

“Let us
not hesitate
when the
Spirit calls.”

~ Pope Francis



ARCHDIOCESE



OF LOUISVILLE

2018 Accountability Report

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▼ Deacon Greg Beavin and his wife Shirley open the doors of Saint Theresa Church in Rhodelia, Kentucky. Saint Theresa is one of 80 parishes that participated in a formal parish discernment process based upon Archbishop’s pastoral letter, *Your Parish: The Body of Christ Alive in Our Midst*. The Archdiocese trained 30 facilitators to work with parishes participating in the formal discernment process. All parishes received the pastoral letter and provided it to parishioners.



A Message from the Archbishop

Dear Sisters and Brothers in Christ,

Over the last 18 months, our parishes participated in a parish discernment process guided by my pastoral letter, *Your Parish: The Body of Christ Alive in Our Midst*. In reviewing all of the efforts surfaced by parishes in the areas of Family Life, Education and Lifelong Formation, and Service and Outreach, I am inspired by the deep faith, generous commitment, and impulse to reach out and serve others that emerged from this process.

I have long been convinced that if we want a healthy, holy, and vibrant Archdiocese, we need to build healthy, holy, and vibrant parishes. Unlike the construction tools used to erect structures, such building is the work of the Holy Spirit, the soul of our parishes.

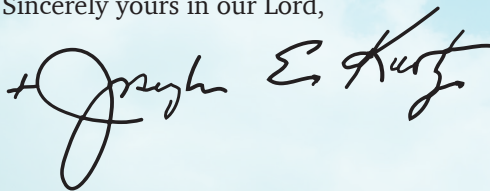
The results of this parish discernment process clearly demonstrate that the Holy Spirit is alive in our midst! So many have told me that they found new life in addressing God's hope for the parish rather than their individual hopes. Asking and together answering this question is itself part of the path of holiness, and parishes are at their best when they are communities dedicated to the growth in holiness together.

Our local Church, the Archdiocese, exists to assist and empower parishes as they seek to foster this growth in holiness, to provide services that no one parish can carry out alone, and to foster unity in truth and charity. This report reflects our efforts to be accountable to this activity and to our common mission to proclaim the good news of Jesus Christ. We carry out this mission confident in the guidance of the Holy Spirit, who provides us with abundant sources of wisdom, inspiration, discernment, and guidance as we journey together.

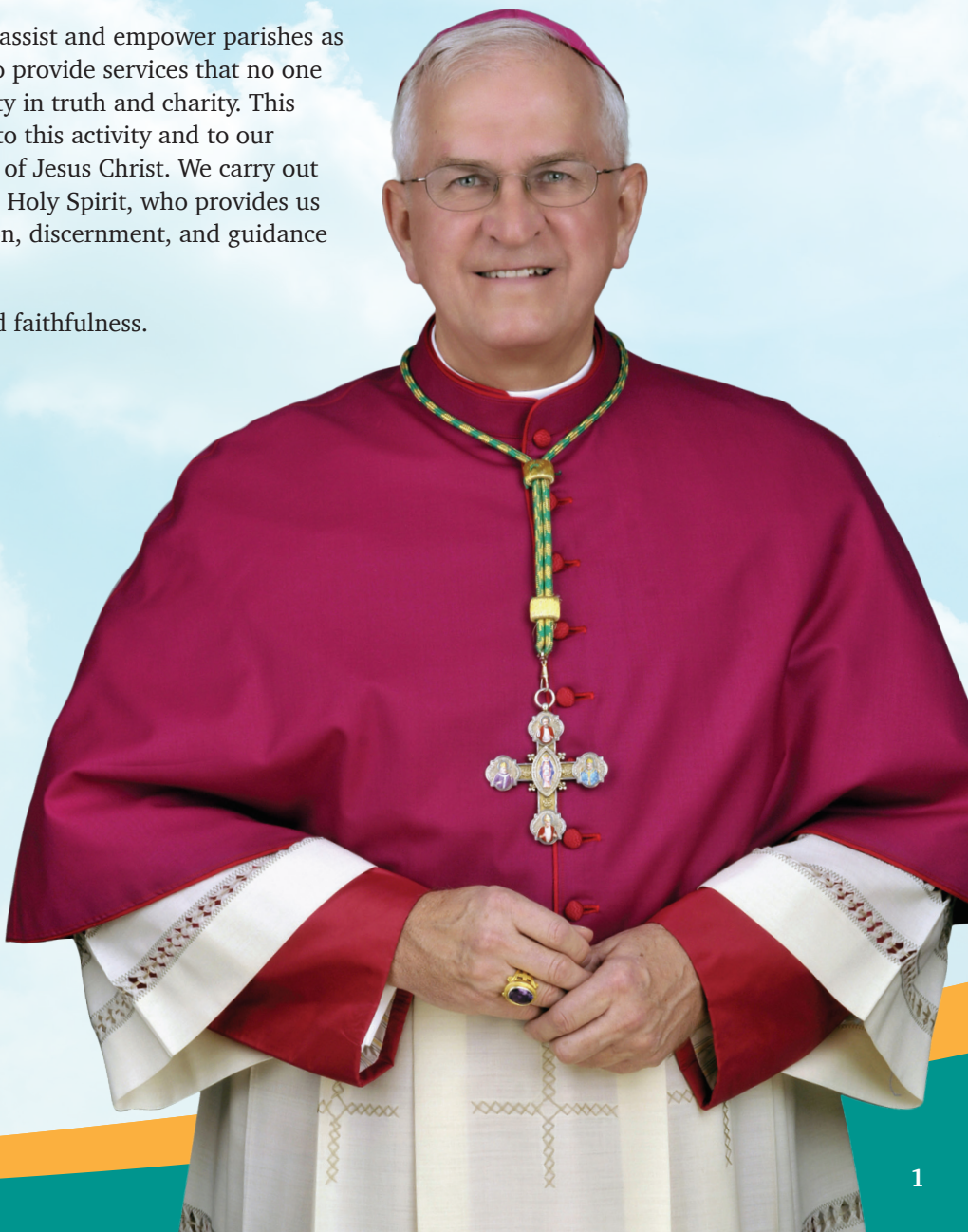
I thank each of you for your stewardship and faithfulness.

