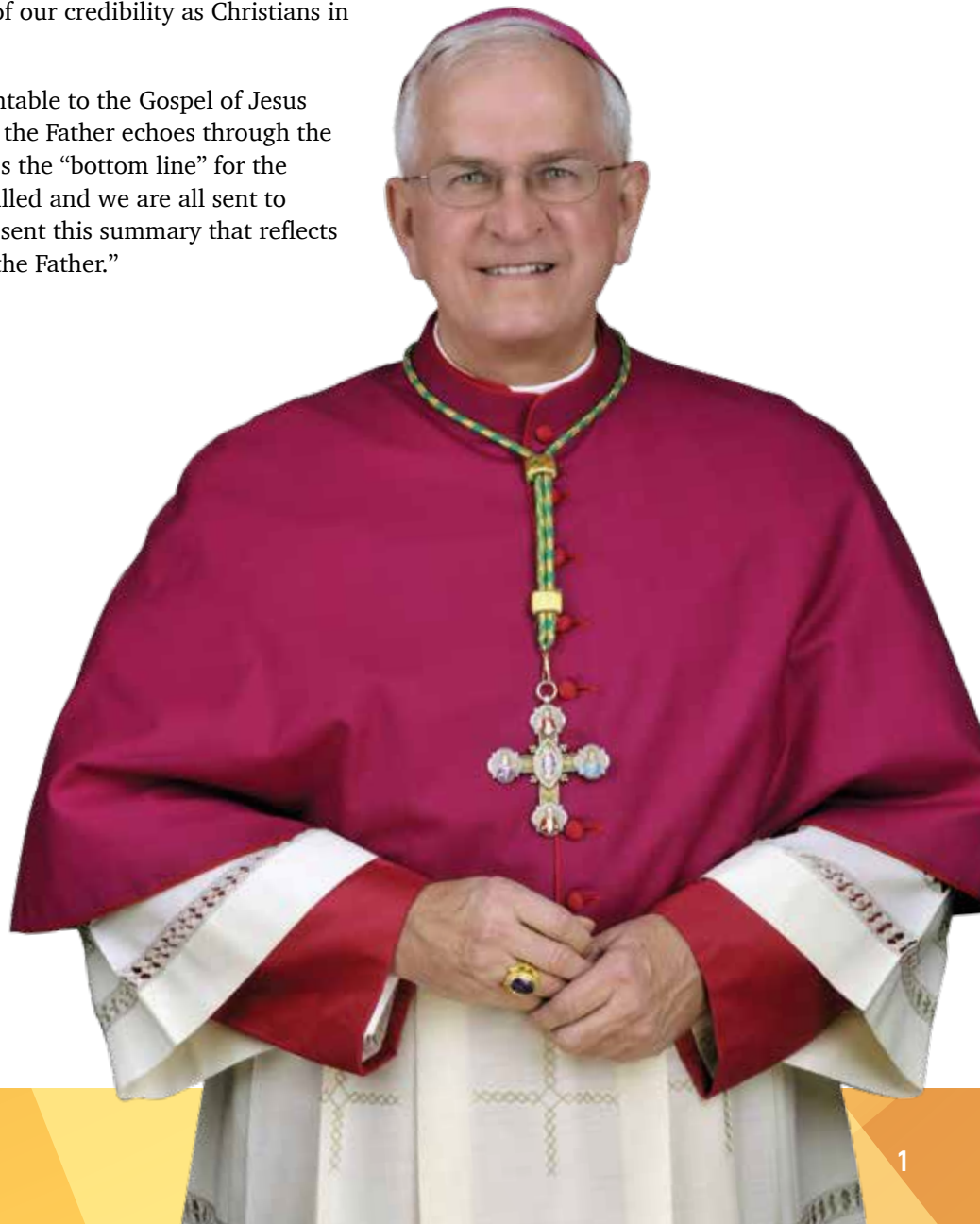
In his message for the 2016 World Youth Day, Pope Francis also calls us to accountability in evoking Christ’s challenges regarding the corporal works of mercy in the Gospel according to St. Matthew, chapter 25: “As you can see, mercy does not just imply being a ‘good person’ nor is it mere sentimentality. It is the measure of our authenticity as disciples of Jesus, and of our credibility as Christians in today’s world.”

These pages reflect our efforts to be accountable to the Gospel of Jesus Christ in this time and place. The mercy of the Father echoes through the sampling of activities depicted and provides the “bottom line” for the financial reporting presented. We are all called and we are all sent to give of ourselves in love. I am proud to present this summary that reflects how together we seek to be “merciful like the Father.”

Sincerely yours in our Lord,



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



## Report on Mission

► Ed and Gertrude Maxwell of Immaculate Heart of Mary Parish celebrated 73 years of marriage at one of the two annual archdiocesan Anniversary Masses. Held by the Office of Family Ministries, these Masses honored 198 couples celebrating five to 60+ years of marriage



◀ Archbishop Joseph Kurtz greeted students at St. Rita School, which enjoyed a significant enrollment increase last year (including an increase in Hispanic enrollment), as a result of new tuition assistance efforts and promotion by the school. The number of Hispanic students in archdiocesan schools increased by 18% overall.

▼ Students at Corpus Christi Classical Academy practiced the violin. This year, the Archdiocese recognized two Catholic schools (Corpus Christi and Immaculata Classical Academy) and renewed recognition for Holy Angels Academy, increasing the number and outreach of Catholic schools.



## Report on Mission



▲ Catechumens are being presented at the Rite of Election and Continuing Conversion. This year the Archdiocese welcomed 599 individuals into the Church.

► ValLimar Jansen, a singer, composer, and catechetical speaker, spoke at the first Catholic Women's Conference in the Archdiocese. The conference sold out with 675 in attendance.



