



# 2008 Accountability Report

## To the People of the Archdiocese of Indianapolis

### Dear Friends in Christ:

As we wait with joyful anticipation for Christmas, many people are surely more anxious than usual this Advent season due to the uncertain economic climate. Let's remember to pray for everyone who is hurting economically and to do what we can to help those in need. By working together to be good stewards of what God has given us, we move closer to fulfilling Jesus' teaching that we are all brothers and sisters and everyone is our neighbor.

Here is our annual archdiocesan accountability report. In this report, you will find an accounting of our stewardship of the human, physical and financial resources for the Archdiocese of Indianapolis for the 2008 fiscal year. We'll also take a brief look at the year ahead.

It is a privilege to lead this archdiocese as we mark the 175th anniversary of its founding. We are truly blessed to have such dedicated clergy and religious, lay leaders and parishioners. As we celebrate our rich Catholic heritage in central and southern Indiana, let us pray that God continues to bless our efforts to build upon the strong foundation our ancestors left us.

### Archdiocese's 175th anniversary

The Archdiocese of Indianapolis, originally established as the Diocese of Vincennes, was founded on May 6, 1834, by Pope Gregory XVI. Like our ancestors 175 years ago, we continue to invite everyone to learn about the Catholic faith and to follow Jesus Christ. It is also a time for all Catholics in the archdiocese to renew their commitment to continue growing in faith and holiness throughout their lives. The theme for our anniversary year is "We Have Seen the Lord: Come and See."

We officially launched the anniversary celebration with a pilgrimage to the Holy Land from Sept. 17-27. Forty-two pilgrims from across the archdiocese joined me as we visited sacred sites throughout Israel. Each day as we walked where Jesus once walked, we prayed for special intentions for our archdiocese and its people. It was fitting that we explored the place where the Catholic Church was born as we began a year of solemnly celebrating the founding of our local Church.

I will be leading pilgrimages in March and April of 2009 to Vincennes, Ind., to reflect on the founding of this archdiocese. It will be a good opportunity to see where our first bishop, the Servant of God Simon Bruté, began building our archdiocese with few resources in what was then truly a frontier land.

Our 175th anniversary celebration will culminate in a solemn Mass on May 3, 2009, at the new Lucas Oil Stadium in Indianapolis. We expect that as many as 40,000 people will attend this Mass. For more information about the 175th anniversary celebration and special events for the upcoming year, please visit the archdiocesan Web site at [www.archindy.org](http://www.archindy.org).

### Legacy for Our Mission Campaign

I'm pleased to report that the Legacy for Our Mission capital stewardship campaign was an overwhelming success. More than 33,000 Catholics from across central and southern Indiana pledged nearly \$104 million. The goal was \$100 million. In addition to the \$104 million pledged, we also received \$10.4 million in corporate gifts.

Thank you all for helping make this campaign such a success. Your contributions will benefit all 151 parishes and the many ministries we carry out throughout the archdiocese. You can find a more detailed financial accounting in the Chief Financial Officer's letter in this report, which explains how money from this campaign is already being put to good use.

The success of Legacy for Our Mission is surely evidence that all things are possible with God. We thank God for all the blessings he has given us, knowing that everything we accomplish is only possible through God's grace.

Contributions to the Legacy for Our Mission campaign are being used by parishes to renovate churches, schools and parish centers. Some parishes are paying off outstanding construction loans. More than \$1 million has been used for high school capital building projects.

Hundreds of thousands of dollars are already going to help support the ministries of Catholic Charities—everything from providing shelter for the homeless to caring for girls and young women who are dealing with crisis pregnancies.

Poor children in the center-city in Indianapolis are getting a chance to go to a Catholic school—one of our Mother Theodore Catholic Academies—because of your support of the Legacy for Our Mission campaign. For many of these children, this will be the opportunity that helps them break free from the cycle of poverty.

We also used funds from the Legacy for Our Mission campaign to purchase the former Carmelite Monastery near Marian College to use as the new home for our Bishop Simon Bruté College Seminary.

You can find dozens of stories about how parishes and agencies throughout the archdiocese are using funds raised through Legacy for Our Mission on the archdiocesan Web site at <http://archindy.org/legacy/stories.html>.

One of the most satisfying results of this campaign is that roughly 14,000 people in parishes throughout the archdiocese volunteered to make it such a success. The blessings that will come from their continued involvement in their parishes are still to be seen and will be astounding.

### Vocations

We currently have 25 seminarians in formation. We are blessed to have a great group of future pastors who are bright, committed and caring. We ordained two men to the priesthood in 2008 and we expect to ordain five men in 2009. This will be our largest ordination class since 2002 when we also ordained five men.

The archdiocese was also blessed this past year with the ordination of 25 permanent deacons on June 28 at SS. Peter and Paul Cathedral in Indianapolis. This was our first class of permanent deacons. The new deacons are ministering in parishes and in the broader community in such places as jails, prisons, hospitals and nursing homes.

