



TOGETHER ON A MISSION TO

Know Christ

In preparing this annual report on the activities of the Diocese of Worcester, we do so having embarked on the Year of Faith with the Universal Church. Yet the journey of faith is one which we are on every day, as individual Catholics, as parishes, as a diocese and as a universal Church. It all stems from our baptismal mission to share the Good News of God's love for all people through the salvation offered in Jesus Christ.

(continued on page 3)

TOGETHER WE SERVE

Because We Are Catholic



Dear friends in Christ,

It is once again my privilege to present to you, our many donors in the Diocese of Worcester, a financial report for diocesan operations. Just as our pastors work together with the diocesan bishop to minister to the people of God in a particular diocese, our diocesan offices and ministries are also present to support and assist the work in our parishes in striving to provide the fullest expression of our faith here in Central Massachusetts.

Together we serve directly the more than 110,000 households of Catholics in our diocese, as well as reach out in charity to assist anyone in need — all because we are Catholic. Whether through pastoral ministry or educational programs or charitable services, it is thanks to your support that we can exercise our faith responsibly as baptized Christians, as we are all called to invite those we meet to encounter Christ's love each and every day.

As in years past, our financial reports demonstrate that we have been good stewards of the donations we have received either directly or through our parishes. The various departments in our central administration exercised tight fiscal controls in order to operate within their budgets. We saw positive results from our investment portfolio which is guided by our investment committee of lay professionals and assisted by our investment firm. We also continued to realize benefits from the Sharing Our Blessings Offertory Campaign held a few years ago in all our parishes.

Agencies and ministries funded by the Annual Partners in Charity Appeal also operated within their allocations. Having raised \$4,835,997 during this past fiscal year, which exceeded the previous year's total, we are prepared to support these various ministries for the current fiscal year. I propose that the generous response to this appeal is an indication of the commitment to our mission by over 20,500 households in our diocese, including more than 1,300 new households who participated through online giving.

Thanks to the conservative management of our Diocesan Expansion Fund (DEF) board, I am also pleased to report that the DEF saw a substantive increase of revenues over expenses of \$492,965. This fund provides a safe and secure resource for parish and diocesan savings while meeting borrowing needs with competitive rates.

We are also blessed that vocations to the priesthood continue to be solid for our diocese with seminarians preparing for ordination to the priesthood in each of the coming few years. Seminarian Education and Vocations discernment and recruitment combined expended \$736,277. Allow me to take this opportunity to reiterate that we must all take responsibility for promoting vocations in our homes, schools and organizations in order to be prepared for the future.

St. John Cemetery System continued to make necessary improvements to the various cemeteries which are now part of the system, causing expenses to exceed revenues by \$167,820. Deficit spending in this system was further compounded by a continuing trend to choose cremation over internment in a grave, resulting in lower revenues than anticipated for the year.

The Central Catholic Schools System operated at nearly break-even with expenses exceeding revenues by less than 1%. While many families are interested in sending their children to Catholic schools, we continue to be challenged by increased requests for financial aid to meet the demonstrated need of so many families in this difficult economy.

In an era when so many people turn to a variety of media other than print media, *The Catholic Free Press* saw revenues run short of expenses by 14.3% or \$95,681. Given the variety of media which people use today, we are developing, with the support of our Presbyteral Council, a strategic media plan with professional assistance during the current fiscal year.

There are two significant areas of ongoing concern that are reflected in our financial report. First is the continued need to service outstanding debts which cost Central Administration \$1,043,367 last year. A significant portion of this debt is the result of interest paid to the DEF to cover unpaid bills owed to Central Administration by some parishes. Specific efforts which began over the past year are already seeing some turnaround on these outstanding bills and we are committed to continuing this trend during this fiscal year.

The unfunded portion of Priests' Retirement Costs is the other area of ongoing concern, since expenses exceeded revenue sources by \$1,113,125. The past year involved focused discussion with representative pastors and retired clergy on identifying ways to improve cost controls while finding new sources of revenue dedicated to priests' retirement. While the trend of deficit spending in the area cannot and will not disappear in the coming year, continued analysis should help us determine a long-range strategy to bring it under control.

As we pause to reflect on our operations this past year, it is with the firm resolve to do even more with these resources in the future. As we embark on the Year of Faith together with the Universal Church, let us recognize that we are supporting our parishes in their mission to bring our parishioners into a closer encounter with Christ. We are all called by our baptism to serve each other in a particular way. May our Year of Faith be an opportunity to awaken that personal sense of mission which calls us to know and love Jesus Christ and to be witnesses to his love in our community.

With every prayerful best wish, I remain

Sincerely yours in Christ,

A handwritten signature in blue ink that reads "Robert J. McManus". The signature is written in a cursive, flowing style.

Most Rev. Robert J. McManus, S.T.D.
Bishop of Worcester

In the ordinary business of the Church, that means a mission in which we must collaborate, day in and day out. Together we encounter Christ and invite others to share in that encounter.

