
ENGAGED

IN WORKS OF

MERCY

Diocese of Greensburg ANNUAL REPORT

July 1, 2016 — June 30, 2017

A SUPPLEMENT TO
THE CATHOLIC ACCENT
NOV. 16, 2017



FEEDING THE HUNGRY , GIVING DRINK TO THE THIRSTY ,
CLOTHING THE NAKED , VISITING THE IMPRISONED , SHELTERING
THE HOMELESS , VISITING THE SICK , BURYING THE DEAD , ADMONISHING
THE SINNER , INSTRUCTING THE IGNORANT , COUNSELING THE
DOUBTFUL , COUNSELING THE SORROWFUL , BEARING WRONGS PATIENTLY ,
FORGIVING INJURIES , PRAYING FOR THE LIVING AND THE DEAD



A message from Bishop Edward C. Malesic

Dear Brothers and Sisters in Christ,

On November 13 of the past fiscal year, I formally closed the Extraordinary Jubilee of Mercy proclaimed by Pope Francis. This Year of Mercy was a unique time for us to contemplate God's mercy in our lives and extend this Christ-like mercy to others.

I am grateful for the many ways in which the faith-filled people in all four counties of our diocese came together to be a more effective sign of God's mercy in the world. Side-by-side, many people celebrated Masses and prayed together, engaged in corporal and spiritual works of mercy, and participated in service projects for our four diocesan-organized Days of Mercy.

In August 2016, many people in Connellsville were devastated by a flood. Without fail, our people rallied to help those in need by joining with Catholic Charities to give assistance. A special collection coupled with amounts in reserve for disasters contributed more than \$150,000 in aid, in addition to people volunteering their time on cleanup efforts.

I am pleased to report that we met our diocesan obligations, provided for the needs of the people throughout the diocese and ended our June 30, 2017, fiscal year with a surplus — for the fourth year in a row.

This annual report is based on the diocese's audited financial statements and reflects the accounting and stewardship of the diocesan offices and its two junior-senior high schools. Catholic Charities, The Catholic Foundation, The Catholic Institute, parishes and our 11 regional elementary Catholic schools (which operate under separate Pennsylvania Charitable Trusts) produce separate reports.

Aligned with the requirements of canon law, our Diocesan Finance Council exists to give counsel to me regarding financial matters of the diocese. I am blessed to work with a highly competent council composed of skilled professionals with diverse financial expertise. We work togeth-



er as responsible stewards of our diocesan assets while maintaining financial transparency.

The Statements of Financial Position outlined in this report indicate that the Pastoral Center has an Unrestricted net assets balance of \$3.9 million. These funds help support all of our centralized administrative programs, which include faith formation, Catholic schools, priestly vocations, clergy formation, and corporal works of mercy such as hospital ministry and the work of Catholic Charities.

Our Self Insurance Fund has a healthy net asset balance of nearly \$9 million, which covers the property and liability insurance claims for all parishes and Catholic schools, in addition to health care coverage for priests and lay employees in the diocese. This fund has absorbed a portion of the legal expenses incurred in providing data to the Pennsylvania Attorney General's office in regard to the statewide diocesan Grand Jury investigation initiated in September 2016.

Additionally, as noted in the Statements of Activities, Legal and professional fees also have increased

more than \$300,000 this year as a result of this statewide Grand Jury investigation. These legal costs were allocated between the Pastoral Center operating budget and the Self Insurance Fund.

Greensburg Central Catholic Junior-Senior High School (GCC) and Geibel Catholic Junior-Senior High School (Geibel), our two diocesan-owned and operated schools, have a combined net asset deficit of \$1.48 million. Geibel incurred debt in 2015 to strengthen its academic programs by upgrading infrastructure for the building and purchasing laptops for all teachers and students. GCC continues to carry an outstanding debt from the construction of the auxiliary gym, but it also incurred additional debt in 2015 for infrastructure and the 1:1 computing initiative. Both schools continue to provide an excellent education for its students, teaching Gospel values to be lived inside and outside the classroom and ministering to our youth.

The Statements of Activities reflects the operations of the Pastoral Center for the past 12 months ending June 30, 2017. The Diocesan Lenten Appeal continues to support nearly

31 percent of these operations, while the diocesan assessment on parish income contributes 26 percent of our revenue. Both of these revenue streams resulted from the generosity of our people.