As permanent deacons, these men will baptize, witness marriages and preside at funerals. At Mass, they will be able to proclaim the Gospel and preach, but will not serve as celebrant or consecrate the Eucharist. In the ministry of the Word, the deacons will teach the faith and provide pastoral guidance. The deacons' primary ministry, however, will be focused on charity.

On a sad note, Deacon Ronald Stier, who was a member of the first ordination class, died on Aug. 24 from pancreatic cancer. He was 71. He ministered at the Richmond Catholic Community parishes of Holy Family, St. Andrew and St. Mary, and at the Wayne County Jail.

A second group of 18 men have already begun formation classes for the permanent diaconate. We expect to ordain these men in 2012.

Pray that God will bless our archdiocese with more vocations and pray for all men and women who are discerning a call to the priesthood, permanent diaconate and religious life.

### Catholic Charities

This past year was extremely busy for our Catholic Charities agencies due to worsening economic conditions in the country and severe flooding that hit central and southern Indiana.

Thousands of households across the archdiocese were affected by flooding that ravaged many communities on June 6-7. It was the worst flooding seen in the state in more than 100 years. At least 2,500 homes were damaged in Columbus. More than 2,500 homes were damaged in the Terre Haute area and another 1,500 in the Martinsville area. In Johnson County, from Greenwood in the north to Edinburg in the south, hundreds of families were severely affected by the flooding.

Catholic Charities and parishioners throughout the archdiocese responded by helping families with financial support and by providing shelter. Volunteers also collected food, water and clothing and helped with the cleanup.

During the past year, our six archdiocesan Catholic Charities agencies went through a process to review each of the nearly 35 programs they operate to serve the most vulnerable in our

communities. Motivated by a call issued by Pope Benedict XVI in his encyclical *Deus Caritas Est* ("God is Love") to ensure that no member of God's family goes without the necessities of life, Catholic Charities is working to see that as a Church we are providing the best and right kind of services.

One of the things we learned from this review process is that Catholic Charities needs to collaborate more closely with parishes in the archdiocese. We hope to greatly enhance this collaboration in the coming year through a program called SHINE, which stands for Spreading Hope In Neighborhoods Everywhere. This social ministry renewal effort will involve parishes, schools, agencies, hospitals and other social service institutions throughout the archdiocese.

You will be hearing more about SHINE in the upcoming year, but to learn more now about how you and your parish can become involved, visit the archdiocesan Catholic Charities Web site at [www.CatholicCharitiesIndy.org](http://www.CatholicCharitiesIndy.org).

### Annual Appeal changes

Now that the Legacy for Our Mission campaign is winding down, although there is still much work to be done in seeing that the pledges are fulfilled, we have spent much of the past year examining how to refine and improve our stewardship operations.

It's been 10 years since we combined the local parish stewardship initiative with the United Catholic Appeal into what we know now as Called to Serve: Parish Stewardship and United Catholic Appeal. I believe it is time to freshen up our annual appeal.

In 2009, we will be rolling out some enhancements to the appeal to re-emphasize stewardship principles, refresh communications, and illustrate the fact that every parish—and, thus, every parishioner—has a role to play in the ministries of our archdiocese. With the help of a consulting firm, we have been conducting a survey and meeting with various groups throughout the archdiocese to gather input about the best ways to raise funds for all of the archdiocese's various ministry needs. You will be hearing more about this next year.

### Catholic education and faith formation

Our archdiocesan schools and faith formation program continue to receive national attention. More than 7,000 Catholic educators met in Indianapolis March 25-28 for the 105th annual Convention of the National Catholic Educational Association and the National Association of Parish Catechetical Directors Convention. It was the first time the Archdiocese of Indianapolis hosted this important gathering. By all accounts, we received excellent reviews from those who attended. Hosting this national convention laid the foundation for further relationships that will benefit our students and schools for years to come.

Our archdiocesan schools have been recognized as among the best academically in the United States. Our Archdiocesan Religion Curriculum Guidelines and Faith 2000 assessment instrument for religious education have made us a national leader in faith formation.

### Conclusion

The deepening economic crisis in the United States will almost certainly bring more pain to people in the archdiocese as jobs are lost. We must continue to put our hope in God. We will continue to be good stewards of all of our resources in the Archdiocese of Indianapolis and we will use our ministry resources to the best of our ability to help care for those most in need.

Let us all continue to work for the common good of the archdiocese and our society. Thank you for your support and God bless you!