May God bless you!

Sincerely yours in our Lord,



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



Report on Mission

► *Vida Católica* is a special Spanish section contained once per month in *The Record* and mailed to each Catholic household, with additional copies provided to parishes with large Hispanic populations. Staff in the Office of Multicultural Ministry assist *The Record* with its publication.

VIDA CATÓLICA

... pide una iglesia con
amazónico, indígena'



◀ Father Terry Bradshaw celebrates Saint Joseph School's designation as a Blue Ribbon School of Excellence. Holy Trinity School also received this designation for the second time.

▼ The Archdiocese installed a 100-panel solar array on the roof of the Pastoral Center, becoming LG&E's first Business Solar partner. The panel is expected to generate about 45,000 kilowatt-hours of power annually, enough energy to power four typical homes each year.



Report on Mission



▲ A physical therapy student from Bellarmine University provides care at the Catholic Enrichment Center. A ministry of the Office of Multicultural Ministry, the Catholic Enrichment Center serves West Louisville with more than 38,500 spiritual, educational, and social service interactions each year.

► Archbishop Kurtz blesses the “Tree of Remembrance” at Calvary Cemetery. Each Advent, Catholic Cemeteries provides hundreds of families with ornaments to place on the tree in memory of their loved ones.



◀ Participants line up for the National Migration Week prayer service at the Cathedral of the Assumption. Catholic Charities convened nine archdiocesan agencies to work together to highlight issues of human dignity through events such as this prayer service and to provide education to parishes and schools about these issues. More information about “Days of Human Dignity” can be found at www.archlou.org/days-of-dignity.

Report on Mission



▲ The new Pastoral Center for the Archdiocese of Louisville opened in September, and Archbishop Kurtz dedicated it in October. Nearly 50 staff members moved into this complex, which is located on the property of Holy Family Parish.



▲ Archbishop Kurtz ordained five men (from right, Fathers Robert Barnell, Brandon DeToma, David Farrell, Kien Trung Nguyen, and Minh Dinh Vu), the most since 2000, to the diocesan priesthood.

► Teens enjoy a break during the National Catholic Youth Convention in Indianapolis. Five hundred youth and adults attended from the Archdiocese of Louisville, the highest number ever to attend.



◀ Participants talk at Catholic Charities' "Reimagine Charity" workshop. This workshop invited the 73 representatives of parishes and social service agencies to consider how to serve those in need while honoring clients' dignity and avoiding dependence.



Report on Mission

► Participants attend Mass at the Convocation of Catholic Leaders in Orlando, Florida. The Archdiocese sent a delegation of 14 pastoral leaders to this historic national gathering that assembled Catholic leaders for a conversation on forming missionary disciples to animate the Church and engage the culture.

▼ Parish catechetical leaders present the Book of the Elect, which contains the names of the catechumens (those who have never been baptized), to Archbishop Kurtz during the Rite of Election and Continuing Conversion. The Archdiocese welcomed 501 new Catholics at the Easter Vigil or at other times during the year.



▼ Hispanic Ministry Director Eva Gonzalez and Father Rafael Capó, a member of the leadership team for the V National Encuentro, talk at a Regional Encuentro held in Miami, Florida. This year, Hispanic Catholics in the Archdiocese completed preparation for the V National Encuentro. More than 300 individuals from 12 parishes participated in a process of reflection, consultation, and missionary activity at the parish and diocesan levels during the past two years. The Archdiocese also worked with the other 17 dioceses in Region Five to prepare for the Regional and the National Encuentro.



