

# Diocese accounts for financial operations

Dear Friends in Christ:

Once again, we are publishing an accounting of the financial operations of our Diocese for the fiscal year which ended June 30, 2015. As we have done in past years, we have also included a consolidated financial report of our high schools and parishes. This is done in the spirit of accountability and transparency.

For the fiscal year ended 06/30/15, our total gain was \$1,690,971 (from our audited financial statements), which you see on the attached. This is only for the central operations of the Diocese. It does not include the activity of the parishes, schools or missions in the Diocese. Investments gained 1.4% versus a budgeted amount of 6%. Our health insurance fund gained \$2,525,251.

## DIOCESAN AUDIT

The Diocese is audited every year by Leonard J. Andorfer & Company, a certified public accounting firm, and, as in the past, no exceptions were noted. This means that the Diocesan books, records and accounting policies are conducted in accordance with generally accepted accounting principles. This audit, along with the management letter, is presented not only to the Audit Committee, but to the entire Diocesan Finance Council; and the Council is given time alone with the auditor, without the presence of Diocesan officials, to be sure that they were given full access to all appropriate financial records.

For the past several years, the United States Conference of Catholic Bishops (USCCB) has required that the Diocesan Finance Council sign a report indicating the following: 1) that the Council has met quarterly; 2) that the audit and the management letter have been reviewed; 3) that the budget has been reviewed. This report and certification must then be sent to the Metropolitan Archbishop of the Province, which, in this case, is the Archbishop of Indianapolis. We require similar reporting from our parishes to the Diocese.

## PARISHES

It is also important that there be accountability and transparency in parishes. According to Canon Law, every parish must have a Parish Finance Council. We have two retired accountants who do a financial review of every parish every two years; in addition, every parish is audited at the time of a pastoral change. During the past eight years, we have sent this financial report, done by our two auditors, to each member of the Parish Finance Council. This enables the review to be discussed at a regular meeting. As indicated above, controls have now been established similar to the accountability of each Diocese.

It is important to understand how the Annual Bishop's Appeal has sustained the parishes. It was the hope of our lay leadership prior to the institution of the Appeal that the parishes would benefit. This has become a reality. The Appeal has increased the incentive of parishes to seek funds. During the 29 years since the Appeal began, our parishes have engaged in major capital fund drives. Since the Appeal began, fund drives for parishes have brought in over \$170,021,794 for new buildings and renovations approved by the Diocesan Finance Council. This includes parish initiatives linked to the Legacy of Faith. Also, over \$183,737,605, which would have been paid to the Diocese under the previous system, now remains in the parishes. In addition, \$5.8 million from the Appeal has been given in grants to parishes in need. The 29<sup>th</sup> Annual Bishop's Appeal attained \$6,721,656.

## TWINNING PARISHES

A number of parishes have agreed to twin with certain targeted parishes to help them provide a full Catholic education. From January 1999 thru May 2016, a total of \$2,765,706 has been received by 16 parishes. This is true Christian stewardship; and most of the parishes making these contributions do it as part of their parish stewardship effort. These parishes give a proportionate gift to other parishes in need. This twinning program has saved several parish schools.

## Legacy of Faith Endowments

	Contributions	Distributions	06/30/15 Balance
1st Source – Hispanic	\$ 100,000		\$ 142,583
Priest Retirement	\$ 955,400		\$ 1,283,446
High Schools	\$ 955,400		\$ 1,283,446
Catholic Charities	\$ 1,908,800	(717,500)	\$ 1,993,868
Religious Education	\$ 1,908,800	(556,353)	\$ 2,098,901
Hispanic Ministry	\$ 955,400	(169,050)	\$ 1,086,629
Elementary Schools	\$19,118,745	(7,512,931)	\$18,549,970
<b>Total</b>	<b>\$25,902,545</b>	<b>(8,955,834)</b>	<b>\$26,438,843</b>

## HIGH SCHOOLS

Over \$84 million has been raised for building projects in our four high schools. The four high schools continue to flourish; but not without challenges. The Annual Bishop's Appeal gives \$1.7 million to the high schools every year, which has created a sense of stability. Next year, tuition will increase by \$200- \$400 in our high schools. Our high schools are audited every year by an independent CPA firm. Each high school has presented a balanced budget for the fiscal year beginning July 1, 2016. Two high schools have debts to the Diocese and are paying on those debts.