Sincerely yours in Christ,

*+ Daniel M. Buechlein*

Most Rev. Daniel M. Buechlein, O. S. B.  
Archbishop of Indianapolis





# Summary of Financial Status

This summary of the financial status of the Archdiocese of Indianapolis reflects activities of the chancery of the archdiocese and certain affiliated agencies with direct accountability to the Most Reverend Daniel M. Buechlein, O. S. B., Archbishop of Indianapolis. The information presented has been derived from the audited financial statements and does not

include the activities of parishes, missions and schools of the archdiocese. All significant transactions among entities detailed in this summary have been eliminated. The complete audited financial statements are available for public inspection at [www.archindy.org/financial/archdiocese.html](http://www.archindy.org/financial/archdiocese.html).

## Chancery and Certain Entities of the Archdiocese of Indianapolis Combined Statements of Financial Position as of June 30, 2008 and 2007

ASSETS	2008	2007
Cash and cash equivalents	\$42,779,420	\$26,922,029
Investments	154,956,031	164,442,887
Receivables:		
Contributions, net	47,526,040	42,333,342
Deposit and loan fund, net	23,083,717	21,398,722
Amounts due from parishes and other archdiocesan entities, net	4,344,164	4,079,590
Accrued interest income	307,731	363,886
Other, net	3,349,536	2,745,341
Total receivables, net	78,611,188	70,920,881
Other assets	1,315,358	1,268,866
Burial spaces and other inventories	2,923,087	2,992,328
Land, buildings and equipment, net	15,320,669	15,102,222
<b>TOTAL ASSETS</b>	<b>\$295,905,753</b>	<b>\$281,649,213</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$5,958,629	\$5,594,354
Capital campaign due to parishes	32,693,477	24,061,574
Bonds payable	49,919,113	50,993,530
Reserves for self-insurance	1,322,000	2,519,000
Other liabilities	4,705,614	3,484,702
Deposit and loan fund payable	49,164,392	41,059,269
Total liabilities	143,763,225	127,712,429
Net assets:		
Unrestricted	100,195,839	103,698,830
Temporarily restricted	32,009,146	30,727,322
Permanently restricted	19,937,543	19,510,632
Total net assets	152,142,528	153,936,784
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$295,905,753</b>	<b>\$281,649,213</b>

## Chancery and Certain Entities of the Archdiocese of Indianapolis Combined Statements of Activities for the years ended June 30, 2008 and 2007

	2008	2007
<b>SUPPORT AND REVENUES</b>		
Assessments	\$9,865,590	\$8,959,190
Service fees	22,172,903	21,516,600
Capital campaigns and contributions	19,619,309	25,002,314
United Catholic Appeal	3,841,506	5,762,963
Sales of goods and services	4,441,123	4,478,507
Program service fees and other	5,240,221	5,593,319
Other public support	5,182,028	3,939,406
Interest income and investment return	(9,338,392)	27,633,640
<b>Total support and revenues</b>	<b>61,024,288</b>	<b>102,885,939</b>
<b>EXPENSES</b>		
Salaries and wages	12,996,568	14,089,029
Employee benefits and taxes	3,878,788	3,709,141
Health care costs	11,245,054	13,783,734
Retirement plan contributions	1,937,229	4,344,119
Cost of equipment and supplies sold	1,644,688	2,020,638
Administrative and supplies	1,925,505	2,190,604
Property insurance	1,665,976	3,132,579
Depreciation	1,069,734	1,204,443
Repairs and maintenance	1,008,122	854,324
Occupancy costs	1,197,039	1,222,906
Interest	6,396,705	5,816,168
Bad debts	4,164,292	5,344,281
Professional services	4,992,793	5,918,960
Specific assistance	927,995	572,763
Contributions	4,611,743	4,563,636
Capital campaign funds donated to parishes and others	812,091	433,233
Other	2,344,222	2,255,782
<b>Total expenses</b>	<b>62,818,544</b>	<b>71,456,340</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,794,256)</b>	<b>31,429,599</b>
<b>NET ASSETS: Beginning of year</b>	<b>153,936,784</b>	<b>122,507,185</b>
<b>NET ASSETS: End of year</b>	<b>\$152,142,528</b>	<b>\$153,936,784</b>

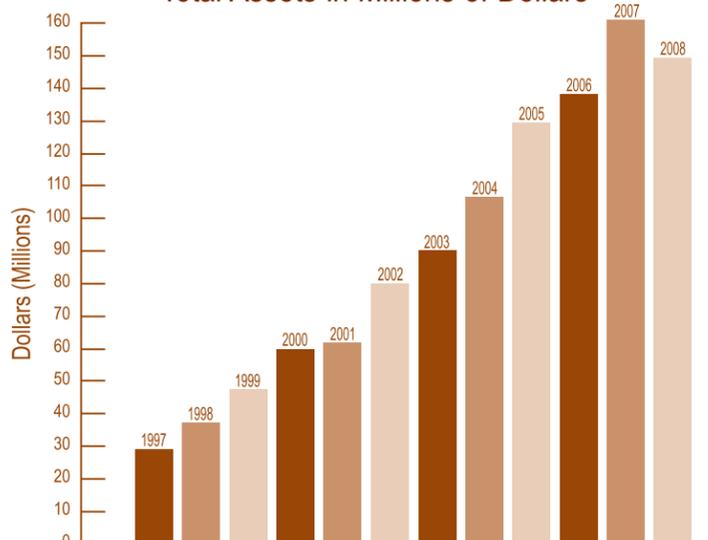


# Catholic Community Foundation, Inc.

The Catholic Community Foundation is a separate, not-for-profit corporation established by the Archdiocese of Indianapolis to professionally invest and administer numerous individual endowment funds for the benefit of parishes,

