

A message from Bishop Malesic

Dear Brothers and Sisters in Christ:

As the Bishop of Greensburg, I continue to be inspired by your faithful generosity to our Church. These have not been easy years for us, to say the least. However, like gold tested in fire, your faith and commitment remain strong and brilliant. I am blessed to be your shepherd.

One of my many administrative responsibilities is to oversee the stewardship of the diocese's material blessings — which are the result of your charity — and to report each year on the diocese's financial status. I am happy to do that once again.



We continue to meet our financial obligations and are providing for the pastoral and material needs of our diocese and parishes. At the same time, we are meeting the needs of the survivors of clergy sexual abuse no matter when it occurred. I am convinced that it is the Church's moral obligation to help survivors find healing through our combined prayers, counseling services and other support, including financial compensation. They

should know of our love and concern for them.

In the diocese's ongoing commitment to transparency, this annual financial report also shows the legal fees incurred as a result of the investigations and responses to past clergy abuse that were undertaken by state and federal investigators, local officials and by the diocese. We are also reporting on the compensation made to abuse survivors, which I see as an important part of a needed outreach to them.

If you have any questions about this report, please contact our chief financial officer, Sheila Murray.

I appreciate your continued support of me and our clergy. Together, we are traveling to salvation and the kingdom of God. Your prayers and contributions help us share the Gospel message of Jesus Christ with all of his children in order to bring them along with us on this incredible journey.

You are all in my prayers, and I ask that you please keep me in your prayers.

Sincerely yours in Christ,

+ *Edward C. Malesic*

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

Analysis from the chief financial officer

I am pleased to present the overview of the finances of the Diocese of Greensburg for the fiscal year ending June 30, 2019. The full audited financial statements, as well as other supplemental financial information, are available at theaccentonline.org. As the people of God work with the diocese and its parishes, we will continue to be able to offer the variety of ministries to all Catholics and the people of Armstrong, Fayette, Indiana and Westmoreland counties.



The pie charts below show where the funding comes from to support the central administration offices, as well as the cost centers where those funds were spent. The Diocesan Lenten Appeal continued to be the greatest revenue source with 32% of diocesan revenues. The assessment on parish offertory and other extraordinary income, an 8% assessment, generated another 25% of diocesan income. Program fees and other revenue, the fees charged to parishes for hospital ministry services, as well as government funding received for Catholic schools, generated 15% of the revenues. Christ Our Shepherd Center generated more than \$800,000 from lease income for central administration budget and another \$500,000 in food service and overnight lodging income.

Investment income rounds out the top five revenue sources, providing about 8% of our diocesan revenue.

Faith formation and Catholic education expenses accounted for 20% of the total expenses of the central administration offices. The finance department — which includes finance, facilities and information technology — was about

\$1.7 million, or 16% of total expenses. Approximately 13% of expenses was for vocations, clergy formation and international priests programs, while the corporal works of mercy, which provided materials and services to people in need, was \$1.3 million.

Legal and professional fees are included in the "Other" administration category, which was 6% of total spending. The diocese incurred legal fees of approximately \$600,000 in fiscal year 2019, \$400,000 in fiscal year 2018, and another \$400,000 in fiscal year 2017. These fees were all due to state and federal grand jury investigations and the establishment of the diocese's Survivors' Compensation Program.

On the Statements of Financial Position posted on theaccentonline.org, our fixed assets, net of depreciation, have decreased by about \$3.4 million since June 30, 2018, due mainly to additional depreciation expense incurred as we adjusted the lives of our fixed assets. This one-time adjustment occurred during the fiscal year ending June 30, 2019. Sale of fixed assets was not part of this decrease.

In the Liabilities section, accrued expenses increased about \$4 million. This included the \$4,350,020 settlement amounts paid from the Survivors' Compensation Fund to survivors of clergy sexual abuse early in fiscal year 2019-20. The accrued pension-lay plan liability also increased about \$4 million due to a change in the discount rate and investment rate when calculating this liability.

Net assets without donor restrictions, previously identified as unrestricted funds, decreased \$15 million since June 30, 2018. The Self-Insurance Fund decreased by \$5 million

due to the settlement amounts cited previously, along with legal fees of about \$700,000 related to the state and federal grand jury investigations and the diocese's Survivors' Compensation Program. The Plant Fund fixed assets decreased by the \$4 million due to the adjustment to the lives of the fixed asset. The Pension Accounting Fund net assets also decreased by \$5 million with the adjustment in the discount and investment rates. Both the depreciation expense and pension adjustments were an accounting requirement and not a reduction in cash.

