

# ANNUAL REPORT

## FY2019



*"...making the presence of God's love a reality"*



**6,836** people were served by Pernet Family Health Services emergency assistance.

**9,452** people found help at Catholic Charities food pantries and **10,405** distributions of emergency and holiday assistance were made at 4 area offices.

**24** seminarians are preparing for the priesthood and **3** men were ordained priests in June.



**1,308** students attended Central Catholic Schools, **23.3%** of all students in Catholic Schools in our diocese.

**\$759,275** in tuition assistance was awarded to Parish and Central Catholic schools from Partners in Charity and Forward in Faith endowment, which met **19%** of the identified need.

**725** students received diocesan tuition assistance.



The Office of Religious Education supported **1,857** catechists who, in turn, catechized **13,940** children and teens in parishes.

**210** candidates completed full initiation into the Catholic Church through RCIA

**338** catechists attended **9** different certification courses and **6** workshops offered last year.



**100** couples attended "God's Plan for a Joy-Filled Marriage" seminars as part of marriage preparation and **97%** of them responded that they had a better understanding of the Church's teaching on marriage.

**3** catechists received provisional certification, **1** achieved basic certification and **7** achieved master catechist certification.



Communications Ministry reached over **90,000** viewers online and was available in **300,000+** households on cable with **350+** Masses, devotional and informational programming.

**10,500** copies of *The Catholic Free Press* are distributed weekly to homes, parishes and newsstands.

**50-60** young adults gather at monthly diocesan events to deepen their faith.



More than **400** teens participated in the high School Youth Rally and over 100 took part in the Middle School Rally.

**278** teens were part of the Basketball league and **215** played in the Volleyball league.

**8** men are preparing to be ordained permanent deacons; **70** deacons serve in parishes and are supported by the Office of the Diaconate.

# Dear Friends in Christ,

Catholic dioceses often struggle with two public misperceptions regarding how they operate. On one extreme are the people who do not realize how many ministries, agencies and services we oversee in support of our parishes and to assist people throughout Worcester County. At the other extreme are those who see us only as a business and assume that we can simply slash costs to achieve a balanced budget. The real story lies somewhere in between. As you look at this report, I urge you to look at the numbers that reflect the lives we touch as well as the numbers that reflect both the various forms of income and the cost to operate these various agencies, ministries and support services.

The fiscal year ending August 2019 benefitted from a few financial realities. Partners in Charity was able to support 27 ministries and programs in FY2019. The financial markets rebounded which helped to strengthen our balance sheet. Also, the overall generosity of the people of our diocese continues to be strong, although there was a slight drop in parish offertory as reflected in Cathedral income. Response to the first block of the Legacy of Hope Capital Campaign was strong, and there were some significant leadership gifts made by generous families. As of the date of the report, the response to the Legacy of Hope diocesan campaign continues to be strong with more than \$15.6 million in donations and pledges as of January 1, 2020. Partners in Charity raised 95% of its \$5 million goal and Celebrate Priesthood was, once again, a successful event in October.

Ending the year with a significant deficit, however, indicates that we faced a number of challenges. Central Catholic Schools ended the year with significant deficits and as a result, we are in our final year of operating St. Bernard Central Catholic High School as a diocesan school. While Priests' Retirement Care costs are lower than in recent years, the Priests' Retirement Care Task Force is working to identify alternative funding sources and enhanced cost controls, both of which will bear fruit in the coming years.

Alternatives have been identified to address the operation of St. John Cemetery System and the challenges it continues to face with its 14 cemeteries in a climate where more families are seeking cremation of their deceased loved ones.



Interest expense is also significant for the DEF loans to the diocese which covered a variety of needs over the past 20 years. Many of these loans were due to unpaid bills due from some parishes for central services. This financial struggle in parishes, often related to deferred maintenance costs, is why strengthening our parishes through a successful Legacy of Hope Capital Campaign is so crucial and the fundraising costs on page 3 reflect our commitment to its success. Insurance costs are also a significant part of operational costs, in particular health insurance for the hundreds of full-time employees in our agencies and schools.

Our professional staff relies on the help of many volunteer professionals. Allow me to express my gratitude to God for the many clergy, vowed religious and laypeople who volunteer their expertise on our various advisory boards including the Diocesan Finance Committee, Diocesan Investment Committee, the Diocesan Expansion Fund Board of Governors, Partners in Charity Advisory Board, Diocesan School Board, St. Paul Catholic Schools Consortium, the Bernardian Foundation, Adopt-a-Student Board, and Priests' Retirement Care Task Force, and the many advisory boards for our ministries and agencies.

While I recognize that a cold, hard look at our financials tells a story of deficit spending which we are working to turn around, the human face that goes with the story is one of hope and encouragement. As we continue to identify improved efficiencies and revenue sources, our mission as a diocesan Church remains constant: to accompany those journeying in this life towards everlasting life in the communion of the Blessed Trinity.

Relying on the Holy Spirit for the guidance to make the right choices in the coming months ahead, I call on each of you, our faithful parishioners, to support our work in a spirit of gratitude to God for all the good gifts He has bestowed on you in your lives. Together we will continue to make the presence of God's love a reality in Central Massachusetts.

