

# Diocese of Greensburg



## BUILDING COMMUNITIES OF FAITH



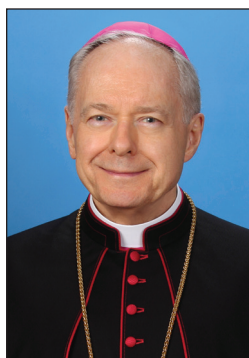


## Letter from Bishop Brandt

November 2014

Dear Brothers and Sisters in Christ:

This annual financial review is part of our ongoing efforts to clearly report to the people of the diocese how their generous contributions to the diocese are being managed and used wisely. This details diocesan finances for the fiscal year period from July 1, 2013, to June 30, 2014.



The diocese had a strong financial year because of the sacrificial giving of our people and the commitment of our diocesan directors and managers to be good stewards of the resources entrusted to our care. The diocese finished the fiscal year with a nearly \$550,000 surplus, the fourth year in a row we have finished "in the black." The diocese realized more than \$10.6 million in revenues, aided by nearly \$850,000 in investment and endowment income. I am especially pleased to report that expenses before transfers to other funds were \$9.9 million, nearly the same as the previous fiscal year.

The diocese continued to see the benefits from the "Today's Challenge - Tomorrow's Hope" Capital & Endowment Campaign as nearly \$2.3 million was rebated to parishes and \$2.5 million was placed in diocesan endowments and the Priest Pension Fund during the fiscal year. In addition, the Diocesan Lenten Appeal received more than \$4.2 million in gifts and pledges to support immediate diocesan operational needs, and almost \$700,000 in DLA proceeds was returned to the parishes last year to meet their needs.

This generosity and stewardship allowed the diocese to continue to fulfill its mission to bring people to Christ and his Church and to care for God's people in need. The financial resources support evangelization and faith formation programs; the education and training of our seminarians and deacon candidates and the continuing education of our clergy; Catholic Charities outreach to our less fortunate neighbors; our Catholic schools; and our parishes.

There were no changes in parish structures last year, but the diocese, after receiving the recommendation from the Board of Trust Administrators, did have to approve the closing of one elementary school. This ongoing commitment to our diocesan strategic planning process and the implementation of difficult decisions will be necessary to ensure a stable future.

I continue to be profoundly grateful for the dedicated leadership of our priests and laypeople and for the ongoing generosity of our people who continue to make sacrificial gifts to support their Church, despite the many economic challenges in their lives. I am humbled by your commitments of time, talent and treasure and by the deep, abiding love you constantly show for your faith.

With sentiments of deep gratitude I remain,  
Sincerely yours in Christ,

*+ Lawrence E. Brandt*

The Most Reverend Lawrence E. Brandt, JCD, PhD  
Bishop of Greensburg

## Diocesan financial highlights: 2013-2014

The Diocese of Greensburg is pleased to present this Annual Report with a financial accounting of the funds delegated to the Pastoral Center for the fiscal year July 1, 2013, through June 30, 2014. Full and open sharing of the sources and uses of the funds entrusted to diocesan stewardship greatly helps the Pastoral Center promote the work of the Diocese of Greensburg.

For the fourth consecutive year, the diocese has recognized a surplus in the change in unrestricted net assets resulting in an increase of the unrestricted net assets by approximately \$1.5 million. As of June 30, 2014, the unrestricted net asset balance for the Pastoral Center was \$3,319,202, which is a reasonable amount for a not-for-profit entity with revenues in excess of \$10 million. During the fiscal year ending June 30, 2014, the diocese realized a surplus in the change in unrestricted net assets of \$379,539 as well as a surplus in the change in temporarily restricted net assets of \$165,603. This was mainly attributed to realized and unrealized gains on investments of approximately \$300,000, and also being under budget in expenses in most offices of the Pastoral Center.

Total assets continued to decrease over the past three years, which is attributed to the decrease in the "Today's Challenge - Tomorrow's Hope" pledge receivable. As of June 30, 2014, the diocese has collected more than \$43 million of the total pledges made to the campaign, and it has distributed \$16 million back to parishes, \$4 million to Catholic schools, and disbursed \$20 million to the campaign case elements. One of the case elements directed funds to the Priest Pension Fund, which is fully funded as of June 30, 2014, and results in a savings to parishes as a decrease in the priest pension expense.