◀ Father Sean McKinley is ordained by Archbishop Kurtz. Three priests were ordained during this year: Father Adam Carrico, Father Wilfredo Fernandez, and Father McKinley. Presently, there are 18 men in formation for the diocesan priesthood.

## Report on Mission



▲ Our Mother of Sorrows Parish held a Parish Growth Conference for 85 attendees. Our Mother of Sorrows, along with 12 other parishes, volunteered to be a pilot parish in an archdiocesan effort to promote effective parish evangelization. A Facebook page has been set up for these parishes to share resources and ideas.

► Catholic Cemeteries established a “Tree of Remembrance” at Calvary Cemetery, providing families with ornaments to remember their loved ones during the Advent season. Four hundred ornaments were placed on the tree.



◀ The logo for the Catholic Connection, an outreach to inactive Catholics for the Year of Mercy. More than 1,500 individuals received letters, attended listening sessions, or contacted the Archdiocese by email or phone.



## Report on Mission

► Archbishop Kurtz blessed the Holy Door at the Cathedral of the Assumption. As part of the Year of Mercy, 20 Holy Doors were blessed in parishes throughout the Archdiocese.

▼ St. Gabriel School celebrated being named a Blue Ribbon School of Excellence. In addition to St. Gabriel, three other Catholic schools – St. Albert the Great, St. Margaret Mary, and St. Mary Academy – received recognition as Blue Ribbon Schools.



▼ A group from St. Lawrence and Mary Queen of Peace Parishes traveled with 460 young people and chaperones from the Archdiocese of Louisville to attend the National Catholic Youth Conference, joining 25,000 other youth and adults who celebrated their faith at this three-day event.



## Report on Mission

► The choir at the annual Pentecost Mass. During this past year, the Office of Worship provided 130 hours of liturgical formation to 1,200 liturgical ministers, including music ministers, Eucharistic ministers, lectors, deacons, parish worship chairs, and worship committees.



◀ These high school students participated with 277 other students at two Rice Bowl luncheons. Catholic Charities holds these annual luncheons to educate students about the work of Catholic Relief Services and to help students learn ways to put their faith into action.



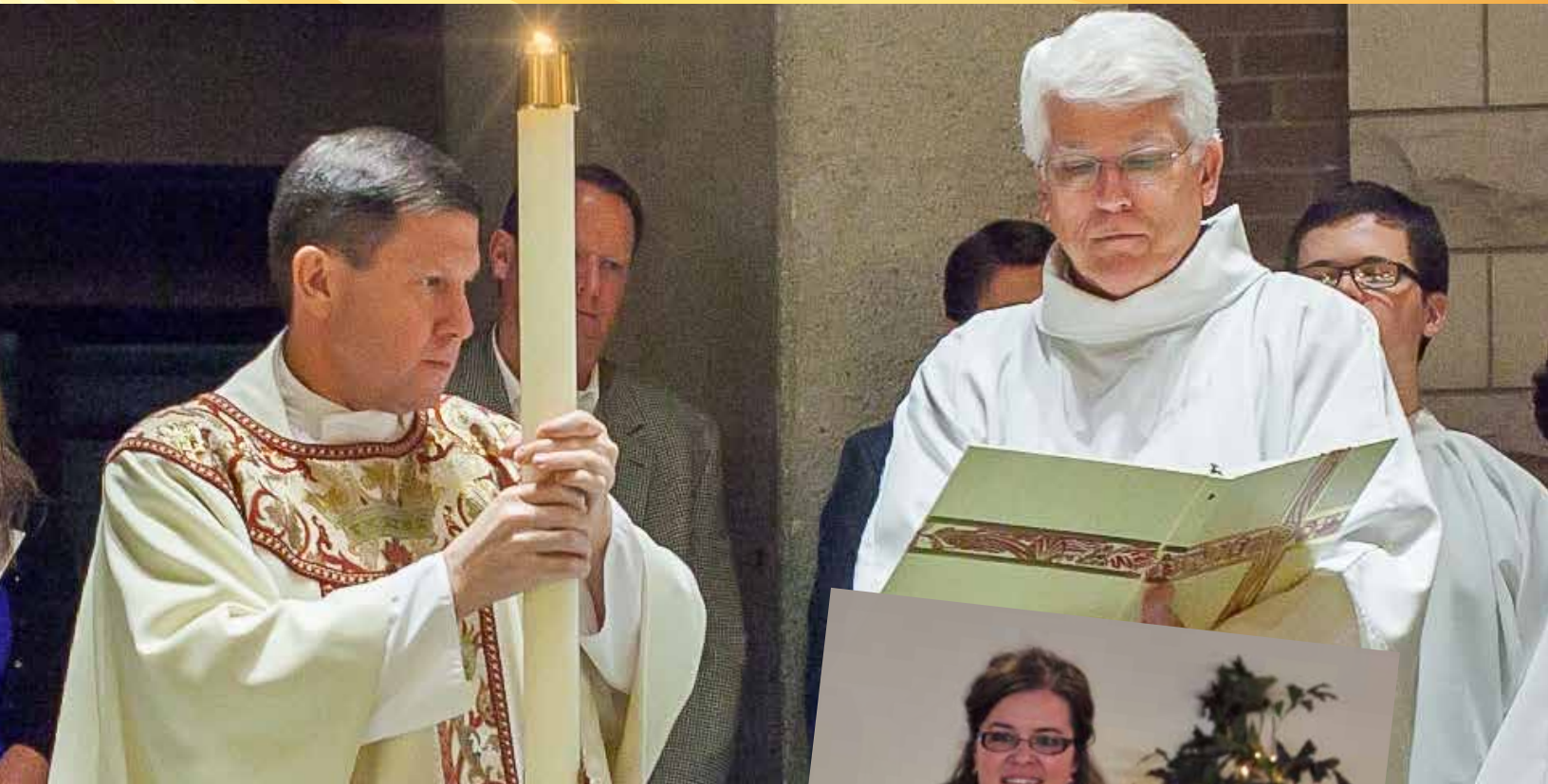
◀ Chef Hank Levitt and client Eneitra Beattie of the Common Table program, a social enterprise activity designed to train refugees and others in need of job assistance. The culinary arts program promotes empowerment, provides marketable skills in food service, and, when possible, uses locally grown produce provided by Common Earth Gardens, consisting of nine community gardens of 9.25 acres that are open to refugees and residents for agricultural needs.

