



Diocese of Worcester

ANNUAL REPORT

FY2020

Continuing the mission of the Church

Dear friends in Christ,

While the pandemic forced many businesses and organizations to shut their doors and suspend operations in early 2020, the Diocese of Worcester, including its 100 parishes and missions, along with its diocesan and parish schools and ministries, continued to serve our parishioners and people in need. When in-person education and liturgies were suddenly suspended, we quickly moved to effective online services. As soon as in-person liturgies could resume, I thank God that we were ready to open our doors and respond. In other words, the mission of the Church continued, adapting programs and services as needed so that the face of Christ was present to offer hope during these dark times.

I invite you to read the enclosed highlights of how we continued to operate during the pandemic. Do not assume, however, that these efforts just “happened.” It took extensive coordination with state and federal resources to safely conduct our ministries and willingness by everyone involved to roll up their sleeves and try things they never did before.



It also took financial resources to support these efforts. Alongside these stories are highlights of some of the major areas of diocesan expenditures for the last fiscal year. Partners in Charity agencies and ministries worked with

less funding than prior years and still showed a surplus (see page 2) due to operational changes caused by the pandemic. You will also see a summary of the audited Financial Statement of Activities. That summary, while valuable, is an example of how numbers cannot tell the whole story. First we must stress that realized and unrealized gains reflect growth in investments, many of which are endowments for specific donor intentions, not for general use. Also, were it not for the Small Business Association (SBA) Payroll Protection Program (PPP) funds received during the pandemic shutdown, we would have faced serious operating losses exceeding \$1.7 million. Instead, we kept everyone employed in diocesan schools and ministries. Parishes applied for their own funds when warranted to keep their staff and schools operating but are not included in this report. Rather than add more strain to external support systems, we were able to continue to serve thousands of people through our charitable, educational and pastoral programs, as our stories related.

Comprehensive, independently audited financials are available online which meet the recently updated accounting standards for nonprofits. One of the requirements of these new reporting



standards includes listing all income, regardless of whether it is intended for immediate use, future programs or to fund endowments. Although we are presenting a bottom line surplus, most of those dollars are not available for general operations either due to restrictions such as DEF earnings or as unrealized gains on investments. We also saw a reduction in the Line of Credit by roughly \$1 million and will continue to address the nearly \$17 million still owed to the DEF.

From a fiscal management perspective, I would like to highlight one area in particular which continues to see progress. We are starting to see reductions in Priests' Retirement expenses and this coming year's deficits should be smaller with the new Ash Wednesday Collection. The projections for future years give us hope that there is light at the end of the tunnel. An online report is available at worcesterdiocese.org.

One thing is apparent to anyone reading this report. We continue to be blessed by the generosity of our parishioners who are keeping parishes afloat through the weekly offertory, as well as continuing to respond to the annual Partners in Charity appeal and the Legacy of Hope capital campaign. Each day I thank God for your participation in the mission of the Catholic Church through your contributions. The leadership circles on page 4 are one example of how thousands of households commit to regular support of our diocesan efforts.

Despite having to meet virtually, we have been blessed by the many volunteers who assist our professional staff. I thank God for the clergy, vowed religious and laypeople who volunteer their expertise on our various advisory boards. These include the Diocesan Finance Committee, Diocesan Investment Committee, Diocesan Expansion Fund Board of Governors, Partners in Charity Advisors, Diocesan School Board, St. Paul Catholic Schools Consortium, Bernardian Foundation, Adopt-a-Student Board, Pastors Advisory Committee for Legacy of Hope and the Priests' Retirement Care Task Force, along with the many other advisory boards dedicated to specific ministries and agencies.

May we continue to invoke the guidance of the Holy Spirit in making prudent choices this year. Join me in continuing our diocesan Prayer in Time of Pandemic so that we will be delivered soon “from this time of trial.”

With every prayerful best wish, I remain

Sincerely yours in Christ,

+ Robert J. McManus

Most Reverend Robert J. McManus
Bishop of Worcester



**FY2020 ANNUAL REPORT
ON FINANCIAL ACTIVITIES**
**SUPPLEMENTAL DETAILS — prepared by
the Office of Fiscal Affairs**

I. Partners in Charity Programs:

Funding Sources:

Annual Appeal Donations	\$4,379,895
Communications Ministry	532,930
Program Activity Fees ¹	495,202
Donations and Bequests	123,928
Restricted and Designated Fund Support	101,200
Total Funding Sources	5,633,155

Use of Funds:

Education Programs ²	3,154,348
Ministry Programs ²	1,162,728
Charity Programs ²	965,503
uncollectable allowance and administration	249,516
Total PIC Program Expenses	5,532,091

