

FINANCIAL SERVICES REPORT

Fiscal Year Ending August 31, 2013

ARCHDIOCESE OF NEW YORK



Dear Friends in the Lord,

Our faith is a precious gift, generously bestowed by a loving God. We have a sacred responsibility to develop that faith within us and share it with others. This is what makes all of us evangelists and gives our Church in the Archdiocese of New York a central role in helping Catholics understand and live out their baptismal call.

While the faith that comes to us from the apostles is unchanged over 2,000 plus years, the way in which we express it is a unique reflection of our times. From the first Pentecost, there has been lively and legitimate discussion about the best ways to organize the Church for its mission to save souls. The tools and languages we use reflect our heritage and strengthen our bond with Jesus Christ and one another, while the locations and distributions of our schools and communities mirror the shifting demographics of our ten-county Archdiocese.

In this fifth annual report in *Catholic New York* on the operating performance of the central offices of our Archdiocese, you will see how we have made great strides to see that the finite resources entrusted to us are used in the most effective ways to accomplish our mission in the 21st century. In a thoughtful, painstaking, and honest way, we have looked into every corner of the Archdiocese as an organization to assess how we carry out Jesus' mandate to "Go, and make disciples" and what changes are needed to do it more effectively.

Our Church continues to grow, thanks be to God and the great faith of our newcomers, but we no longer have the luxury of abundant clergy and religious, an excess of money, and presumed crowds thronging to our parishes and schools every week. You can see in these pages that *Pathways to Excellence*, the three year strategic planning effort for our outstanding schools, produced fewer but more robust elementary schools, many of which are now well-enrolled and moving toward self-sufficiency. They are led by seasoned professionals and guided by elected representative boards. We consolidated financial and administrative functions in central areas so that our professional educators are able to concentrate on teaching our children a rigorous academic curriculum infused with the deep faith we all share.

More than 1,000 priests, deacons, religious, and faithful throughout the Archdiocese were asked to evaluate our parishes and, in their regard, make recommendations that will strengthen the way in which we worship the Lord and minister to others. This process, known as *Making All Things New*, will ensure that we have meaningful and uplifting liturgies where people come together in community to give thanks and praise and parishes where



we can offer service, charity, education, and witness to our neighborhoods and the world. Simply put, I want to make sure that our parishes are solidly and sustainably planted in the midst of our people.

On every page of this report, you will see evidence that the staff of the Archdiocese works tirelessly to preserve and promote the dignity of each human person. That constancy of mission, in both direct and indirect service to people at all stages of life and at every social and economic level, is the hallmark of discipleship.

How deeply grateful I am for the support you give to the myriad works of the Archdiocese. Your generosity and commitment make my service a joy!

With prayerful best wishes,
Faithfully in Christ,
† Cardinal Timothy Michael Dolan
Archbishop of New York

PARISHES

Planning Focused on Renewal of Parish Life

The central experience of the Catholic faith in the Archdiocese of New York takes place in the communal setting of each vibrant parish.



Throughout the week, Masses and celebrations of the sacraments, devotional services, scripture study programs, outreach, and fellowship bring people together to express and share the teachings of Jesus Christ.

Catholics draw strength and inspiration from one another within the parish, and then demonstrate their faith through active witness in the larger community. No two parishes are alike, of course. Each reflects its neighborhood and traditions, but all rely on the interaction of clergy, religious, and the faithful on their journey.

The parish structure in the Archdiocese is based on early immigration to the United States and the post-World War II population boom. The model of neighborhood and ethnic parishes was brilliant for its time, but demographic changes in recent decades demand thoughtful reconsideration of such a model.

The 368 parishes throughout the Archdiocese have conducted a self-examination and spirited interaction with others in their area (“cluster”) as part of the *Making All Things New* strategic planning process. The goal, as described in Cardinal Dolan’s pastoral letter and several *Catholic New York* columns, is to renew the Church in New York for its Christ-given mandate to “Go, and make disciples.”

Cardinal Dolan said, “Years of pastoral experience tell us that churches which are 10 to 20 percent full do not usually lead to meaningful and uplifting liturgies where we are drawn to give praise and thanks to our loving God. And, apostolates and ministries of education, service, and charity—the ways within which we witness to the world—cannot flourish where there are not significant membership and resources to support them, so critical pastoral needs are not being met.”

As reported in these pages, the central offices of the Archdiocese support local parish efforts with pastoral services, financial and human resources management, purchasing, building repairs and renovations, insurance, grants for education, clergy care, and spiritual formation. Each year, the Inter-Parish Finance (IPF) board grants financial assistance to struggling parishes to help

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PARISH REVENUE	
Collections, donations, and contributions	58%
Religious education and RCIA registration and fees	5%
Capital temporary/permanent restricted donations	11%
Extraordinary donations and bequests	7%
Fundraising	6%
Archdiocesan support	3%
Support from other parish entities	2%
Investment income	3%
Other revenues, proceeds sales, and insurance reimbursement	5%
TOTAL REVENUE: \$315,576,144	100%

PARISH EXPENSES	
Clergy personnel costs	13%
Lay personnel costs	23%
Religious personnel costs	1%
Religious education program	6%
Office and clerical support services	10%
Utilities	8%
Repairs, maintenance, and plant cost	14%
Cathedraticum assessments	6%
House living expenses	2%
Fundraising expenditures	1%
Interest	1%
Program and development costs	2%
Support to elementary school	6%
Support to high schools, religious education, and other	1%
Grants and charitable contributions	6%
TOTAL EXPENSES: \$268,760,252	100%

PARISHES

Continued from left

meet their operational expenses. In 2013, 77 parishes in the 19 vicariates received approximately \$9 million supplementing parishioner support. This generous assistance is an expression of compassionate concern among parishes, but it is not boundless.

