

Hope allows
us to see a
tomorrow

~ Pope Francis



2017 Accountability Report

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▼ Saint Francis of Assisi School celebrated being named a 2016 Blue Ribbon School by the U.S. Department of Education. Saint Francis joined Saint Xavier High School, named as a Blue Ribbon School in 2016 for the fourth time, and 17 other schools who have received this honor one or more times in previous years.



A Message from the Archbishop

Dear Sisters and Brothers in Christ,

This August, I celebrated my tenth year as Archbishop, and this year the Archdiocese is observing the golden anniversary of our annual appeal, first called the Archdiocesan Development Fund and now the Catholic Services Appeal. Thanks to God's grace, we have much to celebrate!

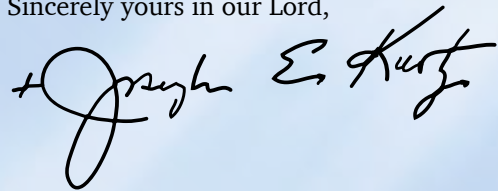
During my ten years here, one of my great joys has been to visit parishes and witness the lively faith and generosity of our Kentucky Catholic people. At so many parishes from Louisville to the Kentucky Holy Land to central and south-central Kentucky, I have encountered your goodness, generosity, commitment, and the great diversity and vibrancy of our parishes. In fact, my favorite image of our Archdiocese is that of 110 parishes growing more deeply as the Body of Christ and striving to serve our communities as a family of faith.

Our archdiocesan ministries exist primarily to strengthen and serve our parishes, and it is this image of the Body of Christ that inspires us in these efforts.

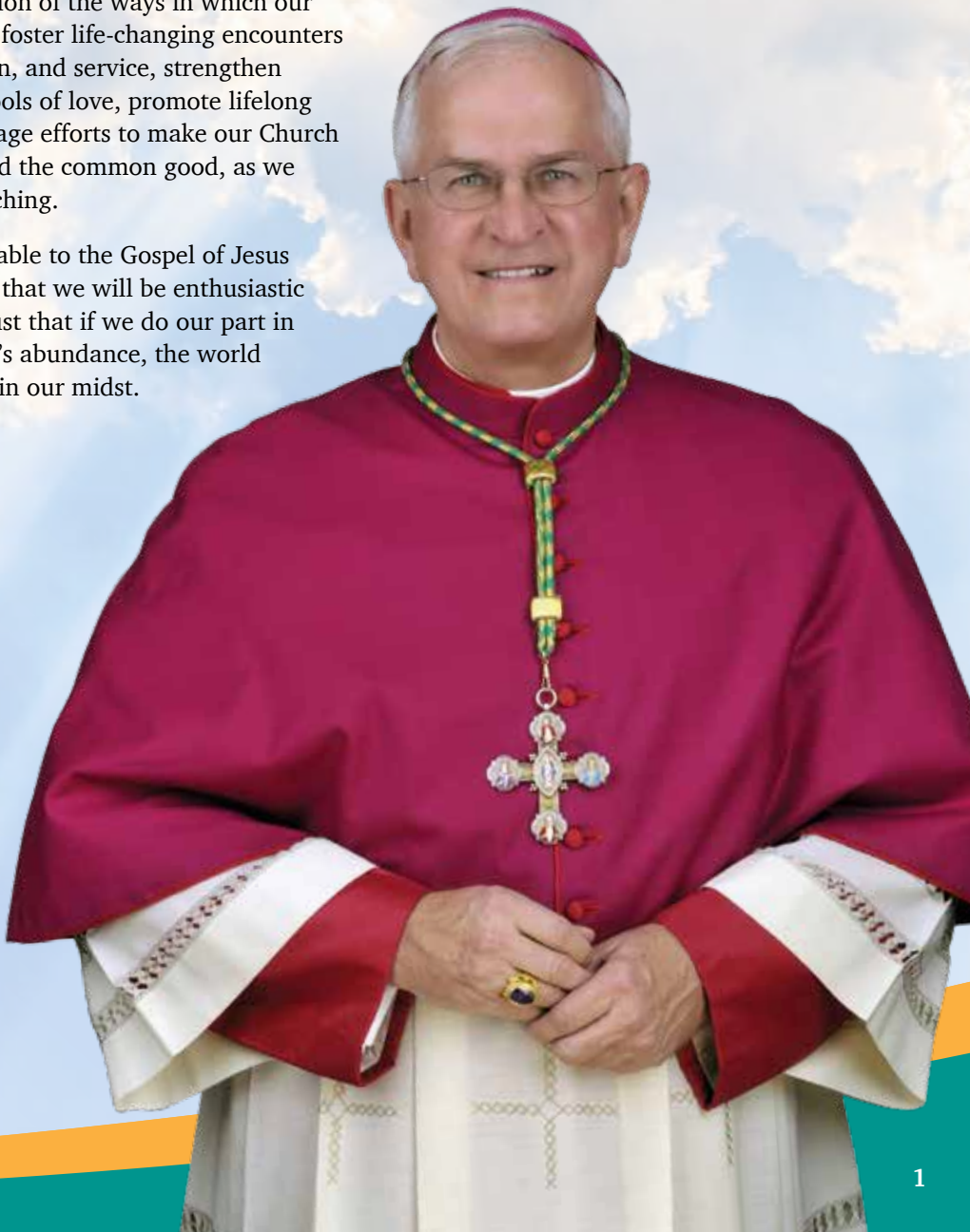
The following pages depict just a small fraction of the ways in which our Archdiocese and our parishes are striving to foster life-changing encounters with Jesus Christ through worship, formation, and service, strengthen the gifts of our families as they serve as schools of love, promote lifelong formation and education for all, and encourage efforts to make our Church an authentic witness to the dignity of life and the common good, as we carry out the tradition of Catholic social teaching.