Investment income of \$900,000 resulted from an improving economy as well as earnings distributed from our endowments, many of which were the direct result of our Today's Challenge ~ Tomorrow's Hope Capital and Endowment Campaign.

Faith Formation and Catholic Education expenses increased approximately \$50,000 over the prior year primarily due to the allocation of more resources, such as tuition assistance, toward the lay ecclesial ministry program, which forms future lay leaders in parishes and schools. We continue to provide nearly \$1.4 million, or 13 percent of our operating budget, to Corporal Works of Mercy.

The Office for Vocations, Clergy Development and International Priests expenses increased over the previous year, with a notable increase at Neumann House, which provides food, housing and care for our retired priests. Clergy Development costs also increased as we continued to provide continuing education and development for our active priests.

The Gospel of Matthew tells us that every blessing is meant to be tended with care and used to build up the kingdom of God. I am deeply appreciative of the many ways in which the faith-filled people of our diocese are generously sharing their blessings so that we may produce good fruit for God.

Thank you for using your God-given gifts to help our Catholic Church continue to grow and thrive. I am blessed because of your goodness.

Yours in Christ,

+ Edward C. Malesic

The Most Reverend
Edward C. Malesic, JCL
Bishop of the Diocese of Greensburg

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 2016-17, appointed by the bishop, were:

- Mr. Dick K. Barton
- Ms. Margaret DiVirgilio
- Rev. Msgr. James T. Gaston, STL, VF
- Mrs. Ruth Grant
- Rev. Msgr. Larry J. Kulick, JCL, VG, vicar general, ex officio member

- Mrs. Sheila Murray, CFO
- Mr. John Stevens
- Mr. William Thalman
- Mr. Michael Walker

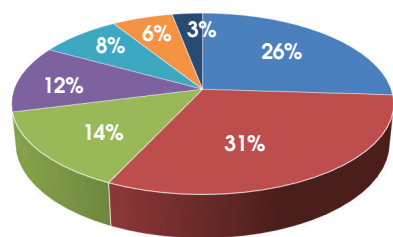
ABOUT THIS REPORT

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.

Diocese of Greensburg and Related Activities

Statements of Financial Position As of June 30,	2017	2016	2015
Assets:			
Cash and cash equivalents	\$ 590,979	\$ 520,228	\$ 485,887
Investments	17,260,384	15,589,871	15,569,379
Receivables, net of allowance for doubtful accounts	4,089,606	4,433,638	5,164,173
Bond receivable from parish	4,271,124	4,485,396	4,694,436
Pension receivable from parishes and schools	1,184,805	1,552,327	2,675,836
Today's Challenge - Tomorrow's Hope pledges receivable	11,749	451,869	1,019,425
Prepaid and other assets	1,009,011	186,990	264,500
Fixed assets, net of depreciation	19,793,669	20,356,526	20,046,990
Due from other diocesan funds	3,045,107	3,646,775	3,796,404
Due from related entities	856,299	734,600	553,637
Total Assets	\$52,112,733	\$51,958,220	\$54,270,667
Liabilities:			
Accounts payable	\$ 1,033,295	\$ 1,172,492	\$ 1,051,381
Agency and trust accounts	569,273	553,094	730,177
Deferred income	268,504	294,141	307,542
Accrued expenses	1,269,741	1,053,802	1,080,693
Accrued pension - lay plan	17,430,663	23,293,073	14,305,137
Accrued pension - priests' plan	3,131,911	4,617,307	2,196,406
Accrued postretirement health benefits	-	376,356	-
Bonds payable	4,280,000	4,490,000	4,695,000
Loans payable	1,954,432	2,268,177	2,291,302
Due to other diocesan funds	3,045,107	3,646,775	3,796,404
Due to related entities	1,026,147	1,186,871	1,221,819
Due to parishes (TCTH funds)	30,162	268,227	561,453
Total Liabilities	34,039,235	43,220,315	32,237,314
Net Assets:			
Unrestricted Net Assets:			
Pastoral Center	3,895,725	3,846,259	3,618,523
Self Insurance Fund	8,789,818	7,766,101	7,143,249
High Schools	(1,481,418)	(1,584,283)	(1,320,832)
Tuition Assistance Fund	173,426	143,271	364,436
Plant Fund fixed assets, net	19,703,829	20,076,804	19,884,521
Pension Accounting Fund	(17,455,344)	(25,702,563)	(12,380,615)
Parish Bond Fund	81,194	(83,070)	154,879
Agency Funds	75,902	75,592	74,042
Total Unrestricted Net Assets	13,783,132	4,538,111	17,538,203
Temporarily Restricted Net Assets:			
Pastoral Center	3,877,097	3,821,582	3,640,560
High Schools	238,626	164,291	82,700
Tuition Assistance Fund	38,255	52,620	35,682
Plant Fund	202,880	339,241	510,029
Capital and Endowment Campaign	(71,211)	(185,370)	208,153
Agency Funds	4,719	7,430	18,026
Total Temporarily Restricted Net Assets	4,290,366	4,199,794	4,495,150
Total Net Assets	18,073,498	8,737,905	22,033,353
Total Liabilities and Net Assets	\$52,112,733	\$51,958,220	\$54,270,667