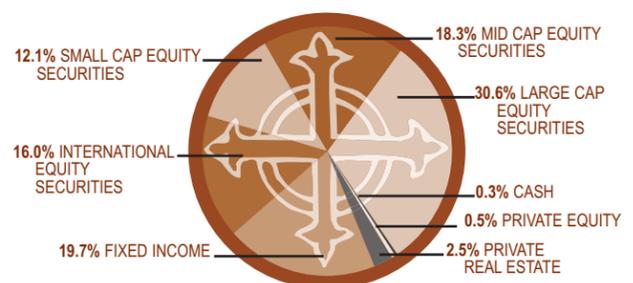
schools, agencies, and other institutions affiliated with the archdiocese. As of June 30, 2008, the Catholic Community Foundation comprised 356 separate endowment accounts and 106 charitable gift annuities worth \$149.7 million.

Total Assets in Millions of Dollars



Asset Allocations as of June 30, 2008

Cash and Investments = \$149,710,382



Fund Performance

COMPOSITE	-7.9%
EQUITY	-13.4%
FIXED	8.0%



Combined Statement of Activities by Secretariat, Vicariate and other operating groups

	SUPPORT AND REVENUES	EXPENSES	CHANGE IN NET ASSETS
Chancery	\$14,587,721	\$3,774,454	\$10,813,267
Clergy and Parish Life Coordinators	4,339,207	4,247,307	91,900
Spiritual Life and Worship	815,385	977,051	(161,666)
Catholic Education and Faith Formation	9,188,487	10,609,243	(1,420,756)
Lay Ministry and Pastoral Services	233,079	354,212	(121,133)
Catholic Charities and Family Ministries	9,839,975	8,980,402	859,573
Communications	1,928,322	2,126,394	(198,072)
Finance and Administrative Services	2,484,921	3,698,439	(1,213,518)
Stewardship and Development	2,497,422	1,942,024	555,398
Vicariate Judicial	266,915	369,473	(102,558)
Parish Shared Services and Support	27,686,159	23,280,996	4,405,163
Catholic Community Foundation and ADLF	(591,920)	14,187,801	(14,779,721)
Legacy for Our Mission Capital and Endowment Campaign	4,103,865	4,741,993	(638,128)
Eliminations	(16,355,250)	(16,471,245)	115,995
<b>Combined Total June 30, 2007</b>	<b>\$61,024,288</b>	<b>\$62,818,544</b>	<b>\$(1,794,256)</b>

Breakdown of Change in Net Asset Results for the year ended June 30, 2008 (in thousands)

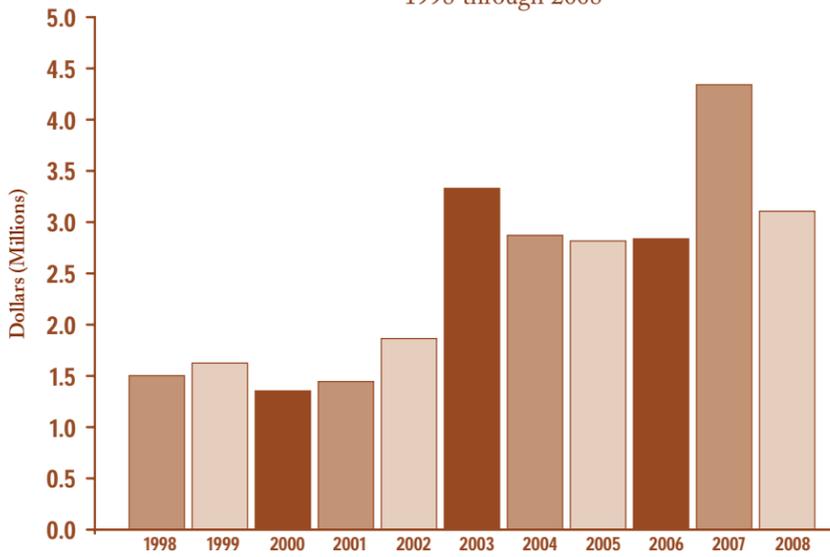
Actual	
Combined operations	\$ (77)
Parish Shared Services and Support	4,405
Catholic Community Foundation, ADLF, Investing and Debt Activities	(14,780)
Capital, Grant and Endowment Activities	4,702
Other reconciling items and eliminations	<u>3,956</u>
<b>Combined Change in Net Assets</b>	<b>\$ (1,794)</b>