Evangelization and faith formation was another case statement element of the capital and endowment campaign. The diocese has used the funding from the evangelization endowment to create a budget to provide leadership and guidance to our parishes in their evangelization and outreach efforts. This budget has increased by more than \$150,000 over the past two years. Many parishes have initiated new evangelization programs to help parishioners and others develop a relationship with Jesus Christ and live that relationship in the Catholic Church.

The Office for Clergy Vocations, which includes the education and training for diocesan seminarians, continues to incur expenses of approximately \$278,000 per year. The office

provided tuition for six seminarians in various stages of formation during fiscal year 2014. The International Priests Program, which address the orientation and formation of priests from the Philippines, incurred expenses of approximately \$82,000, which included the training, travel and legal costs for the three new priests who arrived from the Philippines to begin priestly ministry last fiscal year.

Catholic Charities of the Diocese of Greensburg is the social service arm of the diocese and provides adoption and foster care services, counseling as well as information and referral support and services through the provision of material assistance and advocacy to thousands of disadvantaged individuals in the four counties of our diocese. Catholic Charities staff and volunteers work with individuals of all faiths to empower them so they are able to make good choices, strengthen themselves or their families and hopefully experience the reality that they are never alone. Catholic Charities is partially supported by revenues received from parishes through the Diocesan Lenten Appeal and the Children and Family Services collection at Christmas. Diocesan contributions to Catholic Charities have remained at a constant \$535,000 per year over the past three years.

Catholic schools continue to be an invaluable part of Catholic family life in the Diocese of Greensburg. The schools have helped shape the faith, lives and minds of thousands of children and young adults over the years. Contributions from the diocese to schools in the amount of \$690,000 help provide tuition assistance to Catholic school families with financial need. The Office for Catholic Schools also provides leadership, training and administrative assistance to the two Catholic junior-senior high schools and 12 elementary schools.

Greensburg Central Catholic Junior-Senior High School ended the 2014 fiscal year with a slight deficit in the change in unrestricted net assets of approximately \$22,000, while Geibel Catholic Junior-Senior High School realized a surplus in the change in unrestricted net assets of \$165,000. Both schools provide strong academic programs while offering a wide variety of extracurricular and service activities to enrich their students.

We are grateful to all the people who give significant time, talent and treasure in continuing to support the work of the Diocese of Greensburg.

*Sheila Murray, Chief Financial Officer*

## Diocesan Finance Council

The Diocesan Finance Council is a consultative body for the diocesan bishop and, as with parish finance councils, is required by the Code of Canon Law, the universal law of the Catholic Church. The specific responsibilities of the diocesan finance council, as outlined by canon law, include reviewing the annual budget, annual financial statements and the independent auditors' report, and providing consultation in specific financial areas. In the Diocese of Greensburg, there are statutes that provide further direction for the council, including advising the bishop and his staff in the Department of Finance. The members of the Diocesan Finance Council for 2013-2014, appointed by the bishop for five-year terms, were:

- Rev. Msgr. Larry J. Kulick, JCL, VG  
vicar general, *ex officio member*
- Mr. Dick K. Barton
- Rev. Msgr. James T. Gaston
- Mrs. Ruth Grant
- Ms. Marie Huss
- Mr. William J. McCabe, Esq.
- Mrs. Norma Scherer
- Mr. Michael J. Walker

*The diocese's chief financial officer is staff to the diocesan finance council and works closely with the bishop in planning the meetings. The managing directors serve as staff advisers to the council.*

## Diocesan Central Administration

Offices in the Pastoral Center, or diocesan central administration, collaborate to serve the parishes, schools and parishioners in the Diocese of Greensburg.

The Pastoral Center is home of the Office of the Bishop, Most Rev. Lawrence E. Brandt, JCD, PhD, chief shepherd and teacher of the diocese. Assisting Bishop Brandt with his duties is the vicar general and moderator of the curia, Rev. Msgr. Larry J. Kulick, JCL, VG.