As Christians, we first witness to that mission at home, at what is called the domestic church. Beyond the home, as Bishop McManus has often said, the parish is the ordinary expression of carrying on that mission. What makes Catholic parishes unique, however, is that we share in that mission with every other parish in a diocese and with the Bishop in his vocation as the head of that diocese.

Every agency, ministry and office contained in the subsequent pages of this financial report are, in some way, assisting the Body of Christ in the Diocese of Worcester, at coming to a more profound relationship with Jesus Christ, the heart of what the Holy Father calls the New Evangelization. Training, administering and supporting pastors, catechetical leaders and other parochial staff as well as individual Catholics is what our report is all about. Consider that together we are...

- **promoting** and **encouraging** young men in recognizing their call to the vocation of priesthood, or of young people to the dignity of living the consecrated life.
- **helping** liturgical ministries to lead by example in the invitation to experience the mystery of God's love in the full participation in the Divine Liturgy
- **forming** young people through values-based education to be witnesses to the Gospel as future leaders in our communities, our businesses, and our homes
- **educating** deacons and lay people in the skills of pastoral ministry

- **preparing** new catechetical leaders and catechists to teach the faith not only to younger generations, but also to Catholics of all ages who hunger for a better understanding of their faith journey in life
- **advocating** for those without a voice to those who do not always recognize the dignity of life from conception to natural death that comes from being made in the image and likeness of God
- **counseling** couples of all ages in being aware of how marriage invites them to share in the creative love of God
- **finding** a new start for those whose lives were shattered from divorce and want to bring the love of the Trinity into a new relationship
- **teaching** the fundamental sense of gratefulness to God for his many blessings by being better stewards of the gifts we have been given
- **reminding** the homebound or those who are not in our midst in parish activities that they are not forgotten and that we can help them stay connected with the Body of Christ through various media
- **caring** for sick and elderly clergy and lay people with the dignity they deserve because of who they are as children of God
- **extending** our love of neighbor in imitation of Christ to those in need in our neighborhoods or across the globe
- **being** good stewards of the resources available to us through effective administration and management of facilities and fiscal resources in parishes, agencies and ministries

The amazing thing about the above list is that each item is not the exclusive goal of a single group. Rather, each one can only happen from collaboration of agencies, ministries and parishes all working towards the same end.

Why do we do it? Because we are Catholic. We exercise that faith in churches and halls, in schools and in clinics, in after-school programs and drop-in centers, in the neighborhood and even on the sidewalk — literally everywhere. That spark which calls us to worship God is not limited to the liturgy. As the source and summit of our life as Catholics the liturgy empowers us to put that faith into action in every waking moment — by our response when we project the face of Christ to those we encounter.

We invite you to learn more about our shared mission in your parish and online at worcesterdiocese.org. We pray that during this Year of Faith we will learn how to serve you better as, together, we continue on a mission to know Christ.



Annual Report on Financial Activities FY2012

SUPPLEMENTAL DETAILS

Partners in Charity

| | |
|--------------------------|-------------|
| Revenue Sources: | |
| Donations | \$4,724,350 |
| Less Uncollected Pledges | 247,969 |
| Available Funds for Use | \$4,476,381 |

Use of Funds:

| | |
|---|----------|
| African Ministry | \$39,800 |
| Campus Ministry | 74,955 |
| Catholic Charities | 350,000 |
| Central Catholic Schools Subsidy | 200,000 |
| Development | 341,164 |
| Diocesan Cemetery System | 167,820 |
| Office of Marriage & Family | 36,728 |
| Grant-In-Aid | 350,000 |
| Haitian Apostolate Ministry | 60,187 |
| Hispanic Ministry | 101,525 |
| McAuley Nazareth Home | 33,600 |
| Ctrl. Catholic Schools Assessment Subsidy | 17,675 |
| Communications | 181,234 |
| Office of Divine Worship | 61,903 |
| Office of Ongoing Priestly Formation | 22,065 |
| Minister to Priests | 51,574 |
| Advance Studies for Clergy & Laity | 48,926 |
| Pastoral Planning | 14,082 |
| Permanent Diaconate Program | 81,979 |
| Pernet Family Health | 30,000 |
| Priests' Retirement Fund | 450,000 |
| Religious Education | 294,990 |
| Respect Life Office | 51,702 |
| Retired Priests' Ministry | 59,084 |
| Seminarian Education | 426,058 |
| Subsidy to St. Paul Cathedral | 73,850 |
| Superintendent of Schools | 243,105 |
| Vocations & House of Studies | 310,219 |
| Youth Ministry | 115,853 |
| Administration | 128,517 |