With every prayerful best wish, I remain

Sincerely yours in Christ,

Most Reverend Robert J. McManus  
Bishop of Worcester



*"I loved it and didn't want to leave... it was a very prayerful environment to truly discern the Lord's call."*

Retreatant at Holy Name of Jesus  
House of Studies



*"The High School Youth Discipleship team has made me stronger to lead others to Christ."*

Jacob B.



## National Collections

designated donations received in FY2019

World Mission Sunday  
\$50,867

Catholic Campaign for Human Development  
\$54,730

Retirement Fund For Religious  
\$150,442

Catholic University of America  
\$37,712

Catholic Home Missions Appeal  
\$49,216

The Church in Latin America  
\$44,367

Catholic Relief Services  
\$56,194

Pontifical Collection for the Holy Land  
\$45,031

Catholic Communications Campaign  
\$35,499

Peter's Pence for the works of the Holy Father  
\$44,367

Aid for Church in East/Central Europe  
\$36,215



Propagation of the Faith (Visiting Missionaries)  
\$190,453



## FY2019 ANNUAL REPORT ON FINANCIAL ACTIVITIES SUPPLEMENTAL DETAILS — prepared by the Office of Fiscal Affairs

### I. Partners in Charity Agencies

Funding Sources:	
Annual Appeal Donations <sup>1</sup>	\$4,769,544
Program Activity Fees <sup>2</sup>	658,067
Communications Ministry	561,588
Restricted and Designated Fund Support	251,200
Donations and Bequests	136,402
Total Funding Sources	6,376,801

#### Use of Funds:

Educational Programs	3,491,759
Ministerial Programs	1,294,329
Charitable Programs	1,278,694
Administrative Expenses	303,918
Total Partners in Charity agency expenses	6,368,700

**Partners in Charity Agencies Surplus \$8,101**

### II. General Administration:

Revenue Sources:	
Cathedraticum	\$2,071,020
Insurance Program Net	1,219,557
Transfer From Reserves	734,554
Interdepartmental Fee Reimbursement	440,032
Administrative Fees	288,151
Other Income	137,240
Investment Income	126,126
Total Revenue	5,016,680

#### Expenses:

Interest on DEF Line of Credit	901,600
Fiscal Affairs Office	754,851
Priests' Financial Assistance	620,495
Building Costs	423,211
Unfunded Annuity Payments	412,015
Donations and Memberships	407,516
Bishop's Office	220,299
Tribunal	209,652
Office of Healing and Prevention	170,730
Depreciation	155,685
Reserve for Bad Debt	125,000
Vicar General Office	112,169
Building Commission	108,937
Miscellaneous Expenses	96,206
Bishop's Residence	93,922
Shared Secretaries	56,917
Computer Services	30,429
Therapeutic Assistance	25,371
Total Expenses	4,925,005

**General Administration Surplus \$91,675**

### III. St. John Cemetery System

Operating Revenues	\$2,059,218
Operating Expenses	2,289,135
<b>St. John Cemetery System Deficit</b>	<b>(\$229,917)</b>

### IV. Fundraising

Restricted and Designated Fund Support	\$1,044,006
Fundraising Expense	(1,382,559)
<b>Fundraising Deficit</b>	<b>(\$338,553)</b>

### V. Central Catholic Schools

Revenue Sources:	
Tuition	\$10,417,149
Fund Raising & Non-Educational	731,010
Restricted and Designated Fund Support	673,287
Rental Income	178,490
Special Subsidy Restricted Funds	163,410
Other Income	133,884
Total Revenue	12,297,230

#### Expenses:

Educational Expenses	\$12,880,631
Depreciation	337,473
Fundraising & Non-Educational	221,287
Total Expenses	13,439,391

**Central Catholic Schools Deficit (\$1,142,161)**

### VI. Priests' Retirement

Revenue Sources:	
Restricted and Designated Fund Support	\$1,000,000
Parish Assessments	736,272
Partners in Charity Funding <sup>3</sup>	550,000
Celebrate the Priesthood Donations	145,000
Bequests/Other Donations	112,441
Investment Income	58,615
Total Revenue	2,602,328

#### Expenses:

Support for Retired Priests	\$2,319,210
Assisted Living Facilities	573,833
Total Expenses	2,893,043

**Priest Retirement Deficit (\$290,715)**

### VII. Diocesan Expansion Fund

Revenue Sources:	
Interest on Loans	\$1,657,772
Investment Income	721,889
Total Revenue	2,379,661

#### Expenses:

Interest on Savings Accounts	\$1,740,518
Bad Debt Expense	240,000
Administration	102,492
Interest Waived on Loans	43,938
Total Expenses Before Eliminations	2,126,948

**Diocesan Expansion Fund Surplus \$252,713**

**TOTAL Diocesan Operating Deficit Excluding Investment Gains and Property Donation (\$1,648,857)**

Unrealized Gain on Investments	248,464
Realized Gain on Investments	27,289
Property Donation to Catholic Charities	(109,412)

**TOTAL Diocesan Operating Deficit (1,482,516)**

<sup>1</sup>Detail use of Annual Appeal Donations on page 4

<sup>2</sup>Program activity fees include student fees, diaconate fees, youth ministry fees, respect life activity fees, etc.