Report on Mission

► Last December, the Archdiocese welcomed His Eminence Peter Kodwo Cardinal Turkson to the fourth annual archdiocesan Black Catholic Congress with 400 in attendance.



◀ The Office of Catholic Schools supports students, families, pastors, principals, and teachers in the 49 Catholic elementary and secondary schools in seven counties that educate more than 19,500 students.

◀ The Office of Family Ministries launched a new Companion Couple program that connects couples who have been married at least five years with engaged couples for marriage preparation and support in their first year of marriage. Family Ministries trained 46 couples for this ministry.

▼ Deacon Stephen Marks baptizes a man at Louisville Metro Corrections. Last year, the Office of Worship evaluated prison ministry liturgical resources and designed, promoted, and conducted a training day for those ministering to prisoners.



Report on Mission



▲ Archbishop Kurtz and the Office of Faith Formation recognize individuals for achieving the Master Catechist level. These individuals received catechist certification for at least 220 hours of classes. Last year, this office offered 146 catechist certification classes for 546 parish catechists, Catholic schoolteachers, and other parish ministers.



▲ Priests and lay leaders gather at a leadership training session. During the past year, the Archdiocese implemented numerous projects as part of the National Initiative to Address Economic Challenges Facing Pastoral Leaders, funded by a \$1 million grant from Lilly Endowment. These include efforts in the areas of leadership development, financial literacy and planning, parish discernment, retirement planning, parish administration, and new pastor training.



◀ Bishop J. Mark Spalding, a native of Washington County who served as a priest of the Archdiocese of Louisville since his ordination in 1991, is ordained as the twelfth Bishop of Nashville.

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 the fall of 2017, the United States Conference of Catholic Bishops audited the Archdiocese for the 14th 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

- 3,133 employees and volunteers participated in 44 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.

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 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, 2017 to June 30, 2018:

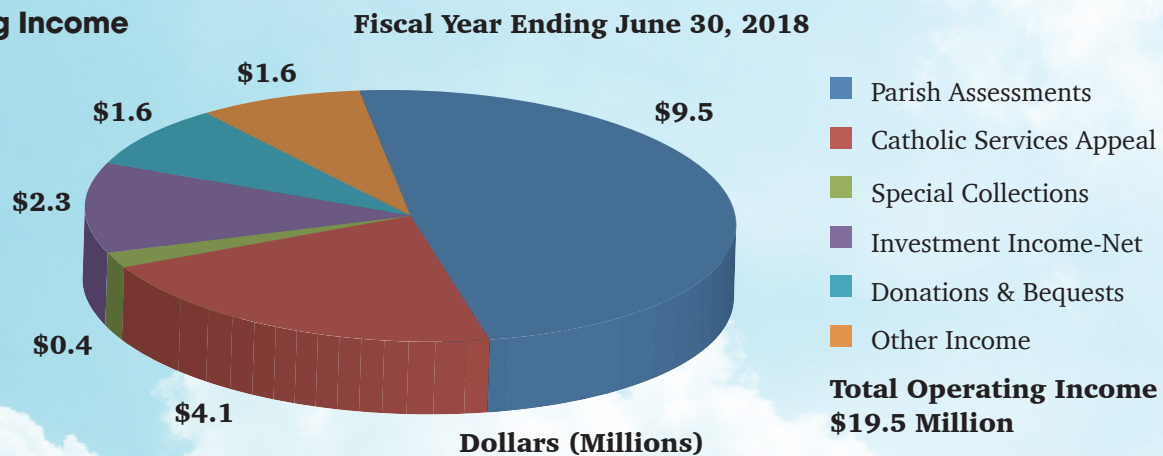
Counseling Fees and Support for Victims/Survivors	\$ 725
Legal Expense	23,795
Sexual Abuse Prevention/Education	124,127
TOTAL	\$ 148,647

Report on Finances

Archdiocese of Louisville – June 30, 2018

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 (Pastoral Center, Catholic Cemeteries, Catholic Charities, and Catholic Foundation of Louisville) of the Archdiocese of Louisville for fiscal year ending June 30, 2018. 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.

