

# FINANCIAL SERVICES REPORT

Fiscal Year Ended August 31, 2015

ARCHDIOCESE OF NEW YORK



## *Dear friends in the Lord,*

We have much to celebrate here in the Archdiocese of New York: Parishes, schools, and religious education programs are vibrant; People are eager to study and practice our Catholic faith; We are blessed with dedicated men and women who tirelessly and generously support those in need; And, there is a renewed spirit of joy throughout our ten counties.

To be sure, some of the happiness and optimism is related to the Holy Father's visit last September. During his brief stay with us, he witnessed the faith, enthusiasm, and commitment of Catholic New Yorkers everywhere he went. The warm and generous welcome extended to Pope Francis accurately reflects the spirit of the Church in New York. We are strong, open, and committed to serving the Lord and our neighbors.

During the past year, we implemented a number of decisions regarding the *Making All Things New* parish planning process. The mergers, although challenging and sad in some areas, resulted in stronger and more active parish communities of faith. They are also more solvent and better served by available human and financial resources. We made a successful transition from a costly focus on the *maintenance* of aging brick and mortar buildings to an exciting embrace of *missionary* evangelization.

Realistically, we have been through some tough times together over recent years. Now is the time to come together and engage in the spiritual practices that we so cherish. How inspired was I by the hundreds of lay parish leaders who participated in a convocation we hosted at the seminary last September to explore evangelization. We are developing thoughtful programs to strengthen the faith of our parishioners, as well as to invite others to consider or reconsider the richness of our faith. For example, working through the parish clusters that helped guide *Making All Things New*, we are planning two years of *parish missions* in every area of this vast archdiocese.

Pope Francis gave us an unexpected gift when he announced the *Jubilee Year of Mercy*. And so, I designated Holy Doors at five of our churches and shrines where the faithful can obtain a jubilee indulgence. In addition, many parishes have organized their own events and opportunities to receive the Sacrament of Reconciliation. People were eager to attend six *Mercy Saturday* programs conducted throughout the archdiocese during the spring and continuing this fall. Each event featured spiritual talks on mercy by archdiocesan staff, volunteers, myself, and missionaries of mercy appointed by the Holy Father to bring forth the Lord's mercy in a special way this year. Each day ended, as it should, with the celebration of Holy Mass.

On the following pages, you will find a clear, detailed description of the operating performance of our central offices in a financial services report. This is the seventh time I have brought you this information. Please read it carefully. The narrative describes the far ranging efforts of the priests, deacons, religious, and the faithful who serve the almost three million Catholics in the Archdiocese of New York. In par-



ishes, schools, catechetical programs, Saint Joseph's Seminary, and through a myriad of charitable activities, employees and volunteers work together to demonstrate our Catholic faith in action. While we strive for eternal salvation, the financial figures confirm that our resources are truly finite. Yet, we are prudent stewards of the funds entrusted to us. We budget carefully and are vigilant about expenditures. And, as always, we extend generous compassion to those in the greatest need.

Be assured of my heartfelt gratitude for your continued prayers and support over the past seven years that I have been privileged to serve as your shepherd. They give me strength and joy, and they are absolutely vital to the pastoral, educational, and charitable works of our archdiocese.

With renewed gratitude and prayerful best wishes, I am,

*Faithfully in Christ,*  
 Timothy Michael Cardinal Dolan  
 Archbishop of New York

# PARISHES

## *Parishes Are Blessed With Renewed Energy and Mission*

The heart of the Archdiocese of New York is its parishes, the communities of faith where people meet to worship, celebrate the sacraments, study, develop spiritually, and reach out to neighbors in need.



Today, our parishes are mostly healthy and strong. Parishes merged in 2015 are larger and more robust. The process of joining together entailed patience and compromise, and there were some growing pains, but the new parishes are blessed with renewed energy and mission. They are now able to focus on the spiritual needs of their parishioners and invite others to experience the joy of the Catholic faith.

In Manhattan, the pastor of the new Parish of Saint Monica, Saint Stephen of Hungary, and Saint Elizabeth of Hungary spent time listening to the concerns of his parishioners and sharing his vision for the parish before the merger was implemented. The new parish respects and celebrates the cultural traditions and faith that preceded it. Parishioners attend special religious devotions formerly observed in the original parishes and share the rich history of immigrants who have worshipped there.

Another of the inspiring new parishes is Saint Paul, Congers-Saint Ann, Nyack. When the Oratorian fathers accepted responsibility for the pastoral care of the merged parish, they worked tirelessly to make sure that all of the parishioners felt welcome. The increased participation of worshippers at daily and Sunday Masses reflects the Oratorian's genuine enthusiasm for their ministry and their parishioners' commitment to create a new community of faith.

Cardinal Dolan established the Office of Parish Planning to implement the recommendations of the *Making All Things New* strategic planning process. Pastors and parish implementation team members continue to meet in geographic cluster groups to share best practices and to collaborate on new initiatives and evangelization.