Partners in Charity Surplus \$101,060

II. General Administration:

Revenue Sources:

Cathedralium	\$2,073,979
Insurance Program Net	1,060,500
Transfer From Reserves	911,827
Interdepartmental Fee Reimbursement	436,165
Administrative Fees	263,247
Other Income	153,770
Investment Income	78,867
Total Revenue	\$4,978,357

Expenses:

Priests' Financial Assistance	741,162
Interest on DEF Line of Credit	729,817
Fiscal Affairs Office	708,593
Building Costs	393,274
Unfunded Annuity Payments	262,015
Donations and Memberships	243,601
Tribunal	218,718
Bishop's Office	198,105
Depreciation	164,517
Office of Healing and Prevention	146,457
Vicar General Office	126,046
Reserve for Bad Debt	125,000
Building Commission	111,208
Bishop's Residence	94,307
Shared Secretaries	82,562
Computer Services	17,298
Miscellaneous Expenses	130,394
Total Expenses	\$4,493,074

General Administration Surplus \$485,283

III. St. John Cemetery System

Operating Revenues	\$2,209,487
Operating Expenses	2,232,383

St. John Cemetery System Deficit³ (\$22,896)

IV. Fundraising

Stewardship & Development Office	(\$382,740)
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¹ Program activity fees include student fees, diaconate fees, youth ministry fees, respect life activity fees, etc.

² Allocations from Partners in Charity funds exclusive of other funding sources provided on page 4

³ Amount included in Partners In Charity Use of Funds

Committed to our Mission du

The pandemic that affected the diocese in 2020 certainly overshadowed the events in the early months of the fiscal year; but it never stopped the good works of the diocese. In fact, one thing the pandemic year will be remembered for is the creative resilience that people found while dealing with the hardships and unprecedented circumstances.

A new school was announced in December 2019 which meant the merging of two diocesan junior/senior high schools. Against all odds, in the middle of the pandemic, St. Paul Diocesan Junior/Senior High School was readied for in-person learning to begin in the fall of 2020. Holy Name and St. Peter-Marian came together to form a bond under the mantle of "Stronger Together."



At the same time St. Bernard High School found its independence as the community rallied around it and the diocese leased a newly formed administrative group the buildings that housed the Central Catholic high school.

Teachers in the diocese were put to the test when the state of Massachusetts shuttered schools from March 17 until the end of the school year because of COVID-19. Quickly, everyone from teachers and parents, preschoolers to college students, became proficient at Zoom.

All the diocesan and parish schools continued vital education for our children.

The graduating classes of 2020 had the most unusual commencement ceremonies in modern history.

Home became the classroom, and even the workplace, for a time.

Working Remotely



Many diocesan offices worked remotely while staying in touch with their constituents. Methods of communication that were once considered secondary became mainstream. The in-person meeting became the online meeting.

The Office of Religious Education provided Zoom classes for catechetical leaders so they had the tools to keep their classes engaged. They worked with the Office for Worship to help parishes plan for the celebration of sacraments of confirmation and first Communion in the parishes.

The Respect Life Office and Office of Marriage and Family held training sessions online that were better attended than when they were held in person.

The popular Bible studies and Theology on Tap gatherings conducted by the Office for Youth and Young Adult Ministry naturally

uring the COVID-19 Pandemic

flowed to an online/social media format that was familiar to the young adults.

Initially the Office for Healing and Prevention worked from home with emails and phone calls. Clients continued to receive counseling from their clinicians as they transitioned to telehealth and adapted without too much difficulty.

The Office of the Diaconate continued operations making extensive use of remote communications and technologies. Most of the candidate classes were held remotely and that continues.

The drive-by parade took on a new dimension this past year. There were drive-by birthday celebrations, drive-by blessings, drive-through confessions. Activities that otherwise couldn't be held safely with a crowd of people indoors, were attended by individuals and families - in their cars.

Mass in the church parking lot was a common way to gather parish communities while churches had to remain closed per order of the governor. Livestreaming Masses filled the internet as priests would not deny their flock the joy of hearing the Word of God. People turned to the daily diocesan Mass online and on TV in record numbers. Later, the ability to return to receiving the Eucharist was emotional.

Even though nursing homes and hospitals were closed to visitors, a cadre of priests was trained in special pandemic precautions in order to visit the sick. They brought our loved ones solace during a most trying time.



The Drive-By

Generosity Continues



Diocesan fund-raising campaigns which rely on face-to-face engagement were hampered by the pandemic shut-downs; but fared well considering.