Pastoral Center Operations Operating Income

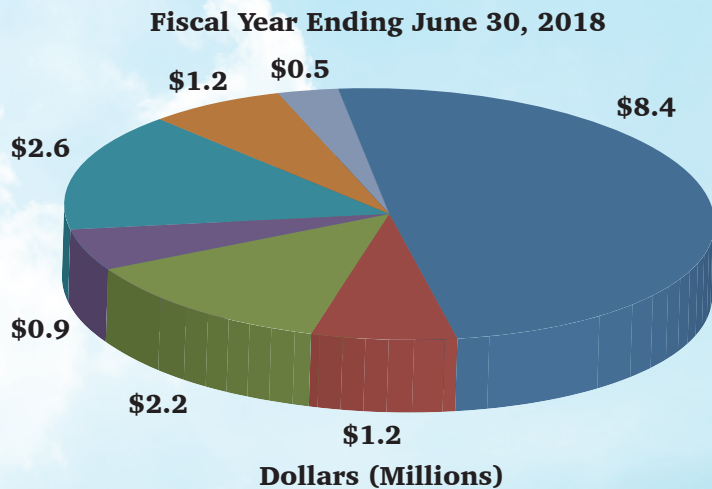


- Parish assessments of \$9.5M represent a key income source for the Archdiocese. The Christian faithful are obliged to assist with the needs of the Church, so that the Church has what is necessary for divine worship, for the works of the apostolate and of charity, and for the decent support of ministers (Canon 222). Parish assessments are comprised of three components: 1) an ordinary assessment on parish income of 3.75% 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 tuition assistance to help families send their children to Catholic elementary schools. Please note that after July 1, 2018, the ordinary assessment percentage will reduce to 3.50%, 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, a total of \$4.1M of free will offerings surpassed goal by 11% and is up 5% from last year. In total, 14,670 donors responded to the invitation to participate in the appeal.
- Special collections totaling \$.4M are primarily revenues from the Christmas Collection, which is used to fund the work of Catholic Charities. Other special collections (i.e. Crusade for Children, hurricane relief, etc.) are conducted throughout the year. Gifts to these collections are forwarded directly to the local, national, and international organizations for which the collection is designated.
- Investment income of \$2.3M net of fees includes interest and dividends earned and reinvested into the Archdiocese of Louisville's investment portfolio.
- Donations and bequests of \$1.6M include unrestricted and restricted gifts to the Archdiocese from generous benefactors.
- Other income of \$1.6M includes a capital gain of \$1.3M from the sale of the Chancery building, interest earned on loans to parishes, and other miscellaneous income.

For the fiscal year ending June 30, 2018, operating income was \$19.5M; the 9% percent increase from the prior fiscal year was mainly due to the \$1.3M capital gain from the sale of the Chancery building and the increase in net investment income.

Report on Finances

Pastoral Center Operations Operating Expenses



- Archdiocesan Programs (Agencies)
- Catholic Charities & Other Catholic Organizations
- Retired Priests & Other Clergy
- Seminarian Formation
- Grants
- Interest Paid
- Other Expenses

**Total Operating Expense
\$17 Million**

**Net Operating Income
\$2.5 Million**

- Archdiocesan program (Agencies) expenses net of revenues were \$8.4M, a \$.2M increase compared to 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 Office promotes evangelization for the Archdiocese through *The Record* newspaper, radio and television ministries, and public relations, with expenses totaling approximately \$1.3M.
 - The Office of Multicultural Ministry works to identify and provide for the diverse ethnic needs and pastoral concerns within our Catholic community, with expenses totaling approximately \$.6M.
 - The Family Ministries Office serves the archdiocesan community through services to strengthen marriage and family throughout every phase of life, with expenses totaling \$.4M.
 - Parish Leadership Development assists parishes with forming effective leaders, parish council training and support, and planning, with expenses of \$.1M.
 - Catholic Campus Ministry 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)

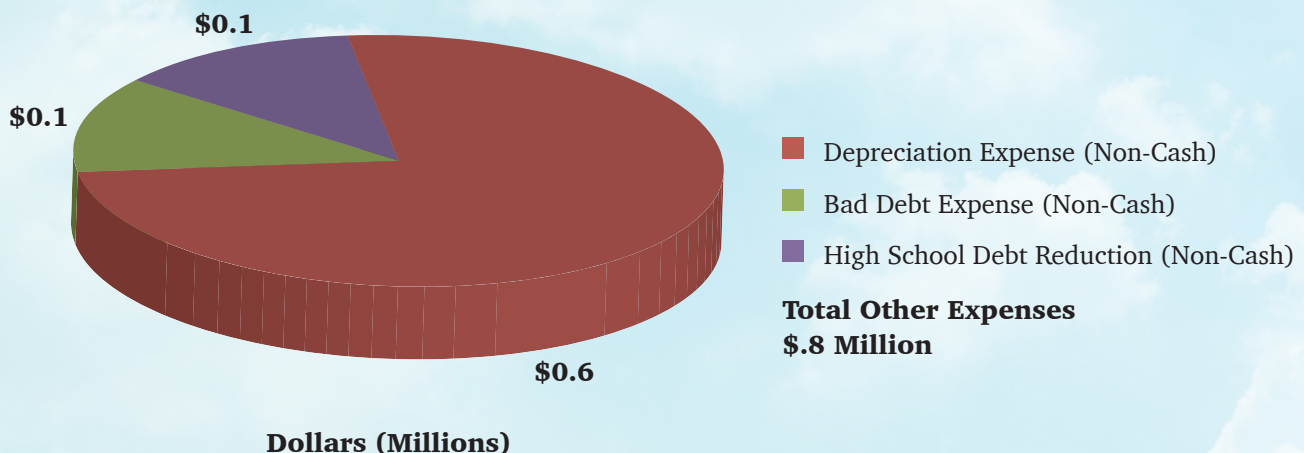
- The Archdiocese supports the activities of Catholic Charities and other Catholic organizations by funding \$1.2M for operating purposes, in part from gifts to the Catholic Services Appeal and Christmas Collection.
- Retired Priests and Other Clergy expenses of \$2.2M are primarily the cost of priest retirement payments and medical insurance benefits. As of June 30, 2018, the Archdiocese had 58 retired priests receiving monthly retirement payments.
- Seminarian education expenses totaled \$.9M. This past year, the Archdiocese supported 17 seminarians in various stages of theological study, with five seminarians from this group being ordained in May of 2018.
- Grants totaling \$2.6M 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 \$.3M, papal and national organizations of \$.1M, and various other grants made to Catholic organizations of \$.4M.
- Other expenses totaling \$.5M are comprised of property and liability insurance and other miscellaneous items.