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### PARISH REVENUES

Collections, donations, and contributions	65%
Religious education and RCIA registration and fees	5%
Capital temporary/permanent restricted donations	5%
Extraordinary donations and bequests	11%
Fundraising	7%
Archdiocesan support	5%
Support from other parish entities	1%
Other revenues, proceeds sales, and insurance reimbursement	1%
<b>TOTAL REVENUES: \$303,455,090</b>	<b>100%</b>

### PARISH EXPENSES

Clergy personnel costs	13%
Lay personnel costs	28%
Religious personnel costs	1%
Religious education program	2%
Office and clerical support services	11%
Utilities	7%
Repairs, maintenance, and plant cost	16%
Cathedraticum assessments	10%
House living expenses	2%
Fundraising expenditures	1%
Interest	2%
Program and development costs	2%
Support to elementary school	2%
Support to high schools, religious education, and educational programs	1%
Grants and charitable contributions	2%
<b>TOTAL EXPENSES: \$282,961,963</b>	<b>100%</b>

# PARISHES

*Continued from left*

In 2015, the archdiocese offered an early voluntary retirement program to parish and archdiocesan staff. More than 45 percent of eligible senior employees accepted the offer, and appreciated the fair and compassionate recognition of their service. Faced with the need to re-staff, parishes used this opportunity to reassess operations and strengthen ministries.

The entire archdiocese was excited to welcome Pope Francis in September. Each of the 295 parishes received tickets to the Mass celebrated at Madison Square Garden on September 25. They used a variety of creative methods to distribute limited tickets among the many people who desired to worship with the Holy Father. At Saint John-Visitation Parish in the Bronx, collection envelopes were transferred to a large gold raffle drum at the end of each weekend Mass. Visiting seminarians from Saint Joseph's Seminary helped the pastor draw the 10 winners.

To help parishes increase their offertory collections, the archdiocese offers a no-cost Increased Offertory Program. More than 100 participating parishes have used this gentle, effective campaign to achieve sustained 21 percent average increases. Parishes use the funds for recurring expenses and to pay their assessed portion of shared archdiocesan responsibilities, including education and centralized services.

An archdiocesan-wide energy management initiative began with energy “audits” at pilot parish and school sites. With the cooperation of New York State, several local utility companies, and an environmental engineering firm, the audits identified measures that can cut energy costs by as much as 35 percent. The audits are being expanded to other locations, and many of the initial sites are already enjoying savings by implementing relatively simple measures. They have replaced existing lighting with more efficient LED alternatives and installed motion detectors and timers to regulate lights and building temperatures. Parishes and schools are determining which larger scale projects, such as insulation and boiler replacement, will be considered in their capital budgets. The new Energy Management Program also helps parishes save money on electricity, natural gas, and fuel oil through consolidated purchasing.

Parishes in the archdiocese share resources through the Inter-Parish Finance (IPF) Program, which helps struggling parishes meet their operational expenses. In 2015, 67 parishes received approximately \$8 million to supplement parishioner support. The archdiocese remains committed to providing aid to needy parishes.

The Jubilee Year of Mercy, announced by Pope Francis, is being celebrated by the 2.6 million Catholics of the archdiocese. Among other practices, parishioners are invited to make pilgrimages to 5 churches designated with Holy Doors, and to participate in regional Days of Mercy.

As always, parishes are the center of the communal worship life of the people of God in the Archdiocese of New York.

## *Sheen Center was a ‘home run’ from the start*

Cardinal Dolan, in his remarks at the dedication ceremony for the Archbishop Fulton J. Sheen Center for Thought and Culture in Lower Manhattan, likened it to an “opening pitch” of a grand new venture for the archdiocese.

The cardinal was standing at the podium in The Loreto, a 274-seat neoclassical proscenium theater, which is just one major facet of the Sheen Center, as the Bleeker Street facility is informally known.

Within a short time, that starting point turned into a “home run.” The Sheen Center has grown into an important part of the New York arts and academic scene—a place where dialogue on culture, artistic expression, and religious faith is carried out daily.

## *Catechetical Office serves students, families and adults*

The archdiocesan Catechetical Office trains people to share the faith with children, youths, and families. Its largest program is comprehensive leadership training for directors and coordinators of parish catechetical (religious education) programs and catechists of children from pre-K through 8 who do not attend Catholic schools.

Last year, more than 86,000 children in parish religious education programs were served by 8,500 volunteer catechists and trained leaders. It is not uncommon to hear catechists, directors, and coordinators describe their role as a ministry, not a job. They see it as a call from the Lord to perform the sacred work of handing on the faith.

Parishes are mandated by the archdiocese to offer elementary school children 45 hours of classroom instruction each year and a minimum of 5 hours “family catechesis” which may include a local pilgrimage, shared meals and discussion, or a communal film event. Family catechesis is designed to help adults engage with children in a discussion of the faith and how a family lives it every day.

The Catechetical Office organizes an annual Bible Summit in conjunction with the American Bible Society which draws 600-700 participants. It operates the New York Catholic Bible School Program, a two- or four-year course of scripture study that is part of the Catechist Formation Program. It supports vacation Bible schools in more than 100 parishes and offers summer institutes, fall forums, and digital boot camps focused on catechetical training initiatives. In addition, the Office oversees the bi-annual Confirmation for youths with disabilities. The Catechetical Office also offers extensive formation to RCIA leaders and team members, and organizes the annual rite of election at Saint Patrick's Cathedral.

