To the Parishioners of the Archdiocese of Indianapolis:

As we close out another calendar year, I reflect on the progress, growth, and stability we are achieving in the Archdiocese of Indianapolis. 2024 has been a year of gaining a more stable financial footing and we are immensely grateful for the leadership provided by the Archbishop as he guides and supports our Catholic Community. That stronger financial footing does not mean that we do not still have significant financial challenges, because we do. We look forward to 2025 as we continue to navigate these challenges and work to propel the Archdiocese forward. A significant highlight in 2024 was our honor and privilege to host the National Eucharistic Congress in July. We have gotten tremendous feedback on the event and have heard and felt the excitement that the Eucharistic Congress generated across the country but even more acutely within our Archdiocese. We expect the Archdiocese will continue to build on the momentum and growth that we started in 2023 and 2024 after several difficult years. It is against this backdrop, that I submit this accountability report for the 2024 fiscal year.

For much of the past two years, we have faced economic pressures driven by historically high inflation numbers, historically low unemployment rates and threats of a global recession. These economic stressors were evidenced in varied ways across the Archdiocese. From pressure to increase wages, difficulty to fill open positions and retain our wonderful employees, and rising construction and service costs as parishes and schools work to perform much needed repairs and maintenance. In addition, the economic conditions continue to be felt by all of us individually as we work to maintain housing, put gas in our vehicles and food on our tables. Thankfully, as 2024 begins to wane, we are seeing strong indicators that economic conditions are trending back to historically normal levels. This was most recently evidenced by the drop in the federal funds rate in September 2024 after a prolonged period of interest rate increases.

Similar to 2023, 2024 saw historic gains in the overall performance of the equity markets. The higher interest rates also provided strong gains in the non-equity portions of our portfolios. These strong investment results help the Archdiocese in several ways including to bolster the values of the endowments supporting our ministries, recover past deficits in the deposit and loan fund, and improve the funding status of our retirement plans. While volatility of the investment markets is still present and difficult to watch on a daily/weekly basis, we do take great comfort in the overall position of the portfolios within the Catholic Community Foundation and those supporting our parish shared services plans. The balanced and long-term investment strategies help mitigate the risks associated with market volatility. This allows for an achieved stability of resources for ministries throughout the diocese as a majority of our parishes, school and agencies maintain sizeable endowments in the Foundation that use annual distributions to support their ministries.

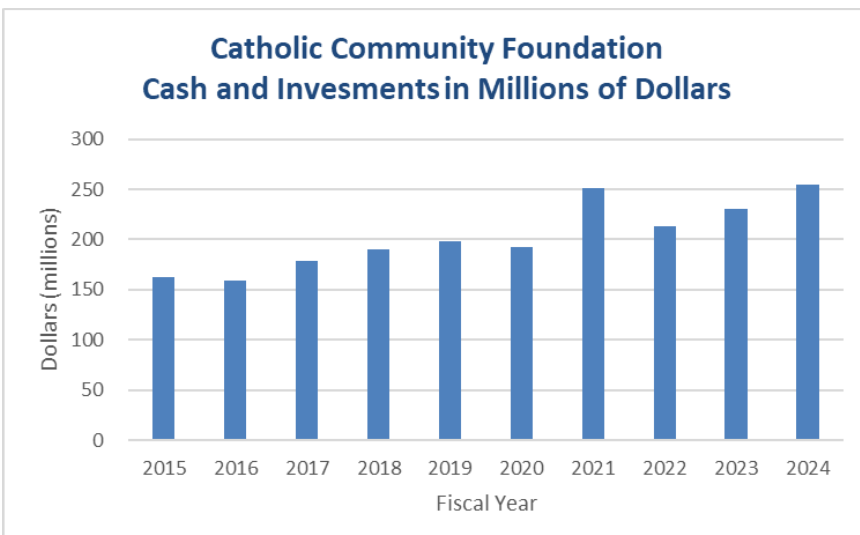
The Archdiocese of Indianapolis is grateful for the abundant gifts of time, talent, and treasure that we receive and in turn take great care in utilizing our resources in an honest, ethical, compassionate, and just manner. While the Archdiocese of Indianapolis is comprised of numerous parishes, schools, and agencies, we are united as one Catholic Church. This unity is reflected within our shared funds and plans, whereby combining our resources enables us to lower costs and create greater efficiency. Below we provide you financial insight into those plans and shared funds by detailing current year results and highlight accomplishments and continued challenges. One particular challenge that we must highlight is the rising healthcare costs and poor claim experience of our lay and clergy healthcare plans. This is a very real and significant threat to the financial stability of not only the Archdiocese but also our parishes, schools, and agencies. It is important to us that we are very transparent about these challenges and share this information widely each year.