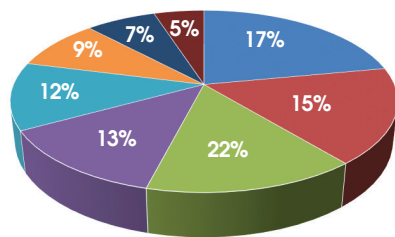
REVENUE



Diocesan Lenten Appeal (31%)	\$3.4 million
Diocesan assessment on parish income (26%)	\$2.9 million
Program fees and other revenue (14%)	\$1.5 million
Bishop Connare Center rental, fees, food service (12%)	\$1.3 million
Investment and endowment income (8%)	\$899,674
Communications assessment (6%)	\$627,316
Other contributions and grants (3%)	\$334,102

TOTAL: \$10,963,258

EXPENSES



Faith formation and Catholic education (22%)	\$2.3 million
Finance Department (17%)*	\$1.8 million
Chancery offices (15%)	\$1.6 million
Corporal Works of Mercy (13%)	\$1.4 million
Bishop Connare Center (12%)	\$1.2 million
Vocations, clergy formation and international priests (9%)	\$950,309
The Catholic Accent and Media Relations (7%)	\$729,259
Other administrative (5%)	\$530,129

TOTAL: \$10,473,374

Diocesan Central Administration — Pastoral Center

Statements of Activities Years Ended June 30,	2017	2016	2015
Revenue, gains and other support:			
Diocesan Lenten Appeal	\$ 3,428,169	\$ 3,309,276	\$ 3,236,424
Diocesan assessment on parish income	2,861,028	2,773,938	2,812,425
Program fees and other revenue	1,527,563	1,539,115	1,536,523
Bishop Connare Center rental, fees and food service	1,285,406	1,431,187	1,481,910
Investment and endowment income	899,674	626,282	695,204
Communications assessment	627,316	637,069	650,750
Other contributions and grants	334,102	274,705	204,456
Total Revenue, Gains and Support	\$10,963,258	\$10,591,572	\$10,617,692
Expenses are incurred in the following areas to perform services in support of parish, Catholic education and other ministries:			
Faith Formation and Catholic Education:			
Catechesis, evangelization, youth and worship	\$ 585,973	\$ 631,030	\$ 624,917
Contribution to diocesan high schools	525,000	525,000	525,000
Government funded educational programs	405,939	385,876	380,186
Office for Catholic Schools	376,774	338,744	388,022
Lay ecclesial ministry	289,475	230,121	243,314
Elementary schools tuition assistance	165,000	165,000	165,000
Total Faith Formation and Catholic Education	2,348,161	2,275,771	2,326,439
Corporal Works of Mercy:			
Hospital ministry program	554,430	525,293	523,275
Contribution to Catholic Charities	535,000	535,000	535,000
Tribunal/Marriage Office	170,049	174,635	170,356
Donations and other grants	95,545	141,600	69,650
Other special ministries	13,299	6,931	15,273
Total Corporal Works of Mercy	1,368,323	1,383,459	1,313,554
Vocations, Clergy Formation and International Priests:			
Office for Vocations	225,674	258,911	306,050
Unassigned priests	167,139	132,153	159,582
Neumann House, net of residence fees	164,087	136,613	104,184
Pension and retired priests' health care	141,970	105,491	36,460
Clergy Development	138,434	112,776	71,019
International Priests	71,796	109,010	141,241
Office for the Permanent Diaconate	41,209	59,896	69,344
Total Vocations, Clergy Formation and International Priests	950,309	914,850	887,880
Chancery Offices:			
Bishop's Office	441,303	550,801	571,363
Development and Stewardship Education	430,000	430,000	430,386
Human Resources	168,713	169,646	159,732
Vicar General's Office	132,081	129,376	119,253
Retired Bishop's Office	117,784	131,033	64,118
Curator/Archivist	101,050	36,800	-
Diocesan Planning Office	64,768	58,802	56,503
Chancellor's Office	54,311	66,086	63,530
Purchasing and facilities services	48,669	38,588	34,225
Total Chancery Offices	1,558,679	1,611,132	1,499,110
Finance Department:			
Information technologies	924,104	952,293	890,925
Financial operations and services	652,107	639,598	624,215
Engineering and facilities management	209,096	177,972	201,577
Total Finance Department	1,785,307	1,769,863	1,716,717
Total Bishop Connare Center	1,203,207	1,197,520	1,176,313
Total The Catholic Accent and Media Relations	729,259	729,198	701,268
Other Administrative:			
Legal and professional fees	393,354	75,706	85,469
Regional and national dues	142,216	140,301	129,373
General diocesan administration	130,192	136,871	128,560
Special events	5,539	153,572	116,772
Diocesan sites maintenance	5,311	13,153	16,993
Lay employee pension plan (credit) expense	(146,483)	(402,778)	(143,218)
Total Other Administrative	530,129	116,825	333,949
Total Expenses	10,473,374	9,998,618	9,955,230
Change in unrestricted net assets before adjustments and transfers:			
Transfers from other funds	12,618	12,825	13,300
Transfers to other funds	(453,036)	(378,043)	(376,441)
Change in unrestricted net assets	49,466	227,736	299,321
Temporarily restricted net assets:			
Contributions	3,743,283	3,692,434	3,549,102
Released from restrictions	(3,687,768)	(3,511,412)	(3,443,796)
Change in temporarily restricted net assets	55,515	181,022	105,306
Net assets, beginning of year	7,667,841	7,259,083	6,854,456
Net Assets, End of Year	\$ 7,772,822	\$ 7,667,841	\$ 7,259,083

