

# FINANCIAL SERVICES REPORT

Fiscal Year Ended August 31, 2014

ARCHDIOCESE OF NEW YORK



## Dear friends in the Lord,

The Archdiocese of New York is joyful, alive, and growing. Thanks be to God! The faith of our people is incredibly strong throughout all ten counties. In every parish, school, and institution that I visit, I meet people whose lives reflect their deep commitment to serving God and neighbor. They—you—are an inspiration to me.

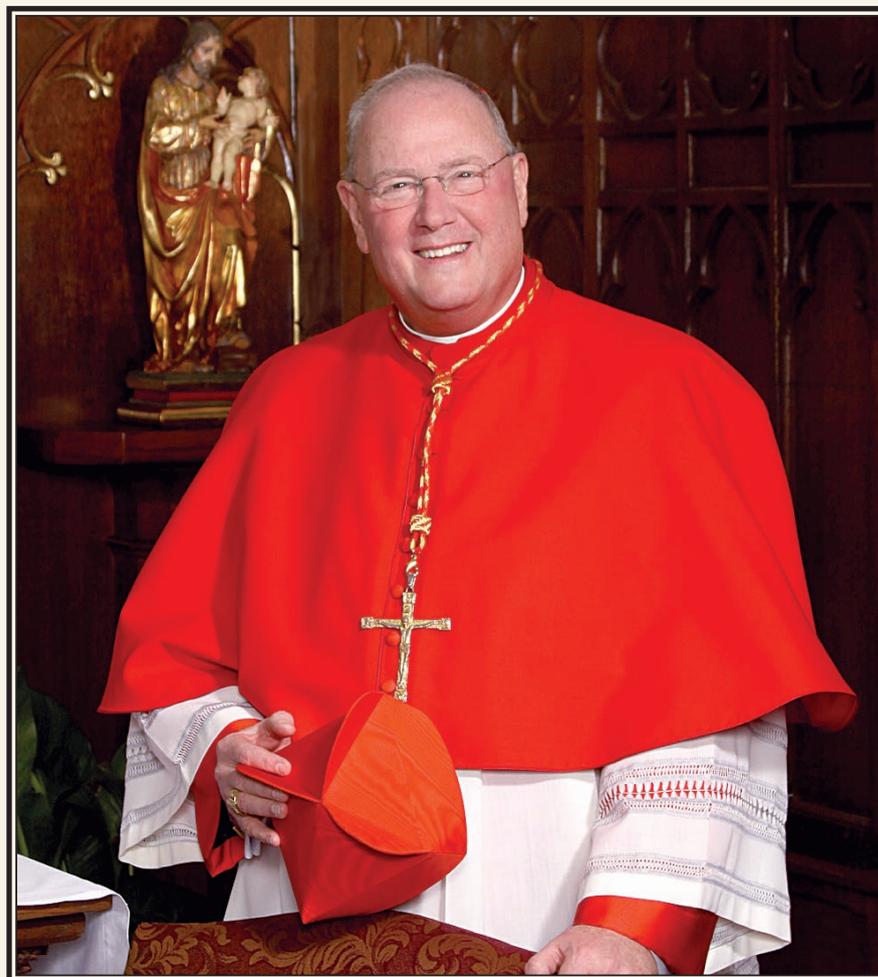
It is my responsibility as your archbishop to make sure that we have vibrant communities of faith where God's people can come together for Mass and the sacraments. Also, I have the happy and sacred duty to help parents teach our faith to their children. And, of course, we are all called to respond to those in need with charity.

During this past year, I have had to make difficult and often painful decisions about merging parishes as part of our *Making All Things New* pastoral-planning process. These moves were necessary for many reasons. Of course, the archdiocese must do all that it can to ensure that it is meeting the pastoral, educational, and spiritual needs of our people in the most effective ways possible, both today and well into the future. We need to move beyond putting our time and energy into maintaining buildings and structures that are no longer useful and return to a real spirit of *evangelization*, of bringing people closer to Jesus!

When we first introduced *Making All Things New*, we asked parishioners to identify what was most important to them. There were many excellent suggestions, like strengthening our outreach to Hispanic Catholics; enhancing our ministries to teens, college students, and young adults; expanding Catholic healthcare throughout the archdiocese, and much more. And, I'm happy to say that we are doing all of this. One thing stood out above the rest: the people overwhelmingly responded that they wanted to celebrate the Eucharist in communities of faith that are energetic and vibrant! Once this period of transition is over, with all of its understandable sense of loss and sadness, I am confident that we will have parishes that are even more joyous and faith-filled than they are now.

Addressing the needs of the nearly 3 million Catholics in this archdiocese is a complex task. Fortunately, the inspiration of the Holy Spirit and the good men and women who work for the archdiocese—its parishes and institutions—along with the countless number of people who give of themselves as volunteers all help to ease this burden. This is reflected in the pages of this report. This is the sixth time that I have described the operating performance of our central offices in a financial services report. Hopefully, you will read it closely. The narrative describes the wide-ranging mission of the archdiocese, while the figures highlight an impressive effort to make sure that our limited resources support the mission.

You'll see that we have worked assiduously to stretch every dollar entrusted to us. We take stewardship seriously, and that means we have examined every financial expense and assignment of the priests, religious, and faithful who work in our



name. We exercise financial prudence, while retaining our dedication to provide for those in the greatest need.