At the initiative of Cardinal Dolan, the Catechetical Office and its advisors undertook a comprehensive study to determine the best way to help parishes develop stronger evangelization programs. Recommendations from the three year effort will be adopted in the coming year.

## SCHOOLS

*Academic Excellence Paired With Catholic Faith and Tradition*

**The pilot blended learning program, which has transformed teaching and learning, will be expanded to 16 schools this fall.**

Throughout the Archdiocese of New York, Catholic elementary schools are bright beacons of faith in action. For example, in preparation for Pope Francis' visit to Our Lady of the Angels School in Harlem last September, students from Catholic schools across our 9 academic regions assembled a spiritual bouquet gift for the Holy Father. Pope Francis beamed when he accepted it and read the heartfelt inscription, "Know we love you and are praying for you!"

The spiritual bouquet is a reflection of the ongoing focus and dedication of our school leaders, students, and families who keep our academically excellent schools as centers of faith and learning where Catholic culture and tradition remain strong. The Superintendent of Schools has worked closely with the archdiocesan Catholic Identity Pastor Advisory Council, regional superintendents, school boards, parents, and local pastors to strengthen and support the Catholic identity that defines what is best in our schools.

Our 9 regional boards were strengthened by the appointment of 50 new trustees. The dedicated new and veteran members will support regional school academic programs and fund raising efforts and help spread the positive story about Catholic education to a wide network. Regional boards have been successful in enlisting generous financial support for innovative new programs and educational resources.

One of the exciting new academic programs introduced in selected pilot schools is blended learning, which has transformed teaching and learning, creating a culture of personalized instruction for students and an environment in which all students are deeply engaged. Blended learning combines online lessons with digital and person-to-person learning experiences in 3 instructional centers coordinated by the teacher. Students work in small groups and rotate through the sequence together. The teacher plays a key role, and the students have some control over time, place, path, and pace of their individual learning. The pilot program will be expanded to include a total of 16 schools this fall.

Many of our veteran teachers and principals accepted the archdiocesan retirement incentive package in 2015. This provided an unprecedented and challenging opportunity to recruit a significant number of exemplary educators from across the country. The successful candidates appointed to school leadership positions across the archdiocese are transformational leaders steeped in their faith and able to fit easily into our large, diverse academic family.

Student scores on state tests improved. In the Spring 2015 New York State test, Catholic schools outperformed New York City public schools in English Language Arts (ELA) in grades 3, 4, 6, 7, and 8 and Math in grades 3 and 4. From 2014-2015, the percentage of students in grades 3 through 8 meeting or exceeding proficiency in ELA rose 4.5% and in Math rose 5.6%. These are just a few indicators of academic rigor we measure as we teach the whole child—mind, body, and soul.

State and private grant funds were used to implement or upgrade wireless internet capacity in more than 80 percent of the schools. These schools are now able to access state of the art educational programs and support materials from a variety of outstanding educational and Catholic sources.

This year, it was made easier for parents to choose, apply, and register their child(ren) in a Catholic school. Families can now apply for admission by accessing a free application at [www.CatholicSchoolsNY.org](http://www.CatholicSchoolsNY.org), or by calling 646-794-2885 for assistance in English or Spanish.

More than 8,100 scholarship/tuition assistance awards averaging \$2,100 were distributed across the archdiocese in the 2014-2015 school year and additional awards and funding will be available go-

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### PARISH/PRIVATE/PARTNERSHIP ELEMENTARY SCHOOLS

REVENUES	
Tuition, fees, cafeteria, and other	71%
Parish support	3%
Scholarships, grants, patrons, and development	11%
Fundraising	6%
Governmental and NYS mandated services	5%
Investment income and restricted and extraordinary donations	3%
Rental income and domicile receipts	1%
<b>TOTAL REVENUES: \$118,050,390</b>	<b>100%</b>

EXPENSES	
Lay personnel costs	73%
Religious personnel costs	2%
Repairs, maintenance, and other plant costs	8%
Utilities	3%
Technology, classroom, and instructional materials	5%
Office and accounting services and miscellaneous service contracts	4%
Consumables, student activities, and outreach	4%
Fundraising costs	1%
<b>TOTAL EXPENSES: \$112,335,842</b>	<b>100%</b>

## THE GLOBAL REGIONAL SCHOOL SYSTEM

### CONDENSED BALANCE SHEET

	2015	2014
<b>Assets:</b>		
Cash and investments	\$9,751,040	12,879,017
Loans and accounts receivable, principally from parishes and other affiliates, net	24,869,382	13,729,606
Other assets	575,095	185,976
Fixed assets	1,644,914	1,084,335
<b>Total assets</b>	<b>\$36,840,431</b>	<b>27,878,934</b>
<b>Liabilities:</b>		
Accounts payable and other liabilities	\$14,223,366	6,452,024
Deferred revenue	16,199,340	17,190,796
Loans payable to affiliated entities	557,152	538,577
<b>Total liabilities</b>	<b>30,979,858</b>	<b>24,181,397</b>
<b>Net assets:</b>		
Expendable (unrestricted and temporarily restricted)	2,019,574	448,651
Non-expendable (investment in fixed assets and permanently restricted)	3,840,999	3,248,886
<b>Total net assets</b>	<b>5,860,573</b>	<b>3,697,537</b>
<b>Total liabilities and net assets</b>	<b>\$36,840,431</b>	<b>27,878,934</b>