Diocesan Catholic Junior-Senior High Schools



SCHEDULES OF ASSETS, LIABILITIES AND NET ASSETS

Geibel Catholic Junior-Senior High School			
As of June 30,	2017	2016	2015
Assets:			
Temporary investments and deposits	\$ 136,235	\$ 98,200	\$ 11,586
Student activity accounts	149,770	125,516	98,436
Tuition receivable	621,137	596,629	558,755
Less allowance for doubtful accounts	(456,046)	(432,854)	(378,337)
Other receivables	17,460	-	-
Total Assets	\$ 468,556	\$ 387,491	\$ 290,440
Liabilities and Net Assets			
Liabilities:			
Catholic Institute loan payable	\$ 91,991	\$ 139,088	\$ 93,249
Funds held in escrow for others	149,770	125,516	98,436
Accrued expenses	11,394	-	-
Due to other funds	83,627	306,718	442,067
Total Liabilities	336,782	571,322	633,752
Net Assets:			
Unrestricted - Undesignated	16,437	(250,571)	(351,788)
Temporarily restricted	115,337	66,740	8,476
Total Net Assets	131,774	(183,831)	(343,312)
Total Liabilities and Net Assets	\$ 468,556	\$ 387,491	\$ 290,440

Greensburg Central Catholic Junior-Senior High School			
As of June 30,	2017	2016	2015
Assets:			
Temporary investments and deposits	\$ 116,086	\$ 89,798	\$ 44,122
Student activity accounts	335,636	256,444	320,904
Tuition receivable	1,368,231	1,494,057	1,345,545
Less allowance for doubtful accounts	(1,031,259)	(1,128,141)	(879,599)
Other receivables	25,450	-	44,186
Total Assets	\$ 814,144	\$ 712,158	\$ 875,158
Liabilities and Net Assets			
Liabilities:			
Catholic Institute loan payable	\$ 702,876	\$ 836,408	\$ 774,891
Funds held in escrow for others	335,636	256,444	320,904
Accrued expenses	422,822	-	-
Due to other funds	727,376	855,467	674,183
Total Liabilities	2,188,710	1,948,319	1,769,978
Net Assets:			
Unrestricted - Undesignated	(1,497,855)	(1,333,712)	(969,044)
Temporarily restricted	123,289	97,551	74,224
Total Net Assets	(1,374,566)	(1,236,161)	(894,820)
Total Liabilities and Net Assets	\$ 814,144	\$ 712,158	\$ 875,158