By re-envisioning the governance and finance of our Catholic schools in a new regional model, we strengthened education throughout the archdiocese, increased the amount of scholarship money for families, and prevented additional school closures. We have also been able to enhance catechetical programs for children and young adults.

Please know how grateful I am for your support. Your generosity and prayers are crucial to the vitality of the pastoral, educational, and charitable work of our archdiocese.

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 our parishes.



Parishes have always been central to the life of the Catholic Church. They are the heart of community worship, the anchor for sacramental celebrations, the center for education and services. In many ways, they reflect the strength of our faith and the depth of our commitment.

Beginning in 2009, the Archdiocese of New York has undergone a thorough self-examination as part of the *Making All Things New* strategic pastoral-planning process. The ultimate goal is to ensure that all Catholics in the archdiocese have the opportunity to follow Christ and celebrate the sacraments in an active, robust community of faith.

Parish mergers will be implemented effective August 1. The process of becoming new spiritual families will entail compromise and require patience, but will secure great blessings for all parishioners.

New parish communities will benefit from greater numbers of people, shared enthusiasm, and the opportunity to re-envision the parish mission.

To help merging parishes, the archdiocese turned to Dean John Feerick, of the Feerick Center for Social Justice at Fordham University School of Law. Dean Feerick assembled pastoral transition teams of experienced religious sisters, deacons, and attorneys. These pastoral transition advocates have already effected communication in new parishes on issues as diverse as forming a representative parish council and devising collaborative ministries that reflect the interests and strengths of both parishes.

In Haverstraw, for instance, the transition team helped parishioners from Saint Peter and Saint Mary Parishes understand and appreciate one another's unique qualities by creating a comprehensive photo

*Continued at right*

### PARISH REVENUES

Collections, donations, and contributions	49%
Religious education and RCIA registration and fees	4%
Capital temporary/permanent restricted donations	9%
Extraordinary donations and bequests	4%
Fundraising	5%
Archdiocesan support	3%
Support from other parish entities	4%
Investment income	4%
Other revenues, proceeds sales, and insurance reimbursement	18%
<b>TOTAL REVENUES: \$397,859,087</b>	<b>100%</b>

### PARISH EXPENSES

Clergy personnel costs	11%
Lay personnel costs	21%
Religious personnel costs	1%
Religious education program	5%
Office and clerical support services	9%
Utilities	7%
Repairs, maintenance, and plant cost	13%
Cathedraticum assessments	8%
House living expenses	2%
Fundraising expenditures	1%
Interest	2%
Program and development costs	1%
Support to elementary school	2%
Support to high schools, religious education, and educational programs	1%
Grants and charitable contributions	16%
<b>TOTAL EXPENSES: \$318,809,005</b>	<b>100%</b>

# PARISHES

*Continued from left*

display and commemorative booklet of their individual histories and cherished artifacts.

*Making All Things New* envisioned increasing pastoral services in areas where the Catholic population is growing. On Roosevelt Island, located on Manhattan's East River, Saint Frances Cabrini Parish identified new space whose re-fitting will allow the community to expand worship services, religious education, parish activities, and outreach.

The ministry to deaf Catholics is also being expanded beyond its present home at Saint Elizabeth of Hungary Parish to Saint Thomas More Parish nearby in Manhattan. Cardinal Dolan ensured the future of this ministry by developing specialized classes at Saint Joseph's Seminary in Yonkers. Seminarians will be able to learn Sign Language to serve deaf parishioners wherever they are assigned.

During the initial listening sessions of *Making All Things New*, clergy, religious, and the faithful urged leadership to strengthen the ability of qualified lay people to participate in parish management. In March, the archdiocese formalized an agreement with Villanova University School of Business to offer a two-year online Master of Science degree in Church Management. The initial group of more than 40 students was chosen from a large pool that included current and aspiring parish business managers, employees of other archdiocesan entities, and even a few priests.

The program began and will end with weekend residencies at Saint Joseph's Seminary in Yonkers. Courses include Leadership in Religious Organizations, Organizational Ethics, Catholic Social Thought, Stewardship and Development, and Human Resources Management in a Ministry Setting.

The Villanova partnership is the latest step in an ongoing effort to provide support and stability to parishes. Financial and management innovations developed by the Archdiocese of New York help pastors with different backgrounds address the complex challenges of administration. To assist pastors, the Finance Office created a secure Best Practices website which contains policies, procedures, and documents. As other dioceses have approached the archdiocese about best practices, we have made this website available to them.

Consistent with the concerns of Pope Francis for the environment, the archdiocese established an energy coordination initiative. We cooperated with New York State, several local utility companies, and an environmental engineering firm to conduct energy audits at pilot parish and school sites throughout the archdiocese. The audits identified measures that can lower energy costs by an average of 35%. Parishes are already enjoying savings after replacing inefficient lighting with low-cost alternatives, motion detectors, and timers.

There is a long tradition in the archdiocese of sharing resources among parishes. Through the Inter-Parish Finance (IPF) program, struggling parishes receive financial help to meet their operational expenses. In 2014, 96 parishes received approximately \$11.7 million to supplement parishioner support. Fewer than half of the IPF parishes were impacted by the *Making All Things New* mergers. The archdiocese remains committed to providing assistance to needy parishes.