Net operating income for the fiscal year ending June 30, 2018, is \$2.5M and does not include other expenses totaling \$.8M, which were non-cash items illustrated on the chart below. In addition, market investment gains of \$8.3M are not included in the net operating income.

Pastoral Center Operations Other Expenses & Non-Cash Items

Depreciation expense increased significantly compared to the prior year due to relocating the administrative and Catholic school offices of the Archdiocese to the new Pastoral Center in the fall of 2017. In addition, a debt reduction grant totaling \$.1M was given to Holy Cross High School to help support campus capital improvements.

Fiscal Year Ending June 30, 2018



Report on Finances

Market Results

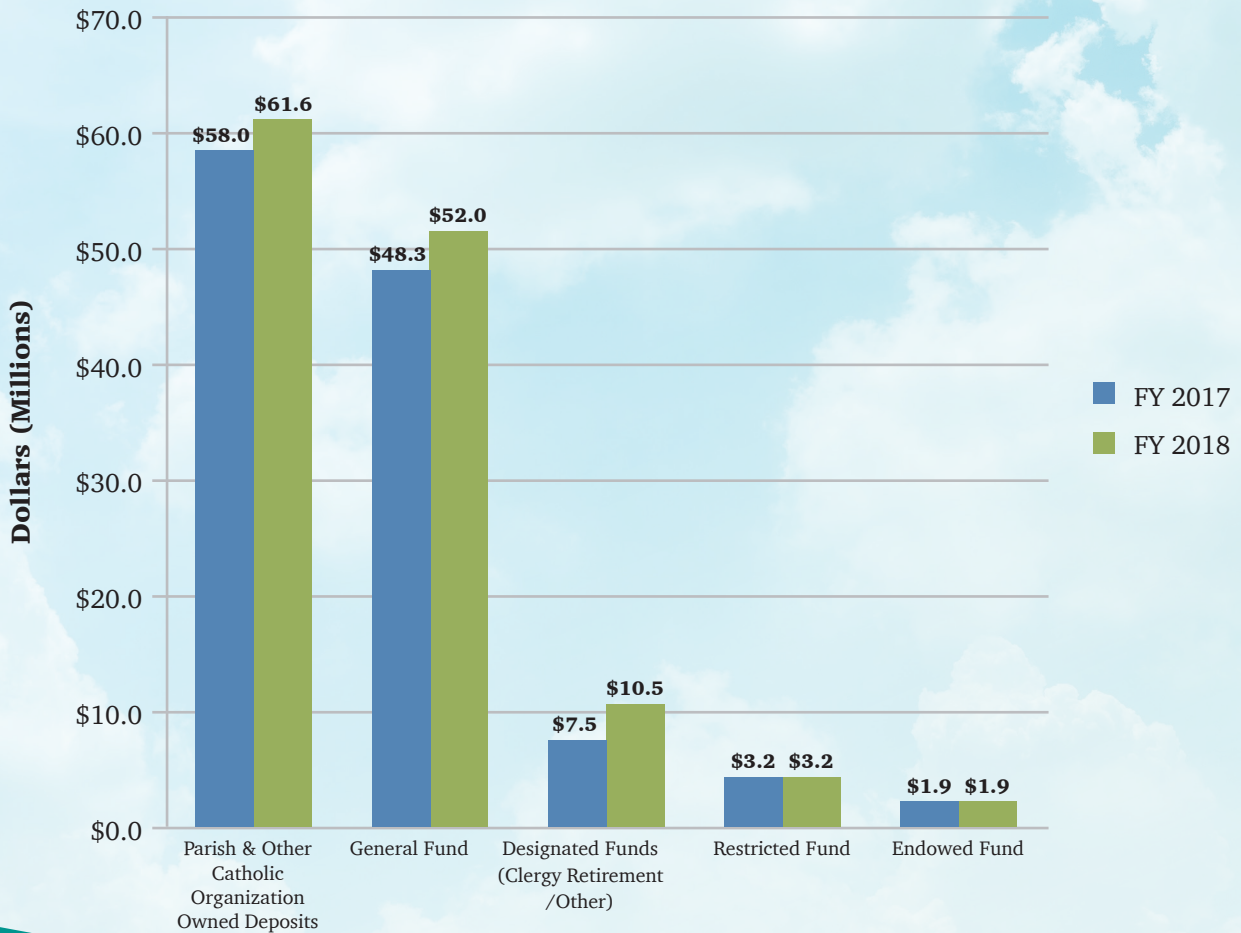
Market results include \$7.2M of unrealized gains and \$1.1M of realized gains from the investment portfolio of the Archdiocese. The unrealized gains were due to strong returns from the domestic and international equity markets, and the realized gains resulted from portfolio rebalancing. The Archdiocese 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.