## CATHOLIC COMMUNITY FOUNDATION OF NORTHEAST INDIANA

Both the Development Office and the Business Office helped put in place the Catholic Community Foundation of Northeast Indiana, which enables parishes, high schools and other Diocesan institutions to raise funds for an ongoing endowment. Currently, there are 132 endowments in the Catholic Community Foundation. Talk to your pastor or school board about establishing an endowment for your parish and/or parish school. To establish an endowment and experience endowment growth involves planned giving – bequests, annuities, remainder trusts, as well as gifts and other creative ways by which you can make contributions. Funds placed in this trust will remain there and grow, and the interest realized will continue to fund the designated purpose for years to come. These are gifts that keep on giving. Those who contribute will determine the area where these funds are to be restricted. Regular annual reports and semi-annual newsletters are sent to the donors. The Catholic Community Foundation now contains \$44,275,196.

## INVESTMENTS

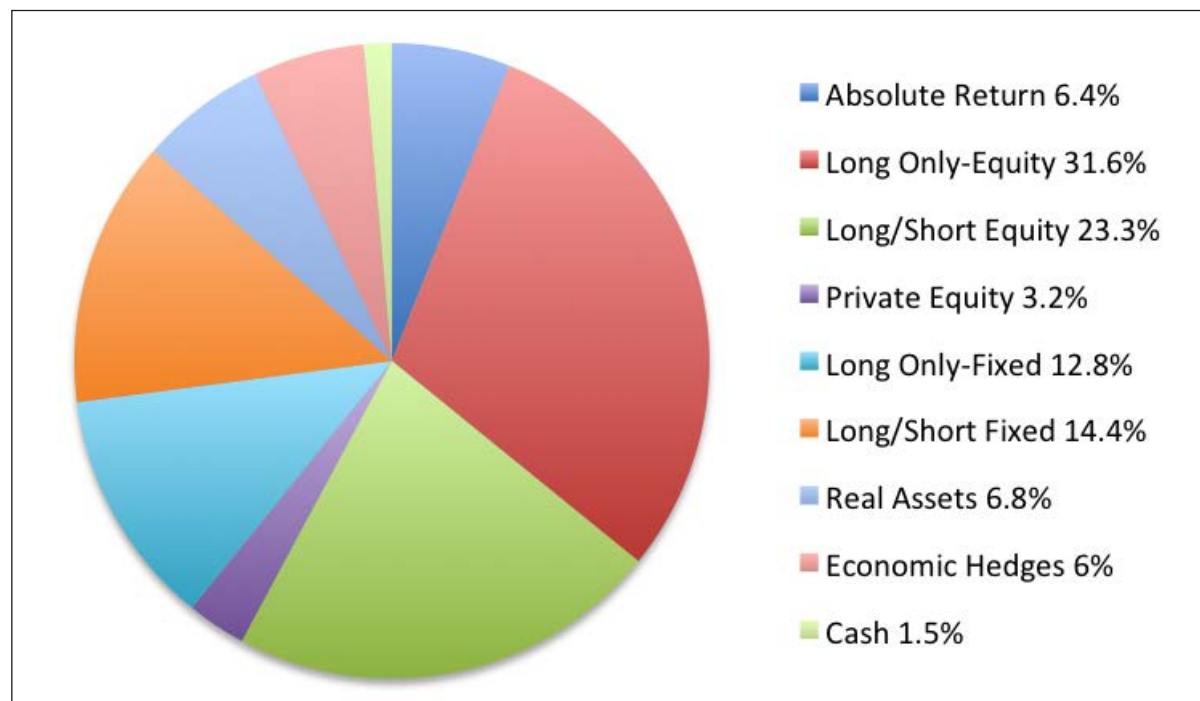
Our investments are overseen by Slocum & Associates of St. Paul, Minnesota. Investments are placed carefully so as to avoid excessive risk. We have a very diversified portfolio, fully in keeping with Catholic moral teaching. Slocum & Associates meet with our Investment Committee on a quarterly basis. In the fiscal year in question here, investments gained 1.4%. The current asset allocation is detailed in the pie chart below.