Archdiocese of Indianapolis Values

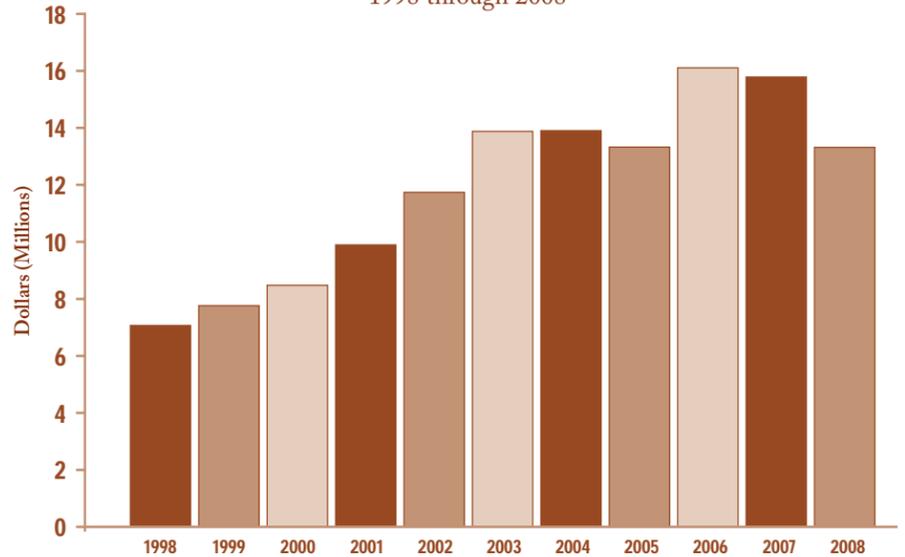
- † Prayer and spiritual growth
- † Lifelong learning and sharing our faith
- † Parish and family, the individual and community
- † Compassion and respect for human life and all creation
- † Justice and consistent moral standards
- † Proactive leadership and shared responsibility
- † Vital presence in urban, suburban, and rural neighborhoods
- † Stewardship



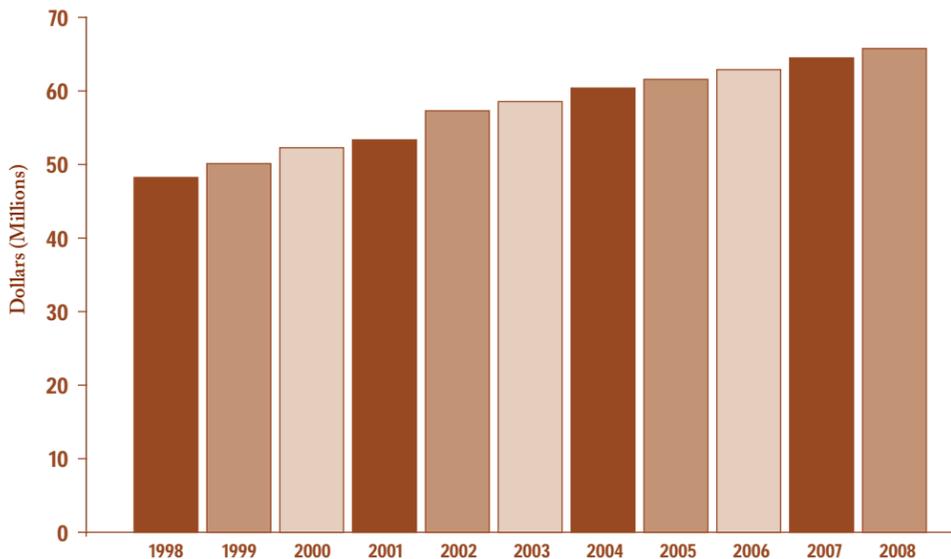
Property Insurance Expense 1998 through 2008