Pastoral Center Operations Summary

Net Income from Operations	\$2.5 Million
Other Expenses & Non-Cash	(.8) Million
Market Investment Realized and Unrealized Gains	8.3 Million
Overall Net Income	<u>\$10.0 Million</u>

Investment Portfolio Fund Allocation

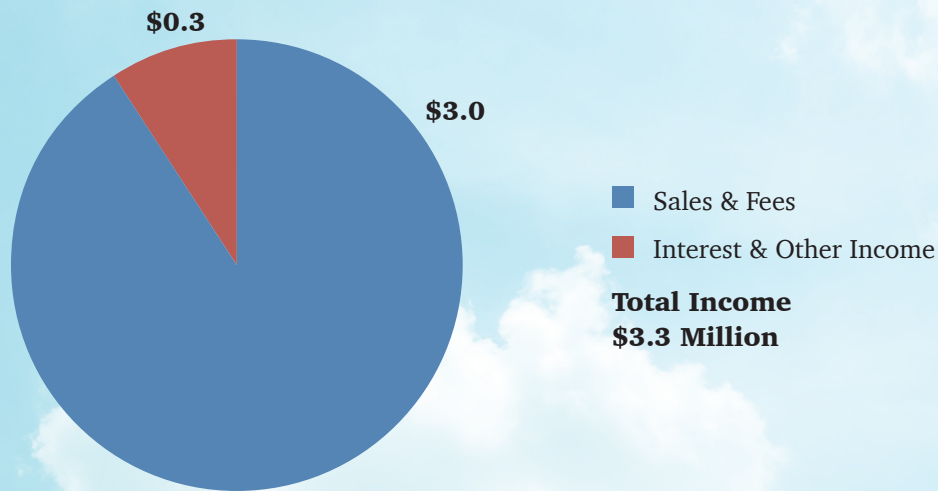
The investment portfolio of the Archdiocese totals approximately \$129.2M as of fiscal year ending June 30, 2018, with parishes and other Catholic organizations owning approximately 48% of investments. The General Fund assumes all risks associated with market conditions and continues to fluctuate in a volatile environment. Please see the chart below for fund allocation information.



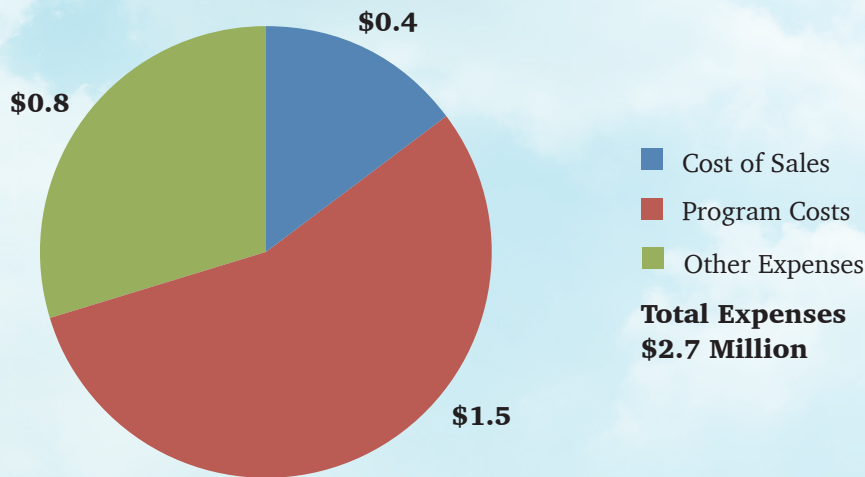
Report on Finances

Catholic Cemeteries Operations

Cemeteries had net income of \$.6M for fiscal year ending June 30, 2018, a decrease of \$.2M from the prior fiscal year. Burial sales, monuments/memorials, and fees totaled \$3M for the fiscal year 2018, a 12% decrease from the prior year. The remaining income of \$.3M is from interest income on investments and other miscellaneous income. Expenses totaled \$2.7M, of which the cost of sales is \$.4M. Program costs, including salaries and benefits, totaled \$1.5M, and other expenses of \$.8M include depreciation, repair and maintenance, insurance, and administrative expenses.