With help from the Reid Group, an organization with extensive pastoral planning experience in other (arch)dioceses, after three years of preparation and study, all 368 parishes of the Archdiocese undertook an extensive self-evaluation, looking at such factors as Mass attendance, sacramental life, religious education, the age and condition of buildings, finances, and charitable outreach. The parishes then met with neighboring parishes in 75 parish clusters, thereafter submitting proposals to a 40 member Archdiocesan advisory group, comprised of priests, permanent deacons, religious, and members of the faithful. The group evaluated these proposals, made initial recommendations that were sent back to the parish clusters, and, then, after receiving the clusters' input, made their final recommendations to the cardinal. Additional input came from the priests' council, college of consultors, and other advisory groups. Cardinal Dolan will announce his decisions in the Fall.

While some parishes will close or consolidate with neighboring parishes, some will also expand. The goal, in Cardinal Dolan's words, "is about responding to the invitation of Jesus in our time, given the needs of His Church and His people. It is a call to discipleship, discerning how are we meeting the needs of our people and how we can best shepherd our resources to further His person, message, and invitation to be His disciples."

During the *Making All Things New* planning process, opportunities were identified that embody the growth and shift of the Catholic population in New York. For example, the church building at Saint Joseph's Parish, in Somers, was too small to meet the needs of this growing parish. With financial help from the Archdiocese, it recently built and dedicated a new church building on land adjacent to John F. Kennedy Catholic High School. It is a powerful example of marshaling resources to serve God's people in the places they now call home.

The Archdiocese will always be home to immigrants from all over the world. As such, it will continue to welcome these brothers and sisters in the faith and help them to worship in familiar languages. In the past, this welcome often included establishing an ethnic parish but, in 2014, it often means providing a sacred space for the community to worship and a pastoral leader who shares their concerns, most often within an existing parish structure. For instance, a group of people from Ghana, West Africa, have found a home in the Bronx where, for several years, the effervescent Ghanaian culture has expressed itself at Masses that are truly joyous celebrations of faith. The Archdiocese, built by immigrants in decades past, will continue to extend a warm and loving welcome to the newest arrivals to our faith community.

Parish life will continue to be at the heart of the shared practice of faith throughout the Archdiocese.

Catechetical Office: 30th Anniversary

The Archdiocesan Catechetical Office marked the 30th anniversary of its founding by Cardinal Terence Cooke in 1983. During this anniversary year, the office undertook several initiatives.

To involve parents and other family members more deeply in the faith formation of the more than 95,000 children in parish catechetical (religious education) programs, the office includes five hours of Intergenerational Family Catechesis experiences within its mandated 50 hours of religious education per year. During the past year, the office expanded the models of family catechesis from one to nine different experiences, enabling parishes to choose the one or a combination that works best for their populations and needs. The models feature multimedia presentations, prayer and devotions, religious craft and art projects, a service project based on the Church's social justice teachings, a holiday experience, and a pilgrimage or daylong retreat. There are activities for parents to take home to do with their children.

Sister Joan Curtin, C.N.D., Director of the Catechetical Office, said these experiences assist parents in their role as the primary catechists of their children: "When they leave family catechesis, they have the understanding, vocabulary, and confidence to talk to their children about the faith."

The office also published *Guidelines for the Catechumenate* (RCIA) and is publishing a resource manual for catechists teaching children with developmental and other disabilities. It is also updating the *Guidelines for Religious Education, Pre-Kindergarten to Grade Six*. These guidelines, which are in conformity with the directives of the U.S. bishops, govern the subjects covered in all parish religious education programs. *The Guidelines for Grade Seven and Grade Eight* will also be updated. The New York Catholic Bible School program is adding a new site at Saint Peter's Church, on Barclay Street, in Lower Manhattan.

TIMELINE OF 'MAKING ALL THINGS NEW'

2009 - 2011	Bishop Dennis Sullivan, Vicar General, is appointed by Cardinal Dolan to oversee pastoral planning in the Archdiocese of New York. Bishop Sullivan meets with all priests and deacons, religious order provincials, major superiors of women's and men's groups, and parish committees to solicit their input on the issues facing the Archdiocese and its parishes. Parish surveys are conducted throughout the Archdiocese to identify areas of importance to parishioners.
2011 - September 2013	Parish survey results are analyzed and the results are shared with the parishes. After a nationwide search, a professional pastoral planning firm, the Reid Group, is hired to assist in the process. Cardinal Dolan outlines his vision for pastoral planning in the Archdiocese of New York.
September 2013 - March 2014	368 parish core teams and 75 parish clusters engage in a self-examination of their own and neighboring parishes and develop initial recommendations to be shared with the Archdiocesan advisory group.
March 2014 - June 2014	The Archdiocesan advisory group and parish clusters review preliminary recommendations and develop final recommendations for Cardinal Dolan's consideration.
June - July 2014	Cardinal Dolan consults with the priests' council, college of consultors, and other committees as he prepares to make his final decisions that will be announced in the Fall.

SCHOOLS

Regionalization Strengthens Vibrant, Christ-Centered Schools

A bold initiative to revitalize Catholic elementary schools in the Archdiocese of New York has now been fully implemented.