▼ Members of a Filipino choir sang at a Mass commemorating the second anniversary of the establishment of Filipino Ministries through the Office of Multicultural Ministry. This year the Multicultural Ministry Office sponsored the first Filipino retreat for 15 leaders in the Filipino community.





## Report on Mission



▲ Father Mark Spalding (left), Vicar General of the Archdiocese of Louisville and pastor of Holy Trinity Parish in Louisville, is one of more than 1,000 priests worldwide to be named by Pope Francis as a Missionary of Mercy for the Year of Mercy. Missionaries of Mercy are called by the Holy Father to be “signs and instruments of God’s pardon in our midst.”



▲ Marissa Castellanos, director of Catholic Charities human trafficking program, talked to 300 attendees at a human trafficking summit that was sponsored by Catholic Charities and other community agencies.



◀ Archbishop Kurtz greeted Pope Francis during his trip to the United States. As President of the United States Conference of Catholic Bishops, Archbishop Kurtz traveled with the Holy Father throughout his four-day visit.

# 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 2015, the United States Conference of Catholic Bishops audited the Archdiocese for the 12th 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

- 3,354 employees and volunteers participated in 52 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 school children in the Archdiocese participate in various approved training programs, such as *Speak up Be Safe*, *Theology of the Body*, and other religious education curriculum.
- The *Honor Thy Children* Newsletter goes out monthly to all schools and parishes.
- The Archdiocese chose a safe environment curriculum (*Safe Sheep*) for parish religious education programs that will be implemented during the 2016-2017 school year.
- 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).

### Priest Assignment and Status

- Father 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.
- In August of 2015, Archbishop Kurtz placed Father 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, Father Pohl was arrested on federal charges of accessing child pornography, and he was sentenced to 33 months in federal prison in March of 2016.

### 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](mailto:victimassistance@archlou.org).

### Cooperation with Civil Authorities

- Reports or suspicion of child abuse are relayed immediately to civil authorities, and the Archdiocese cooperates fully with any investigation. Call 1-877-597-2331 to report child abuse to the police.

### Sexual Abuse Expenditures

The following summarizes expenditures from July 1, 2015 to June 30, 2016:

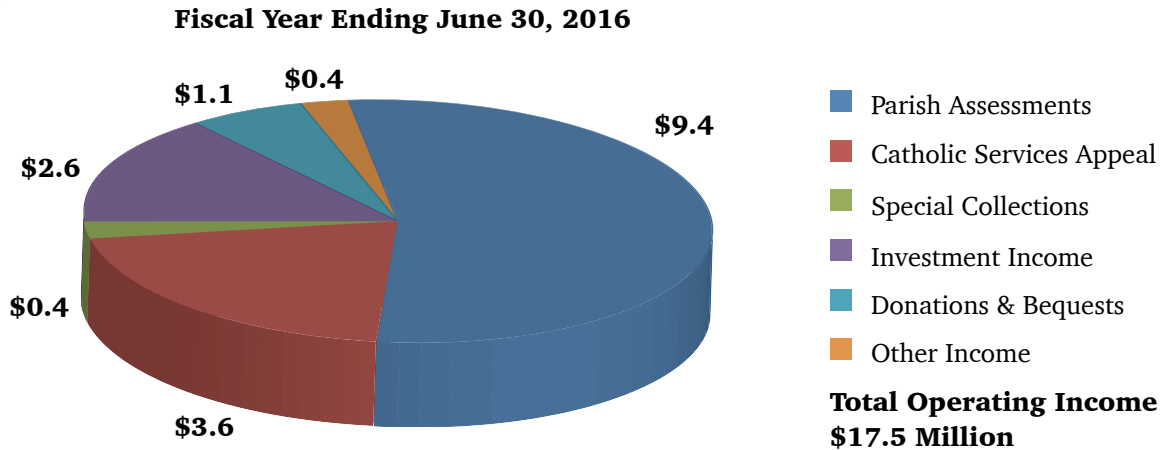
Counseling Fees and Support for Victims/Survivors	\$ 22,083
Legal Expense	\$ 4,309
Sexual Abuse Prevention/Education	\$ 128,785
<b>TOTAL</b>	<b>\$ 155,177</b>

# Report on Finances

## Archdiocese of Louisville - June 30, 2016

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, Catholic Charities, and Catholic Foundation of Louisville) of the Archdiocese of Louisville for fiscal year ending June 30, 2016. 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