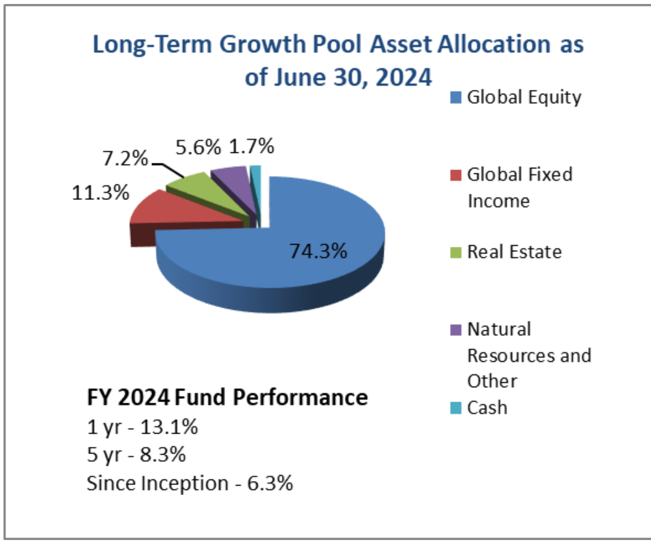
While we cannot control nor predict what will happen globally, nationally, or even in our local areas, we do know that we are well positioned to face the known and unknown challenges and capitalize on positive trends. This may require difficult decisions and most certainly requires a conscious effort at all locations to make sure resources are used in the most optimal way. We look forward to the New Year and focusing our attention in 2025 on these challenges and more. We intend to continue to support parishes in any way we can. As individual parishes, schools and agencies re-invigorate their ministries and continue to move forward, the whole of the Archdiocese strengthens.

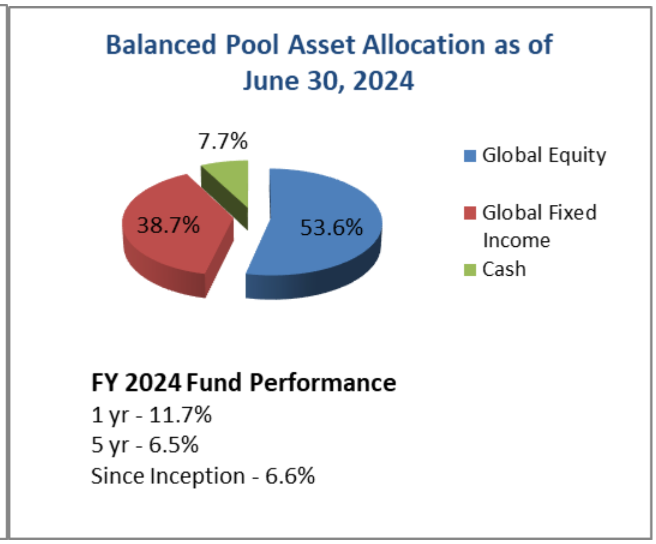
The following sections of the accountability report provide more detail of the activity of the Chancery to lead, guide and support our Catholic Community of Central and Southern Indiana.

Catholic Community Foundation, Inc.