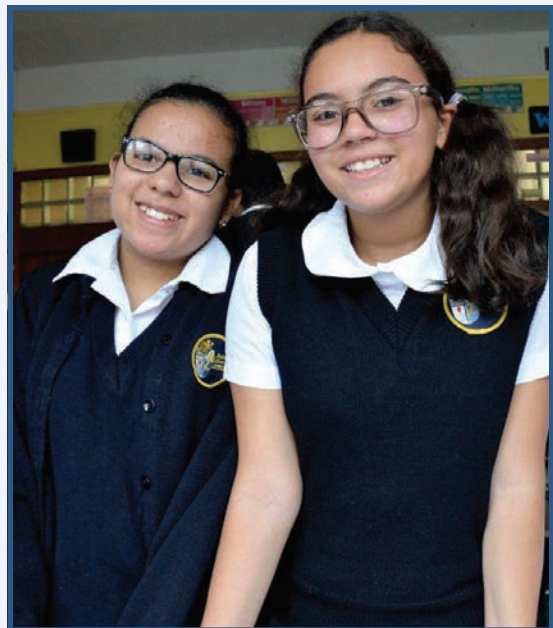
The Global Regional School System (GRSS) of the Department of Education Archdiocese of New York, which began operations effective September 1, 2013, is comprised of 92 elementary schools in the following 9 Catholic school regions: Manhattan, Staten Island, Dutchess, Central Westchester, Northern Westchester/Putnam, Northeast/East Bronx, Northwest/South Bronx, Ulster/Orange/Sullivan, and Rockland. GRSS was created within the archdiocese to address the financial viability of certain elementary schools which were previously operated by parishes. Total enrollment of GRSS schools in 2014-2015 was approximately 24,600 students, with 92 principals and 1,050 teachers.

In addition to scholarships and contributions of income received from the rental of closed parish school properties, the archdiocese also provided support to cover the GRSS \$22.4 million operating deficit. The deficit was primarily funded through cathedraticum funding and stabilization support totaling \$9.8 million. Parishes also paid \$9.6 million of school support assessments to GRSS. Temporarily restricted assets of \$5.9 million at August 31, 2015 consist of funds reserved for scholarships, capital improvements, and school enrichment programs.

### CONDENSED STATEMENT OF ACTIVITIES

	2015	2014
<b>Change in unrestricted net assets:</b>		
Operating revenues:		
Tuition and fees	\$128,085,755	114,981,336
Contributions, including contributed services	13,100,325	13,139,990
Government grants and contracts	10,303,089	8,399,380
Investment income, including rent and royalties	7,404	7,549
Other revenues	783,499	1,024,372
Net assets released from restrictions for operations	1,712,043	1,333,970
<b>Total operating revenues</b>	<b>153,992,115</b>	<b>138,886,597</b>
Operating Expenses:		
Education	162,327,361	150,562,245
Administration	8,940,080	10,135,918
Fundraising	5,116,770	4,587,520
<b>Total operating expenses</b>	<b>176,384,211</b>	<b>165,285,683</b>
<b>Decrease in net assets from operating activities</b>	<b>(22,392,096)</b>	<b>(26,399,086)</b>
Nonoperating Activities:		
Net assets released from restrictions for capital projects	1,066,587	544,667
Support from the archdiocese, principally from Cathedraticum grant	3,868,917	7,767,311
Support from parishes (assessments and leases)	11,464,670	10,763,479
Transfers from former parish schools	48,252	1,212,771
Decrease in unrestricted net assets before Stabilization Fund	(5,943,670)	(6,110,858)
Support from the archdiocese - Stabilization Fund	5,943,670	6,110,858
<b>Increase in unrestricted net assets</b>	<b>-</b>	<b>-</b>
<b>Change in temporarily restricted net assets:</b>		
Contributions and grants	3,491,395	2,466,328
Investment return	(25,957)	355,239
Restricted transfers from former parish schools	590,514	2,754,607
Net assets released from restrictions	(2,778,630)	(1,878,637)
<b>Increase in temporarily restricted net assets</b>	<b>1,277,322</b>	<b>3,697,537</b>
<b>Change in permanently restricted net assets:</b>		
Contributions and grants	885,714	-
<b>Increase in permanently restricted net assets</b>	<b>885,714</b>	<b>-</b>
<b>Increase in net assets</b>	<b>2,163,036</b>	<b>3,697,537</b>
<b>Net assets at beginning of year</b>	<b>3,697,537</b>	<b>-</b>
<b>Net assets at end of year</b>	<b>\$5,860,573</b>	<b>3,697,537</b>

## SCHOOLS



*Continued from page 18*  
ing forward.