A strategic plan, *Pathways to Excellence*, was developed to preserve and advance the mission of Catholic education for current students and future generations. It set new goals and standards to strengthen Catholic identity, leadership, academics, communication, recruitment, governance, and finance in our schools. By far, the most innovative and challenging aspect of the plan was the transition for most schools from an historical parish based model to a more sustainable regional one. This report reflects the last year of parish based elementary schools. Next year's report will be by region for the 92 regionals schools. The 41 parish based schools will be reported separately.

With regionalization, nine clusters of schools are now governed by boards of trustees comprised of local pastors, religious, and members of the faithful chosen for their knowledge, experience, and dedication to Catholic education and their willingness to oversee the schools in their region. The new structure allows every parish, even those without a school on its property, and those whose schools remain parish based to have a voice and investment in the Catholic schools in their communities.

Three of the regions served as pilots in the 2012-2013 school year, and the remaining six were fully operational at the beginning of the 2013-2014 school year. They are supported by a comprehensive financial management infrastructure which centralizes financial administrative functions in regional business offices and ensures oversight and accountability of the resources of the schools and regions.

Despite heartfelt efforts, some schools that were not sustainable were closed. Happily, with personalized support from professional counselors, more than 60 percent of children from closed schools enrolled in nearby Catholic schools.

Catholic schools in the Archdiocese have a well-earned reputation for academic excellence in a Christ-centered environment.

There is a growing demand for affordable, high quality early education programs, especially

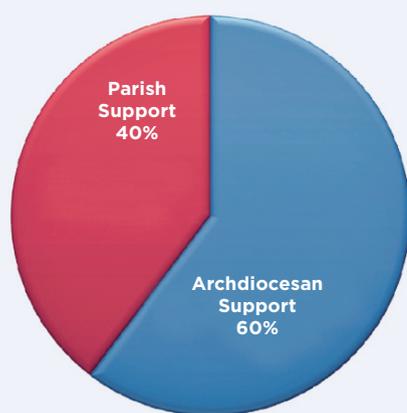
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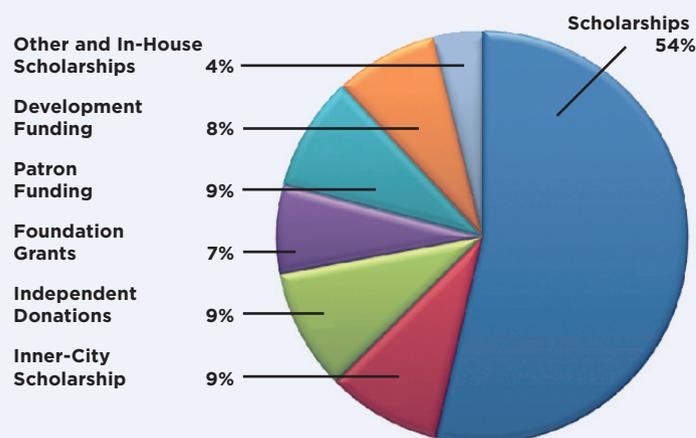
ELEMENTARY SCHOOL REVENUE

Tuition, fees, cafeteria, and other	67%
Archdiocesan support	8%
Parish support	5%
Scholarships, grants, patrons, and development	7%
Fundraising	4%
Governmental and NYS mandated services	5%
Investment income and restricted and extraordinary donations	3%
Rental income and domicile receipts	1%
TOTAL REVENUE: \$278,338,834	100%

ARCHDIOCESAN AND PARISH SUPPORT



BREAKDOWN OF SCHOLARSHIPS



Although most school revenue is generated from tuition and fees, this covers, on average, only 66% of the cost of operating an elementary school. Schools, therefore, rely on parishes, the Archdiocese, scholarships, and grants to make up the shortfall. Scholarships, grants, patrons, and development efforts provide 7% of the income for elementary schools.

ELEMENTARY SCHOOL EXPENSES

Lay personnel costs	78%
Religious personnel costs	2%
Repairs, maintenance, and other plant costs	7%
Utilities	3%
Technology, classroom, and instructional materials	3%
Office and accounting services and miscellaneous service contracts	3%
Consumables, student activities, and outreach	3%
Fundraising costs	1%
TOTAL EXPENSES: \$274,338,317	100%

SCHOOLS



Continued from left

in the pre-school years. There are more than 7,500 children now enrolled in 195 Pre-K3, Pre-K4, and free Universal Pre-K programs throughout the Archdiocese. In each region, schools have identified and developed new opportunities to welcome the youngest of students to Catholic education.

High caliber leadership often comes from within the schools, where exceptional teachers are identified as potential principals. The Archdiocese works closely with the Curran Principal Academy, a two year program that collaborates with Fordham University, Saint John's University, and the University of Notre Dame to train outstanding candidates. The capstone of this program is a mentorship that pairs an experienced principal with a recent Curran Academy graduate.

In keeping with the strategies outlined in *Pathways to Excellence*, progress has also been made in developing key student recruitment and marketing programs, including a redesigned and enhanced website: www.BuildBoldFutures.org. Gains continue in outreach to Spanish-speaking communities, with a 24 hour bilingual hotline, 646-794-2885, and an expanding Madrinas program. There have also been considerable efforts to educate parents about vital state legislation affecting Catholic schools.