This report reflects our efforts to be accountable to the Gospel of Jesus Christ in this time and place. It is my prayer that we will be enthusiastic and engaged co-workers with Christ who trust that if we do our part in sharing the gifts we have received from God's abundance, the world will recognize us as the Body of Christ alive in our midst.

Sincerely yours in our Lord,



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



Report on Mission

► A refugee from Somalia harvested products from her garden. During the past year, Catholic Charities increased the development of its Common Earth Gardens program to 458 active garden plots that are open to refugees and residents for agricultural needs.



◀ Archbishop Kurtz greeted attendees at the Prayer Service for Peace, which was held as part of a national Catholic Church effort to raise awareness about the need to combat violence and racism in communities. Hundreds of people from dozens of parishes attended the service.

▼ Archbishop Kurtz wrote a pastoral letter about parish vitality entitled *Your Parish: The Body of Christ Alive in Our Midst*. This letter inspired a parish discernment process, which was piloted by six parishes during the past year. Many other parishes will participate in 2017-2018.



Report on Mission



▲ Attendees from Saint James Church in Elizabethtown attended a parish Encuentro session as part of the Archdiocese's preparation for the Fifth National Encuentro, to be held in 2018. Prior to the national meeting, dioceses across the country are organizing gatherings to identify the pastoral needs of Hispanic and Latino Catholics and to explore best ways to improve the quality of ministry.

► Sister of Charity Marie Flowers (left) joined attendees at a Marian Dinner. This event, sponsored by the Vocation Office in collaboration with religious orders, provides high school and college age young women the opportunity to learn more about religious life.



◀ Susan and Doug Emery (and their son) celebrated ten years of marriage at one of two annual archdiocesan Anniversary Masses. The Archdiocese supports marriage and families through marriage preparation and enrichment, counseling referrals, and by providing parishes and schools with expertise, training, and resources in these areas.



Report on Mission



▲ A young preschool student attended a Ready 4K camp, one of four archdiocesan camp locations (Saint Bernard, Saint Nicholas, Saint Rita, and Saint Stephen Martyr Schools) serving 90 preschool-age students. These camps were part of a new partnership with JCPS to serve more students in an effort to improve kindergarten readiness.

► In honor of the 50th anniversary of Sister Patricia Haley, SCN (center in photo), the Office of Multicultural Ministry partnered with African American parishes to host a two-day celebration for more than 1,000 attendees to promote vocations to the priesthood and religious life in the urban community.



◀ As part of its employee health initiative, the Archdiocese held its first 5K Walk/Run at the Zoo. Colin Triplett, from the Catholic Charities Migration and Refugee Department, joined his wife and daughter as he celebrated his second place win in his age group.



Report on Mission

► Catechumens, those who have never been baptized, are presented to Archbishop Kurtz during the annual Rite of Election and Continuing Conversion. Five hundred forty three individuals were received into the Church during the past year.

▼ Three hundred high school students participated in the archdiocesan-sponsored Quest 2016 youth gathering. This youth ministry event is one of several programs for youth and young adults in the Archdiocese.



▼ Father Casey Sanders and Father Michael Martin were ordained to the priesthood this year. Currently, there are 19 seminarians preparing for the priesthood in the Archdiocese.



Report on Mission

► The new Pastoral Center of the Archdiocese of Louisville, located on the campus of Holy Family Parish, was under construction this past year. The Pastoral Center will open in early September.



◀ Youth marched for life in Louisville, joining with the witness of five buses of more than 300 individuals who attended the 2017 March for Life in Washington, D.C.



◀ The Office of Multicultural Ministry sponsored the first Asian Pacific Island Day of Reflection with 60 participants representing five cultural/ethnic groups.

▼ Students from the University of Louisville joined efforts of the Catholic Campus Ministry to spend spring break working with Habitat for Humanity. Each week, Catholic Campus Ministry provides Mass and dinner for 150-200 University of Louisville students, faculty, and staff, as well as offering daily Mass on campus three days per week.



Report on Mission



▲ Archbishop Kurtz and Chancellor Dr. Brian Reynolds received an award from the Leadership Roundtable. This award recognized the Archdiocese of Louisville's efforts in collaborative leadership as well as its participation in Lilly Endowment's National Initiative to Address Economic Challenges Facing Pastoral Leaders. This participation resulted in a \$1 million dollar grant from Lilly to provide leadership training, financial literacy skills, and emergency assistance to priests and lay ecclesial ministers.