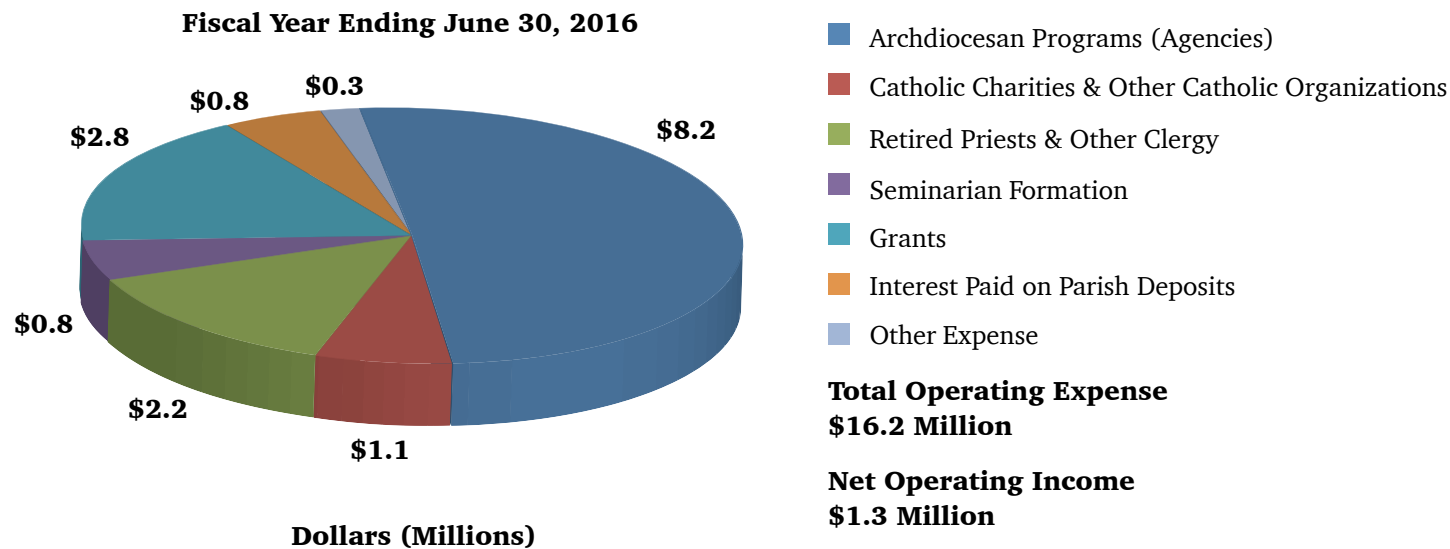
**Dollars (Millions)**

- Parish assessments of \$9.4M 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 .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. In addition to the parish assessments, a new 1% parish contribution was given by the parishes for the new Catholic Elementary School Plan, which provides financial aid assistance to help families send their children to Catholic elementary schools.
- 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 \$3.6M of free will offerings surpassed goal by 10% and is up 11% from last year's appeal due to the tremendous response from the faithful.
- 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 \$2.6M net of fees includes interest and dividends earned and reinvested into the Archdiocese of Louisville's investment portfolio. Income from investments increased 18% over budget due to continued diversification of the portfolio.
- Donations and bequests of \$1.1M include unrestricted and restricted gifts to the Archdiocese from generous benefactors.
- Other income of \$.4M includes interest earned on loans to parishes and other miscellaneous income.

For fiscal year ending June 30, 2016 operating income was \$17.5M, a 12% percent increase from prior fiscal year mainly due to the 1% parish contributions for the Catholic Elementary School Plan and the increase in the Catholic Services Appeal.

# Report on Finances

## Chancery Operations Operating Expenses



- Archdiocesan program (Agencies) expenses net of revenues were \$8.2M for the various services, activities, and ministries include the following:
  - The Office of Lifelong Formation and Education (OLFE), with expenses totaling \$1M, 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 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 \$1.2M.
  - 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 \$.4M.
  - Campus Ministries promotes the mission of the Church among Catholic students at the University of Louisville through weekly liturgies, faith development, and peer ministers during their time at college, 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 \$.3M.

# Report on Finances

## Operating Expenses (Continued)

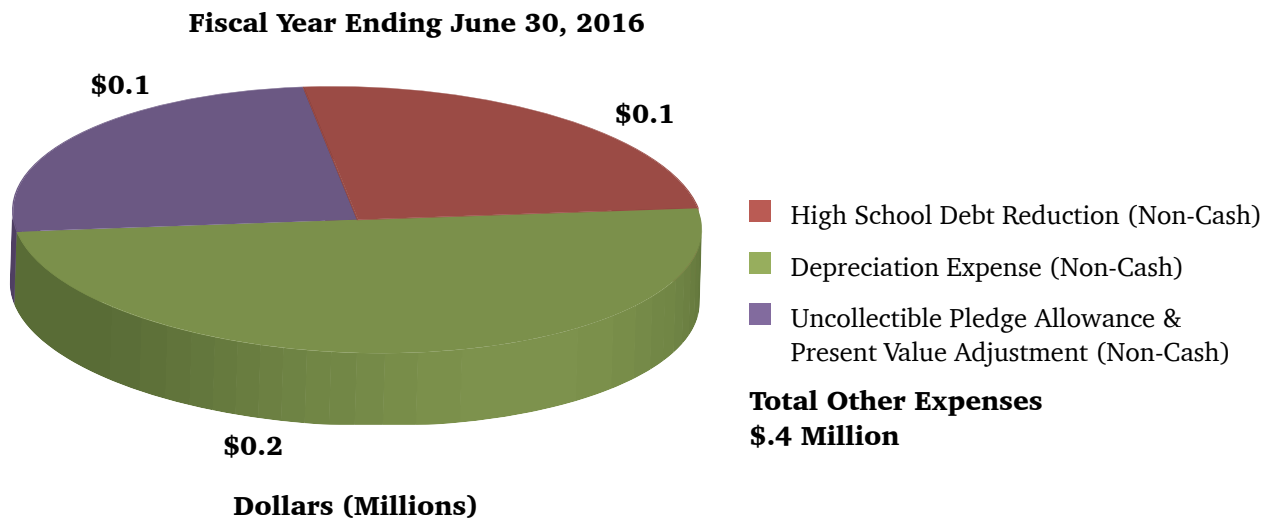
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.1M for operating purposes, in part from gifts to the Catholic Services Appeal and Christmas Collection.
- Retired Priests and Other Clergy expenses of \$2.2M are primarily the cost of priest pensions and medical insurance benefits. As of June 30, 2016, the Archdiocese had 67 retired priests receiving a pension.
- Seminarian education expenses totaled \$.8M. This past year, the Archdiocese had 16 seminarians in various stages of theological study, with three seminarians from this group being ordained.
- Grants totaling \$2.8M consists of elementary school financial aid grants of \$1.2M, high school financial aid grants of \$.5M, high school capital grants of \$.4M, life and long-term disability insurance benefits paid for parish and school employees of \$.3M, papal and national organizations of \$.1M, and various other grants made to Catholic organizations of \$.3M.
- Other expenses totaling \$.3M are comprised of property and liability insurance and other miscellaneous items.