GEIBEL CATHOLIC JUNIOR-SENIOR HIGH SCHOOL ADVISORY BOARD

Michael Delmar
 J.D. Ewing
 Father William J. Lechner
 Lori Omatick
 Edward Plisko
 Mary Jane Speeney

REVENUES AND EXPENDITURES

Geibel Catholic Junior-Senior High School			
Years Ended June 30,	2017	2016	2015
Tuition and Other Revenue:			
Tuition	\$ 1,125,940	\$ 985,914	\$ 1,053,463
Technology fee	62,632	47,344	-
Cafeteria, fine arts and drivers ed	46,621	42,799	19,672
Athletic income	19,183	21,157	38,683
Total Revenue	1,254,376	1,097,214	1,111,818
Geibel Catholic receives support from:			
Parishes of the Diocese of Greensburg	479,160	541,004	527,800
Diocese of Greensburg	272,200	272,300	269,700
Contributions and development	144,520	216,949	146,722
Total Support	895,880	1,030,253	944,222
Educational Expenses:			
Instruction	921,530	986,504	891,764
Administrative	301,032	293,062	271,745
Operation and maintenance	242,934	206,239	237,535
Student body activities	208,001	224,180	178,486
Transportation service	145,320	141,776	129,050
Other	2,271	3,004	3,949
Total Expenses	1,821,088	1,854,765	1,712,529
Operating surplus (deficit)	329,168	272,702	343,511
Other changes to net assets:			
Capital improvements	(62,160)	(171,485)	(80,640)
Change in unrestricted net assets	267,008	101,217	262,871
Temporarily restricted net assets:			
Contributions	88,284	70,189	27,060
Released from restrictions	(39,687)	(11,925)	(25,993)
Change in temporarily restricted net assets	48,597	58,264	1,067
Change in net assets	315,605	159,481	263,938
Net assets, beginning of year	(183,831)	(343,312)	(607,250)
Net Assets, End of Year	\$ 131,774	\$ (183,831)	\$ (343,312)

Greensburg Central Catholic Junior-Senior High School			
Years Ended June 30,	2017	2016	2015
Tuition and Other Revenue:			
Tuition	\$2,299,088	\$2,480,678	\$ 2,450,244
Technology fee	130,056	109,806	-
Cafeteria, fine arts and drivers ed	20,448	21,923	12,036
Athletic income	49,453	51,595	31,218
Total Revenue	2,499,045	2,664,002	2,493,498
GCC receives support from:			
Parishes of the Diocese of Greensburg	970,020	814,800	749,100
Diocese of Greensburg	283,800	279,400	277,600
Contributions and development	268,898	230,265	186,464
Total Support	1,522,718	1,324,465	1,213,164
Educational Expenses:			
Instruction	2,435,843	2,205,379	2,274,086
Administrative	705,472	837,912	691,155
Operation and maintenance	420,557	397,460	398,675
Student body activities	338,941	355,604	325,856
Transportation service	154,485	169,345	155,705
Other	32,806	92,224	52,737
Total Expenses	4,088,104	4,057,924	3,898,214
Operating surplus (deficit)	(66,341)	(69,457)	(191,552)
Other changes to net assets:			
Capital improvements	(97,802)	(295,211)	(84,313)
Change in unrestricted net assets	(164,143)	(364,668)	(275,865)
Temporarily restricted net assets:			
Contributions	85,123	121,813	72,819
Released from restrictions	(59,385)	(98,486)	(20,869)
Change in temporarily restricted net assets	25,738	23,327	51,950
Change in net assets	(138,405)	(341,341)	(223,915)
Net assets, beginning of year	(1,236,161)	(894,820)	(670,905)
Net Assets, End of Year	\$(1,374,566)	\$(1,236,161)	\$ (894,820)



GREENSBURG CENTRAL CATHOLIC JUNIOR-SENIOR HIGH SCHOOL ADVISORY BOARD

Bibiana Boerio
 Rob Dlugos
 Msgr. James T. Gaston, STL, VF
 Ralph Liberatore
 Bill McGarity
 Dr. Tracy McNelly
 Dr. Bonnie Ordonez
 Marybeth Pultz
 Dr. Mary Beth Spore
 Don Teti