Some students are introduced to our schools through high quality early childhood education programs associated with government funded free Universal Pre-K (UPK). In addition to the 3,200 UPK seats filled in 2014-2015, another 2,000 full day seats were available in Catholic elementary schools the following year, including 500 seats that opened in the upper counties. Our highly qualified early childhood teachers extend a warm welcome to new families. Last year, 27 percent of UPK parents decided to continue their child's education in Catholic elementary schools.

The audited financial statement on the facing page describes a robust, sustainable school system committed to transparency. The Global Regional School System and the Office of the Superintendent work efficiently, employ economies of scale, and exercise careful stewardship of school finances to ensure their healthy future. Nonetheless, the archdiocese provides a subsidy to maintain high quality education.

The Catholic schools of the archdiocese are blessed with outstanding leaders and teachers, and are guided by priests, religious, and members of the faithful who are committed to academic excellence delivered in a faith-enriched environment.

## SEMINARY

### Saint Joseph's Seminary program adds more future priests and deacons

There has been a steady increase in enrollment at Saint Joseph's Seminary in Yonkers since the Archdiocese of New York and the Dioceses of Brooklyn and Rockville Centre formed an Inter-Diocesan Partnership to train future priests, deacons, and church leaders. In the 2015-2016 academic year, more than 250 students, including 92 seminarians, studied at 3 sites in Yonkers, Douglaston, and Huntington. They hailed from the 3 partnership dioceses, the Dioceses of Bridgeport and Albany, the Syro-Malankara Catholic Eparchy, and the Franciscan Friars of the Renewal.

Deacon candidates study at the 3 sites and also take courses at a new Poughkeepsie location for the first time. As part of their preparation for ordination to the permanent diaconate, men can earn a master's degree or audit the academic program.

More than 150 non-seminary students were enrolled in programs for a Master of Arts in Theology and Pastoral Studies, and a Post-Master's Certification in Dogmatic Theology and Sacred Scripture. Two priest graduate students from Myanmar in Southeast Asia were among those who earned degrees. The seminary also initiated the St. Cecilia Academy, a 4 course certificate program for archdiocesan musicians.

At the close of the 2015-2016 academic year, 23 seminarians and 16 non-seminarians received their degrees. In May, Cardinal Dolan ordained 9 priests for the Archdiocese of New York and 5 for the Franciscan Friars of the Renewal. The following month, Bishop Nicholas DiMarzio of Brooklyn ordained 10 priests for his diocese and Bishop William Murphy ordained 3 priests for service in the Diocese of Rockville Centre. In July, Bishop Thomas Mar Eusebius ordained a priest for the St. Mary Queen of Peace Syro-Malankara Catholic Eparchy.

Saint Joseph's Seminary continued its collaboration with *America* magazine with a dialogue among Jewish, Muslim, and Catholic scholars on the Year of Mercy.

### *Retired priests at home in residence that meets their needs*

Retired priests of the archdiocese who opt to live in community with their brother priests don't have to go far to find a fellow cleric.

The Saint John Vianney Residence in the Riverdale section of the Bronx, which presently includes the John Cardinal O'Connor Pavilion, is being expanded to include the Edward Cardinal Egan Pavilion.

The Cardinal O'Connor Pavilion, operating at its capacity with 34 priests, has 2 guest rooms for active priests who have health concerns.

The Cardinal Egan Pavilion, scheduled to open in the near future, will have a capacity of 44, including a 13 bed enhanced care unit. Soon to move into the Cardinal Egan Pavilion are 15 retired priests now living at Our Lady of Consolation Residence in Riverdale, as well as 4 priests from Saint Stephen's Rectory in Manhattan, which has served as a temporary residence for retired priests.

A medical doctor who specializes in gerontology makes house calls to the Vianney campus monthly. A podiatrist comes by every 6 weeks. A visiting lab provides blood work in-house and X-rays are also offered through a visiting technician.

In addition to 3 registered nurses and a number of dedicated staff who coordinate and assist in offering care when needed, the Dominican Sisters of Hawthorne provide home care and physical therapy to the retired priests.

The goal is to continue to deliver a continuum of optimal care for each priest in a comfortable, respectful setting to ensure that all are bestowed love and compassion upon arrival and throughout their stay.

# APPEAL

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

## Donors to The Cardinal's Annual Stewardship Appeal Know Gifts Are Well-Spent



Each 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 Catholic Church in New York.

Last year, 61,000 families made gifts totaling \$21 million to the 2015 *Appeal*, which had as its theme "Sharing God's Gifts." That figure, \$1 million higher than the goal, was applied to benefit 6 specific areas: archdiocesan pastoral programs, \$6 million; support for needy parishes, \$4.5 million; the Departments of Education and Religious Education, \$3 million; works of charity, \$2.5 million; retired priests and religious, \$2 million; and preparing clergy, \$2 million.

Pastoral work of the archdiocese assisted by the *Appeal* includes the Offices of Family and Respect Life, Young Adult and Youth Ministry, Adult Faith Formation, Hispanic Ministry, Black Ministry, Liturgy and the University Apostolate.

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 Works With Partners to Feed Hungry New Yorkers

Hundreds of thousands of New York families face growing hunger and are unable to afford food. Catholic Charities increased its Feeding Our Neighbors Campaign last year that involved staff, volunteers, parishes, schools, affiliated agencies, and 2 corporate partners, Goya Foods and ShopRite, to collect more than 1 million meals to feed hungry New Yorkers.