The archdiocese also helps parishes increase their offertory collections. During the past two years, 100 parishes participated in the no-cost Increased Offertory Program. They achieved an average increase of 20 percent in their collections.

To help parishes communicate more effectively, the archdiocese partnered with eCatholic to create parish websites and is using Flocknotes, an electronic program that allows parishioners to receive updates from their parish and the archdiocese. In addition, nine archdiocesan locations are now linked through Vidyo, a video conferencing program.

The 2.6 million Catholics in the Archdiocese of New York depend on their parishes to provide liturgy, sacraments, faith formation, companionship, and opportunities to live out the Word of God in a communal setting. The archdiocese is fulfilling its sacred commitment to keep its parishes healthy, vital, and responsive to its people.

## *Catechetical Office emphasizes family catechesis*

The archdiocesan Catechetical Office provides religious formation to those who hand on the faith to Catholic children who do not attend Catholic schools. It offers basic and advanced leadership training to directors and coordinators of parish catechetical (religious education) programs and to catechists of children from pre-K through grade 8, including children and youth with disabilities. The Catechetical Office also trains coordinators and catechists in the Rite of Christian Initiation for Adults (RCIA).

As parishes merge through the *Making All Things New* process, there is a commitment to ensuring that each parish catechetical program is led by a qualified director or coordinator, and integrates available technology to engage students at all levels.

There are more than 90,000 children in parish religious education programs. They are served by 9,000 catechists, mostly volunteers, and trained leaders. The archdiocese requires parishes to offer fifty hours of classroom instruction each year, including a minimum of five hours devoted to family catechesis, which may include retreats, dinners, and speaker programs.

The Catechetical Office added two levels of advanced training to its existing catechist formation program to incorporate Scripture study, and organizes two enrichment forums each year for instructors. Additionally, it offers an annual Bible Summit in conjunction with the American Bible Society and oversees the annual Confirmation for Youth with Disabilities, as well as the rites associated with the RCIA. The office also works closely with Saint Joseph's Seminary to encourage parish coordinators of religious education and the RCIA to complete parish-sponsored master's degree programs in theological studies.

Currently, parishes offer religious instruction in a variety of languages, including English, Spanish, Chinese, Polish, Korean, and Portuguese. The parishes of the archdiocese will devote additional resources to catechesis in the coming year.

## 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.

Catholic elementary schools in the Archdiocese of New York are robust centers of academic excellence in a faith-filled environment.

In 2012-2013, regionalization brought together Catholic elementary schools into nine newly-defined geographic regions. The bold strategic initiative originated in *Pathways to Excellence*, and was fully realized as 92 schools across the archdiocese transitioned from the traditional parish-based model of governance and finance.

Regionalization ensures that every parish, regardless of whether or not it has a school, is responsible for, contributes to, and has a voice in Catholic education in the archdiocese. An essential component of regionalization is reinvestment, which includes reallocating current resources back into Catholic education while identifying and securing additional funding.

Regionalization moved certain functions from individual schools to regional business offices, including finance, accounting, human resources, marketing, and instructional services. The immediate result, seen on the first-ever audited financial statement on the facing page, is a sustainable school system poised to educate children today and into the future. For the first time in many years, no schools closed.

All schools benefit from the archdiocesan commitment to academic rigor and faith formation. Regional schools benefit from a broader base of financial support, professional services, and the leadership of a regional board of trustees. Thirty-seven parish-based and private schools retain their local leadership and six schools in the Partnership for Inner City Education network collaborate with the archdiocese under a unique managerial and financial model. All demonstrate a strong and varied school system that is responding to both challenges and opportunities.

In the past year, the archdiocesan schools focused on raising academic standards. Principal candidates received mentoring through the two-year Curran Principal Academy as they completed advanced degrees. Professional development and comprehensive training were provided for teachers. Regional instruction specialists worked with teachers in all of the schools to develop curriculum initiatives and integrate technology more fully into classrooms.

Catholic schools have long introduced children to education through pre-kindergarten programs, and archdiocesan schools have participated in Universal Pre-Kindergarten programs in New York City for more than ten years. As demand for quality early childhood programs continued to rise in all regions of the archdiocese, Catholic schools led the way by welcoming more than 3,200 four-year-olds into Universal Pre-K programs. There are now almost 8,000 children enrolled in Pre-K3, Pre-K4, and free Universal Pre-K programs throughout the archdiocese.

Catholic identity is infused in all of the instruction in our schools. This year, the archdiocese spearheaded "The Catholicism Project," a custom multimedia resource for sixth to eleventh graders based on Father Robert Barron's acclaimed *Catholicism* video series. Teachers participate in a Catechist Formation Program and attend professional development days devoted to religion. Throughout the school system, scores on the annual religion tests continued to rise as a virtue-based curriculum infused faith into all areas of instruction.