Respectfully submitted,  
Joseph G. Ryan, Chief Financial Officer

### DIOCESAN FINANCE COUNCIL

Most Rev. Kevin C. Rhoades  
Msgr. Robert Schulte  
Deacon James Fitzpatrick  
Mr. Arthur Decio  
Mr. Thomas Skiba  
Mr. Jerry Kearns  
Mr. Albert Gutierrez  
Sister Jane Marie Klein, OSF  
Mr. Jerry Hammes  
Mr. George Witwer  
Mr. Michael Hammes  
Ms. Linda Teeters  
Mr. Christopher Murphy  
Mr. Vincent Tippmann  
Mr. Joseph Ryan  
Mr. Timothy Dolezal  
Ms. Meg Distler

## Investment allocation



**DIOCESAN HIGH SCHOOLS**

<b>INCOME</b>	
Tuition/Fees	\$20,256,489
* Diocesan Assistance	1,206,996
Other Grants/Scholarships	642,367
Fund Raising	1,894,826
Athletic/Other	4,274,232
<b>TOTAL INCOME</b>	<b>\$28,274,910</b>
<b>EXPENSES</b>	
<b>Administrative</b>	
Cost of Employee	\$3,643,244
Other Administrative	4,480,404
<b>Total Administrative</b>	<b>\$8,123,648</b>
<b>Instructional</b>	
Cost of Employee-Teaching	\$10,104,815
Academic Department-Cost	112,662
Other Expense-Teaching	343,725
Cost of Employee-Supportive	1,247,108
Other Expense-Supportive	651,801
<b>Total Instructional</b>	<b>\$12,460,111</b>
<b>Operational</b>	
Cost of Employee	\$1,162,220
Other Expense-Operational	2,444,222
<b>Total Operational</b>	<b>\$3,606,442</b>
<b>Miscellaneous</b>	
Capital/Miscellaneous	0
Other Miscellaneous	3,430,760
<b>Total Miscellaneous</b>	<b>\$3,430,760</b>
<b>TOTAL EXPENSES</b>	<b>\$27,620,961</b>
<b>SURPLUS/(LOSS)</b>	<b>\$653,949</b>

**82 DIOCESAN PARISHES**

<b>INCOME</b>	
Church Income	\$58,238,695
School Income	40,662,746
<b>TOTAL INCOME</b>	<b>\$98,901,441</b>
<b>EXPENSES</b>	
Church Expense	\$39,072,277
School Expense	54,159,424
<b>TOTAL EXPENSE</b>	<b>\$93,231,701</b>
<b>SURPLUS</b>	<b>\$5,669,740</b>
* Diocesan Assistance	
Bishop Dwenger High School	\$379,257
Bishop Luers High School	230,045
Saint Joseph High School	332,553
Marian High School	265,141
<b>Total</b>	<b>\$1,206,996</b>

**\* Parishes receiving grants from the Annual Bishop's Appeal**

- Holy Cross, South Bend
- St. Michael, Plymouth
- St. Patrick, Ligonier
- Queen of Angels, Fort Wayne
- St. Monica, Mishawaka
- St. Anthony de Padua, SB
- St. John the Baptist, South Bend
- St. Adalbert, South Bend
- St. Joseph, Fort Wayne

**\*\* Groups receiving grants from the Annual Bishop's Appeal**

- St. Vincent de Paul Society, Fort Wayne and South Bend
- Vincent Village
- Women's Care Center
- Christ Child Society, FW and SB
- Matthew 25
- St. Augustine Soup Kitchen
- St. Mary Soup Kitchen
- Little Flower Food Panty
- Chiara Home
- Franciscan Center
- Sister Maura Brannick Health Ctr.
- Catholic Charities
- COPOSH (Homeless Center, SB)
- Logan Center
- St. Martin's Health Clinic
- Hannah's House
- Life Athletes
- Dismas House