The senior management team for 2013-2014 was composed of the following managing directors:

- Mr. James J. Edwards, managing director, The Catholic Foundation of the Diocese of Greensburg
- Mrs. Sheila R. Murray, CPA, Chief Financial Officer, Department of Finance
- Rev. Msgr. Raymond E. Riffle, MSW, MPA, managing director, Catholic Charities of the Diocese of Greensburg
- Mr. Robert A. Sherwin, managing director, Office for Evangelization and Faith Formation
- Mr. Jerome M. Zufelt, managing director, Office for Communications/Editor, *The Catholic Accent*

### Diocese of Greensburg and Related Activities

Statements of Financial Position As of June 30,	2014	2013	2012
<b>Assets</b>			
Cash and cash equivalents	\$ 569,301	\$ 456,060	\$ 362,742
Investments	13,669,105	11,779,041	9,970,425
Receivables, net of allowance for doubtful accounts	5,195,449	5,447,190	5,733,764
Bond receivable from parish	4,888,476	5,076,864	5,259,768
Pension receivable from parishes and schools	3,291,064	4,073,195	4,308,398
Today's Challenge ~ Tomorrow's Hope pledges receivable	3,159,339	7,005,298	13,648,910
Prepaid and other assets	847,310	228,600	214,519
Fixed assets, net of depreciation	20,071,285	19,811,010	20,121,095
Due from other diocesan funds	3,915,028	4,706,393	4,259,849
Due from related entities	374,165	313,523	303,825
<b>Total Assets</b>	<b>55,980,522</b>	<b>58,897,174</b>	<b>64,183,295</b>
<b>Liabilities</b>			
Accounts payable	\$ 951,766	\$1,099,322	\$1,125,658
Agency and trust accounts	514,091	478,301	432,562
Deferred income	158,341	203,648	201,959
Accrued expenses	1,569,464	1,047,508	1,262,955
Accrued pension – lay plan	14,825,486	14,131,513	21,730,344
Accrued pension – priests plan	2,003,692	2,179,070	4,883,139
Accrued postretirement health benefits	-	154,213	2,753,323
Bonds payable	4,935,000	5,170,000	5,400,000
Loans payable	2,126,536	2,272,212	2,465,252
Due to other diocesan funds	3,915,028	4,706,393	4,259,849
Due to related entities	1,280,780	1,600,039	1,346,249
Due to parishes (TCTH funds)	1,494,466	3,819,703	7,256,842
<b>Total Liabilities</b>	<b>33,774,650</b>	<b>36,861,922</b>	<b>53,118,132</b>
<b>Net Assets</b>			
<b>Unrestricted net assets:</b>			
Pastoral Center	3,319,203	2,939,664	2,692,680
Self Insurance Fund	5,489,935	4,354,010	3,745,700
High Schools	(1,307,838)	(1,451,288)	(1,731,956)
Tuition Assistance Fund	206,385	322,966	168,769
Plant Fund fixed assets, net	19,956,934	19,563,540	19,469,300
Pension Accounting Fund	(11,429,610)	(10,747,114)	(23,303,389)
Parish Bond Fund	132,083	107,349	85,403
Agency Funds	84,587	87,579	89,807
<b>Total unrestricted net assets</b>	<b>16,451,679</b>	<b>15,176,706</b>	<b>1,216,314</b>
<b>Temporarily restricted net assets:</b>			
Pastoral Center	3,535,253	3,369,650	3,158,478
High Schools	29,683	3,647	3,637
Tuition Assistance Fund	25,782	-	-
Plant Fund	573,222	749,458	61,321
Capital and Endowment Campaign	1,574,302	2,719,840	6,609,362
Agency Funds	15,951	15,951	16,051
<b>Total temporarily restricted net assets</b>	<b>5,754,193</b>	<b>6,858,546</b>	<b>9,848,849</b>
<b>Total Net Assets</b>	<b>22,205,872</b>	<b>22,035,252</b>	<b>11,065,163</b>
<b>Total Liabilities and Net Assets</b>	<b>\$55,980,522</b>	<b>\$58,897,174</b>	<b>\$64,183,295</b>

## About this report

Each year, the Diocese of Greensburg's financial statements are audited by independent certified public accountants. Also, the Diocesan Finance Council meets annually with the auditor to hear the report on the results of the audit. The financial information in this report is taken from those audited financial statements. Please contact the Department of Finance at 724-837-0901 if you have any questions regarding the information presented in this annual report.

## Thank you!

Your faithful support enables the Diocese of Greensburg to provide cost-effective programs and services to your parishes and Catholic schools.