The Superintendent of Schools Office expanded its marketing and enrollment strategies with an enhanced website, [www.BuildBoldFutures.org](http://www.BuildBoldFutures.org), new customer relationship software, and a 24/7 bilingual call center, 646-794-2885. Since September 2013, more than 3,000 enrollments and \$12,000,000 in new tuitions have been documented through these core programs that benefit regional and parish-

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### PARISH/PRIVATE/PARTNERSHIP ELEMENTARY SCHOOLS

REVENUES	
Tuition, fees, cafeteria, and other	71%
Archdiocesan support	1%
Parish support	3%
Scholarships, grants, patrons, and development	12%
Fundraising	5%
Governmental and NYS mandated services	5%
Investment income and restricted and extraordinary donations	2%
Rental income and domicile receipts	1%
<b>TOTAL REVENUES: \$114,051,507</b>	<b>100%</b>

EXPENSES	
Lay personnel costs	73%
Religious personnel costs	2%
Repairs, maintenance, and other plant costs	7%
Utilities	5%
Technology, classroom, and instructional materials	5%
Office and accounting services and miscellaneous service contracts	3%
Consumables, student activities, and outreach	4%
Fundraising costs	1%
<b>TOTAL EXPENSES: \$109,422,166</b>	<b>100%</b>

## THE GLOBAL REGIONAL SCHOOL SYSTEM

### CONDENSED BALANCE SHEET

	2014
<b>Assets:</b>	
Cash and investments	\$12,879,017
Loans and accounts receivable, principally from parishes and other affiliates, net	13,729,606
Other assets	185,976
Fixed assets	1,084,335
<b>Total assets</b>	<b>\$27,878,934</b>
<b>Liabilities:</b>	
Accounts payable and other liabilities	6,452,024
Deferred revenue	17,190,796
Loans payable to affiliated entities	538,577
<b>Total liabilities</b>	<b>\$24,181,397</b>
<b>Net assets:</b>	
Expendable (unrestricted and temporarily restricted)	448,651
Non-expendable (investment in fixed assets and permanently restricted)	3,248,886
<b>Total net assets</b>	<b>\$3,697,537</b>
<b>Total liabilities and net assets</b>	<b>\$27,878,934</b>

### CONDENSED STATEMENT OF ACTIVITIES

	2014
<b>Change in unrestricted net assets:</b>	
Operating revenues:	
Tuition and fees	\$114,981,336
Contributions, including contributed services	13,139,990
Government grants and contracts	8,399,380
Investment income	7,549
Other revenues	1,024,372
Net assets released from restrictions for operations	1,333,970
<b>Total operating revenues</b>	<b>\$138,886,597</b>
Operating Expenses:	
Education	150,562,245
Administration	10,135,918
Fundraising	4,587,520
<b>Total operating expenses</b>	<b>\$165,285,683</b>
<b>Decrease in net assets from operating activities</b>	<b>(26,399,086)</b>
Nonoperating Activities:	
Net assets released from restrictions for capital projects	544,667
Support from the archdiocese, principally from cathedraticum grant	7,767,311
Support from parishes	10,763,479
Transfers from former parish schools	1,212,771
Decrease in unrestricted net assets before stabilization fund	(6,110,858)
Support from the archdiocese - stabilization fund	6,110,858
<b>Increase in unrestricted net assets</b>	<b>-</b>
<b>Change in temporarily restricted net assets:</b>	
Contributions and grants	2,466,328
Investment return	355,239
Restricted transfers from former parish schools	2,754,607
Net assets released from restrictions	(1,878,637)
<b>Increase in temporarily restricted net assets</b>	<b>3,697,537</b>
<b>Increase in net assets</b>	<b>3,697,537</b>
<b>Net assets at beginning of year</b>	<b>-</b>
<b>Net assets at end of year</b>	<b>\$3,697,537</b>

The Global Regional School System (GRSS) of the Department of Education for the Archdiocese of New York, which began operations effective September 1, 2013, is comprised of 92 elementary schools in the following nine Catholic school regions: Manhattan, Staten Island, Dutchess, Central Westchester, Northern Westchester/Putnam, Northeast/East Bronx, Northwest/South Bronx, Ulster/Orange/Sullivan, and Rockland. GRSS was created to address the financial viability of certain elementary schools which were previously operated by archdiocesan parishes. Total enrollment of GRSS schools in 2013-2014 was approximately 25,700 students, with 92 principals and 1,020 teachers.

In addition to scholarships and contributions of income received from the rental of previously closed parish school properties, the archdiocese also provided support to cover the GRSS \$26.4 million operating deficit. The deficit was primarily funded through archdiocesan support totaling \$13.9 million. Parishes also paid \$10.8 million of school support assessments to GRSS. Temporarily restricted assets of \$3.7 million at August 31, 2014 consisted primarily of funds reserved for capital improvements and repairs.

## SCHOOLS



*Continued from page 18*

based schools alike, at no cost to individual schools or regions.

Regionalization has helped parents overcome financial hurdles to secure the Catholic education they desire for their children. The archdiocese bolstered its efforts to provide more scholarship opportunities through new and existing scholarship programs. Regional scholarships, the Madrinas Scholarship Program, the Catholic Alumni Partnership, the Cardinal's Scholarship, and the long-established Inner City Scholarship Fund provide scholarships for more than 7,500 students annually.

Schools also rely on parishes, the archdiocese, and grants to make up the shortfall between tuition collections and the actual cost of operating the schools. While regionalization has spread the responsibility throughout all parishes, the archdiocese continues to provide financial assistance to maintain high quality education.