Clergy and Lay Health Care Expense 1998 through 2008

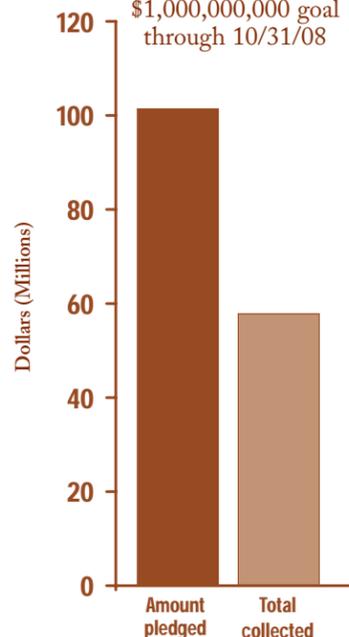


Parish Sunday and Holy Day Collections 1998 through 2008

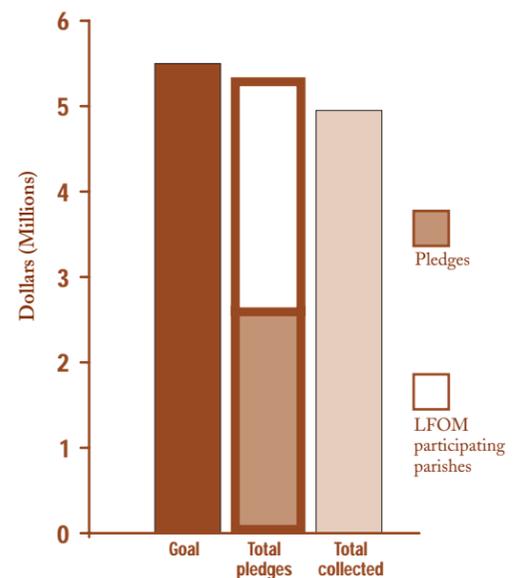


Legacy for Our Mission Capital and Endowment Campaign

\$1,000,000,000 goal through 10/31/08



2007 Called to Serve/ United Catholic Appeal through 10/31/08





# Chief Financial Officer's Report

We find ourselves in the midst of great uncertainty, dramatic change and rampant fear in our economy and our financial markets. Our society faces business failures, rising unemployment, reduced ability to obtain credit to fund business operations or refinance existing loans, and non-stop speculation on the effects that a new presidential administration will have. Economic conditions challenge the financial position of our ministries, especially the contributions they depend on, while at the same time creating a greater need for many of our charitable services.

## Some interesting factors include:

- We've experienced the worst 10-year period in U.S. stock markets since the Great Depression.
- Several prestigious firms such as Bear Stearns and Lehman Brothers, some with histories of more than 100 years, no longer exist. In fact, rather than struggling for a long period of time, their businesses came to an end almost overnight.
- Research generally shows that charitable giving tends to decline somewhat during economic recessions. Giving to churches, however, tends to hold up relatively well during these periods.
- Inflationary concerns throughout much of 2008 seem to have largely given way to concerns about deflation. We do see this a bit in planning for capital/facility projects—labor prices have decreased from busier times and we're starting to see a reduction in some materials prices as well.
- The tax implications of President-elect Barack Obama's platform are not yet clear. Early promises to raise taxes have changed to views of cutting taxes for middle and low-income taxpayers and delaying any planned increases for wealthy taxpayers. It will be important to monitor how specific changes may impact contributions as well as major campaign gifts and estate planning. (*As always, we ask that you remember the Archdiocese of Indianapolis, its Catholic Charities and educational ministries and your parish in your will.*)

Yet, as we embrace the Thanksgiving and Advent seasons, the Archdiocese of Indianapolis has much to be thankful for: stable agency, parish and school operations; a successful Legacy for Our Mission campaign; and the commitment of nearly 280,000 Catholics across our 39 counties. This report highlights several significant financial aspects of our operations.

## Chancery Fiscal Year 2008 Operating Results

The chancery and agencies of the Archdiocese of Indianapolis completed 2007-2008 with break-even operations which was consistent with the expectations for the year as determined through the budgeting process. This represents the fourth consecutive year with break-even operations or better for the archdiocese. We started the 2008-2009 fiscal year with a break-even budget which would seem to indicate that the archdiocese has a bit more stability in its operations than in previous years. However, the new fiscal year budget was put together prior to the economic turmoil that we are all experiencing. It will take a concerted effort by everyone to hold operating expenses down and eliminate any unnecessary expenses while the credit and equity markets recover and we see the growth in our endowments resume.

## Called to Serve: Parish Stewardship and United Catholic Appeal

For the fiscal year ended June 30, 2008, parish stewardship, through Sunday and holy day collections, continued to grow. Total parish Sunday and holy day collections for 2007-2008 throughout the archdiocese grew at a rate of 2.0 percent. This compares with a growth rate of 2.5 percent in parish Sunday and holy day collections for 2006-2007.

The 2007 United Catholic Appeal received pledges of \$5.26 million, including Appeal goal amounts for the parishes participating in the Legacy for Our Mission campaign. This compares to pledges of \$5.27 million for the 2006 United Catholic Appeal.

Annual parish stewardship through Sunday and holy day collections and the United Catholic Appeal will be critical to the success of the many ministries resident in our parishes and deaneries and those supported by the Archdiocese of Indianapolis. It is important that annual giving amounts are sustained during these trying economic times to the extent that our families and parishioners can support.