The two diocesan high schools — Greensburg Central Catholic Junior-Senior High School and Geibel Catholic Junior-Senior High School — which continue to provide a quality, affordable education, both incurred additional debt to finance the purchase of new laptops for all students. These amounts are reflected on the schools' respective Schedules of Assets, Liabilities and Net Assets. Both schools also received additional EITC funds during fiscal year 2019, which will be distributed as financial aid to qualified students during the 2019-20 school year. We continue to work to increase EITC funds from our generous donors to help maintain an affordable education.

In conclusion, the diocese's financial results show that the Catholics of our diocese continued to be most generous this past year. As the diocesan mission statement proclaims, the Catholics of this diocese — priests, deacons, religious and laity — work together to live out their baptismal call to proclaim the Gospel of Jesus.

We are most grateful to all who demonstrate their commitment to responsible stewardship.

— Sheila R. Murray,
Chief Financial Officer

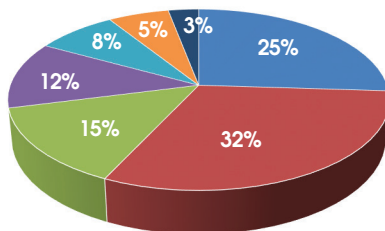
FIND ADDITIONAL INFORMATION ONLINE

The Diocese of Greensburg's annual financial statements are audited by independent certified public accountants, and the Diocesan Finance Council meets with the auditor to hear the report on the results of the audit.

The financial information found online at theaccentonline.org is taken from those audited financial statements.

Please contact the Department of Finance at 724-837-0901 if you have any questions.

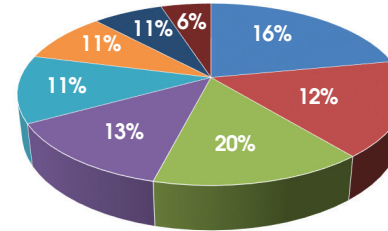
REVENUE



Diocesan Lenten Appeal (32%)	\$3.6 million
Diocesan assessment on parish income (25%)	\$2.9 million
Program fees & other revenue (15%)	\$1.6 million
Christ Our Shepherd Center rental, fees, food service (12%)	\$1.3 million
Investment & endowment income (8%)	\$866,000
Communications assessment (5%)	\$603,000
Other contributions & grants (3%)	\$349,000

TOTAL: \$11,172,023

EXPENSES



Faith formation & Catholic education (20%)	\$2.2 million
Finance Department (16%)	\$1.7 million
Vocations, clergy formation, international priests (13%)	\$1.4 million
Corporal works of mercy (12%)	\$1.3 million
Chancery offices (11%)	\$1.2 million
Christ Our Shepherd Center (11%)	\$1.2 million
Communications & Evangelization Office (11%)	\$1.2 million
Other administrative (6%)	\$708,000