Catholic school systems across the country have looked to the archdiocese as a successful model of 21<sup>st</sup> century Catholic education.

With a tenacious commitment to educating young people in the faith, our Catholic schools have retained their academic preeminence in a period of significant change. Regionalization re-configured the structure and strengthened the archdiocese's ability to fulfill its education mission for a new generation.

## SEMINARY

### Saint Joseph's Seminary educates future priests, as well as deacons, catechists, and parish leaders

The halls of Saint Joseph's Seminary in Yonkers echo with the footsteps, laughter, and quiet conversation of men and women moving between academic classes in theological disciplines. Through an Inter-Diocesan Partnership, students from the Archdiocese of New York and the Dioceses of Brooklyn and Rockville Centre study at three campuses in Yonkers, Douglaston, and Huntington. There are more than 200 students, including 85 seminarians from the three partnership dioceses, the Diocese of Bridgeport, and the Franciscan Friars of the Renewal. Non-seminary students are enrolled in programs for master's degrees in theology and pastoral studies, as well as post-master's certification in dogmatic theology and sacred scripture.

At the close of the 2014-2015 academic year, 23 seminarians and 15 non-seminarians received their degrees. In May, Cardinal Dolan ordained ten priests for the Archdiocese of New York and two priests for the Franciscan Friars of the Renewal. The following month, Bishop Nicholas DiMarzio of Brooklyn ordained ten priests for his diocese and Bishop William Murphy ordained five priests for service in the Diocese of Rockville Centre. The Seminary recently completed a reaccreditation review with two agencies, Middle States Association of Colleges and Schools and the Association of Theological Schools. Both agencies granted 10-year accreditation certificates, the best possible outcome from the reviews.

This year, Saint Joseph's Seminary expands its theological education program for candidates for the permanent diaconate to include campuses in Yonkers, Douglaston, Huntington, and Poughkeepsie.

The growing mission of Saint Joseph's extends to a partnership with *America* magazine to offer lectures that explore the intersection of faith and culture. During this academic year, symposia topics included the works of Flannery O'Connor, the mission of the Catholic media in the New Evangelization, and the papacy of Pope Francis within the internet culture.

### *Retired Priests treated with respect and care*

Retired priests of the archdiocese who choose to live in community with fellow retirees are accommodated in several locations in Manhattan and the Bronx. Each of the residences offers private living quarters. Saint Stephen's rectory in Manhattan is a temporary home to retired priests. The John Cardinal O'Connor Pavilion in Riverdale serves 34 retirees, with two guest rooms for active priests with health concerns. The O'Connor Pavilion is now part of the Saint John Vianney Priest Residence, which is being expanded to include the Edward Cardinal Egan Pavilion. When it opens in 2016, the Egan Pavilion will provide additional accommodation for 43 retired priests, including a 13-bed enhanced care unit.

Our Lady of Consolation in Riverdale now provides special care for 15 retirees, including those who need skilled nursing.

Two registered nurses and long-time dedicated staff coordinate and assist in providing medical care to retired priests at the residences. There is a focus on determining the optimal care for each priest and delivering a continuity of care in a comfortable, respectful setting.



## APPEAL

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

### The Cardinal's Annual Stewardship Appeal invites all to "Share God's Gifts"



Every year, parishioners across the archdiocese contribute generously to The Cardinal's Annual Stewardship Appeal. It is the primary source of funds for many of the ministries carried out in the name of the Catholic Church in New York and described in this report.

Last year, almost \$21 million was donated by 69,000 families. It was used for six specific areas: academic and spiritual formation, support for needy parishes and schools, works of charity, preparing the clergy, pastoral offices and programs, and retired priests and religious.

This year, there is a particular focus on the pastoral work of the archdiocese, including family and respect life, young adult and youth ministries, and adult faith formation.

Donors are consistently impressed with the transparency of financial reporting about the proceeds of the Appeal. Many are now turning to online giving to offer ongoing support and exercise stewardship.

## CHARITIES

*Catholic Charities' Outreach Sees God in All People*

### Catholic Charities provides life-affirming assistance every day of the year

Catholic Charities helps solve the problems of New Yorkers in need—Catholics and non-Catholics alike. The neglected child, the homeless family, and the hungry senior are among those for whom they provide help and create hope. It rebuilds lives and touches almost every human need promptly, locally, day in and day out, always with compassion and dignity. Catholic Charities helps your neighbors as you would like to be helped if your family were in need.

Last year, Catholic Charities and its federation of 90 affiliated, independent Catholic agencies helped over 350,000 individuals through the tireless efforts of dedicated staff, energetic volunteers, and the guidance of independent trustees and directors.

Catholic Charities protected and nurtured over 43,000 children and youth through after-school and sports programs, loving adoption, safe foster care, and day care. It fed the hungry and sheltered the homeless with more than 5,800,000 nutritious meals and helped over 23,000 individuals with emergency, temporary,

transitional, or affordable housing and eviction prevention services.

Catholic Charities strengthened families and resolved crises by providing job training to more than 6,300 individuals, support to more than 1,300 women with unplanned pregnancies, and financial assistance or timely referrals to more than 60,000 people.

More than 23,000 vulnerable, physically and emotionally challenged individuals sought the care and support of Catholic Charities. Preschoolers got early intervention and special education classes, others were helped with substance abuse or safe residences, and visually and hearing-impaired people received adaptive training.