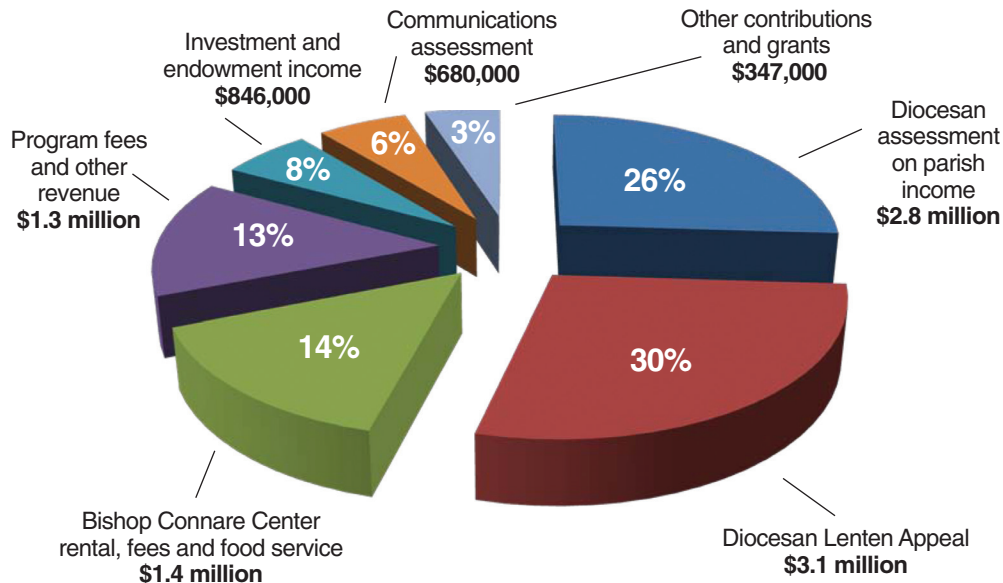
### Diocesan Central Administration – Pastoral Center

Years Ended June 30,	2014	2013	2012
<b>Revenues, gains and other support:</b>			
Diocesan Lenten Appeal	\$ 3,145,519	\$ 3,067,048	\$ 2,997,617
Diocesan assessment on parish income	2,816,773	2,785,318	2,690,627
Bishop Connare Center rental, fees and food service	1,446,064	1,453,305	1,427,885
Program fees and other revenue	1,332,128	1,374,403	1,470,352
Investment and endowment income	846,275	709,951	419,746
Communications assessment	679,611	666,553	657,063
Other contributions and grants	347,096	452,621	500,580
<b>Total revenue, gains and support</b>	<b>10,613,466</b>	<b>10,509,199</b>	<b>10,163,870</b>
<b>Expenses are incurred in the following areas to perform services in support of parish, Catholic education, and other ministries:</b>			
<b>Faith formation and Catholic education:</b>			
Catechesis, youth and worship	633,307	501,427	475,516
Contribution to diocesan high schools	525,000	525,000	525,000
Office for Catholic Schools	391,436	325,295	334,247
Government funded educational programs	369,551	397,209	407,566
Lay ecclesial ministry	269,034	276,321	239,463
Elementary schools tuition assistance	165,000	165,000	165,000
<b>Total formation and Catholic education</b>	<b>2,353,328</b>	<b>2,190,252</b>	<b>2,146,792</b>
<b>Chancery Offices:</b>			
Bishop's Office	534,637	492,499	509,372
Development and Stewardship Education	430,259	260,242	310,220
Office for Clergy Vocations	358,856	404,296	314,669
Human Resources	159,318	152,872	143,144
Vicar General's Office	119,367	113,246	116,118
Office for the Permanent Diaconate	99,389	103,556	130,808
Chancellor's Office	62,828	54,497	56,191
Diocesan Planning Office	59,924	48,890	53,489
Purchasing and facilities services	40,428	48,885	46,921
Retired Bishop's Office	36,381	53,720	54,383
<b>Total chancery offices</b>	<b>1,901,387</b>	<b>1,732,703</b>	<b>1,735,315</b>
<b>Finance Department:</b>			
Information technologies	850,616	819,136	796,688
Financial operations and services	614,178	566,793	602,075
Engineering and facilities management	203,022	187,773	186,303
<b>Total finance department</b>	<b>1,667,816</b>	<b>1,573,702</b>	<b>1,585,066</b>
<b>Special Ministries:</b>			
Contribution to Catholic Charities	535,000	535,000	535,000
Hospital ministry program	529,597	539,217	553,326
Tribunal/Marriage Office	170,226	178,287	198,329
Other special ministries	14,337	11,031	15,712
<b>Total special ministries</b>	<b>1,249,160</b>	<b>1,263,535</b>	<b>1,302,367</b>
<b>Bishop Connare Center</b>	<b>1,179,999</b>	<b>1,128,743</b>	<b>1,095,486</b>
<b>Catholic Accent and Media Relations</b>	<b>685,772</b>	<b>655,494</b>	<b>632,029</b>
<b>Expenses related to retired and unassigned priests:</b>			
Unassigned priests	255,060	278,238	276,260
Neumann House, net of residence fees	111,736	107,942	111,657
Pension and retired priests' health care	85,805	140,842	75,529
<b>Total retired and unassigned priests</b>	<b>452,601</b>	<b>527,022</b>	<b>463,446</b>
<b>Other Administrative:</b>			
General diocesan administration	134,795	186,023	76,026
Regional and national dues	128,528	131,106	119,862
Legal and professional fees	104,556	70,446	49,941
Donations and other grants	95,613	90,700	49,276
Diocesan sites maintenance	16,813	15,539	9,378
Special events	46,142	25,799	32,297
Lay employee pension plan (credit) expense	(132,670)	253,160	(729)
<b>Total other administrative</b>	<b>393,777</b>	<b>772,773</b>	<b>336,051</b>
<b>Total expenses</b>	<b>9,883,840</b>	<b>9,844,224</b>	<b>9,296,552</b>
<b>Change in unrestricted net assets before adjustments and transfers:</b>	<b>729,626</b>	<b>664,975</b>	<b>867,318</b>
Transfers from other funds	26,354	14,850	15,750
Transfers to other funds	(376,441)	(432,841)	(265,041)
<b>Change in unrestricted net assets</b>	<b>379,539</b>	<b>246,984</b>	<b>618,027</b>
<b>Temporarily restricted net assets:</b>			
Contributions	3,489,574	3,306,219	3,073,088
Released from restrictions	(3,323,971)	(3,095,047)	(2,920,167)
<b>Change in temporarily restricted net assets</b>	<b>165,603</b>	<b>211,172</b>	<b>152,921</b>
<b>Net assets, beginning of year</b>	<b>6,309,314</b>	<b>5,851,158</b>	<b>5,080,210</b>
<b>Net assets, end of year</b>	<b>\$ 6,854,456</b>	<b>\$6,309,314</b>	<b>\$5,851,158</b>