This effective partnership is just one example of how Catholic Charities harnesses good will, hard work, and generosity to help solve the problems of New Yorkers in need, non-Catholics and Catholics alike.

The neglected child, the homeless family, and the hungry senior are among those for whom they provide help and create hope. Last year, Catholic Charities' federation of 90 affiliated agencies helped more than 400,000 individuals through the tireless efforts of dedicated staff, energetic volunteers, and guidance from independent trustees and directors.

Catholic Charities protected and nurtured

more than 25,000 children and youths through after-school and sports programs. More than 10,000 additional youth were helped at community centers and safe foster care and day care programs. Catholic Charities sheltered the homeless by preventing evictions and offering emergency, temporary, traditional and affordable housing to more than 20,000 New Yorkers in need.

Catholic Charities strengthened families and resolved crises by providing job training, financial literacy, or timely referrals and support to tens of thousands, one individual, and one family at a time.

More than 13,000 vulnerable physically and emotionally challenged individuals received care and support from Catholic Charities. Preschoolers with special needs received education and intervention to thrive; visually and hearing impaired people learned how to safely navigate streets; and others received substance abuse intervention, counseling, and safe residences to rebuild their lives.

Catholic Charities welcomed and integrated immigrants and refugees by reuniting families, providing legal counsel that protected them from exploitation, offering services in nearly two dozen languages. Other services included English classes and assistance finding work and resettling in New York. In partnership with the NYS New Americans Hotline, Catholic Charities answered more than 28,000 calls for assistance and information.

Catholic Charities receives public and private funding, and spends 88 cents of each dollar on program services.

Thanks to this support, dedication, and determination Catholic Charities has been rebuilding lives and touching almost every human need day in and day out for almost a century, always with compassion and dignity. As it launches the next century of help, it will step up its efforts to create hope for a better future for some of the most vulnerable of our neighbors in need.

# SERVICES

## Condensed Balance Sheets and Statements of Activities

### Organization

Within the Archdiocese of New York, there are 295 parishes, 36 parish based elementary schools, and 92 global regional schools. In addition, there are 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 sheet or the condensed statement 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 represent 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, 2015 and 2014 aggregate the financial statements of all 15 entities. The financial

statements of 10 of these entities, comprising 98 percent of total assets and nearly 100 percent of 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. KPMG, the primary audit firm of the Archdiocese of New York, audited 7 of these entities and also provided assistance in the preparation of the accompanying 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.; 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 for Archdiocesan Services as of August 31, 2015 reflect an increase of \$53 million, or 9 percent, over the 2014 level primarily due to a \$79 million increase in loans and accounts receivable mainly because of the following: an increase in amounts held by New York Catholic Foundation as Saint Joseph's Seminary invested approximately \$45 million with the New York Catholic Foundation representing proceeds from a sale of a seminary property, an increase of \$26 million of Parish Assistance Corporation funds loaned to parishes, and a \$6 million loan made from the archdiocese to the Catholic High School Association to fund capital projects. These increases were partially offset by a \$29 million decrease in investments due to market conditions.

Fixed assets of \$71 million are reported net of accumulated depreciation. Gross fixed assets of \$153 million consist of land and buildings, with a cost of \$139 million and furniture and equipment of \$14 million.

With respect to liabilities of Archdiocesan Services, the increase of approximately \$27 million, or 8 percent, is principally attributable to the timing of payments made by the archdiocese and the Department of Education, as well as to an increase in the accrued post-retirement health benefits for priests.

Total net assets increased by approximately \$26 million, or 12 percent. The increase in expendable net assets was 24 percent to a balance of approximately \$131 million.

### Condensed Statements of Activities

In fiscal year 2015, total revenues of \$224 million decreased by approximately \$8 million, or 3 percent, over 2014 mainly due to a decrease in investment income (including rent and royalties) which was offset by an increase in contributions.

In fiscal year 2015, total expenses were \$243 million, which was nearly \$8 million lower than 2014.

Grants and subsidies to parishes and schools decreased by approxi-

mately \$21 million and health and social services decreased by \$2 million, offset by a \$6 million increase in pastoral and a \$5 million increase in affiliate support services.

In 2015, net investment losses were reflective of negative equity market performance. Saint Joseph's Seminary also benefited from a \$44 million gain representing its interest in the proceeds from the sale of seminary properties.