Net operating income for fiscal year ending June 30, 2016 is \$1.3M, and does not include Other Expenses totaling \$.4M, which were non-cash items illustrated on the chart below. In addition, market investment unrealized losses of \$2.8M are not included in the net operating income.

## Chancery Operations

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

A high school debt reduction grant totaling \$.1M was given to Holy Cross to help support capital campus improvements.



# Report on Finances

## Market Results

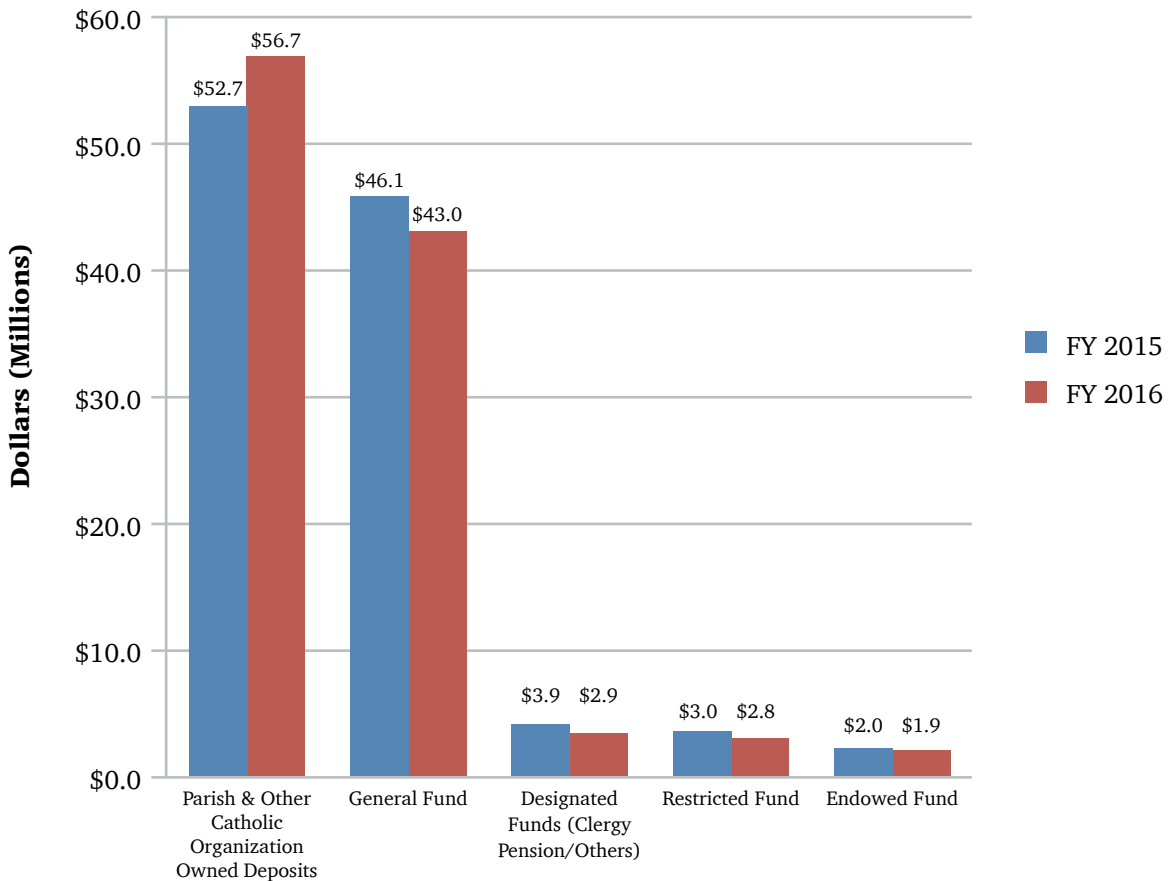
Market results include \$4.5M of unrealized losses and \$1.7M of realized gains from the investment portfolio of the Archdiocese. The unrealized losses were due to decline in both domestic and international equities and real assets (commodities, oil, and real estate). The Archdiocese continues to review investment policies and diversify the portfolio 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 & Non-Cash	(\$.4) Million
Market Investment Unrealized Losses	(\$2.8) Million
<b>Overall Net Income</b>	<b><u>(\$1.9) Million</u></b>