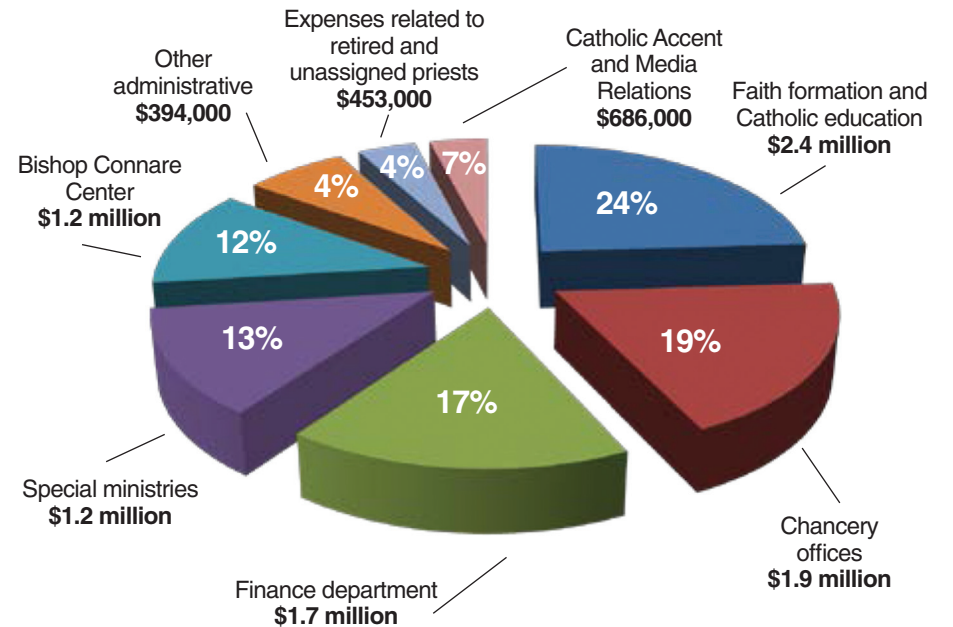
See accompanying pie charts of revenues and expenses on page AR4.



## Revenues: \$10,613,466



## Expenses: \$9,883,840



Geibel Catholic Junior-Senior High School seniors participate in the baccalaureate Mass at St. Anne Parish, Rostraver, in May 2014.