## ARCHDIOCESAN SERVICES AS OF AND FOR THE YEARS ENDED AUGUST 31, 2014 AND 2015

### CONDENSED BALANCE SHEETS

	2015	2014
<b>Assets:</b>		
Cash and investments	\$242,365,148	271,282,570
Loans and accounts receivable, principally from parishes and other affiliates, net	268,387,611	189,691,529
Other assets	12,913,580	12,436,223
Beneficial interest in charitable trusts	20,311,092	22,085,296
Fixed assets	70,728,463	66,407,265
<b>Total assets</b>	<b>\$614,705,894</b>	<b>561,902,883</b>
<b>Liabilities:</b>		
Accounts payable and other liabilities	\$109,179,675	96,381,723
Allowances for property, casualty, and health insurance losses	53,850,627	48,846,453
Accrued post-retirement health benefits for priests	59,545,845	53,189,841
Loans payable to affiliated entities	138,827,659	136,441,801
<b>Total liabilities</b>	<b>361,403,806</b>	<b>334,859,818</b>
<b>Net assets:</b>		
Expendable (unrestricted and temporarily restricted)	131,205,749	105,737,761
Non-expendable (investment in fixed assets and permanently restricted)	122,096,339	121,305,304
<b>Total net assets</b>	<b>253,302,088</b>	<b>227,043,065</b>
<b>Total liabilities and net assets</b>	<b>\$614,705,894</b>	<b>561,902,883</b>

### CONDENSED STATEMENTS OF ACTIVITIES

	2015	2014
Revenues:		
Contributions, including contributed services	\$66,488,412	54,878,475
Government grants and contracts	55,823,396	57,492,038
Support service fees and assessments from parishes and affiliates	52,824,007	53,239,451
Investment income, including rent and royalties	28,380,072	48,132,970
Other revenues	20,178,927	17,747,050
<b>Total revenues</b>	<b>223,694,814</b>	<b>231,489,984</b>
Expenses:		
Grants and subsidies to parishes and schools	24,088,128	44,989,270
Health and social services	74,738,211	76,398,405
Pastoral	43,870,198	38,262,564
Education	14,941,460	13,083,620
Religious personnel development	6,081,370	5,670,983
Affiliate support services	44,211,810	38,788,897
Administration	24,853,962	24,649,058
Fundraising	10,022,548	8,602,878
<b>Total expenses</b>	<b>242,807,687</b>	<b>250,445,675</b>
<b>Excess of (expenses) over revenues</b>	<b>(19,112,873)</b>	<b>(18,955,691)</b>
Gains and Losses:		
Net realized and unrealized investment (losses) gains	(2,284,731)	9,265,860
Interest in proceeds from sale of seminary/parish properties	47,831,788	45,907,455
Other, net	(175,161)	(5,039,311)
<b>Increase in net assets</b>	<b>26,259,023</b>	<b>31,178,313</b>
<b>Net assets at beginning of year</b>	<b>227,043,065</b>	<b>195,864,752</b>
<b>Net assets at end of year</b>	<b>\$253,302,088</b>	<b>227,043,065</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, 2015, 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 \$51 million with respect to assets and liabilities and \$37 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,

reflecting a decrease of \$21 million in capital grants to parishes, grants and subsidies as compared to fiscal 2014. The decrease in grants was offset by the \$6 million increase in pastoral expenses, which was the largest category of expenses in fiscal 2015 totaling \$43 million.

## 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, making loans to entities with projects in need of financing. PAC also receives loans from entities to provide a source of lending capital. At August 31, 2015 PAC had \$185 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 School.

DOE has relied on an annual grant from the Archdiocese of New York to support its operations. Excluding such support which totaled \$8 million in 2015, government grants and contracts represent 55% of DOE's total revenues. Almost all of DOE's expendable net assets at August 31, 2015 are restricted by donors for scholarships.

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

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

## ARCHDIOCESAN SERVICES COMBINING BALANCE SHEETS AS OF AUGUST 31, 2015

	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	\$242,365,148	84,084,474	19,025,579	29,756,934	21,859,517	52,002,392	35,686,252
Loans and accounts receivable, principally from parishes and other affiliates, net	268,387,611	74,627,825	154,397,580	9,028,605	46,311,570	1,569,835	23,502,190
Other assets	12,913,580	7,345,851	2,653,714	41,283	161,285	1,258,736	1,452,711
Beneficial interest in charitable trusts	20,311,092	16,285,809	—	—	98,643	—	3,926,640
Fixed assets	70,728,463	54,543,991	991	707,421	3,923,929	—	11,552,131
<b>Total assets</b>	<b>\$614,705,894</b>	236,887,950	176,077,864	39,534,243	72,354,944	54,830,963	76,119,924
<b>Liabilities:</b>							
Accounts payable and other liabilities	\$109,179,675	67,433,642	1,387,462	20,785,952	3,418,542	10,124,941	17,286,015
Allowances for property, casualty, and health insurance losses	53,850,627	23,155,320	—	—	—	30,695,307	—
Accrued post-retirement health benefits for priests	59,545,845	59,545,845	—	—	—	—	—
Loans payable to affiliated entities	138,827,659	7,123,971	161,496,803	—	—	—	—
<b>Total liabilities</b>	<b>361,403,806</b>	157,258,778	162,884,265	20,785,952	3,418,542	40,820,248	17,286,015
<b>Net assets:</b>							
Expendable (unrestricted and temporarily restricted)	131,205,749	8,507,807	13,192,608	12,774,107	47,078,375	14,010,715	35,692,137
Non-expendable (investment in fixed assets and permanently restricted)	122,096,339	71,121,365	991	5,974,184	21,858,027	—	23,141,772
<b>Total net assets</b>	<b>253,302,088</b>	79,629,172	13,193,599	18,748,291	68,936,402	14,010,715	58,833,909
<b>Total liabilities and net assets</b>	<b>\$614,705,894</b>	236,887,950	176,077,864	39,534,243	72,354,944	54,830,963	76,119,924

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 of New York pays all the costs for the maintenance and upkeep of the buildings and grounds. Additionally, the Archdiocese of New York 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. Appropriated annual spending from the Seminary's \$19 million endowment supports approximately 14% of operating costs.