## St. Francis Xavier Home Missions Fund

June 2008 brought the eighth round of allocations from the St. Francis Xavier Home Missions fund. The allocations committee, consisting of members—pastors and parish life coordinators from each deanery—aided by archdiocesan staff members, made recommendations to Archbishop Buechlein for home missions grants based on applications received from 36 parishes and agencies. Approximately \$260,000 was awarded to 21 parishes.

Home missions grants are supported through the generosity of parishes that pledge some or all of the money they raise in excess of their Called to Serve/ United Catholic Appeal goal to the St. Francis Xavier Home Missions Fund and through distributions from the Catholic Community Foundation's Archdiocesan Home Missions Endowment Fund, which was established through the Legacy of Hope from Generation to Generation capital and endowment campaign. While we've improved our funding to support needy parishes, parish needs still far outweigh available resources. Grant requests exceeded \$860,000 thus only approximately 30 percent of the grant dollars requested was able to be awarded.

## Mother Theodore Catholic Academies

The six center-city Indianapolis elementary schools that have joined to form the Mother Theodore Catholic Academies strive to provide a high quality education with a strong spiritual base, leading students of all faiths to secondary and post-secondary education. The schools are working hard to continue to raise academic excellence, maximize available resources and increase enrollment. The operating need for these schools for the 2007-2008 fiscal year was approximately \$3.5 million.

Eventually, this annual operating need is expected to be funded through annual fundraising and larger endowment distributions. In the short term, the proceeds from the Legacy for Our Mission Campaign have been used to meet this need.

## Legacy for Our Mission Campaign

In the fall of 2005, Archbishop Buechlein launched the Legacy for Our Mission Campaign. As noted in Archbishop Buechlein's letter in this accountability report, the campaign benefits both local parish needs and archdiocesan ministry needs. The \$100 million goal for the parish phase of the campaign was reached and exceeded with pledges totaling \$103.9 million. The strong campaign results have been achieved because parishes and the Archdiocese put together compelling cases, had strong leadership, and had quality implementation throughout the local campaigns. As pledge payments are received, they are immediately used to support the ministries within the Archdiocese. Through the end of the 2008 fiscal year, the Legacy for Our Mission allocations from the Chancery portion included:

• Endowments	
– Home Missions .....	\$ 1,000,000
– Making a Difference (Financial Aid) .....	\$ 2,500,000
– Priest Retirement.....	\$ 1,000,000
– Cemeteries .....	\$ 600,000
• Catholic Charities capital.....	\$ 770,000
• High School capital projects .....	\$ 1,250,000
• Catholic Charities Programming .....	\$ 925,000
• Mother Theodore Catholic Academies Programming.....	\$ 5,000,000
• Permanent Diaconate Formation .....	\$ 575,000
• St. Mary's Child Center.....	\$ 150,000
• SS. Peter & Paul Cathedral capital.....	\$ 50,000
<b>Total .....</b>	<b>\$ 13,820,000</b>

## Expenses Related to Sexual Misconduct

In fiscal year 2008, approximately \$102,000 was spent to provide counseling for victims of sexual misconduct perpetrated or alleged to have been perpetrated by priests or lay employees of the archdiocese. Approximately \$114,000 was spent for these purposes in fiscal year 2007. Additionally, approximately \$156,000 was spent for legal fees to defend the archdiocese from sexual misconduct lawsuits in 2008. In 2007, \$170,000 was spent in legal defense costs.

## Insurance Plans and Parish Services

The archdiocese operates several insurance plans, employee benefit plans and other services on behalf of parishes, schools and employees. Two of the most significant plans are the lay employee health insurance plan and the property insurance plan. Both have seen significant changes in recent years.

Starting January 1, 2007, the previous lay employee health insurance plan was fully replaced with a high deductible health plan complete with Health Savings Accounts (HSA). For the first 18 months since its inception, the plan has experienced a \$3.7 million surplus. I caution that this surplus is an initial 18 month surplus, and although we are optimistic about these results, small changes in enrollment or claim activity can quickly reduce this surplus and swing the plan to a loss. Additionally, because we are only in our 2<sup>nd</sup> year of our new lay employee health insurance plan, it could take several years for us to accumulate credible data with which to budget and project costs for the plan. In the meantime, we will continue to use an endowment fund established in September of 2007 to help maintain the affordability of our lay employee benefits. Increasing health care costs continue to challenge parish, school and agency budgets. At the same time, they create financial challenges for individual employees. Our goal is to minimize large increases in healthcare premiums charged to parishes, schools, and agencies and attempt to keep premium increases below national averages.

The property insurance plan experienced a surplus in excess of \$1.3 million for the 2007-2008 fiscal year. This fiscal year marks the fifth consecutive year that the plan has run at a surplus. These results have funded a property insurance reserve fund in the Catholic Community Foundation that is now approximately \$4.3 million. This reserve fund helps to protect parishes, schools and agencies against catastrophic losses and will help to mitigate annual insurance cost increases. The reserve fund has allowed us to maintain our self-insurance level at \$1 million for the 2008-2009 fiscal year which translates into lower premiums paid by our parishes, schools, and agencies.