A week before Partners in Charity's In-Pew Sunday the governor issued a decree closing all businesses and organizations that did not provide COVID-19 essential services. The Stewardship and Development Office reverted to a mail campaign and ended its 2020 campaign

raising \$4,379,895, 88% of its \$5 million goal which supports 25 diocesan ministries and agencies.

The Legacy of Hope long-term capital campaign was suspended for several months but returned at the end of the fiscal year to pick up where it left off and is being met with generosity.

National Collections

designated donations received in FY2020

World Mission Sunday—\$44,269
Catholic Camp. for Human Development—\$49,167
Retirement Fund For Religious—\$122,059
Catholic University of America—\$35,250
Catholic Home Missions Appeal—\$53,257
The Church in Latin America—\$39,565

Catholic Relief Services—\$25,009
Collection for the Holy Land—\$15,988
Catholic Communications Campaign—\$23,371
Peter's Pence / works of the Holy Father—\$31,116
Aid for Church in East/Central Europe—\$31,007
Propagation of the Faith (Visiting Missionaries) — \$94,822

V. Central Catholic Schools

Revenue Sources:

Tuition	\$9,290,572
Restricted and Designated Fund Support	598,444
Fund Raising & Non-Educational	459,930
Rental Income	152,465
Other Income	109,352
Total Revenue	10,610,763

Expenses:

Educational Expenses	\$11,684,115
Depreciation	319,819
Fund Raising & Non-Educational	221,987
Total Expenses	12,225,920

Central Catholic Schools Deficit (\$1,615,158)

VI. Priests' Retirement

Revenue Sources:

Parish Assessments	\$771,667
Restricted and Designated Fund Support	722,929
Partners in Charity Funding ³	500,000
Celebrate Priesthood & other donations	220,220
Investment Income	61,213
Total Revenue	2,276,029

Expenses:

Support for Retired Priests	\$2,279,788
Assisted Living Facilities	527,543
Total Expenses	2,807,331

Priests' Retirement Deficit (\$531,302)

VII. Diocesan Expansion Fund

Revenue Sources:

Interest on Loans	\$1,458,846
Investment Income	617,169
Total Revenue	2,076,015

Expenses:

Interest on Savings Accounts	\$1,471,002
Bad Debt Expense	240,000
Administration	95,345
Interest Waived on Loans	38,605
Total Expenses Before Eliminations	1,844,952

Diocesan Expansion Fund Surplus \$231,063

Summary of Diocesan Financials

Operational Deficits	(1,734,690)
Unrealized Gain on Investments	1,708,870
Realized Gain on Investments	405,976
Bequests	196,248
Forgivable PPP Loan Proceeds	2,386,700
TOTAL Diocesan Operating Surplus	2,963,104

- **Uncollected receivables** due to Diocese from Parishes as of August 31, 2020: **\$4,831,524**
- **Line of credit balance** due from Diocese to DEF as of August 31, 2020: **\$16,959,390**
- The financial activities presented above are reported by department. Interdepartmental revenue and expenses of equal amounts have not been eliminated.

2020 FUNDRAISING REVIEW

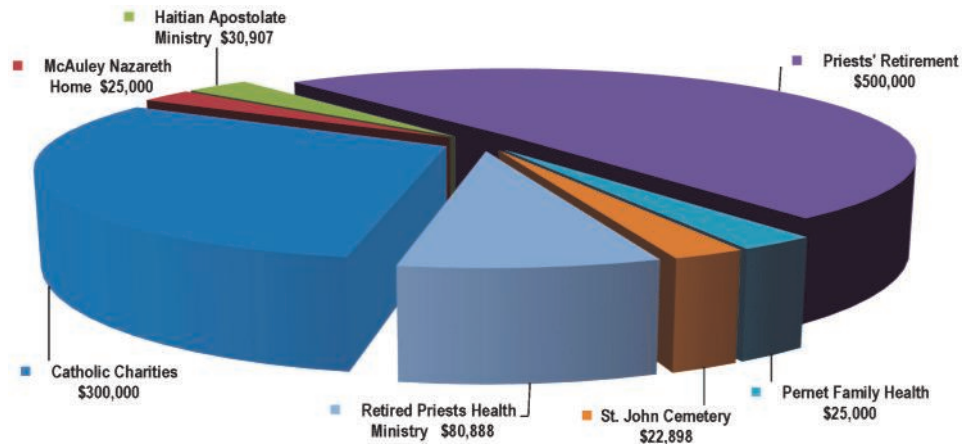
Giving Joyfully in Gratitude

The 2020 annual Partners in Charity Appeal ended on August 31, 2020 with a total of **\$4,379,895** from **12,541** gifts to support 25 agencies and ministries in FY2021.