After careful planning and extensive consultation, a forward focused, regionally modeled school system is firmly in place, guaranteeing access to academically excellent, financially sustainable Catholic education for generations of New York children.

SEMINARY

With Support of Three Dioceses, Saint Joseph's Seminary Moves Ahead

As a result of the Inter-Diocesan Partnership, the mission of Saint Joseph's Seminary continues to grow through the vision of Cardinal Timothy Dolan of the Archdiocese of New York, Bishop Nicholas DiMarzio of the Diocese of Brooklyn, and Bishop William Murphy of the Diocese of Rockville Centre. Seminarians, as well as qualified men and women, priests, and consecrated religious gather together across three campuses in Yonkers, Douglaston, and Huntington to pursue their academic goals.

The Seminary offers five degrees: Master of Arts in Theology, Master of Divinity, Master of Arts in Catholic Philosophical Studies, Master of Arts in Pastoral Studies, and Bachelor of Sacred Theology from the University of Saint Thomas Aquinas in Rome, as well as a Post-Master's Certificate in Dogmatic Theology and a Post-Master's Certificate in Sacred Scripture. At the close of the 2013-2014 academic year, 11 seminarians and 23 non-seminarians received their degrees.

Saint Joseph's has installed video conferencing equipment at the Yonkers, Douglaston, and Huntington campuses to bring students together across the three locations. Students at one campus are able to take a course at another without the added stress of commuting. In addition to expanding the curriculum, the coming academic year begins the re-accreditation process to ensure that the academic programs meet the standards set forth by the Association of Theological Schools and the Middle States Commission on Higher Education.

Saint Joseph's Seminary continues to grow academically as the student body expands through reaching seminarians and non-seminarians. It will continue to reach out to the community by holding annual events, symposia, and special lectures such as the well-attended Year of Faith lecture series, capped by Cardinal Dolan's talk on "Year of Faith and the New Evangelization" last November.



A Place for Retired Priests in the Heart of Manhattan

The Archdiocese of New York provides modest accommodations for its beloved retired priests. For those who chose to live in community with fellow retirees, several properties have been reconfigured in recent years to serve the men who serve the Archdiocese.

Last year, Saint Stephen's rectory at the Church of Saint Stephen/Our Lady of the Scapular/Chapel of the Sacred Hearts of Jesus and Mary, in Manhattan, was renovated for temporary use by up to ten retired priests. Its location in a busy neighborhood and active parish of healthcare professionals, workers, families, students, the poor, and the elderly, as well as its proximity to medical facilities, make it a popular home for retirees.

Two residences in the Bronx also allow the Archdiocese to fulfill its pledge to provide secure, comfortable homes for senior priests. The Saint John Vianney Priest Residence currently has private living quarters for 34 men, with views of the majestic Hudson River, within the John Cardinal O'Connor Pavilion. Expansion of the residence is currently underway with the construction of the Edward Cardinal Egan Pavilion, which will provide additional accommodations for 42 retired priests. And, Our Lady of Consolation is a residence for up to 14 retired priests requiring special care.

APPEAL

Giving Isn't What We Do, It's Part of Who We Are

The Cardinal's Annual Stewardship Appeal benefits from a biblical virtue that is catching on in the archdiocese

Through the generosity of families and individual Catholics in parishes across the Archdiocese, the Cardinal's Annual Stewardship Appeal has once again surpassed its goal last year, with a total of nearly \$20.2 million in gifts and pledges reported in the December 12, 2013 issue of *Catholic New York*.

The funds benefited six worthy objectives which the Archdiocese supports under the campaign's theme of "Sharing God's Gifts." They are: academic and spiritual formation, support for needy parishes and schools, works of charity, preparing the clergy, specialized services, and retired religious.



The biblical virtue of stewardship, introduced to the annual campaign when Cardinal Dolan became Archbishop of New York in 2009, affords an opportunity for Catholic New Yorkers to offer their time, talent, and treasure to God through the work of the Appeal.

"As Catholics, we are blessed to receive the love and gifts that the Lord has bestowed on us," the Cardinal said.

"Everything we have is through Him and because of Him. It is our duty to not only cultivate and enhance those gifts, but also to share them with each other and return them to Him," added the Cardinal.

At Saint Elizabeth Ann Seton Parish, in Shrub Oak, the parish motto is "The Charity of Christ Compels Us." The parish has a team of volunteers who worked hard in concert with their pastor, Msgr. Thomas Sandi, to give it one of the top ten participation rates in the Archdiocese for 2013.

What is the secret of the parish's success? In addition to the successful in-pew weekends, stalwart volunteers Roland Faucher and Susan Kolesar hold a "vestibule appeal" each weekend that the Appeal is actively underway. Dressed in their popular Seton Cardinal's Appeal red hats, they greet parishioners at each Mass, answering questions and encouraging a spirit of charity with brochures and pledge envelopes ready to be handed out.

Channon Lucas, Director of the Cardinal's Annual Stewardship Appeal and a Vice Chancellor of the Archdiocese, said parishes whose pastors and volunteers work together as a team to promote stewardship have found increased success in giving to the Appeal. It's also the kind of winning formula she would like to see replicated in more parishes in the future. "What we're doing in the Cardinal's Annual Stewardship Appeal is returning back to God what he's blessed us with," Ms. Lucas said.

"It's not just, 'I've made this money, this is my money.' It's, 'I've made money, I've got time, I've got talents, gifts to offer the Church, and I'm returning them back to God and his Church.'"