<sup>3</sup>Amount included in Partners In Charity Use of Funds

Uncollected receivables due to Diocese from Parishes as of August 31, 2019: **\$5,221,258**

Line of credit balance due from Diocese to DEF as of August 31, 2019: **\$17,932,925**

The financial activities presented above are reported by department. Interdepartmental revenue and expenses of equal amounts have not been eliminated.

# 2019 ANNUAL APPEAL REVIEW

## Giving Joyfully in Gratitude



The 2019 annual Partners in Charity Appeal ended on August 31, 2019 with a total of **\$4,769,544** from **14,647** donor households to support our 27 agencies and ministries in FY2020.

The charts below demonstrate how your donations were used including allowing for \$150,000 in uncollectable pledges. \*Funds for St. John Cemetery were from Partners in Charity restricted investments. Stewardship & Development costs appear under Fundraising expenses.

Leadership Circle Benefactors pledge to become partners in a shared vision for the future of the Diocese of Worcester by setting an example of good stewardship by reaching out in charity to many thousands of people in need who are served by the ministries and programs of the Diocese.

**Our leadership circles are helping us fulfill our mission!**

*Of the 14,647 donor households in the 2019 campaign, 5,886 committed to the following societies:*

**46—Holy Family Society**  
(\$7,500 or more)

**75—St. Paul Society**  
(\$5,000 - \$7,499)

**211—St. John Paul II Society**  
(\$2,500 - \$4,999)

**444—St. John XXIII Society**  
(\$1,500 - \$2,999)

**83—St. John Vianney Society for priests**  
(\$1,000+)

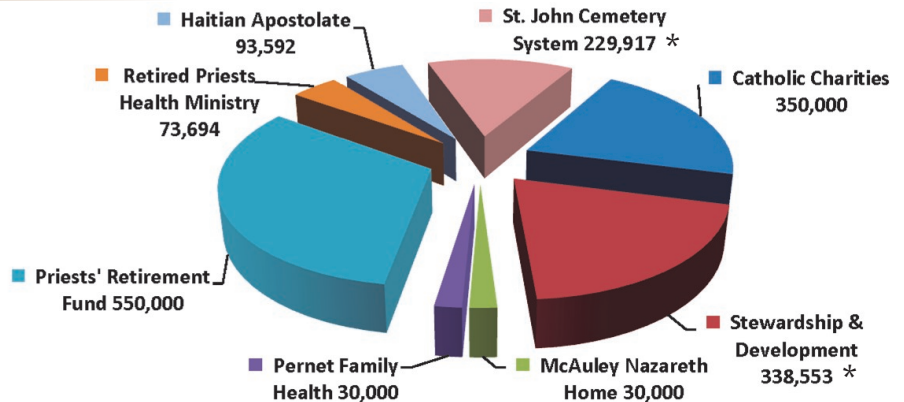
**869—St. Francis of Assisi Society**  
(\$1,000 - \$1,499)

**1,905—St. Teresa of Calcutta Society**  
(\$500 - \$999)

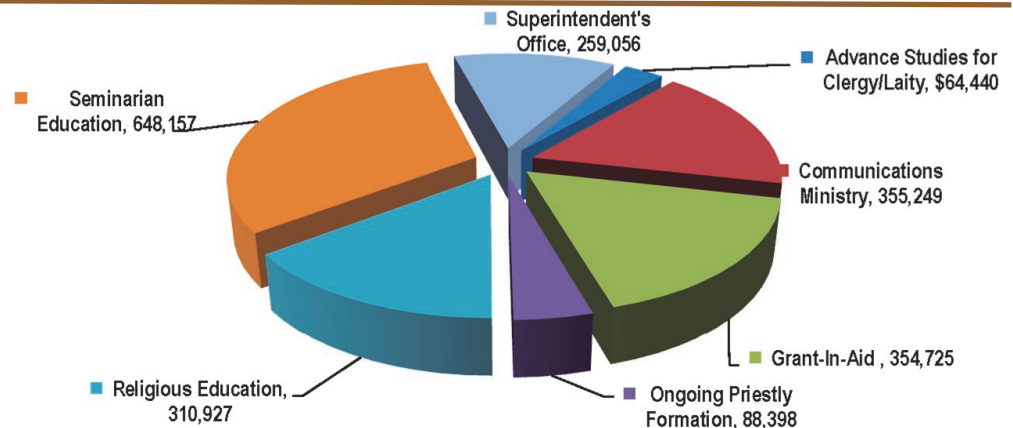
**2,253—Dorothy Day, Servant of God Society**  
(\$300 - \$499)

*In gratitude for my many blessings, I have been able to give a gift of support to Partners in Charity for the past 40 years. I thank God each day for the faith-filled priests who have served our diocese!*  
- Helen F.

### CHARITIES — \$1,695,756



### EDUCATION — \$2,080,952



### MINISTRIES — \$1,099,287