TOTAL: \$10,905,746

Diocese of Greensburg and Related Activities

Statements of Financial Position As of June 30,	2019	2018	2017
Assets:			
Cash and cash equivalents	\$ 421,869	\$ 561,881	\$ 590,979
Investments	15,230,595	16,732,828	17,260,384
Receivables, net of allowance for doubtful accounts	2,312,440	2,695,546	4,089,606
Bond receivable from parish	3,829,404	4,051,500	4,271,124
Pension receivable from parishes and schools	2,464,504	3,036,012	1,184,805
Today's Challenge ~ Tomorrow's Hope pledges receivable	-	-	11,749
Assets designated for OPEB	9,734,042	9,096,778	8,335,345
Prepaid and other assets	220,218	198,664	139,060
Fixed assets, net of depreciation	16,240,299	19,686,542	19,793,669
Due from other diocesan funds	2,647,045	1,805,025	3,045,107
Due from related entities	12	1,001,163	856,299
Total Assets	\$ 53,100,428	\$ 58,865,939	\$ 59,578,127
Liabilities:			
Accounts payable	\$ 1,027,433	\$ 1,166,045	\$ 1,033,295
Agency and trust accounts	1,181,321	1,048,171	569,273
Deferred income	2,973,392	2,814,796	268,504
Accrued expenses	5,676,237	1,922,334	1,269,741
Accrued pension - lay plan	18,011,251	13,868,242	17,430,663
Accrued pension - priests plan	3,819,586	2,938,085	3,131,911
Accrued postretirement health benefits	6,814,820	6,920,867	7,465,394
Bonds payable	3,840,000	4,065,000	4,280,000
Loans payable	1,617,149	1,591,754	1,954,432
Due to other diocesan funds	2,647,045	1,805,025	3,045,107
Due to related entities	483,419	485,089	1,026,147
Due to parishes (TCTH funds)	-	8,077	30,162
Total Liabilities	48,091,653	38,633,485	41,504,629
Net Assets:			
Net assets without donor restrictions:			
Pastoral Center	2,661,204	2,848,880	3,895,725
Self Insurance Fund	1,905,212	6,909,113	8,789,818
High Schools	(788,916)	(868,319)	(1,481,418)
Tuition Assistance Fund	(361,113)	55,119	173,426
Plant Fund fixed assets, net	16,249,315	20,338,996	19,703,829
Pension Accounting Fund	(18,699,873)	(13,435,839)	(17,455,344)
Parish Bond Fund	95,125	184,527	81,194
Capital and Endowment Campaign	(45,585)	(56,387)	(71,211)
Agency Funds	78,900	80,273	75,902
Total Net Assets Without Donor Restrictions	1,094,269	16,056,363	13,711,921
Net assets with donor restrictions:			
Pastoral Center	3,569,521	3,876,107	3,877,097
High Schools	312,526	235,564	238,626
Tuition Assistance Fund	23,511	30,642	38,255
Plant Fund	8,948	29,079	202,880
Agency Funds	-	4,699	4,719
Total Net Assets With Donor Restrictions	3,914,506	4,176,091	4,361,577
Total Net Assets	5,008,775	20,232,454	18,073,498
Total Liabilities and Net Assets	\$ 53,100,428	\$ 58,865,939	\$ 59,578,127

Diocesan Central Administration — Pastoral Center

Statements of Activities Years Ended June 30,	2019	2018	2017
Revenues, gains, and other support			
Diocesan Lenten Appeal	\$ 3,564,001	\$ 3,536,174	\$ 3,428,169
Diocesan assessment on parish income	2,859,304	2,881,866	2,861,028
Program fees and other revenue	1,632,263	1,537,390	1,527,563
Christ Our Shepherd Center rental, fees, and food service	1,298,558	1,518,895	1,285,406
Investment and endowment income	866,116	891,980	899,674
Communications assessment	603,216	614,017	627,316
Other contributions and grants	348,565	421,361	334,102
Total Revenues, Gains and Support	\$ 11,172,023	\$ 11,401,683	\$ 10,963,258
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, Youth & Worship	\$ 538,109	\$ 712,424	\$ 585,973
Contribution to diocesan high schools	525,000	525,000	525,000
Government funded educational programs	506,490	407,541	405,939
Office for Catholic Schools	360,028	364,774	376,774
Lay ecclesial ministry	104,725	263,970	289,475
Elementary schools tuition assistance	165,000	165,000	165,000
Total Faith Formation and Catholic Education	2,199,352	2,438,709	2,348,161
Corporal Works of Mercy:			
Hospital ministry program	473,519	506,444	554,430
Contribution to Catholic Charities	535,000	535,000	535,000
Tribunal / Marriage Office	173,017	174,024	170,049
Donations and other grants	98,800	97,400	95,545
Other special ministries	24,643	13,837	13,299
Total Corporal Works of Mercy	1,304,979	1,326,705	1,368,323
Vocations, Clergy Formation & International Priests:			
Office for Vocations	248,250	238,863	225,674
Unassigned priests	287,007	167,690	167,139
Neumann House, net of residence fees	179,506	187,710	164,087
Pension & retired priests' health care	188,104	44,719	141,970
Clergy Development	190,858	137,535	138,434
International Priests	199,562	110,645	71,796
Office for the Permanent Diaconate	121,286	92,677	41,209
Total Vocations, Clergy Formation & International Priests	1,414,573	979,839	950,309
Chancery Offices:			
Bishop's Office	425,881	427,836	441,303
Development and Stewardship Education	376,586	430,000	430,000
Chancellor's Office / Human Resources	127,124	259,080	223,024
Vicar General's Office	140,318	136,347	132,081
Retired Bishop's Office	117,461	134,903	117,784
Curator / Archivist	10,363	78,948	101,050
Diocesan Planning Office	-	55,024	64,768
Purchasing and facilities services	46,098	46,186	48,669
Total Chancery Offices	1,243,831	1,568,324	1,558,679
Finance Department:			
Information technologies	777,229	812,660	924,104
Financial operations and services	723,664	682,664	652,107
Engineering and facilities management	208,580	199,281	209,096
Total Finance Department	1,709,473	1,694,605	1,785,307
Total Christ Our Shepherd Center	1,159,444	1,334,090	1,203,207
Total Communications & Evangelization Office	1,166,088	747,082	729,259
Other Administrative:			
Legal and professional fees	657,067	432,285	393,354
Regional and national dues	140,240	134,120	142,216
General diocesan administration	119,781	121,515	130,018
Special events	3,704	4,784	5,539
Diocesan sites maintenance	5,546	4,327	5,311
Bad debt expense	3,548	958,193	174
Lay employee pension plan credit	(221,880)	(285,841)	(146,483)
Total Other Administrative	708,006	1,369,383	530,129
Total Expenses	10,905,746	11,458,737	10,473,374
Change in net assets without donor restrictions before adj. and transfers:	266,277	(57,054)	489,884
Transfers from other funds	-	12,499	12,618
Transfers to other funds	(453,953)	(1,002,290)	(453,036)
Change in net assets without donor restrictions	(187,676)	(1,046,845)	49,466
Net assets with donor restrictions:			
Contributions	3,570,740	3,864,724	3,743,283
Released from restrictions	(3,877,326)	(3,865,714)	(3,687,768)
Change in net assets with donor restrictions	(306,586)	(990)	55,515
Net assets, beginning of year	6,724,987	7,772,822	7,667,841
Net assets, end of year	\$ 6,230,725	\$ 6,724,987	\$ 7,772,822