The Catholic Community Foundation (CCF) is a separate, not-for-profit corporation established by the Archdiocese of Indianapolis to professionally invest and administer individual endowment funds for the benefit of parishes, schools, agencies, and other institutions affiliated with the Archdiocese. As of June 30, 2024, the Catholic Community Foundation comprised 589 separate endowment accounts and 70 charitable gift annuities worth $255 million(net). The endowments and annuities invested within CCF represent over 60% of the investments on the Archdiocesan combined balance sheet and are investments that are designed and intended to remain invested in perpetuity. The assets are invested with a strategy to balance risk and return in a way to exceed the annual 5% distributions often taken by the endowment holders (parishes, schools, agencies, the archdiocese) to fund their ongoing ministries. The composite investment returns for the year were 13.1% for the long-term pool and 11.7% for the balanced pool for the fiscal year, as we saw overall market returns recover past losses and more experienced in 2022. Although the recent market volatility is not ideal, our composite portfolios typically out-perform their benchmarks and have achieved strong positive returns since their inception. Parishes, schools, and agencies of the Archdiocese added 11 new endowments during the year. The endowments distributed $10.2 and $10.5 million respectively in fiscal years 2024 and 2023, to support parish, school, and agency ministries, demonstrating the ability of endowments to provide long-term funding for ministries. The increase in endowment distributions demonstrate the impact of growing our endowment portfolio and achieving strong market returns.







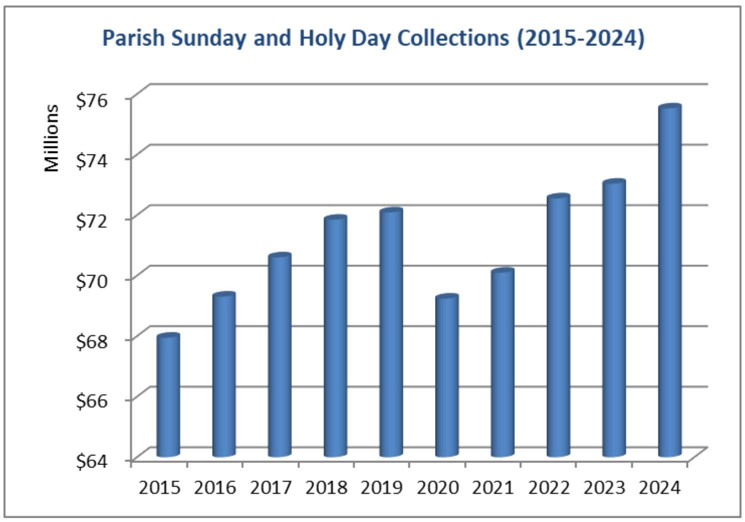
Chancery Fiscal Year 2024 Operating Results

The Chancery offices and agencies of the Archdiocese of Indianapolis built on its recovery from the COVID-19 pandemic and its complexities during the fiscal year ended June 30, 2024. There is some evidence of lingering effects at certain locations whether it is evident through Mass attendance, adequate staffing, school enrollment, delivery of ministry and charitable services, inflation impacts, and rising employee healthcare costs among others. Fortunately, the Chancery offices and agencies of the Archdiocese have a robust, dedicated effort for budgeting and monitoring its operations that allows us to adjust and plan around these challenges. Each year we budget at a break-even point for our general operations as well as the parish shared services plans (individually and collectively) and each year we work to meet or exceed those expectations by managing expenses and conservatively budgeting revenues. For fiscal year 2023-2024, our Catholic Center operations ended the year with positive net surplus over budget of $2.2 million due in part to stronger United Catholic Appeal results and an unbudgeted, restricted gift to help fund the National Eucharistic Congress. Although the United Catholic Appeal results exceeded the amount we budgeted, it still does not fund the full intended case, as described in the section below. Overall, Catholic Center operations was in line with our budgeted expectations on a net basis. The Catholic Agency operations ended the fiscal year with a $8.3 million surplus compared to a $1.8 million deficit budget. This is primarily due to grant funding that was received and recognized as income at several of our agencies and will be spent over the grant period which was more than just one year. The parish shared services plans ended the fiscal year with a combined $4.2 million deficit (on a combined total of $50 million in expenses or about 8.4%) which represented favorable results in the cemetery operations offset by unfavorable results in the lay health plans and property insurance plan. See separate sections included in this report for more details on the shared services plans' revenue and expenses for the fiscal year as well as the discussion included on the real risks we face within our insurance plans. Our Treasury Operations ended the fiscal year with a $30 million dollar surplus driven almost exclusively by the investment results within the Catholic Community Foundation as shown above. This is contrasted with a $19 million surplus in fiscal year 2023, a $39 million deficit for fiscal year 2022 and a $60 million surplus for fiscal year 2021. These results, though they look large and volatile on paper, represent decreases and increases in endowment balances that generate budget support only through an annual distribution of up to 5%, as all investment gains/losses are "re-invested" in the endowment balances. These unrealized gains and losses in the endowment portfolio do not result in cash to directly or immediately support archdiocesan operations.