Catholic Charities welcomed and integrated immigrants and refugees with legal counsel, protection from exploitation, help in a multitude of languages, English classes, work authorization assistance, and resettlement.

Catholic Charities receives public and private funding and spends 86 cents of each dollar on program services.



# SERVICES

## Condensed Balance Sheets and Statements of Activities

### Organization

Within the Archdiocese of New York, there are 368 parishes; 37 parish-based elementary schools; 9 global school regions consisting of 92 schools; and 90 Catholic Charities related institutions, agencies, and programs, each of which is a separately incorporated entity with its own distinct operations, board of directors, and financial statements. The financial activity of these entities is not included in the condensed balance sheets or the condensed statements of activities.

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 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 years ended August 31, 2014 and 2013 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 operating revenues, were audited by independent auditors, and each of the independent auditors' reports expressed 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, 2014 reflect an increase of \$47 million, or 9%, over the 2013 level primarily due to a \$36 million increase in cash and investments as a result of extraordinary contributions from parishes and strong investment performance. In addition, receivables from parishes and other affiliates increased \$10 million primarily representing funds loaned by the Parish Assistance Corporation. Fixed assets of \$66 million are reported net of accumulated depreciation. Gross fixed assets of \$144 million consist of land and buildings with a cost of \$131 million and furniture and

equipment of \$13 million.

With respect to liabilities of Archdiocesan Services, the increase of approximately \$16 million, or 5%, is principally attributable to new loans advanced by affiliated entities to provide additional capital in support of the Parish Assistance Corporation, as well as an increase in accrued post-retirement health benefits for priests.

Total net assets increased by approximately \$31 million, or 16%. The increase in expendable net assets was 41%, to a balance of approximately \$106 million.

### Condensed Statements of Activities

Total revenues in fiscal 2014 of \$231 million increased by approximately \$18 million, or 9%, over 2013, with increases in government grants and contracts and investment income (including rent and royalties) 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 2014 were \$250 million, which was nearly \$24 million higher than 2013. Grants and subsidies to parishes and schools

increased approximately \$8 million and health and social services increased by \$7 million. Administration and fundraising expenses totaled \$33 million, an increase of \$6 million over the prior year, and represent approximately 13% of total expenses.

In 2014, net investment gains in excess of \$9 million were reflective of continuing positive equity market performance. The Central Offices also benefited from a \$46 million gain representing extraordinary contributions from parishes.

## ARCHDIOCESAN SERVICES AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

### CONDENSED BALANCE SHEETS

	2014	2013
<b>Assets:</b>		
Cash and investments	\$271,282,570	\$234,824,417
Loans and accounts receivable, principally from parishes and other affiliates, net	189,691,529	179,556,768
Other assets	12,436,223	13,024,705
Beneficial interest in charitable trusts	22,085,296	20,843,562
Fixed assets	66,407,265	66,375,683
<b>Total assets</b>	<b>\$561,902,883</b>	<b>\$514,625,135</b>
<b>Liabilities:</b>		
Accounts payable and other liabilities	96,381,723	103,348,307
Allowances for property, casualty, and health insurance losses	48,846,453	49,167,130
Accrued post-retirement health benefits for priests	53,189,841	43,468,866
Loans payable to affiliated entities	136,441,801	122,776,080
<b>Total liabilities</b>	<b>\$334,859,818</b>	<b>\$318,760,383</b>
<b>Net assets:</b>		
Expendable (unrestricted and temporarily restricted)	105,737,761	74,794,114
Non-expendable (investment in fixed assets and permanently restricted)	121,305,304	121,070,638
<b>Total net assets</b>	<b>\$227,043,065</b>	<b>\$195,864,752</b>
<b>Total liabilities and net assets</b>	<b>\$561,902,883</b>	<b>\$514,625,135</b>

### CONDENSED STATEMENTS OF ACTIVITIES

	2014	2013
Revenues:		
Contributions, including contributed services	\$54,878,475	\$54,838,998
Government grants and contracts	57,492,038	49,547,089
Support service fees and assessments from parishes and affiliates	53,239,451	52,785,812
Investment income, including rent and royalties	48,132,970	37,670,139
Other revenues	17,747,050	18,250,025
<b>Total revenues</b>	<b>\$231,489,984</b>	<b>\$213,092,063</b>
Expenses:		
Grants and subsidies to parishes and schools	44,989,270	37,298,087
Health and social services	76,398,405	69,377,519
Pastoral	38,262,564	35,958,133
Education	13,083,620	11,901,696
Religious personnel development	5,670,983	5,864,922
Affiliate support services	38,788,897	39,051,277
Administration	24,649,058	17,966,384
Fundraising	8,602,878	9,080,152
<b>Total expenses</b>	<b>\$250,445,675</b>	<b>\$226,498,170</b>
<b>Excess of expenses over revenues</b>	<b>(\$18,955,691)</b>	<b>(\$13,406,107)</b>
Gains and Losses:		
Net realized and unrealized investment gains	9,265,860	3,428,619
Interest in proceeds from sale of parish properties	45,907,455	(555,241)
Other, net	(5,039,311)	13,226,121
<b>Increase in net assets</b>	<b>\$31,178,313</b>	<b>\$2,693,392</b>
<b>Net assets at beginning of year</b>	<b>\$195,864,752</b>	<b>\$193,171,360</b>
<b>Net assets at end of year</b>	<b>\$227,043,065</b>	<b>\$195,864,752</b>

#### 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 year ended August 31, 2014, have been delineated into the following components: Archdiocese 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 \$53 million with respect to assets and liabilities and \$36 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 encompasses the shared support services, fundraising, and administration offices which manage 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 operating grants and subsidies to parishes and schools. These include *Pathways to Excellence* and *Making All Things New*. These initiatives have resulted in grant reductions, however in 2014, with the addition of \$13 million in capital grants to parishes, grants and subsidies were again the largest category of expense and contributed significantly to the \$27.8 million of excess expenses over revenues.