## Catholic Community Foundation, Inc.

The Catholic Community Foundation's total assets were \$151.7 million at June 30, 2008, a decrease of 6.9 percent from the previous year. The decrease in asset values were driven by the overall investment returns which were a negative 7.9% for the fiscal year. Foundation investments have returned a very respectable 8.5 percent (annualized) since the inception of the current investment structure in January 1995 despite facing one of the worst 10-year periods in history of the U.S. equity markets. Parishes, schools and agencies of the archdiocese added 18 new endowments during the year, bringing the total number of

endowments held in the foundation to 356. The endowments distributed over \$6.8 million this past year to support parish, school and agency ministries, demonstrating the ability of endowments to provide long-term funding for ministries.

## Operating Budget for 2008-2009

We enter the 2008-2009 fiscal year with a break-even operating budget on approximately \$40 million of total operating expenses. We anticipate the most significant challenges to include:

- A very difficult national economy that is resulting in large negative investment returns and large reductions in endowment balances.
- Health care and employee benefit costs that are increasing much faster than Sunday collections.
- Construction and facilities costs (such as heating costs) that continue to increase.
- School operating costs that are increasing faster than our ability to increase tuition.
- Stable but not increasing school enrollment across the Archdiocese.
- Growing parish stewardship to meet operating needs and eliminating parish operating deficits.

On the other hand, we have several positive opportunities:

- A trend of positive growth in Sunday and Holy Day collections.
- The strong results for the Legacy for Our Mission campaign.
- Strong support for the Called to Serve/United Catholic Appeal.
- The formation of the Mother Theodore Catholic Academies to address financial operations of Indianapolis center-city Catholic schools.
- A history of strong investment returns and growing endowments which help to mitigate rising operating costs.
- The maturation of an alternative health care plan to better control escalating costs and a funded health care reserve endowment to protect against future large premium increases.
- A funded property self-insurance reserve endowment to protect against future potential large losses and mitigate future cost increases.

As mentioned previously, our break-even operating budget for 2008-2009 will be very difficult to achieve within the boundaries of our struggling economy. However, our recent operational performance leads us to believe that once the economy is bolstered and back on track, we will be capable of continuing the stable operating trend of the past 4 years which will help us to recoup deficit operational spending from previous years.

## Accountability

Accountability is an important part of our stewardship responsibilities. Each year, the archdiocese subjects itself to the scrutiny of an independent audit. The firm of Deloitte & Touche LLP performed the audit for the last fiscal year. The audited financial statements are available for inspection through the Office of Accounting Services or at [www.archindy.org/finance/archdiocese](http://www.archindy.org/finance/archdiocese).

Archbishop Buechlein has established and regularly confers with the Archdiocesan Finance Council. The council, whose existence is required by canon law, focuses on financial policies, procedures and activities of the Church in central and southern Indiana. Current members of the Archdiocesan Finance Council are:

Most Rev. Daniel M. Buechlein, O.S.B.,	.....	<b>Archbishop, Chairman</b>
Rev. Msgr. Joseph F. Schaedel,	.....	<b>Vicar General, Vice Chairman</b>
Philip B. McKiernan.....	.....	<b>President</b>
Mary Horn.....	.....	<b>Vice-President</b>
Kenneth J. Hedlund.....	.....	<b>Secretary</b>
		<i>St. Matthew the Apostle, Indianapolis</i>
<b>Members</b>		
Clark Byrum.....	.....	<i>St. Luke the Evangelist, Indianapolis</i>
Daniel L. DeBard.....	.....	<i>St. Patrick, Terre Haute</i>
Dale Gettelfinger.....	.....	<i>Holy Family, New Albany</i>
David R. Milroy.....	.....	<i>St. Bartholomew, Columbus</i>
Scott Nickerson.....	.....	<i>St. Pius X, Indianapolis</i>
Timothy Robinson.....	.....	<i>St. Joan of Arc, Indianapolis</i>
Jerry Williams.....	.....	<i>St. Simon the Apostle, Indianapolis</i>
Jeffrey D. Stumpf.....	.....	<b>Chief Financial Officer, Staff</b>

This past fiscal year marked continuing financial advancement for the parishes, schools and agencies of the Archdiocese of Indianapolis as we worked to build a sound financial footing. Stewardship grew, expenses generally fell in line with or below budget expectations, and we saw the successful conclusion of the Legacy for Our Mission campaign. We continue to place great emphasis on improving the financial stability of those parishes experiencing deficit operations. May God lead us toward continued success in our ministries.

Respectfully submitted,

Jeffrey D. Stumpf, M.B.A., C.P.A., CFA  
Chief Financial Officer