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 2018-19, appointed by the bishop, were:

DIOCESAN REPRESENTATIVES

- The Most Reverend Edward C. Malesic, JCL
- The Rev. Msgr. Larry J. Kulick, JCL, Ex Officio Member
- The Rev. Msgr. Raymond E. Riffle
- Joseph DiMario
- Margaret DiVirgilio
- Dr. Maureen Marsteller
- Jennifer Miele
- Sheila Murray, CFO

OUTSIDE MEMBERS

- William Thalman
- Dick K. Barton
- Jeffrey D. Erdely
- Ruth Grant
- The Rev. James H. Loew, OSB
- John N. Stevens
- Michael J. Walker (deceased)

Greensburg Central Catholic Junior-Senior High School

SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS

As of June 30,	2019	2018	2017
Assets:			
Temporary investments and deposits	\$ 122,572	\$ 187,602	\$ 116,086
Student activity accounts	240,192	329,934	335,636
Tuition receivable	221,891	1,182,285	1,368,231
Less allowance for doubtful accounts	(175,057)	(1,001,094)	(1,031,259)
Computer equipment	203,295	-	-
Other receivables	17,393	18,593	25,450
Total Assets	\$ 630,286	\$ 717,320	\$ 814,144
Liabilities and Net Assets			
Liabilities:			
Catholic Institute loan payable	\$ 631,855	\$ 566,683	\$ 702,876
Funds held in escrow for others	240,192	316,619	335,636
Accrued expenses	247,022	285,078	422,822
Due to other funds	593,604	631,064	727,376
Total Liabilities	1,712,673	1,799,444	2,188,710
Net Assets:			
Without donor restriction	(1,230,200)	(1,210,912)	(1,497,855)
With donor restriction	147,813	128,788	123,289
Total Net Assets	(1,082,387)	(1,082,124)	(1,374,566)
Total Liabilities and Net Assets	\$ 630,286	\$ 717,320	\$ 814,144