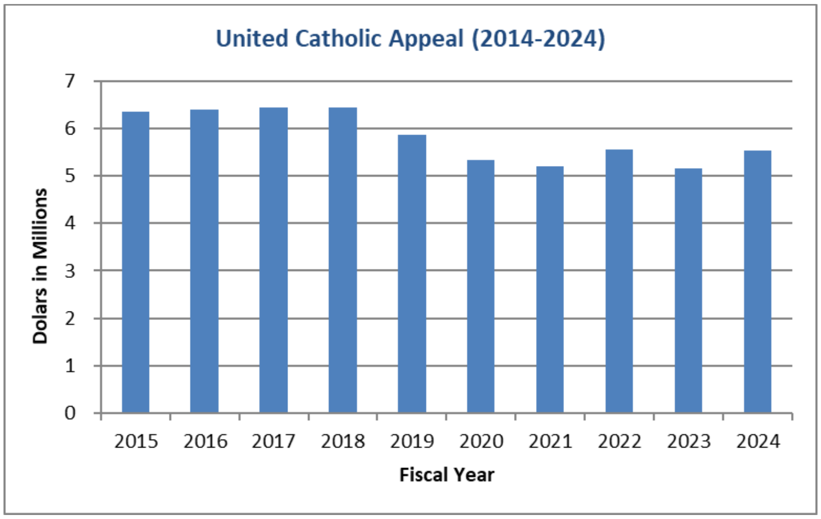
The Archdiocese has historically been challenged by operating deficits at some of our parishes and underperforming construction loans. The financial impact of these parish loans is evidenced in the deposit and loan fund operated by the Archdiocese for its parishes ("ADLF"). The ADLF has approximately $1.2 million (down from $4.2 million two years ago) in negative net equity as a result of parish loans and interest forgiven over the last 20 years. The ADLF currently operates at a small surplus (inclusive of the current level of annual parish operating deficits). In addition, with the rising interest rate environment that we have experienced over the past 2 years, we have been able to more quickly recover the negative equity position in the ADLF fund as our cash deposits earn additional interest income. Over the past several years, we have implemented a plan that is designed to help the struggling parishes navigate their financial troubles by identifying areas for improvement, improving the transparency to the parishioners, and reducing or eliminating operating deficits and accumulated debt to the Archdiocese. These efforts are paying off for parishes as we have fewer parishes with operating debt on their balance sheet and more parishes with a balanced budget.

Parish and Archdiocesan Stewardship

For the fiscal year ended June 30, 2024, parish stewardship, through Sunday and holy day collections, experienced a significant increase of 3.7% compared to fiscal year 2023. The average annual percentage increase over the past 4 post-COVID years has been 2.2% and is a strong indicator as collection levels have rebounded to pre-pandemic trends. This is a true testament to the strength of the ministry within our parishes despite challenging times for our local communities and the broader Church in many parts of the world. A majority of our parishes have a historical, positive trend of increased or consistent giving at the parish level which demonstrates the strong and steady member commitment.



The fiscal year 2024 annual parish and archdiocesan community United Catholic Appeal received annual pledges totaling $5.5 million compared to a case goal of $6.3 million. While these results are stronger than last fiscal year, they are still not up to the pre-pandemic levels nor are they meeting the overall case goals, they are vital funds that support the ministries throughout the Archdiocese. Every dollar raised through the United Catholic Appeal directly supports ministries and programs that strengthen our families through Catholic Education and faith formation, encourage vocations by educating our seminarians and deacons and sustaining our retired priests, and caring for people most in need across the 39 counties of the Archdiocese. The overall results of the appeal over the years really demonstrate the enthusiasm that our parishioners share for the ministry work being done throughout the Archdiocese. When the appeal results do not reach the goal level, changes are made to the budgets for the programs covered by the appeal or are supplemented with unbudgeted fundraising initiatives.