OBJECTIVES FOR THE 2013 \$20 MILLION GOAL

Academic and
Spiritual Formation
\$5.75M

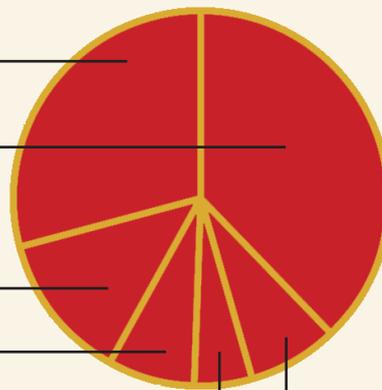
Support for Needy
Parishes and Schools
\$7.75M

Works of Charity
\$2.5M

Preparing the Clergy
\$1.5M

Specialized Services
\$1M

Retired Religious
\$1.5M



Random Acts of Kindness

Ten year old Gianna Marie Muñiz, from Mohegan Lake, is an active parishioner at Saint John the Evangelist Parish, in Mahopac. During the active phase of the Appeal, she watched the Cardinal's Appeal video at Sunday Mass, which



focused on what we, as Catholics, accomplish together—particularly the sacraments. Gianna Marie was so moved by the film that she decided to donate all the money in her piggy bank to the Cardinal's Appeal in memory of her grandfather and cousin.

But she didn't stop there. She also wrote a letter to her friends and family, asking them to consider a sacrificial gift to the Cardinal's Appeal. If they were unable to contribute, she encouraged them to perform an act of random kindness, something she learned from her aunt in religious education. Gianna Marie recognized that stewardship is not just about treasure, but also time and talent. She generously gave what she could to the Appeal, and encouraged her loved ones to care for their neighbors as Jesus asked us to.

As stewards of God's creation and disciples of Christ, we are challenged to see God's work in everything around us. We are grateful to be blessed with gifts from God and strive to express our gratitude by sharing them with others. Good stewards are generous to the Church and to one another not out of duty, but out of love.

Gianna Marie's pastor, Father Jarlath Quinn, mentioned her at Mass, challenging other parishioners to match what she gave to the Appeal. This past spring, at his recommendation, she was honored by Cardinal Dolan at the Cardinal's Appeal Volunteer Appreciation Dinner as the youngest inductee into the Cardinal's Appeal Hall of Fame. At the young age of ten, Gianna Marie Muñiz is a wonderful example of how easy it can be to embrace stewardship as a way of life.

CHARITIES

Catholic Charities' Outreach Sees God in All People

Every day, Catholic Charities of the Archdiocese of New York helps people in need access basic services.

Catholic Charities' services include decent housing, nutritious meals, secure day care, language skills, and good jobs. The 90 Catholic Charities agencies and affiliated agencies in New York City and the Lower Hudson Valley served more than 370,000 people last year, with goods and services valued at \$735 million.

Its comprehensive, effective, and compassionate outreach is based on the core belief that every person is made in the image and likeness of God.

In its work with the youngest New Yorkers, Catholic Charities' largest effort protected and nurtured 58,000 children and youth with day care, foster care, adoption services, camping, sports, after school activities, and preventative services.

The physically and emotionally challenged of all ages benefited from supportive housing, counseling residences for those with special needs and disabilities, and early intervention and special education. Catholic Charities cared for 12,500 challenged individuals last year.

The agencies are well known for feeding the hungry and sheltering the homeless. Last year, 138,000 benefited from emergency meals and shelters, temporary and transitional residences, permanent affordable housing, and help to prevent evictions.

Catholic Charities strengthened families and resolved domestic crises for 128,000 people with information and referral, coordinating services, counseling, financial assistance, maternity services, job readiness, and placement programs.

During the year, Catholic Charities welcomed 36,000 immigrants and refugees, with services including reuniting families, teaching English and civics, obtaining work authorizations, finding jobs, and preventing exploitation.

Catholic Charities was on the scene in the early days after Hurricane Sandy, in the autumn of 2012, and remained to counsel families during the long recovery.

The federation's newest initiative is a youth wellness program to encourage healthy eating and physical activity from an early age.

Catholic Charities keeps its administrative expenses to a minimum. While some of its life affirming services are more costly than others, on average the 90 agencies spend 88 cents of each dollar on program expenses.



SERVICES

Condensed Balance Sheets and Statements of Activities

Organization

Within the Archdiocese of New York, there are 368 parishes; 133 elementary schools; and 90 Catholic Charities related institutions, agencies, and programs, each of which is a separately incorporated entity with its own distinct operation, board of directors, and financial statement.

Archdiocesan Services entities are religious corporations exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code (the Code). Archdiocesan Services represents a combination of 15 entities (see the list at the bottom of the page on the right) providing health and social services; pastoral and educational programs; and financial, administrative, and program support to parishes, schools, and other organizations of the Archdiocese.

The accompanying condensed financial statements of Archdiocesan Services as of and for the fiscal years ended August 31, 2013

and 2012 aggregate the financial statements of all 15 entities. The financial statements of 10 of these entities, comprising 98% of total assets and nearly 100% of revenues, were reviewed by independent auditors, and each of their reports express an unmodified opinion. In combining the individual entity financial statements, transactions between and among these entities were eliminated to create the condensed financial statements.