▲ One hundred ninety-six participants attended the Archdiocese's first Life Conference, which featured a keynote by Archbishop Kurtz and witness stories from those who have experienced mercy in the areas of abortion, the death penalty, immigration, and racism.

◀ The Archdiocese celebrated the 100th anniversary of the appearance of the Blessed Virgin Mary to the children at Fatima. This Mass, prepared by the archdiocesan Office of Worship in collaboration with the Marian Committee, is one of dozens of archdiocesan Masses organized by the Office of Worship during the past year. The Office also provides liturgical resources and training to parishes and to hundred of individuals who serve in parish liturgical roles.



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 2016, the United States Conference of Catholic Bishops audited the Archdiocese for the 13th 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

- 3,165 employees and volunteers participated in 55 safe environment workshops during the past fiscal year. For more information, see **www.archlou.org/safe**.
- All school children in the Archdiocese participate in various approved training programs, such as Speak up Be Safe, Theology of the Body, Safe Sheep, and other religious education curriculum.
- The *Honor Thy Children* Newsletter goes out monthly to all schools and parishes.
- The Archdiocese sent bulletin blurbs about sexual abuse to parishes and schools for Sexual Abuse Prevention Month in April.
- Extensive information is online about child abuse prevention, resources for parents, safe environment programs, and other materials. See **www.archlou.org/restoringtrust**.

Priest Assignment and Status

- Father Joseph Hemmerle was sentenced to a two year and a seven year sentence for two convictions of sexual abuse dating from the 1970s and is serving this sentence in Oldham County.
- After his arrest and conviction for accessing child pornography, Stephen Pohl is serving a sentence of 33 months in federal prison. Stephen Pohl subsequently submitted his resignation as a priest to the Holy See, and Archbishop Kurtz notified the parishioners of Saint Margaret Mary in March of 2016 that Stephen Pohl has been granted a dispensation from the obligations of the clerical state. Thus, he is now returned to the lay state and is no longer a priest.

Sexual Abuse Review Board

- The Review Board reviews cases and monitors the implementation of the 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 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, 2016 to June 30, 2017:

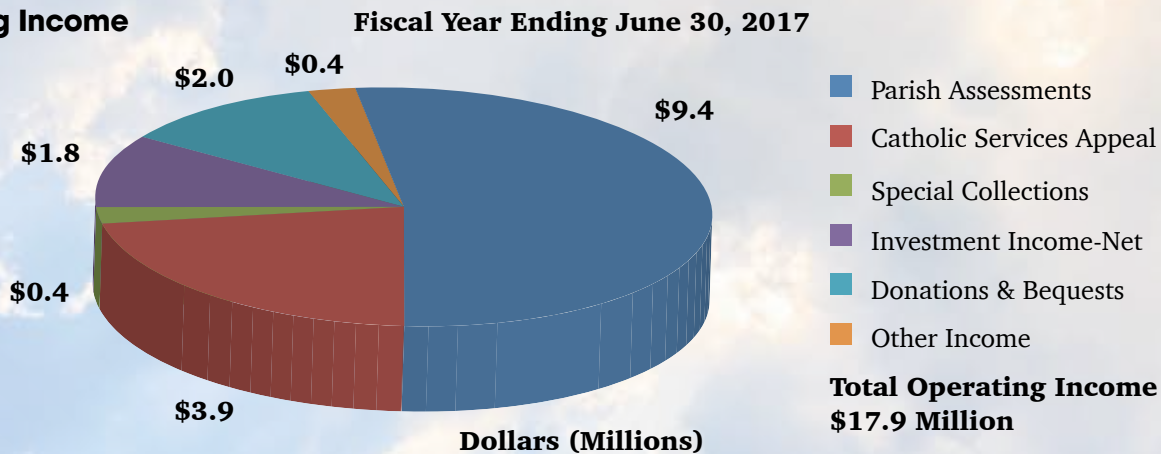
Counseling Fees and Support for Victims/Survivors	\$ 5,070
Legal Expense	19,000
Sexual Abuse Prevention/Education	123,052
TOTAL	\$ 147,122

Report on Finances

Archdiocese of Louisville – June 30, 2017

As part of the Archdiocese of Louisville's ongoing commitment to communication and accountability, this report presents 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, 2017. 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