**Diocese of Fort Wayne-South Bend**

**Statement of revenues and expenses for the year ended June 30, 2015**

	Unrestricted	Temporarily	Permanently	Total
<b>SUPPORT AND REVENUE</b>	Operational	Restricted Funds	Restricted Funds	Funds
Parish Quotas and Assessments	\$2349,503	0	0	\$2,349,503
Donations and Bequests	694,924	788,244	1,000	\$1,484,168
Investment Income	1,004,346	774,417	77,479	\$1,856,242
Unrealized Investment Gain/(Loss)	(468,100)	(460,389)	(31,801)	(\$960,290)
Fund Raising - Bishop's Appeal	3,197,244	1,872,000	0	\$5,069,244
Insurance Premiums	18,372,636	0	270,080	\$18,642,716
Interest - Loans	561,101	0	0	\$561,101
Collections	247,518	0	0	\$247,518
Advertising	150,539	0	0	\$150,539
Sale of Merchandise	383,580	99	0	\$383,679
Fees/Rentals/Workshops	572,830	140,771	0	\$713,601
Subscriptions	3,777	0	0	\$3,777
Miscellaneous	22,328	0	0	\$22,328
Change in Value - Beneficial Trust Int.	0	0	(15,347)	(\$15,347)
Gain - Sale of Building	87,421	0	0	\$87,421
Net Assets Released from Restriction	3,767,559	(3,351,433)	(393,100)	(23,026)
<b>TOTAL SUPPORT AND REVENUE</b>	<b>\$30,947,206</b>	<b>(\$236,291)</b>	<b>(\$91,689)</b>	<b>(\$23,026)</b>
<b>EXPENSES</b>				
Ministry Services	\$2,725,427	0	0	\$2,725,427
Educational Services	4,857,336	0	0	\$4,857,336
Communications	1,091,022	0	0	\$1,091,022
Fund Raising - Bishop's Appeal	420,866	0	0	\$420,866
Other Services	15,299,998	0	0	\$15,299,998
Administrative	4,510,580	0	0	\$4,510,580
<b>TOTAL EXPENSES</b>	<b>\$28,905,229</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Change in Net Assets	2,041,977	(236,291)	(91,689)	(23,026)
Net Assets at Beginning of Year	(3,289,467)	12,711,344	3,201,324	4,001,963
Net Assets at End of Year	(1,247,490)	12,475,053	3,109,635	3,978,937

**CENTRAL DEPARTMENTS Expenses and Budgets**

	Expenses	Budgeted Expenses
Tribunal	\$355,558	\$332,150
General Administration	694,917	675,635
Parish Assistance	40,168	52,652
Personnel	324,667	295,001
Diocesan Services Agency	55,161	55,106
Data Processing	137,152	117,993
US Catholic Conference/Indiana Catholic Conference	123,722	123,161
Missions	17,860	17,854
Archbishop Noll Catholic Center	484,801	451,831
Misc. Properties	201,838	207,530
Hispanic Ministry	148,330	151,666
Accounting	119,134	121,926
Bishop's Appeal	287,872	303,391
Bishop's Office	65,739	72,623
Safe Environment	52,574	53,190
Archivist	39,964	43,168
Today's Catholic	805,016	761,161
Office of Catholic Communications	173,247	190,583
Ecumenical	1,757	5,580
Family Life/Pro-Life	280,842	297,473
TV Mass	144,621	155,245
Property Management	99,406	104,623
Office of Vocations	44,289	43,739
Hispanic Permanent Diaconate	46,012	64,079
Office of Worship/Music Ministry	152,333	153,354
Special Ministries	399,176	442,569
Permanent Diaconate	6,894	3,853
Hospital Ministry	95,063	93,095
Ministry of Education	492,314	450,507
Religious Education Office	198,689	193,618
Seminarian Education/Priest Formation	1,160,082	1,198,460
Continuing Ed/Priests	97,341	109,000
Catholic Charities	425,000	425,000
Catholic Charities Property - South Bend	13,954	14,453
International Priests Assigned to Parishes	29,483	21,500
Youth Ministry	82,983	79,606
Development Office	76,985	84,259
Cathedral Museum	4,723	6,320
Planned Giving	24,087	32,760
	<b>\$8,003,754</b>	<b>\$8,005,714</b>