## Investment Portfolio Fund Allocation

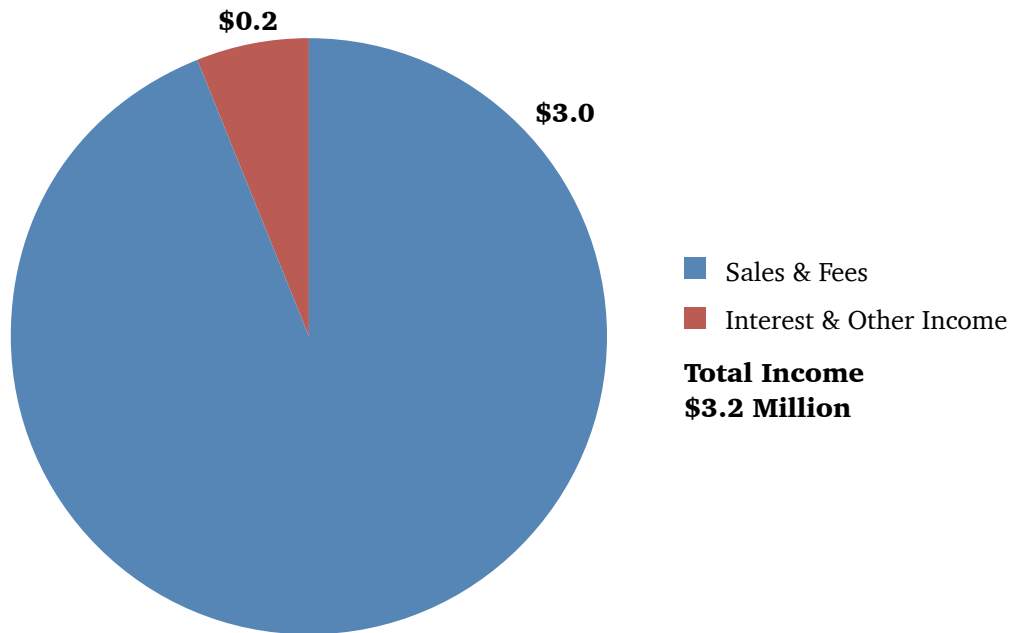
The investment portfolio of the Archdiocese totals approximately \$107.3M as of fiscal year ending June 30, 2016, with parishes and other Catholic organizations owning approximately 53% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.



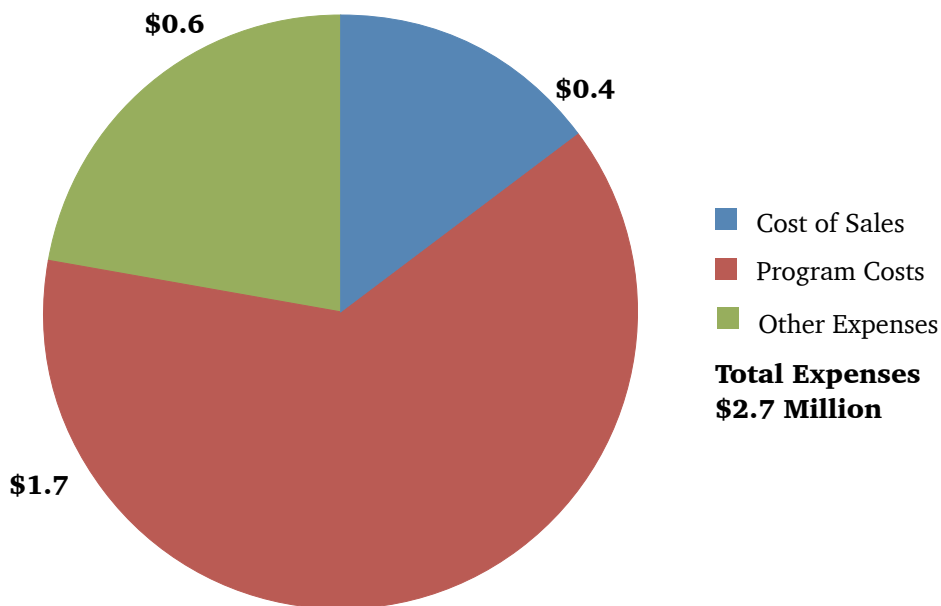
# Report on Finances

## Catholic Cemeteries Operations

Cemeteries had net income of \$.5M for fiscal year ending June 30, 2016, a decrease of \$.3M from prior fiscal year, which resulted mainly from lower burial grave sales of \$.2M and higher operating expense of \$.1M. Burial sales, monuments/memorials, and fees totaled \$3M for fiscal year 2016, a 6% decrease from the prior year. The remaining income of \$.2M is from interest income on investments and other income. Expenses total \$2.7M, of which the cost of sales is \$.4M. Program costs, including salaries and benefits, total \$1.7M, and other expenses of \$.6M include depreciation, repair and maintenance, insurance, and administrative expenses.



Dollars (Millions)