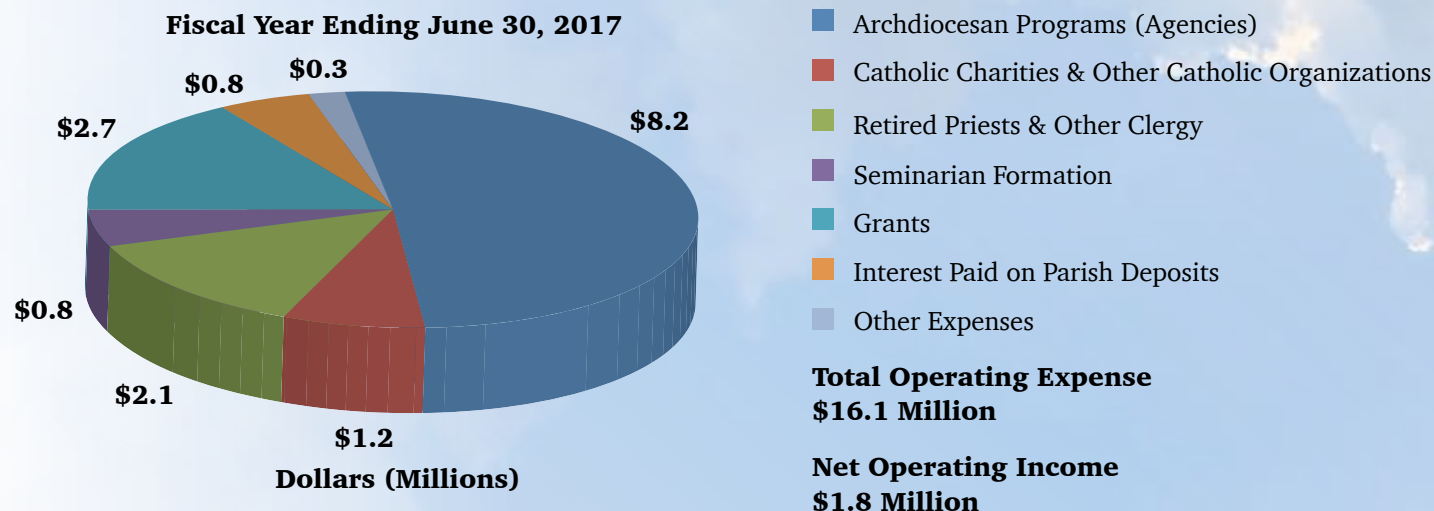


- Parish assessments of \$9.4M represent a key income source for the Archdiocese. The Christian faithful are obliged to assist with the needs of the Church, so that the Church has what is necessary for divine worship, for the works of the apostolate and of charity, and for the decent support of ministers (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 1.34% to provide funds for the support of retired priests; and 3) a specific assessment of .66% for the archdiocesan newspaper *The Record* and other communication efforts. In addition to the assessments, the parishes contribute 1% for the Catholic Elementary School Plan, which provides financial aid assistance to help families send their children to Catholic elementary schools. Please note that after July 1, 2017, the ordinary assessment percentage will reduce to 3.75%, a .25% decrease compared to this past 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. Due to the tremendous response from the faithful, the total of \$3.9M of free will offerings surpassed goal by 12% and is up 9% from last year. In total, 14,977 donors responded to the invitation to participate in the appeal, compared to 14,388 last year, an increase of 4%.
- 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 \$1.8M net of fees includes interest and dividends earned and reinvested into the Archdiocese of Louisville's investment portfolio.
- Donations and Bequests of \$2M included a \$1M grant from the Lilly Endowment, Inc. This grant will support eleven program initiatives to address the goal of increasing financial literacy and developing leadership skills of pastoral leaders over the next three years, from January 2017 to December 2019.
- Other income of \$.4M includes interest earned on loans to parishes and other miscellaneous income.

For the fiscal year ending June 30, 2017, operating income was \$17.9M; the 2% percent increase from the prior fiscal year was mainly due to the \$1M Lilly Endowment, Inc. grant and the considerable increase in the Catholic Services Appeal.

Report on Finances

Chancery Operations Operating Expenses



- Archdiocesan program (Agencies) expenses net of revenues were \$8.2M, the same as the prior year, for the various services, activities, and ministries, which include the following:
 - The Office of Catholic Schools provides leadership, resources, and training to promote excellence in religious formation and education for Catholic schools in the Archdiocese, with expenses totaling approximately \$.6M.
 - The Office of Faith Formation provides leadership, resources, and training in Catholic beliefs, traditions, and values for parishes and schools, with expenses totaling approximately \$.3M.
 - The Office of Youth and Young Adults provides resources, spiritual formation, and training for youth and young adults, with expenses totaling approximately \$.2M.
 - The Archdiocesan Communications Center promotes evangelization for the Archdiocese through *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.
 - The Office of Parish Leadership Development assists parishes with forming effective leaders, parish council training and support, and planning, with expenses of \$.1M.
 - Catholic Campus Ministries promotes the mission of the Church among Catholic students at the University of Louisville through weekly liturgies, faith development, and service, 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)