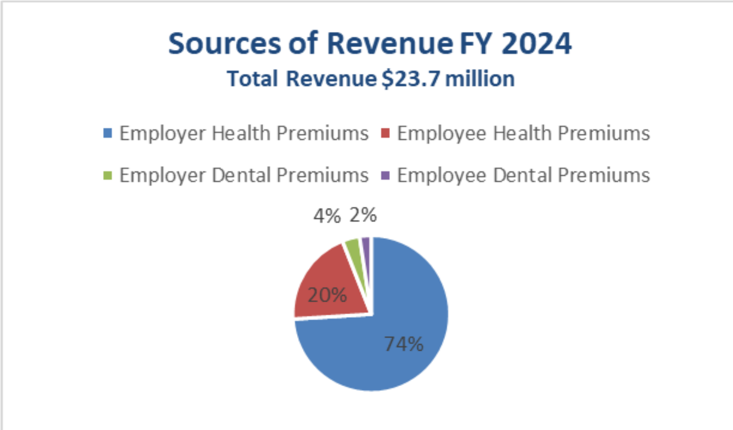


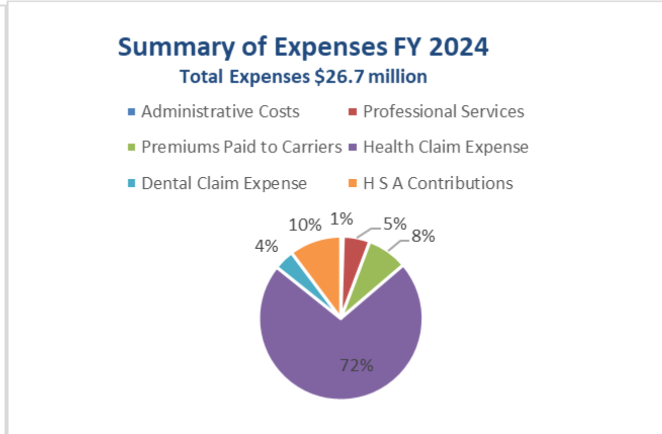
Parish Shared Services: Insurance and Benefit Plans

The Archdiocese operates several insurance plans, employee and priest retirement plans, and other services on behalf of parishes, schools, agencies, and employees. The administration of these plans on a combined basis allows us to provide significant leverage and expertise that would otherwise be difficult for individual parishes, schools, or agencies to achieve on their own.

Lay Employee Health Insurance Plan

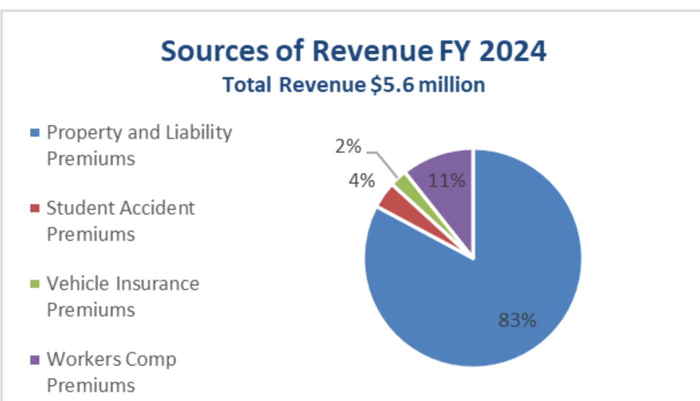
Since 2007, the Archdiocese has been operating a high deductible health insurance plan, complete with Health Savings Accounts (HSA) for our lay employees. While medical and dental expenses trend upward on a national basis, our claims experience in the early years of this plan trended lower than national averages and contributed to generating a surplus in this plan. In many of the early years since the inception of our high deductible plan, we were able to use that surplus to give back to both the employees participating via bonus contributions to their personal HSA accounts and back to parishes, schools, and agencies via premium reductions. We have also funded an endowment with a portion of the surplus that is designed to be used to offset significant expense increases in the future. In fiscal years 2012 and 2011, we spent a portion of the surplus from the Lay Health plan to partially close the funding gap for our Lay Retirement plan (see Priest and Lay Employee Retirement Plans). Since inception of this plan, we have had limited and modest premium increases to participants and locations to help offset the rising claim costs within this plan. We continue to actively manage this plan through benefit improvements, wellness initiatives and low-cost options to reduce the likelihood and magnitude of premium increases in the future. In the most recent several years, we have experienced claim losses that have significantly exceeded the premium levels and we have used a portion of the plan surplus to balance this plan. This is again true in fiscal year 2024 as plan expenses exceeded plan premiums by almost $3 million. Losses of this magnitude are not sustainable, and we are actively pursuing several changes to our plan to attempt to reverse a portion of these negative trends. Many of these changes are being considered for implementation for the plan year beginning January 1, 2025. We expect that balancing this plan will continue to be a difficult hurdle for years to come and will require other decisions and significant actions to anticipate and react to the healthcare cost crisis in our country.