The financial statements were presented to and approved by the Archdiocese's Finance Council. Its members are: John Castle; John P. Cahill, Esq.; Gerald Clark; George K. Cooney; Samuel A. DiPiazza, Jr., William P. Harrington, Esq.; Alfred F. Kelly, Jr.; Stephen M. Lessing; Thomas M. McGee; Thomas J. Moran; Stephen V. Murphy; Robert H. Niehaus; William F. Plunkett, Jr., Esq.; Bernard E. Reidy; Julia V. Shea, Esq.; and Mary Ann Tighe.

Condensed Balance Sheets

Total assets of Archdiocesan Services as of August 31, 2013 reflect an increase of \$20 million, or 4%, over the 2012 level, primarily due to a \$33 million increase in receivables from parishes and other affiliates primarily representing funds loaned by the Parish Assistance Corporation (PAC). Fixed assets of \$66 million are reported net of accumulated depreciation.

With respect to liabilities of Archdiocesan Services, an increase of approximately \$18 million, or 6%, is principally attributable to new loans advanced by affiliated entities to provide additional capital in support of the PAC, as well as an increase in accounts payable and

other liabilities.

Total net assets increased by approximately \$3 million, or 1%. The increase in expendable net assets was 23%, to a balance of approximately \$75 million.

Certain amounts in the 2012 condensed financial statements presented above have been adjusted to more accurately reflect the Archdiocese's interest in the proceeds from sales of parish properties and the actuarial loss associated with post-retirement health benefits for priests. As a result, total assets were reduced by 2% and total liabilities were increased by 4%.

Condensed Statements of Activities

Total revenues in fiscal 2013 of \$213 million increased by approximately \$15 million, or 7%, over 2012, with increases in contributions and government grants and contracts offsetting decreases in other revenue. The increase in government grants was for services provided by Catholic Charities in the wake of Hurricane Sandy.

Total expenses in fiscal year 2013 were \$226 million, which was \$19 million higher than 2012. Health and social services increased \$16 million, or 30%, related to services administered by Catholic Charities to help those impacted by Hurricane Sandy. Administra-

tion and fundraising expenses totaled approximately \$27 million, an increase of approximately \$640,000 over the prior year, representing approximately 12% of total expenses.

In 2013, net investment gains in excess of \$3 million were reflective of continuing positive equity market performance. A more than \$13 million positive change in other net gains and losses was attributable principally to a 2013 actuarial gain in the post-retirement healthcare plan for priests, primarily due to an increase in the discount rate used to value the obligation.

ARCHDIOCESAN SERVICES AS OF AND FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

CONDENSED BALANCE SHEETS

	2013	2012
Assets:		
Cash and investments	\$234,824,417	\$240,777,165
Loans and accounts receivable, principally from parishes and other affiliates, net	179,556,768	146,292,072
Other assets	13,024,705	8,917,752
Beneficial interest in charitable trusts	20,843,562	20,957,732
Fixed assets	66,375,683	77,408,361
Total assets	\$514,625,135	\$494,353,082
Liabilities:		
Accounts payable and other liabilities	103,348,307	91,356,750
Allowances for property, casualty, and health insurance losses	49,167,130	47,278,350
Accrued post-retirement health benefits for priests	43,468,866	53,989,099
Loans payable to affiliated entities	122,776,080	108,557,523
Total liabilities	\$318,760,383	\$301,181,722
Net assets:		
Expendable (unrestricted and temporarily restricted)	74,794,114	60,843,346
Non-expendable (investment in fixed assets and permanently restricted)	121,070,638	132,328,014
Total net assets	\$195,864,752	\$193,171,360
Total liabilities and net assets	\$514,625,135	\$494,353,082

CONDENSED STATEMENTS OF ACTIVITIES

	2013	2012
Revenues:		
Contributions, including contributed services	\$54,838,998	\$43,193,836
Government grants and contracts	49,547,089	36,444,515
Support service fees and assessments from parishes and affiliates	52,785,812	55,902,584
Investment income, including rent and royalties	37,670,139	36,925,357
Other revenues	18,250,025	26,104,848
Total revenues	\$213,092,063	\$198,571,140
Expenses:		
Grants and subsidies to parishes and schools	37,298,087	37,417,792
Health and social services	69,377,519	53,318,599
Pastoral	35,958,133	33,181,508
Education	11,901,696	10,517,590
Religious personnel development	5,864,922	6,138,347
Affiliate support services	39,051,277	40,243,423
Administration	17,966,384	17,291,053
Fundraising	9,080,152	9,115,943
Total expenses	\$226,498,170	\$207,224,255
Excess of expenses over revenues	(\$13,406,107)	(\$8,653,115)
Gains and Losses:		
Net realized and unrealized investment gains	3,428,619	5,885,003
Interest in proceeds from sale of parish properties	(555,241)	20,624,911
Other, net	13,226,121	(9,361,850)
Increase (decrease) in net assets	\$2,693,392	\$8,494,949
Net assets at beginning of year	\$193,171,360	\$184,676,411
Net assets at end of year	\$195,864,752	\$193,171,360

The Archdiocesan Services Condensed Balance Sheets and Statements of Activities include the following entities:

Archdiocese of New York, Archbishopric of New York, Archdiocesan Service Corporation, Ecclesiastical Assistance Corporation, Ecclesiastical Properties Corporation, Institutional Commodities Services Corporation, Cardinal Spellman Foundation, Saint Rose Settlement, Saint Paul Guild, Parish Assistance Corporation, Department of Education, Catholic Indemnity Insurance Company, Saint Joseph's Seminary and College, The Catholic Charities of the Archdiocese of New York, and the Roman Catholic Fund for Children.