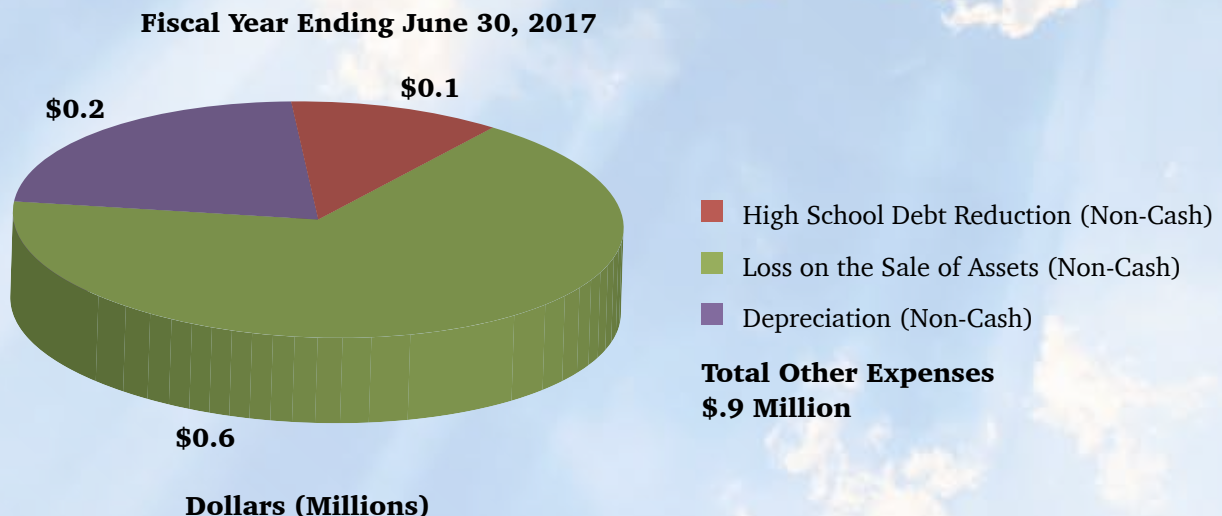
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.2M for operating purposes, in part from gifts to the Catholic Services Appeal and Christmas Collection.
- Retired Priests and Other Clergy expenses of \$2.1M are primarily the cost of priest pensions and medical insurance benefits. As of June 30, 2017, the Archdiocese had 62 retired priests receiving a pension.
- Seminarian education expenses totaled \$.8M. This past year, the Archdiocese had 18 seminarians in various stages of theological study, with two seminarians from this group being ordained in May 2017.
- Grants totaling \$2.7M consists of elementary school financial aid grants of \$1.2M, high school financial aid grants of \$.5M, high school capital grants of \$.1M, life and long-term disability insurance and other benefits paid for parish and school employees of \$.5M, 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 the fiscal year ending June 30, 2017 is \$1.8M and does not include Other Expenses totaling \$.9M, which were non-cash items illustrated on the chart below. In addition, market investment gains of \$9.7M are not included in the net operating income.

Chancery Operations

Other Expenses & Non-Cash Items

A debt reduction grant totaling \$.1M was given to Holy Cross High School to help support campus capital improvements. The \$.6M Loss on the Sale of Assets resulted from the sale of a closed parish property and from the write-off of a building demolished to allow space for construction of the new Pastoral Center.



Report on Finances

Market Results

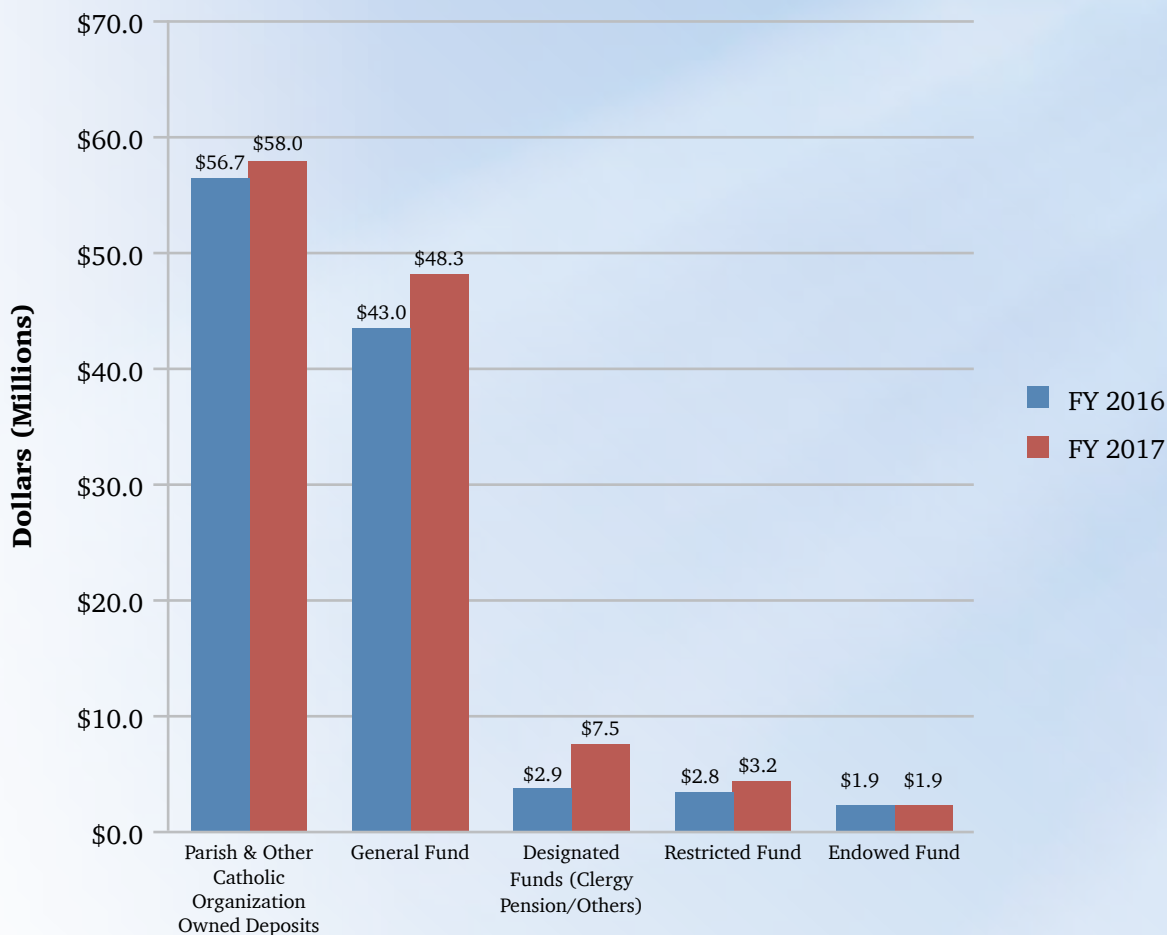
Market results include \$10.6M of unrealized gains and \$.9M of realized losses from the investment portfolio of the Archdiocese. The unrealized gains were due to strong returns from the domestic and international equity markets, and the realized losses resulted from the rebalancing of the portfolio. 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	\$1.8 Million
Other Expenses & Non-Cash	(.9) Million
Market Investment Unrealized Gains	9.7 Million
Overall Net Income	<u>\$10.6 Million</u>