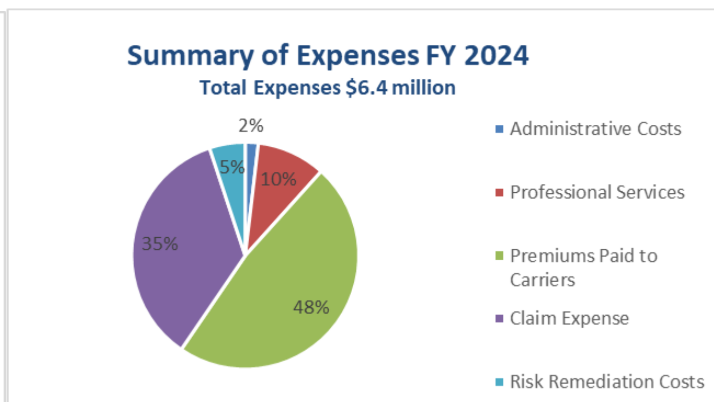




Property and Liability Insurance Plan

The property insurance plan has generally experienced positive results for the past decade plus. The history of positive results have enabled us to build a property insurance reserve fund in the Catholic Community Foundation of $16.7 million as of June 30, 2024. The reserve fund was established to protect parishes, schools and agencies against catastrophic losses and helped significantly to mitigate annual insurance cost increases. The Archdiocese maintains our self-insurance level at $1 million for all plan participants which translates into lower premiums paid by our parishes, schools, and agencies for property and liability insurance. Some challenges in this plan that we continue to actively monitor and manage around include a shrinking in the number of property insurance providers and significant increases in coverage premiums due in part to a rise in natural catastrophic loss events.





Priest and Lay Employee Retirement Plans

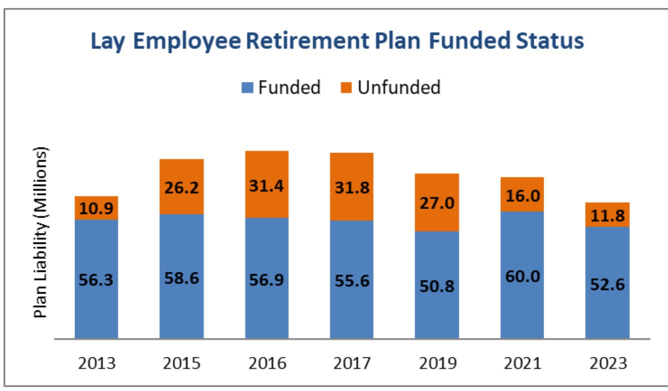
The Archdiocese administers a defined benefit plan (Priest Pension Plan) for the priests and a defined benefit plan (Lay Pension Plan) and a defined contribution plan (403(b) Savings Plan) for eligible employees employed at the various parishes, schools, and agencies throughout the Archdiocese.