SUMMARY

The accompanying combining financial statements of Archdiocesan Services for the fiscal year ended August 31, 2013, have been delineated into the following components: Archdiocesan Central Offices, Parish Assistance Corporation, Department of Education, Saint Joseph's Seminary and College, Catholic Indemnity Insurance Company, and Catholic Charities of New York (including the Roman Catholic Fund for Children). The total columns in these combining statements reflect the elimination of intra-Archdiocesan Services transactions or balances approximating \$41 million with respect to assets and liabilities and \$16 million with respect to revenues, gains, and expenses.

Archdiocesan Central Offices

The following corporations are included in the financial statements of the Archdiocesan Central Offices: Archdiocese of New York, Archbishopric of New York, Ecclesiastical Assistance Corporation, Institutional Commodities Services Corporation, Archdiocesan Service Corporation, Ecclesiastical Properties Corporation, Cardinal Spellman Foundation, Saint Rose Settlement, and Saint Paul Guild.

Central Offices has three broad expense categories: (i) grants, subsidies, and services to parishes, schools, and other affiliates; (ii) pastoral services which include clergy care as well as spiritual and social outreach; and (iii) supporting services which encompass the shared support services, fundraising, and administration offices managing programs and resources for the benefit of parishes, schools, and other organizations across the Archdiocese.

Initiatives have been undertaken in recent years to reduce the level of grants and subsidies. These include *Pathways to Excellence* and *Making All Things New*. While reductions in grants have been seen in recent years, the full impact of the strategic plan will not be realized until after the aforementioned programs are fully implemented. Grants and subsidies were again the largest category of expense and significant source of nearly \$18.7 million excess of expenses over revenues. Such continuing deficits had taken expendable net assets of Central Offices down to only \$5.4 million as of August 31, 2013.

Parish Assistance Corporation (PAC)

The PAC provides cash management and other financial support to parishes, charities, religious orders, and other Catholic entities throughout the Archdiocese. The PAC provides support by, among other things, extending loans to entities with projects in need of financing and receives loans from entities to provide a source of lending capital. In 2013, the PAC extended loans to support affiliate projects totaling \$33.6 million and, at August 31, 2013, had \$145 million in loans outstanding before allowances.

Department of Education (DOE)

The DOE's primary purpose is to provide educational, financial, managerial, and other forms of support and assistance to the schools and educational programs operated by or under the supervision of the Archdiocese. It includes the Superintendent of Schools' Office, Catechetical Office, University Apostolate, and Instructional Television. A principal responsibility of the DOE is its oversight of federally funded programs, including Child Nutrition and Drug Abuse Prevention. Additionally, the DOE administers special education programs, such as the John Cardinal O'Connor Learning Center.

The DOE has relied on an annual grant from the Archdiocese to support its operations. Excluding such support, which totaled \$6.8 million in 2013, government grants and contracts represent 68% of the DOE's total revenues. Almost all of the DOE's expendable net assets at August 31, 2013 are restricted by donors for scholarships.

ARCHDIOCESAN SERVICES COMBINING BALANCE SHEETS AS OF AUGUST 31, 2013

	TOTAL	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Assets:							
Cash and investments	\$234,824,417	69,640,263	38,657,501	13,669,260	21,530,468	51,430,065	39,946,860
Loans and accounts receivable, principally from parishes and other affiliates, net	179,556,768	71,017,280	114,608,843	9,593,428	4,276,687	496,454	20,656,365
Other assets	13,024,705	5,670,093	1,908,681	134,502	250,204	953,373	4,107,853
Beneficial interest in charitable trusts	20,843,562	16,815,044	—	—	101,715	—	3,926,803
Fixed assets	66,375,683	49,811,117	4,955	589,597	4,274,118	—	11,695,896
Total assets	514,625,135	212,953,797	155,179,980	23,986,787	30,433,192	52,879,892	80,333,777
Liabilities:							
Accounts payable and other liabilities	103,348,307	73,177,966	1,261,612	8,132,448	2,670,113	10,761,041	17,347,394
Allowances for property, casualty, and health insurance losses	49,167,130	15,967,333	—	—	—	33,199,797	—
Accrued post-retirement health benefits for priests	43,468,866	43,468,866	—	—	—	—	—
Loans payable to affiliated entities	122,776,080	8,034,343	145,831,760	—	—	—	—
Total liabilities	318,760,383	140,648,508	147,093,372	8,132,448	2,670,113	43,960,838	17,347,394
Net assets:							
Expendable (unrestricted and temporarily restricted)	74,794,114	5,387,562	8,081,653	9,997,979	2,728,749	8,919,054	39,729,117
Non-expendable (investment in fixed assets and permanently restricted)	121,070,638	66,917,727	4,955	5,856,360	25,034,330	—	23,257,266
Total net assets	195,864,752	72,305,289	8,086,608	15,854,339	27,763,079	8,919,054	62,986,383
Total liabilities and net assets	\$514,625,135	212,953,797	155,179,980	23,986,787	30,433,192	52,879,892	80,333,777

Saint Joseph's Seminary and College (Saint Joseph's Seminary)

Saint Joseph's Seminary was founded in 1896, and is located in Yonkers, New York. The mission of Saint Joseph's Seminary is the spiritual and academic formation of candidates for the priesthood. Saint Joseph's Seminary is accredited by the Middle States Association of Colleges and Secondary Schools and the Association of Theological Schools in the United States and Canada. It offers instruction to seminarians in programs leading to a Master of Divinity degree and the degrees of Bachelor of Sacred Theology, Master of Arts in Theology, and Master of Arts in Pastoral Studies.