Greensburg Central Catholic Junior-Senior High School seniors prepare for the school's baccalaureate Mass outside of Blessed Sacrament Cathedral, Greensburg, in May 2014.



## Diocesan High Schools: Revenues and Expenditures

Geibel Catholic Junior-Senior High School			
Years Ended June 30,	2014	2013	2012
<b>Tuition and other revenue:</b>			
Tuition	\$ 886,510	\$ 789,096	\$ 846,644
Cafeteria and fine arts	22,337	18,544	20,484
Athletic income	21,964	35,458	33,940
<b>Total revenue</b>	<b>930,811</b>	<b>843,098</b>	<b>901,068</b>
<b>Geibel receives support from:</b>			
Parishes of the Diocese of Greensburg	562,400	534,500	521,000
Diocese of Greensburg	268,200	267,600	268,700
Contributions and development	180,853	177,523	342,276
<b>Total support</b>	<b>1,011,453</b>	<b>979,623</b>	<b>1,131,976</b>
<b>Educational expenses:</b>			
Instruction	860,550	854,751	976,774
Administrative	308,521	244,144	255,039
Student body activities	198,962	190,289	216,832
Operation and maintenance	203,298	215,228	222,894
Transportation service	123,540	120,930	159,040
Debt service	--	5,396	--
<b>Total expenses</b>	<b>1,694,871</b>	<b>1,630,738</b>	<b>1,830,579</b>
Operating deficit	247,393	191,983	202,465
<b>Other changes to net assets:</b>			
Capital improvements	(82,104)	(74,846)	(40,710)
<b>Change in unrestricted net assets:</b>	<b>165,289</b>	<b>117,137</b>	<b>161,755</b>
<b>Temporarily restricted net assets:</b>			
Contributions	7,406	--	13
Released from restrictions	--	--	(14,465)
<b>Change in temporarily restricted net assets</b>	<b>7,406</b>	<b>--</b>	<b>(14,452)</b>
Change in net assets	172,695	117,137	147,303
<b>Net assets, beginning of year</b>	<b>(779,945)</b>	<b>(897,082)</b>	<b>(1,044,385)</b>
<b>Net assets, end of year</b>	<b>\$ (607,250)</b>	<b>\$ (779,945)</b>	<b>\$ (897,082)</b>

Greensburg Central Catholic Junior-Senior High School			
Years Ended June 30,	2014	2013	2012
<b>Tuition and other revenue:</b>			
Tuition	\$ 2,519,829	\$ 2,789,053	\$ 2,866,913
Cafeteria, fine arts and drivers ed	18,011	19,799	12,155
Athletic income	44,206	46,452	38,681
<b>Total revenue</b>	<b>2,582,046</b>	<b>2,855,304</b>	<b>2,917,749</b>
<b>GCCHS receives support from:</b>			
Parishes of the Diocese of Greensburg	685,200	670,500	592,477
Contributions and development	209,997	223,556	287,125
Diocese of Greensburg	277,200	274,500	262,500
<b>Total support</b>	<b>1,172,397</b>	<b>1,168,556</b>	<b>1,142,102</b>
<b>Educational expenses:</b>			
Instruction	2,287,299	2,230,778	2,497,338
Administrative	525,097	584,015	559,524
Operation and maintenance	367,980	394,909	436,945
Student body activities	344,784	374,716	358,360
Transportation service	164,799	168,526	176,508
Debt service	16,803	23,787	25,201
<b>Total expenses</b>	<b>3,706,762</b>	<b>3,776,731</b>	<b>4,053,876</b>
Operating surplus	47,681	247,129	5,975
<b>Other changes to net assets:</b>			
Capital improvements	(69,520)	(83,598)	(62,803)
<b>Change in unrestricted net assets:</b>	<b>(21,839)</b>	<b>163,531</b>	<b>(56,828)</b>
<b>Temporarily restricted net assets:</b>			
Contributions	18,630	10	54
Released from restrictions	--	--	(31,080)
<b>Change in temporarily restricted net assets</b>	<b>18,630</b>	<b>10</b>	<b>(31,026)</b>
Change in net assets	(3,209)	163,541	(87,854)
<b>Net assets, beginning of year</b>	<b>(667,696)</b>	<b>(831,237)</b>	<b>(743,383)</b>
<b>Net assets, end of year</b>	<b>\$ (670,905)</b>	<b>\$ (667,696)</b>	<b>\$ (831,237)</b>