SCHEDULE OF REVENUES AND EXPENSES

Years Ended June 30,	2019	2018	2017
Tuition and Other Revenue:			
Tuition	\$ 2,174,170	\$ 2,285,131	\$ 2,299,088
Technology fee	112,636	125,053	130,056
Cafeteria, fine arts, and drivers ed	26,161	18,374	20,448
Athletic income	52,147	46,300	49,453
Total Revenue	2,365,114	2,474,858	2,499,045
GCCHS receives support from:			
Parishes of the Diocese of Greensburg	1,052,096	1,056,020	970,020
Diocese of Greensburg	283,500	283,800	283,800
Contributions and development	295,501	255,772	268,898
Total Support	1,631,097	1,595,592	1,522,718
Educational Expenses:			
Instruction	2,028,829	1,963,301	2,435,843
Administrative	773,474	724,736	705,472
Operation and maintenance	467,643	487,855	420,557
Student body activities	404,092	386,505	338,941
Transportation service	169,685	164,000	154,485
Other	55,988	6,860	32,806
Total Expenses	3,899,711	3,733,257	4,088,104
Operating surplus/(deficit)	96,500	337,193	(66,341)
Other changes to net assets:			
Transfers from Current Fund	-	10,000	-
Capital improvements	(115,788)	(60,250)	(97,802)
Change in net assets without donor restrictions	(19,288)	286,943	(164,143)
Net assets with donor restrictions:			
Contributions	31,051	30,600	85,123
Released from restrictions	(12,026)	(25,101)	(59,385)
Change in net assets with donor restrictions	19,025	5,499	25,738
Change in net assets	(263)	292,442	(138,405)
Net assets, beginning of year	(1,082,124)	(1,374,566)	(1,236,161)
Net assets, end of year	\$(1,082,387)	\$(1,082,124)	\$(1,374,566)

GREENSBURG CENTRAL CATHOLIC ADVISORY BOARD MEMBERS

Bibiana Boerio	William McGarrity	Dr. Mary Beth Spore
Dr. Gregory Bisignani	Dr. Tracy McNelly	Donald Teti
Rob Dlugos	Marybeth Grandinetti Pultz	Father Daniel L. Blout
Ralph Liberatore		

Geibel Catholic Junior-Senior High School

SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS

As of June 30,	2019	2018	2017
Assets:			
Temporary investments and deposits	\$ 187,735	\$ 129,501	\$ 136,235
Student activity accounts	78,502	114,826	149,770
Tuition receivable	186,461	567,707	621,137
Less allowance for doubtful accounts	(71,250)	(403,859)	(456,046)
Other receivables	1,261	-	17,460
Computer equipment	95,646	-	-
Due from other funds	350,651	199,426	-
Total Assets	\$ 829,006	\$ 607,601	\$ 468,556
Liabilities and Net Assets			
Liabilities:			
Catholic Institute loan payable	\$ 95,646	\$ -	\$ 91,991
Funds held in escrow for others	78,502	114,826	149,770
Accrued expenses	48,861	43,406	11,394
Due to other funds	-	-	83,627
Total Liabilities	223,009	158,232	336,782
Net Assets:			
Without donor restriction	441,284	342,593	16,437
With donor restriction	164,713	106,776	115,337
Total Net Assets	605,997	449,369	131,774
Total Liabilities and Net Assets	\$ 829,006	\$ 607,601	\$ 468,556

SCHEDULE OF REVENUES AND EXPENSES

Years Ended June 30,	2019	2018	2017
Tuition and Other Revenue:			
Tuition	\$ 855,406	\$ 973,661	\$ 1,125,940
Technology fee	43,800	43,477	62,632
Cafeteria, fine arts, and drivers ed	150,990	144,572	46,621
Athletic income	21,979	19,374	19,183
Total Revenue	1,072,175	1,181,084	1,254,376
GHS receives support from:			
Parishes of the Diocese of Greensburg	494,589	504,060	479,160
Diocese of Greensburg	272,000	272,200	272,200
Contributions and development	223,564	208,610	144,520
Total Support	990,153	984,870	895,880
Educational Expenses:			
Instruction	994,939	934,700	921,530
Administrative	236,332	208,588	301,032
Operation and maintenance	236,500	240,879	242,934
Student body activities	178,717	160,994	208,001
Transportation service	157,950	155,750	145,320
Other	104,234	87,822	2,271
Total Expenses	1,908,672	1,788,733	1,821,088
Operating surplus	153,656	377,221	329,168
Other changes to net assets:			
Capital improvements	(54,965)	(51,065)	(62,160)
Change in net assets without donor restrictions	98,691	326,156	267,008
Net assets with donor restrictions:			
Contributions	116,188	87,609	88,284
Released from restrictions	(58,251)	(96,170)	(39,687)
Change in net assets with donor restrictions	57,937	(8,561)	48,597
Change in net assets	156,628	317,595	315,605
Net assets, beginning of year	449,369	131,774	(183,831)
Net assets, end of year	\$ 605,997	\$ 449,369	\$ 131,774

GEIBEL CATHOLIC ADVISORY BOARD MEMBERS

Mary Jane Speeney	Melinda Alvarez	Lori O'Matick
Michael Delmar	Fr. William J. Lechnar	John Coleman