## Parish Assistance Corporation (PAC)

PAC provides cash management and other financial support to parishes, charities, religious orders, and other Catholic entities throughout the archdiocese. PAC provides support by, among other things, mak-

ing loans to entities with projects in need of financing. PAC also receives loans from entities to provide a source of lending capital. In 2014, PAC made loans to support affiliate projects totaling \$39.6 million and, at August 31, 2014, had \$159 million of loans outstanding before allowances.

## Department of Education (DOE)

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 DOE is its oversight of federally funded programs, including Child Nutrition and Drug Abuse Prevention. Additionally, DOE administers special education programs, including the John Cardinal O'Connor Learning Center.

DOE has relied on an annual grant from the Archdiocese of New York to support its operations. Excluding such support, which totaled \$8.2 million in 2014, government grants and contracts represent 60% of DOE's total revenues. Almost all of DOE's expendable net assets at August 31, 2014, are restricted by donors for scholarships.

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

Founded in 1896, the Seminary is comprised of two operating divisions: The Saint Charles Borromeo Inter Diocesan Partnership (Partnership); and Saint Joseph's Seminary Campus (Campus). These

## ARCHDIOCESAN SERVICES COMBINING BALANCE SHEETS AS OF AUGUST 31, 2014

	TOTAL	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
<b>Assets:</b>							
Cash and investments	\$271,282,570	88,276,682	41,991,758	23,598,595	23,699,438	53,449,986	40,316,111
Loans and accounts receivable, principally from parishes and other affiliates, net	189,691,529	64,145,085	128,930,442	8,401,112	3,662,835	297,682	25,934,328
Other assets	12,436,223	6,608,750	2,239,775	30,895	147,768	1,508,162	1,900,873
Beneficial interest in charitable trusts	22,085,296	17,726,453	—	—	108,255	—	4,250,588
Fixed assets	66,407,265	50,356,822	2,973	578,688	4,087,325	—	11,381,457
<b>Total assets</b>	<b>561,902,883</b>	<b>227,113,792</b>	<b>173,164,948</b>	<b>32,609,290</b>	<b>31,705,621</b>	<b>55,255,830</b>	<b>83,783,357</b>
<b>Liabilities:</b>							
Accounts payable and other liabilities	96,381,723	60,745,082	1,935,813	14,680,600	2,400,366	9,291,890	19,222,287
Allowances for property, casualty, and health insurance losses	48,846,453	18,227,821	—	—	—	30,618,632	—
Accrued post-retirement health benefits for priests	53,189,841	53,189,841	—	—	—	—	—
Loans payable to affiliated entities	136,441,801	7,046,052	159,181,388	—	—	—	—
<b>Total liabilities</b>	<b>334,859,818</b>	<b>139,208,796</b>	<b>161,117,201</b>	<b>14,680,600</b>	<b>2,400,366</b>	<b>39,910,522</b>	<b>19,222,287</b>
<b>Net assets:</b>							
Expendable (unrestricted and temporarily restricted)	105,737,761	19,530,157	12,044,774	12,083,239	5,194,313	15,345,308	41,589,972
Non-expendable (investment in fixed assets and permanently restricted)	121,305,304	68,374,840	2,973	5,845,451	24,110,942	—	22,971,098
<b>Total net assets</b>	<b>227,043,065</b>	<b>87,904,997</b>	<b>12,047,747</b>	<b>17,928,690</b>	<b>29,305,255</b>	<b>15,345,308</b>	<b>64,561,070</b>
<b>Total liabilities and net assets</b>	<b>\$561,902,883</b>	<b>227,113,793</b>	<b>173,164,948</b>	<b>32,609,290</b>	<b>31,705,621</b>	<b>55,255,830</b>	<b>83,783,357</b>

entities are combined into a single consolidated operating statement for audited financial review and accreditation purposes. The Partnership was formed when the Archdiocese of New York, the Diocese of Brooklyn, and the Diocese of Rockville Centre entered into a joint operating agreement for seminary formation in 2011. Partnership activity within this report is the financial activities for the educational and spiritual formation of major seminarians and graduate-level theological formation, which occur at the Seminary and satellite campuses in Huntington and Douglaston. The Campus of Saint Joseph's Seminary, located on 42 acres in the Dunwoodie section of Yonkers, is the historic patrimony of the Archdiocese of New York. As such, the archdiocese pays all the costs for the maintenance and upkeep of the buildings and grounds. Additionally, the archdiocese records the costs of its seminarians, both major and minor, within the campus.