Investment Portfolio Fund Allocation

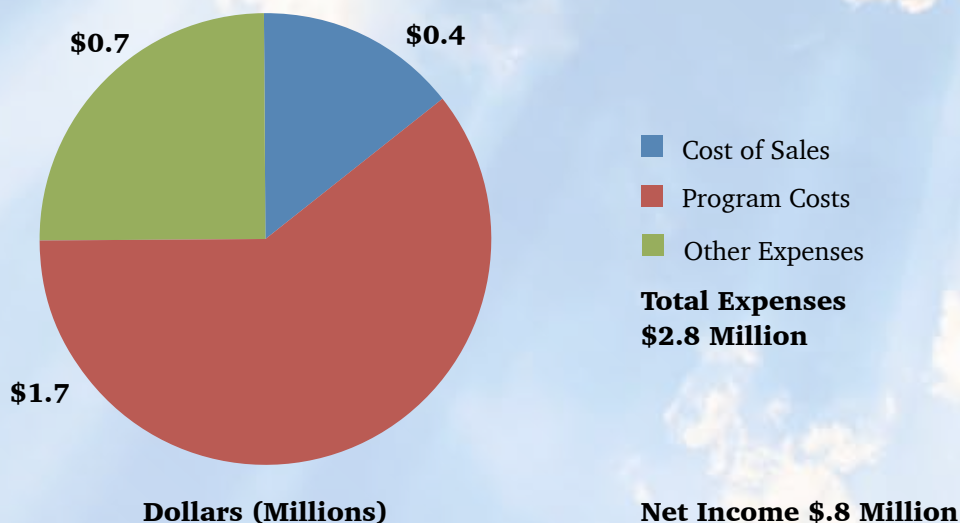
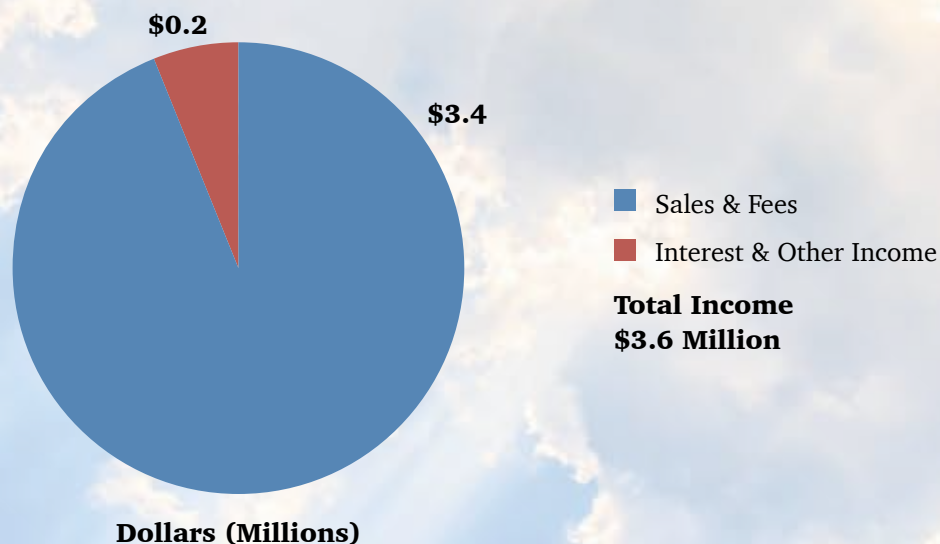
The investment portfolio of the Archdiocese totals approximately \$118.9M as of fiscal year ending June 30, 2017, with parishes and other Catholic organizations owning approximately 49% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.