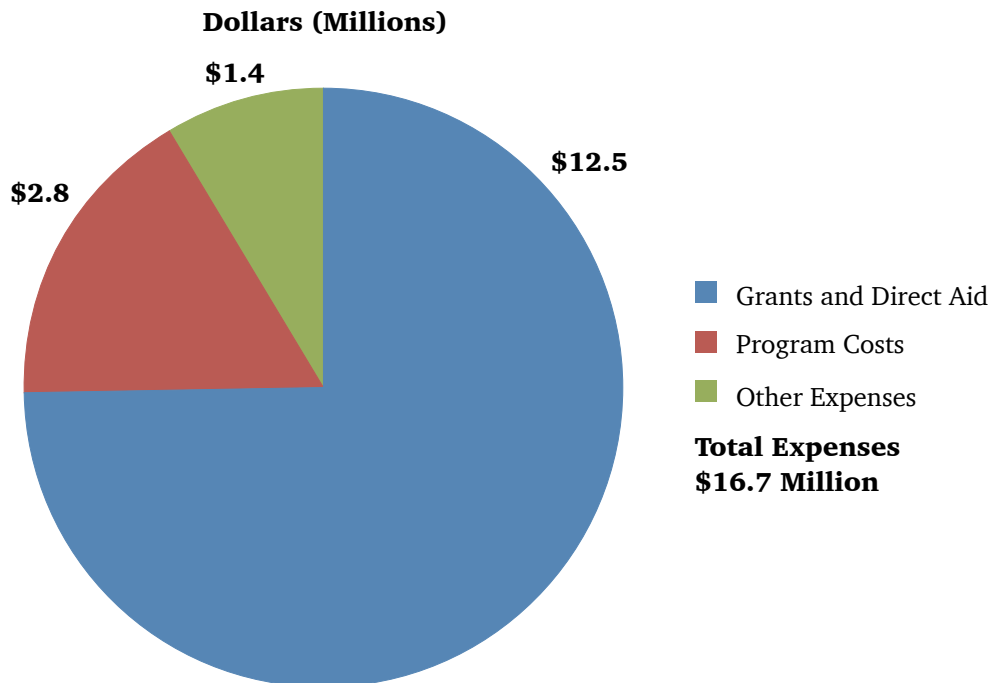
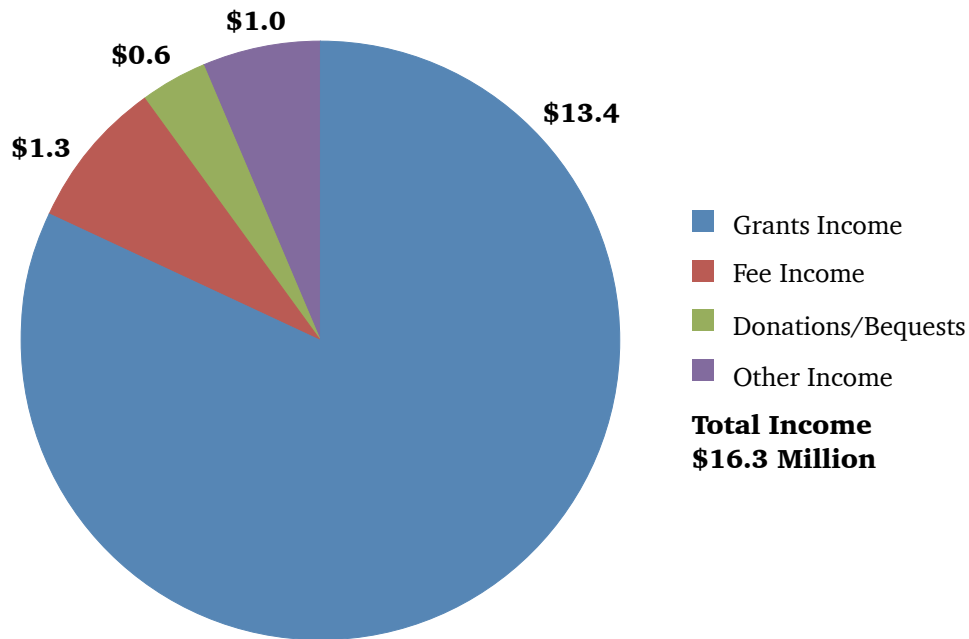
Dollars (Millions)

**\$0.5 Million Net Income**

# Report on Finances

## Catholic Charities Operations

Catholic Charities had a net loss of \$.4M for fiscal year ending June 30, 2016. Most of this agency's income includes federal and state grants of \$13.4M. Program Fee income for services total \$1.3M, Donations/Bequests \$.6M, and other income includes archdiocesan support and miscellaneous items of \$1M. Refugee grant costs total \$12.5M for grant expenses and grants distributed to sub-recipients. Program costs, including salaries and benefits, total \$2.8M, and other expenses of \$1.4M for development and fundraising, administration, and other support services.



Dollars (Millions)