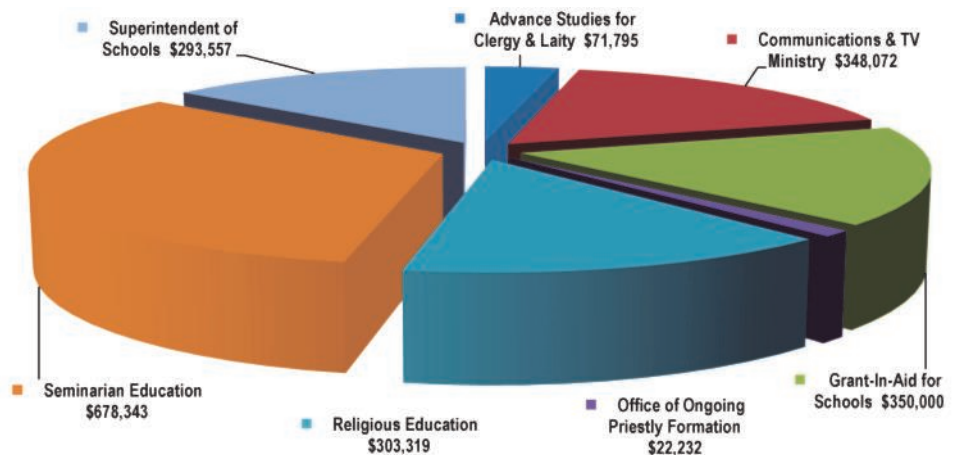
The charts below present how your donations were used in FY2020 after allowing for \$130,000 in uncollectable pledges.

We are grateful in particular to our Leadership Circle Benefactors, who share a vision for the future of the Diocese of Worcester as good stewards by reaching out in charity to many thousands of people in need who are served by the ministries and programs of the Diocese.

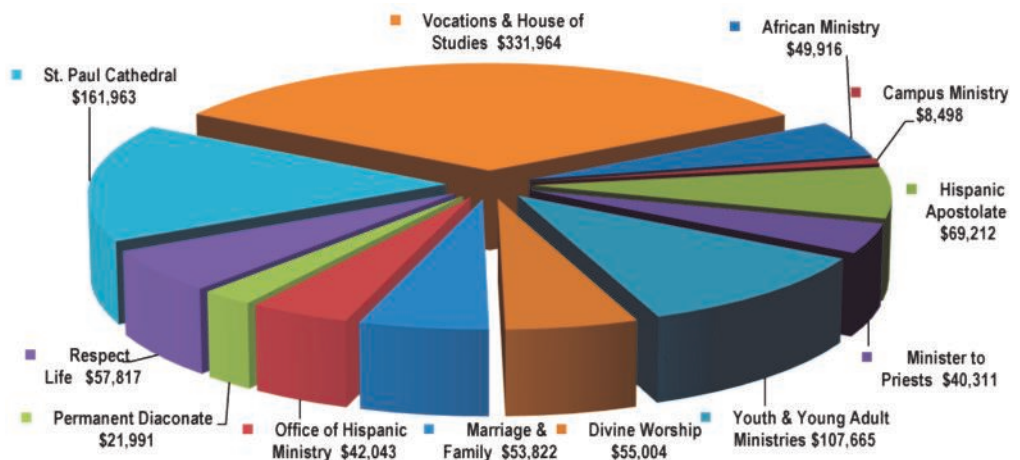
CHARITIES — \$984,693



EDUCATION — \$2,067,318



MINISTRIES — \$1,000,206



Our leadership circles are helping us fulfill our mission!

Of the 12,541 gifts made in the 2020 campaign, 3,747 households joined the following societies:

- 46—Holy Family Society**
(\$7,500 or more)
- 60—St. Paul Society**
(\$5,000 - \$7,499)
- 138—St. John Paul II Society**
(\$2,500 - \$4,999)
- 269—St. John XXIII Society**
(\$1,500 - \$2,999)
- 80—St. John Vianney Society for priests**
(\$1,000+)
- 501—St. Francis of Assisi Society**
(\$1,000 - \$1,499)
- 1,179—St. Teresa of Kolkata Society**
(\$500 - \$999)
- 1,474—Dorothy Day, Servant of God Society**
(\$300 - \$499)



Report as of
August 31, 2020

	Amount
Net Pledges and Cash donations *	\$15,304,908
Cash distributions to parishes	(2,377,162)
Cash & Pledges due parishes	(4,050,900)
Campaign Expenses	(1,951,431)
Money Market income	11,889
Fund Balance	\$6,937,304

* Net of Allowances, discounts and write-offs.