Total Use of Partners in Charity Funds: \$4,418,595

Partners in Charity Rev. over Expenditures: \$57,786

Central Administration

| | |
|----------------------------|-------------|
| Revenue Sources: | |
| Catharticum | \$2,516,070 |
| Insurance Program | 723,064 |
| Realized Investment Income | 175,554 |
| Unrealized Investment Gain | 514,463 |
| Other Income | 67,828 |
| Bequests | 54,496 |
| | \$4,051,475 |

Expenditures:

| | |
|---------------------|-----------|
| Bishop's Office | \$195,295 |
| Bishop's Residence | 76,640 |
| Building Commission | 92,362 |
| Chancellor's Office | 91,711 |
| Computer Services | 17,748 |

(Continued at the top of next column)

(Central Admin. Use of Funds continued)

| | |
|----------------------------------|-------------|
| Donations and Memberships | 160,077 |
| Fiscal Affairs Office | 362,661 |
| Interest on Indebtedness | 1,043,367 |
| Legal Services | 18,343 |
| Office of Healing and Prevention | 125,882 |
| Priests' Financial Assistance | 302,370 |
| Reserve for Bad Debt | 400,000 |
| Miscellaneous Expenses | 78,088 |
| Therapeutic Assistance | 33,598 |
| Tribunal | 171,763 |
| Vicar for Religious | 59,467 |
| Women's Commission | 3,076 |
| Total Departmental Expenses | \$3,232,448 |

Depreciation 103,674

Ctrl Administration Revenue over Expenses \$715,353

Central Catholic Schools

| | |
|--------------------------------|--------------|
| Revenue Sources: | |
| Tuition | \$11,012,931 |
| Fund Raising & Non-Educational | 829,632 |
| Bookstore Income | 188,609 |
| Parish Assessment | 73,150 |
| Other Income | 144,355 |
| | \$12,248,677 |

Expenditures:

| | |
|-------------------------------|--------------|
| Educational Expenses | 11,795,216 |
| Fundraising & Non-Educational | 546,607 |
| | \$12,341,823 |

Central Catholic Schools Operations (\$93,146)

Other:

| | |
|------------------------------------|-----------|
| Partners in Charity Funding | 200,000* |
| Designated Income | 40,000 |
| Depreciation | (317,049) |

Net Change in Assets (\$170,195)

St. John Cemetery System

| | |
|-----------------------------------|-------------|
| Revenue Sources: | |
| Revenues from Cemetery Operations | \$1,058,288 |
| Release of Restricted Funds | 87,972 |
| | \$1,146,260 |

Expenditures: \$1,314,080

Excess Expenditures (167,820)

Partners in Charity Funding 167,820*

-0-

Priests' Retirement

| | |
|------------------------------------|-------------|
| Revenue Sources: | |
| Partners in Charity Funding | \$450,000* |
| Parish Assessments | 746,340 |
| Investment Income | 50,099 |
| Bequests/Donations | 148,495 |
| | \$1,394,934 |

Expenditures:

| | |
|------------------------------|-------------|
| Support for Retired Priests | \$2,086,962 |
| Nursing Home/Assisted Living | 514,955 |
| | \$2,601,917 |

Unrealized Gain on Investments 93,858

Expenses over Revenue (\$1,113,125)

Diocesan Expansion Fund

| | |
|-------------------|-------------|
| Revenue Sources: | |
| Investment Income | \$1,019,269 |
| Interest on Loans | 2,083,764 |
| | \$3,103,033 |

Expenditures:

| | |
|------------------------------|-------------|
| Interest on Savings Accounts | \$1,530,042 |
| Interest Waived on Loans | 101,608 |
| Bad Debt Expense | 760,000 |
| Administration | 185,597 |
| | \$2,577,247 |

Unrealized Loss on Investments (32,821)

Revenue over Expenses \$492,965

The Catholic Free Press

| | |
|---------------------------------|-----------|
| Revenue Sources: | |
| Parish Quota Subscriptions, Net | \$286,809 |
| Direct Subscriptions | 18,262 |
| Advertising | 239,287 |
| Print Shop | 26,272 |
| Miscellaneous Sales | 2,442 |
| | \$573,072 |

Expenditures:

| | |
|------------|-----------|
| Newspaper | \$650,250 |
| Print Shop | 18,503 |
| | \$668,753 |

Expenses over Revenue (\$95,681)

Restricted Funds

| | |
|------------------------|-------------|
| Released: | |
| Forward in Faith | \$597,980 |
| Endowment & Annuities | 505,173 |
| Donor Restricted Funds | 318,985 |
| | \$1,422,138 |

Expended:

| | |
|--|-------------|
| Forward in Faith | \$597,980 |
| Endowment & Annuity Commitments | 505,173 |
| Donor Restricted Support to Ministries | 96,284 |
| | \$1,199,437 |

Change in Funds: \$222,701



DIOCESE OF WORCESTER

49 Elm Street, Worcester, MA 01609 • ph. 508.791.7171

To learn more visit our website for a complete report: worcesterdiocese.org

* Included in Partners in Charity Detail of Use.