In fiscal 2015, St. Joseph's Seminary invested approximately \$44 million with the New York Catholic Foundation representing proceeds from a sale of a seminary property, the earnings of which will help fund campus operations.

#### Catholic Indemnity Insurance Company (CIIC)

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, 2015, CIIC held approximately \$52 million of cash and investments, which exceeded its loss reserves and other liabilities by approximately \$21 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 2015, its mission-related program expenses were approximately \$62 million, more than 84% 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, 2015

	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	\$66,488,412	43,538,094	—	4,598,738	487,845	—	18,178,559
Government grants and contracts	55,823,396	—	—	13,081,368	—	—	42,742,028
Grants from combining entities	—	1,241,128	—	8,000,000	1,233,444	—	2,250,000
Support service fees and assessments from parishes and affiliates	52,824,007	44,209,715	—	—	—	14,710,510	—
Investment income, including rent and royalties	28,380,072	22,361,983	8,069,354	212,660	(188,326)	154,802	22,192
Other revenues	20,178,927	6,035,047	—	5,973,881	1,793,257	—	6,376,744
<b>Total revenues</b>	<b>223,694,814</b>	<b>117,385,967</b>	<b>8,069,354</b>	<b>31,866,647</b>	<b>3,326,220</b>	<b>14,865,312</b>	<b>69,569,523</b>
Expenses:							
Grants and subsidies to parishes and schools	24,088,128	24,088,128	—	—	—	—	—
Grants to combining entities	—	11,483,444	—	1,241,128	—	—	—
Health and social services	74,738,211	—	—	12,465,303	—	—	62,272,908
Pastoral	43,870,198	43,021,238	—	848,960	—	—	—
Education	14,941,460	—	—	14,941,460	—	—	—
Religious personnel development	6,081,370	—	—	—	6,081,370	—	—
Affiliate support services	44,211,810	23,335,756	6,426,149	—	—	14,449,905	—
Administration	24,853,962	16,211,785	—	1,432,817	1,736,836	—	8,427,498
Fundraising	10,022,548	6,202,579	—	—	22,502	—	3,797,467
<b>Total expenses</b>	<b>242,807,687</b>	<b>124,342,930</b>	<b>6,426,149</b>	<b>30,929,668</b>	<b>7,840,708</b>	<b>14,449,905</b>	<b>74,497,873</b>
<b>Excess of (expenses) over revenues</b>	<b>(19,112,873)</b>	<b>(6,956,963)</b>	<b>1,643,205</b>	<b>936,979</b>	<b>(4,514,488)</b>	<b>415,407</b>	<b>(4,928,350)</b>
Gains and losses:							
Net realized and unrealized investment (losses) gains	(2,284,731)	(1,591,129)	(497,353)	(105,432)	(12,887)	—	(77,930)
Interest in proceeds from sale of seminary/parish properties	47,831,788	3,673,266	—	—	44,158,522	—	—
Other, net	(175,161)	(3,401,000)	—	(11,946)	—	(1,750,000)	(720,881)
<b>Increase (decrease) in net assets</b>	<b>26,259,023</b>	<b>(8,275,826)</b>	<b>1,145,852</b>	<b>819,601</b>	<b>39,631,147</b>	<b>(1,334,593)</b>	<b>(5,727,161)</b>
<b>Net assets at beginning 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>
<b>Net assets at end of year</b>	<b>\$253,302,088</b>	<b>79,629,171</b>	<b>13,193,599</b>	<b>18,748,291</b>	<b>68,936,402</b>	<b>14,010,715</b>	<b>58,833,909</b>

# DEMOGRAPHICS

## *The Archdiocese by the Numbers*

Includes all Catholic organizations that operate within the boundaries of the Archdiocese of New York with the approval of the Cardinal Archbishop. There are 2.6 million Catholics in the Archdiocese of New York.

### SACRAMENTS PERFORMED IN 2015:

#### BAPTISMS



#### CONFIRMATIONS



#### ANOINTINGS OF THE SICK



**MARRIAGES**            **3,487**

**FUNERALS**            **11,485**

#### STUDENTS IN CATHOLIC EDUCATIONAL INSTITUTIONS IN 2015

<b>Colleges and Universities</b>	<b>9</b>
Number of students	41,565
<b>Elementary Schools</b>	<b>173</b>
Number of students	45,679
<b>High Schools</b>	<b>47</b>
Number of students	24,108
<b>Religious Education Programs</b>	
Number of students	93,480

CLERGY AND RELIGIOUS SERVING IN 2015	
Archdiocesan priests (active)	394
Archdiocesan priests (retired and inactive)	170
Seminarians (major/college)	86
Religious priests	225
International priests	120
Deacons	319
Religious (women and men)	811