Dollars (Millions)



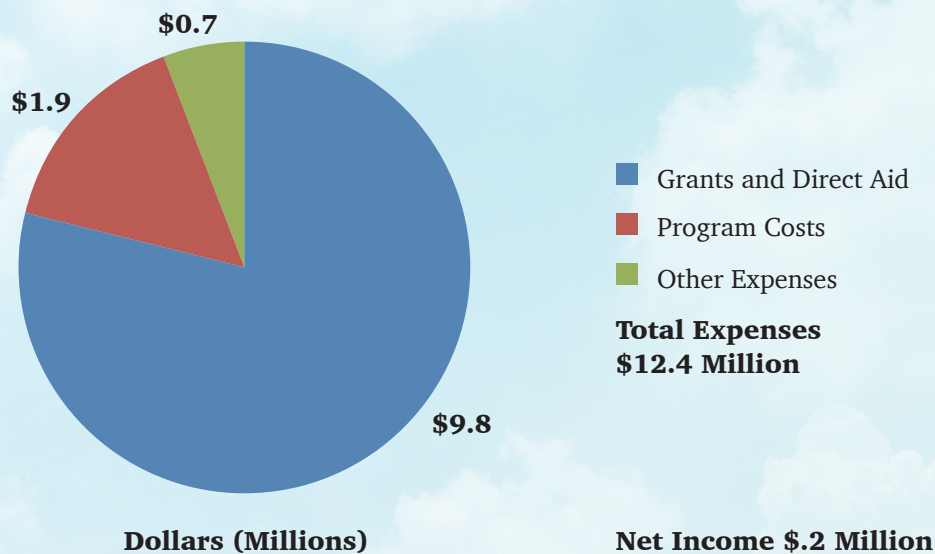
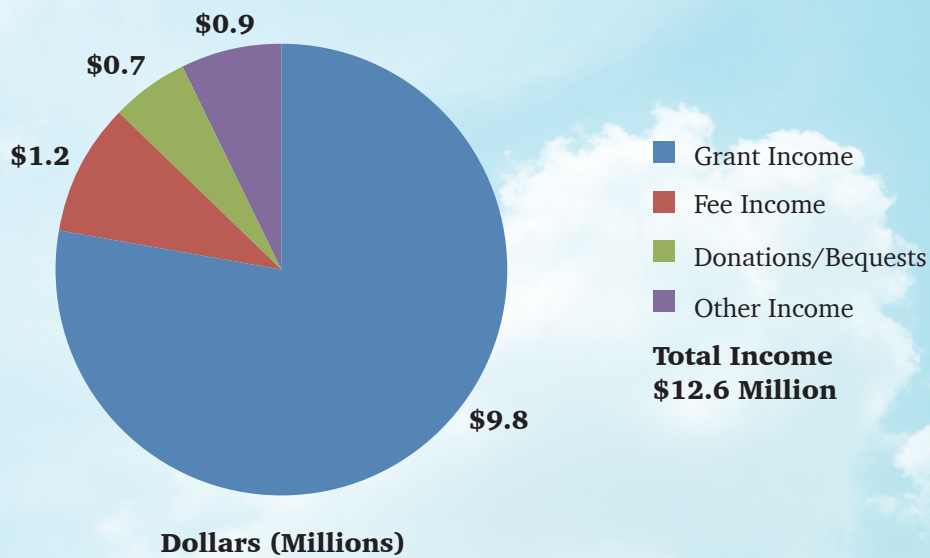
Dollars (Millions)

Net Income \$0.6 Million

Report on Finances

Catholic Charities Operations

Catholic Charities had a net income of \$.2M for fiscal year ending June 30, 2018, a significant improvement from the prior year's results. The political and economic challenges experienced this year and anticipated for the future related to the federal refugee resettlement program have required Catholic Charities to carefully monitor costs. Most of this agency's income, \$9.8M, flows from federal and state grants, particularly in connection with refugee services (\$8.4M). Program fee income for services totaled \$1.2M, and donations/bequests totaled \$.7M. Other income of \$.9M includes archdiocesan support and miscellaneous items. Expenses totaled \$12.4M, including refugee program expenses of \$8.4M. Other client service programs, such as the Bakhita Empowerment Initiative and Sister Visitor Center, totaled \$1.4M. Program costs, including salaries and benefits, totaled \$1.9M, with other expenses of \$.7M for administration, development and fundraising, and other support services.