With annual expenses approaching \$8 million, Saint Joseph's Seminary relies on support from the archdiocese. As a result of the Inter-Diocesan Partnership, such assistance has been reduced from previous levels. Expendable net assets represent approximately 4 months of Seminary expenses and annual spending from the Seminary's \$20 million endowment supports less than 15% of operating costs.

Catholic Indemnity Insurance Company (CIIC)

The CIIC provides insurance coverage, including workman's compensation, casualty and property, general liability, directors and officers, and student accident to independent components of the archdiocese, including parishes, schools, cemeteries, and other institutions.

At August 31, 2013, the CIIC held approximately \$51 million of cash and investments, which exceeded its loss reserves and other liabilities by approximately \$7.5 million. The CIIC's revenues consist principally of premiums billed to parishes and other affiliated entities.

The Catholic Charities of the Archdiocese of New York (Catholic Charities)

Catholic Charities is a not for profit corporation incorporated in 1917, under the laws of the State of New York. Catholic Charities coordinates and oversees the charitable activities of the Archdiocese. It provides services in accord with all applicable federal, state, and local laws, assisting those in need regardless of religion. Catholic Charities' revenue is comprised principally of government grants/contracts and contributions. In 2013, its mission focused expenses were approximately \$57 million, more than 86% of total expenses.

Catholic Charities provides a wide range of human services in order to assist those in need under various auspices throughout the Archdiocese. Religious communities sponsor some and others have grown from parish communities of faith. Still, others were founded by charismatic clergy, religious, and members of the faithful. Together, they form Catholic Charities of the Archdiocese of New York, a federation of administered, sponsored, and affiliated agencies touching almost every human need.

ARCHDIOCESAN SERVICES COMBINING STATEMENT OF ACTIVITIES FOR YEAR ENDED AUGUST 31, 2013

	TOTAL	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Revenues:							
Contributions, including contributed services	\$54,838,998	29,843,832	—	1,112,080	1,939,911	—	22,141,560
Government grants and contracts	49,547,089	—	—	14,099,578	—	—	35,447,511
Grants from combining entities	—	1,895,047	—	6,750,000	3,334,100	—	1,999,992
Support service fees and assessments from parishes and affiliates	52,785,812	39,586,040	—	—	—	13,363,420	—
Investment income, including rent and royalties	37,670,139	26,957,614	6,794,912	246,576	432,985	2,845,100	2,681,245
Other revenues	18,250,025	4,849,234	—	5,192,992	1,652,183	—	6,555,616
Total revenues	213,092,063	103,131,767	6,794,912	27,401,226	7,359,179	16,208,520	68,825,924
Expenses:							
Grants and subsidies to parishes and schools	37,298,087	37,298,087	—	—	—	—	—
Grants to combining entities	—	12,084,096	—	1,895,043	—	—	—
Health and social services	69,377,519	—	—	12,634,818	—	—	56,742,701
Pastoral	35,958,133	34,970,690	—	987,443	—	—	—
Education	11,901,696	—	—	11,901,696	—	—	—
Religious personnel development	5,864,922	—	—	—	5,864,922	—	—
Affiliate support services	39,051,277	19,437,869	5,477,806	—	—	14,135,602	—
Administration	17,966,384	11,645,010	—	884,170	1,784,225	—	6,293,471
Fundraising	9,080,152	6,385,136	—	—	63,322	—	2,631,694
Total expenses	226,498,170	121,820,888	5,477,806	28,303,170	7,712,469	14,135,602	65,667,866
Excess of expenses revenues	(13,406,107)	(18,689,121)	1,317,106	(901,944)	(353,290)	2,072,918	3,158,058
Gains and losses:							
Net realized and unrealized investment gains	3,428,619	210,585	329,675	386,432	1,736,166	—	765,761
Interest in proceeds from sale of parish properties	(555,241)	(555,241)	—	—	—	—	—
Other, net	13,226,121	14,820,944	—	(9,133)	—	(1,750,000)	154,478
Increase (decrease) in net assets	2,693,392	(4,212,833)	1,646,781	(524,645)	1,382,876	322,918	4,078,297
Net assets at beginning of year	193,171,360	76,518,122	6,439,827	16,378,984	26,380,203	8,596,136	58,908,086
Net assets at end of year	\$195,864,752	72,305,289	8,086,608	15,854,339	27,763,079	8,919,054	62,986,383

DEMOGRAPHICS

The Archdiocese by the Numbers

There are 2.6 million Catholics in the Archdiocese of New York

SACRAMENTS PERFORMED IN 2013:

BAPTISMS



CONFIRMATIONS



ANOINTINGS OF THE SICK



MARRIAGES 3,946

FUNERALS 12,573

CLERGY AND RELIGIOUS SERVING IN 2013	
Diocesan priests, active	385
Diocesan priests, retired and inactive	210
Seminarians (major/college)	87
Religious order priests	200
International priests	340
Deacons	314
Brothers	184
Sisters	767

STUDENTS IN CATHOLIC EDUCATIONAL INSTITUTIONS IN 2013

Colleges and Universities	9
Number of students	44,412
Elementary Schools	195
Number of students	50,045
High Schools	50
Number of students	24,830
Religious Education Programs	
Number of students	95,896