With annual expenses approaching \$8 million, Saint Joseph's Seminary relies on support from the Archdiocese of New York. As a result of the Inter-Diocesan Partnership, such assistance has been reduced from previous levels. Expendable net assets represent approximately six months of Seminary expenses and annual spending from the Seminary's \$23 million endowment supports less than 12% of operating costs.

#### Catholic Indemnity Insurance Company (CIIC)

CIIC provides insurance coverage, including workman's compensation, casualty and property, gen-

eral liability, directors and officers, and student accident to independent components of the archdiocese, including parishes, schools, cemeteries, and other institutions.

At August 31, 2014, CIIC held approximately \$53 million of cash and investments, which exceeded its loss reserves and other liabilities by approximately \$13.5 million. 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 of New York. It assists those in need through its access to a network of directly administered, sponsored, and affiliated agencies. Catholic Charities' revenue is predominantly generated from contributions and other public support. In 2014, its mission-related program expenses were approximately \$64 million, more than 85% 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 lay leaders. Together, they form The 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, 2014

	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	\$54,878,475	31,269,490	—	3,503,379	1,852,363	—	17,613,335
Government grants and contracts	57,492,038	—	—	13,243,547	—	—	44,248,491
Grants from combining entities	—	1,313,276	—	8,221,911	2,766,793	—	2,124,993
Support service fees and assessments from parishes and affiliates	53,239,451	42,480,411	—	—	—	14,699,002	—
Investment income, including rent and royalties	48,132,970	29,119,707	7,375,440	225,251	2,714,613	4,622,337	4,619,605
Other revenues	17,747,050	4,289,627	—	4,950,099	1,943,632	—	6,563,692
<b>Total revenues</b>	<b>231,489,984</b>	<b>108,472,511</b>	<b>7,375,440</b>	<b>30,144,187</b>	<b>9,277,401</b>	<b>19,321,339</b>	<b>75,170,116</b>
Expenses:							
Grants and subsidies to parishes and schools	44,989,270	44,989,270	—	—	—	—	—
Grants to combining entities	—	13,113,697	—	1,313,276	—	—	—
Health and social services	76,398,405	—	—	12,424,202	—	—	63,974,204
Pastoral	38,262,564	37,417,175	—	845,390	—	—	—
Education	13,083,620	—	—	13,083,619	—	—	—
Religious personnel development	5,670,983	—	—	—	5,670,983	—	—
Affiliate support services	38,788,897	20,024,220	5,869,592	—	—	12,895,085	—
Administration	24,649,058	15,000,623	—	1,269,140	2,046,907	—	8,232,932
Fundraising	8,602,878	5,724,987	—	—	56,463	—	2,821,428
<b>Total expenses</b>	<b>250,445,675</b>	<b>136,269,972</b>	<b>5,869,592</b>	<b>28,935,627</b>	<b>7,774,353</b>	<b>12,895,085</b>	<b>75,028,564</b>
<b>Excess of expenses over revenues</b>	<b>(18,955,691)</b>	<b>(27,797,461)</b>	<b>1,505,848</b>	<b>1,208,560</b>	<b>1,503,048</b>	<b>6,426,254</b>	<b>141,552</b>
Gains and losses:							
Net realized and unrealized investment gains	9,265,860	4,768,830	2,455,291	899,842	39,128	—	1,102,769
Interest in proceeds from sale of parish properties	45,907,455	45,907,455	—	—	—	—	—
Other, net	(5,039,311)	(7,279,116)	—	(34,051)	—	—	330,366
<b>Increase in net assets</b>	<b>31,178,313</b>	<b>15,599,708</b>	<b>3,961,139</b>	<b>2,074,351</b>	<b>1,542,176</b>	<b>6,426,254</b>	<b>1,574,687</b>
<b>Net assets at beginning of year</b>	<b>195,864,752</b>	<b>72,305,289</b>	<b>8,086,608</b>	<b>15,854,339</b>	<b>27,763,079</b>	<b>8,919,054</b>	<b>62,986,383</b>
<b>Net assets at end of year</b>	<b>\$227,043,065</b>	<b>87,904,997</b>	<b>12,047,747</b>	<b>17,928,690</b>	<b>29,305,255</b>	<b>15,345,308</b>	<b>64,561,070</b>

# DEMOGRAPHICS

## *The Archdiocese by the Numbers*

There are 2.6 million Catholics in the Archdiocese of New York

### SACRAMENTS PERFORMED IN 2014:

#### BAPTISMS



#### CONFIRMATIONS



#### ANOINTINGS OF THE SICK



**MARRIAGES 3,509**

**FUNERALS 10,705**

#### STUDENTS IN CATHOLIC EDUCATIONAL INSTITUTIONS IN 2014

<b>Colleges and Universities</b>	<b>9</b>
Number of students	33,840
<b>Elementary Schools</b>	<b>170</b>
Number of students	46,777
<b>High Schools</b>	<b>48</b>
Number of students	24,390
<b>Religious Education Programs</b>	
Number of students	91,637

CLERGY AND RELIGIOUS SERVING IN 2014	
Diocesan priests, active	403
Diocesan priests (retired and inactive)	194
Seminarians (major/college)	97
Religious order priests	225
International priests	319
Deacons	297
Brothers	163
Sisters	759