Report on Finances

Catholic Cemeteries Operations

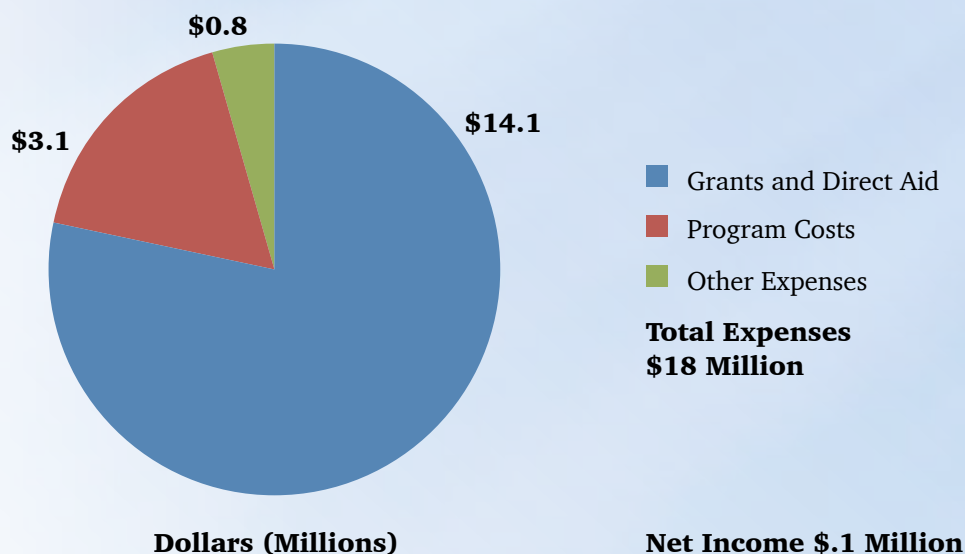
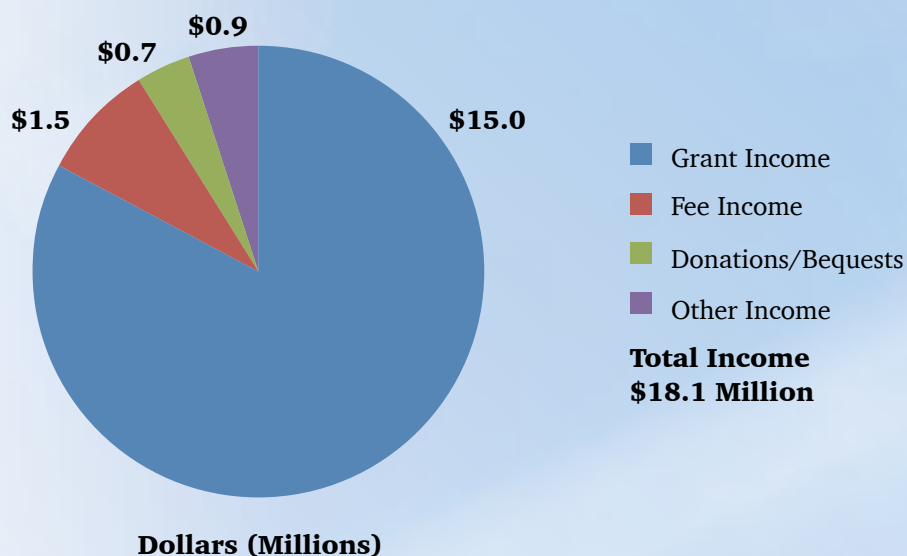
Catholic Cemeteries had net income of \$.8M for fiscal year ending June 30, 2017, an increase of \$.3M from the prior fiscal year. Burial sales, monuments/memorials, and fees totaled \$3.4M for the fiscal year 2017, a 16% increase from the prior year. The remaining income of \$.2M is from interest income on investments and other miscellaneous income. Expenses total \$2.8M, of which the cost of sales is \$.4M. Program costs, including salaries and benefits, total \$1.7M, and other expenses of \$.7M include depreciation, repair and maintenance, insurance, and administrative expenses.



Report on Finances

Catholic Charities Operations

Catholic Charities had a net income of \$.1M for fiscal year ending June 30, 2017, a significant improvement from the prior year's results. Most of this agency's income includes federal and state grants, particularly for Migration and Refugee Services, of \$15M. Program Fee income for services total \$1.5M, Donations/Bequests \$.7M, and Other Income includes archdiocesan support and miscellaneous items of \$.9M. Refugee grant costs total \$14.1M for grant expenses and grants distributed to sub-recipients. Program costs, including salaries and benefits, total \$3.1M, and other expenses of \$.8M for development and fundraising, administration, and other support services. The political and economic challenges, both this year and anticipated in the future because of the uncertainty of the federal refugee resettlement program, have required Catholic Charities to be very responsive to managing cost control.