**\$.4 Million Net Loss**

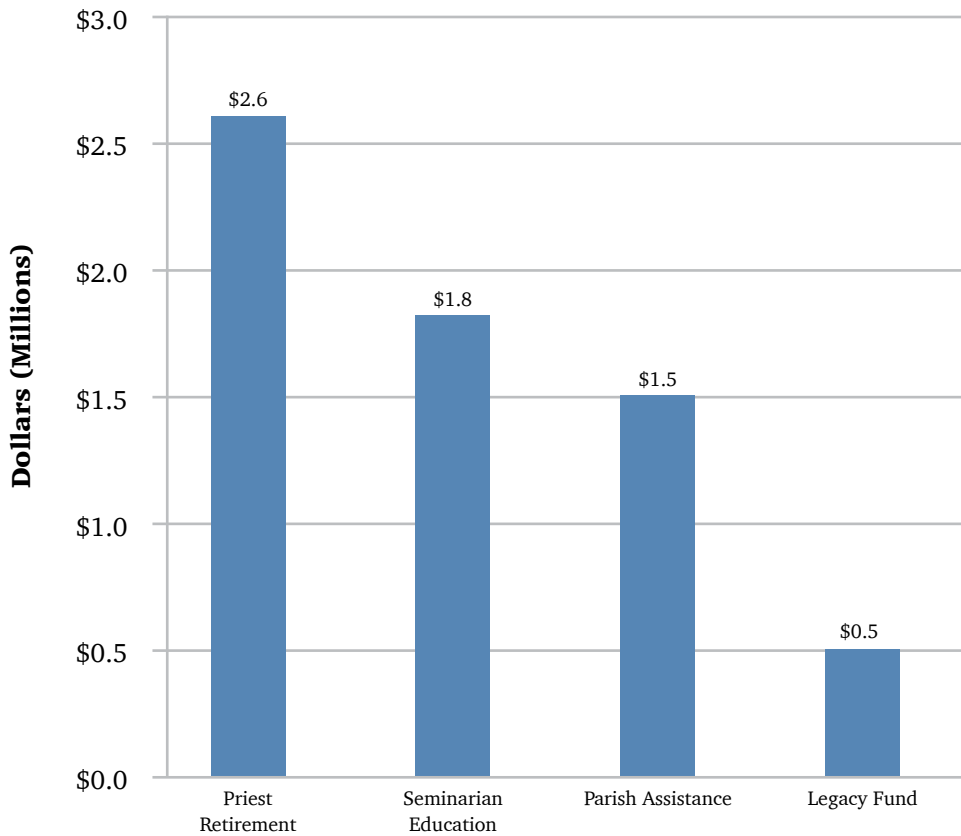


# Report on Finances

## The Catholic Foundation of Louisville

The Catholic Foundation of Louisville is a separate 501c(3) non-profit corporation that was initially formed using the proceeds from the prior Building a Future of Hope Campaign. These donations were allocated to the following initiatives: Priest Retirement, Seminarian Education, Parish Assistance, and Legacy Funds. For the fiscal year ending June 30, 2016, the total investment balance in the Foundation was \$6.4M. Funds are invested in the market using a moderately conservative investment policy that focuses on minimizing risk and maximizing return. Initiative grants awarded during the fiscal year were from the Seminarian Education \$.3M, Legacy Fund \$32K, and Parish Assistance \$20K. The foundation has recently expanded to accept Catholic Charities and Catholic Cemeteries initiative donations. For more information or to donate to these funds, please contact the Office of Mission Advancement at [mission@archlou.org](mailto:mission@archlou.org) or (502)585-3291. Please see the chart below for the initiative investment balances.

■ Initiative Investment Balances at 6-30-16



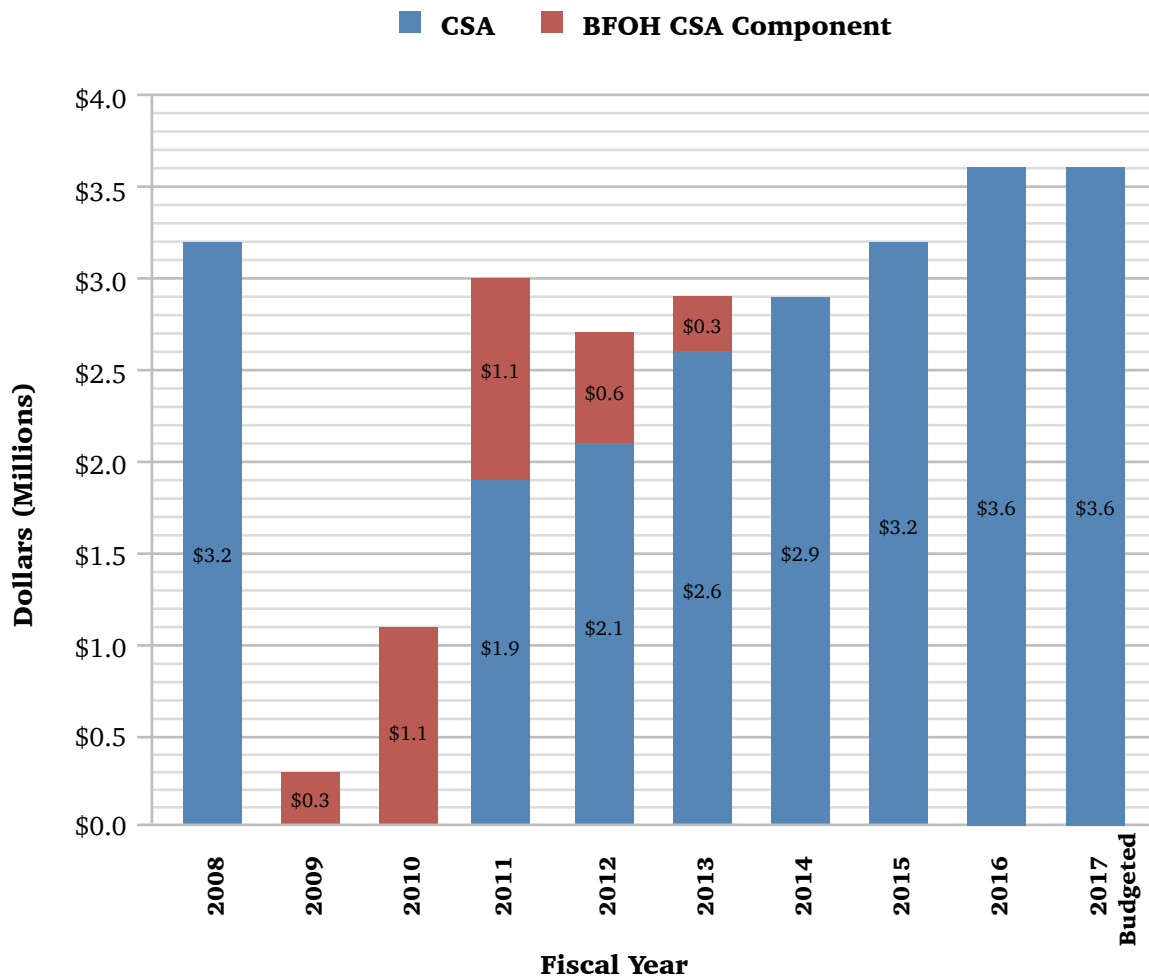
# Report on Finances

## Catholic Services Appeal (2008 through 2016)

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.

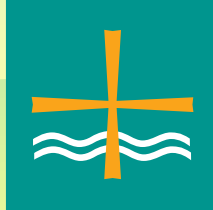
Generally, revenues from the Catholic Services Appeal (CSA) prior to the introduction of the Building a Future of Hope campaign produced approximately \$3M in revenues annually. For fiscal years ending 2009 and 2010, the Catholic Services Appeal was rolled into the Building a Future of Hope campaign. Within the last few years, the annual CSA donations have steadily increased. This past year's CSA donations of \$3.6M exceeded all prior years in the CSA campaign history, and it is expected that donations we will continue to grow in the future.

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 this annual 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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