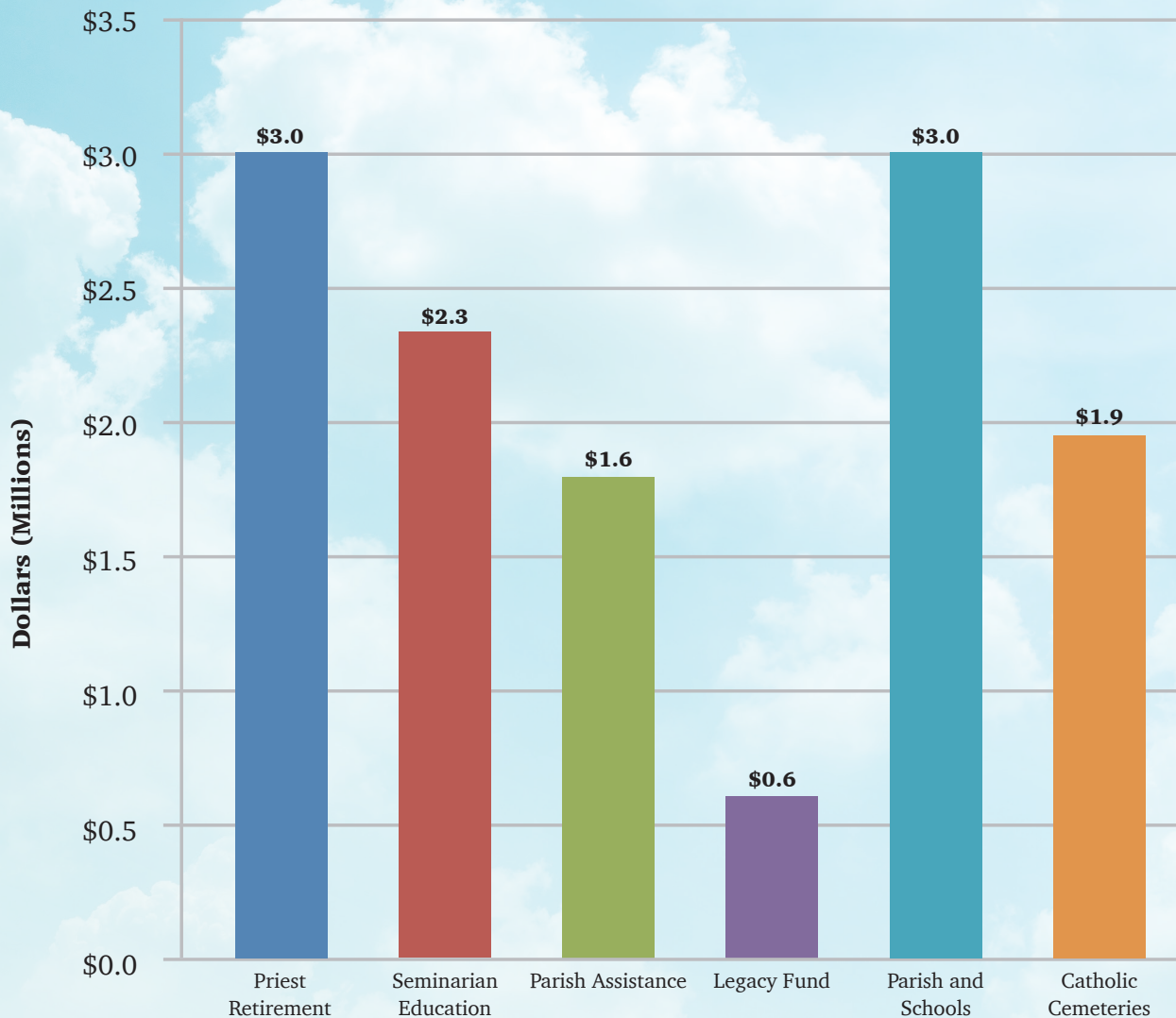
Report on Finances

The Catholic Foundation of Louisville

The Catholic Foundation of Louisville (CFL) is a separate 501c(3) non-profit corporation that was first formed using the proceeds from the prior Building a Future of Hope Campaign. The archdiocesan CFL initiatives funds are as follows: Priest Retirement, Seminarian Education, Parish Assistance, and Legacy Funds. For the fiscal year ending June 30, 2018, the total archdiocesan investment balance in the Foundation was \$7.5M. The grants awarded from the initiatives during the fiscal year were from the following initiative funds: Seminarian Education \$150K, Parish Assistance \$75K, and the Legacy Fund \$20K. 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.

Last year, the CFL investment program was further expanded for parishes, schools, and other archdiocesan agencies to build a diversified portfolio for their future needs. By the end of June, parishes and schools had invested \$3M, and Catholic Cemeteries had invested \$1.9M in the various investment options. The combined total invested in the Catholic Foundation of Louisville was \$12.4M at fiscal year end, as shown on the chart below.

CFL Investment Balances at 6-30-18



Report on Finances

Catholic Services Appeal (2015 through 2018)

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, the annual CSA donations have steadily increased. This past year, the CSA donations of \$4.1M reflected 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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