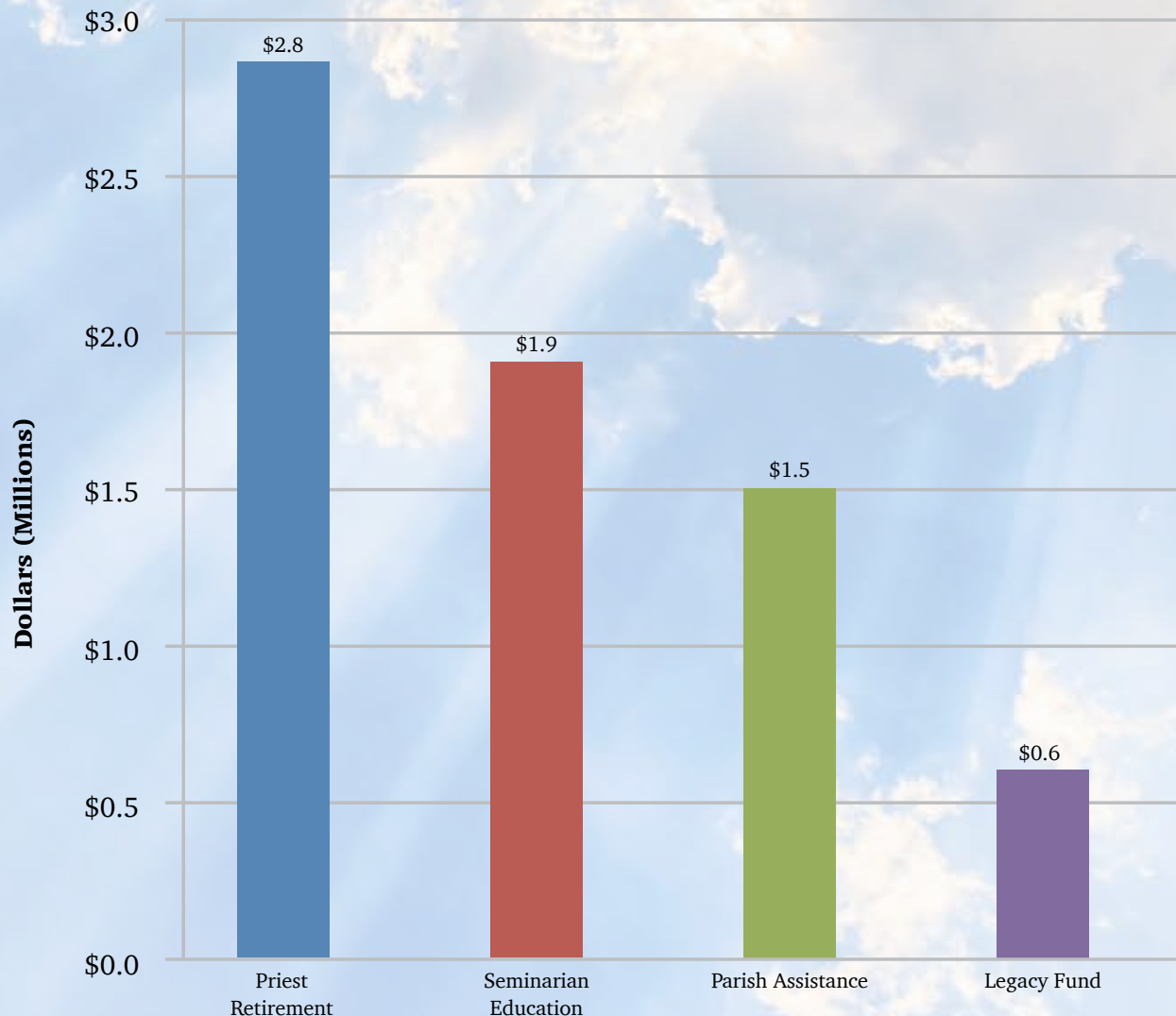
Report on Finances

The Catholic Foundation of Louisville

The Catholic Foundation of Louisville is a separate 501c(3) non-profit corporation that was 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, 2017, the total investment balance in the Foundation was \$6.8M. Initiative grants awarded during the fiscal year were from the Seminarian Education \$150K, Parish Assistance \$105K, and the Legacy Fund \$12K. Funds are invested in the market using a moderately conservative investment policy that focuses on minimizing risk and maximizing return. For more information or to donate to these funds, please contact the Office of Mission Advancement.

Effective February 1, 2017, the Catholic Foundation of Louisville (CFL) created a new investment program through Fifth Third Bank to enable archdiocesan parishes to build a diversified portfolio for their future needs. By the end of June, several parishes had invested an aggregate total of \$3.1M in the various investment options. The parish CFL investments are separate from the archdiocesan investments in the CFL and are not reflected in the balances below.

Initiative Investment Balances at 6-30-17



Report on Finances

Catholic Services Appeal (2014 through 2017)

The revenues generated from the annual Catholic Services Appeal (CSA) 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 of free will offerings from the faithful.

Within the last few years, annual CSA donations have steadily increased. This past year, with CSA donations of \$3.9M, was a record year for the Archdiocese, thanks to the generosity of donors and the dedicated leadership of priests and lay ministers.

The Archdiocese strives to serve the community and fulfill the spiritual and individual needs of 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.





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