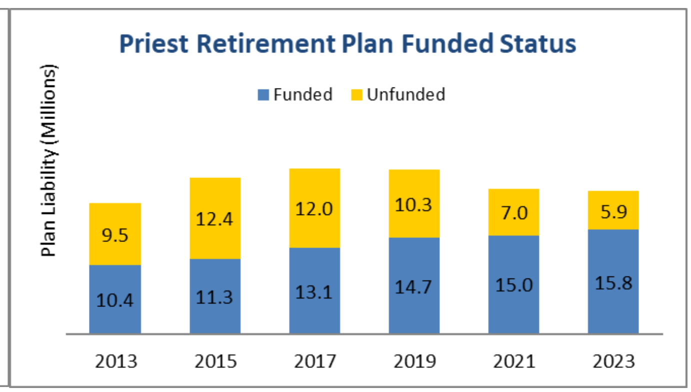
The employee 403(b) Savings Plan is the focus of our efforts to provide our employees with an adequate vehicle for retirement savings. This Savings Plan allows both employees and employer to contribute to employee accounts. The Archdiocese matches 50% of up to a maximum of 8% of employee eligible compensation. With automatic enrollment and escalating contributions for new employees, as well as diversified investment options, the Archdiocese is fully dedicated to providing retirement benefits to its employees that meet or exceed market recommendations upon retirement.

Over the past several years we have communicated the funding challenges the Archdiocese and individual parishes face to fully fund the two defined benefit plans (Lay and Priest). The Archdiocese leadership team has taken steps to attempt to close that funding gap in recent years including freezing the Lay plan effective in 2016. While positive investment results can assist in closing the gap, the Archdiocese has also contributed additional funding to assist in alleviating the funding deficit. During the past decade, we have made contributions to both plans in excess of the actuarially calculated minimums with the goal of achieving a fully funded status for both plans in an accelerated fashion.

Our most recent report from our plan actuaries as of January 1, 2023 indicates that the Lay Pension Plan was underfunded by $11.8 million or a funding level of 82%, a marked increase in funding status since 2019 which had a funding ratio of 65%. The large decrease in the unfunded liability is primarily a result of better than anticipated investment results within the portfolio of assets backing the plan for the past several years leading to the recent valuation report. In addition, the Plan has not experienced any significant changes in actuarial assumptions and active employees have remained working longer than expected which results in positive gains to the Plan as assets are invested longer. We plan to receive an updated valuation report for this plan as of January 1, 2025.

The most recent actuarial valuation report for the Priest Pension Plan as of July 1, 2023 indicates that the plan is underfunded by $5.9 million, which represents a funding level of 73%. This is an improvement compared to the funding levels over the previous decade which had funding ratios of between 48% and 68%. We look to invest new dollars and hope for continued investment gains in the plans, as the funding level of this Priest Pension Plan is a priority for the Archdiocese. We plan to receive our next valuation report as of July 1, 2025.





The underfunding issue in our Priest and Lay Pension Plans are likely to remain long term issues for the Archdiocese. We will continue to budget for and fund the Pension Plans annually into the future.

For financial reporting purposes these pension plans are considered to be multiemployer plans since the financial activity of parishes and other entities of the Archdiocese, which contribute to these plans, is not included in the audited combined financial statements. There are neither separate valuations of plan benefits nor segregation of plan assets specifically for the Chancery.

Archdiocesan Grants Awarded

Thanks to the generosity of the parishes in the Archdiocese and two special bequests, we have four endowments in the Catholic Community Foundation that have been established such that the annual distributions are used to award grants in the Archdiocese to parishes, schools, and agencies. These grant opportunities are awarded through an application process and target home mission opportunities; growth and expansion initiatives in the Archdiocese; matching grants for capital needs in our parishes, schools, and agencies; and devotion to the Queenship of Mary and Divine Mercy of Jesus.

St. Francis Xavier Home Missions Fund

The St. Francis Xavier Home Mission Endowment Fund is established to provide grants to home mission parishes in the Archdiocese. These grants began in 2002 and since inception we have disbursed approximately $7.1 million to support our parishes and schools with the greatest needs. The endowment that is established to support these grants had a June 30, 2024 balance of $5.5 million which allows us to distribute approximately $265,000 in grants each year.

Growth and Expansion Endowment Fund

The Growth and Expansion Endowment Fund is established to provide grants to parishes, schools and agencies in the Archdiocese that are growing their existing ministries consistent with the overall strategic plan of the Archdiocese. Since the inception of this granting fund, we have disbursed approximately $2.8 million to support various growth opportunities in ministry and capital throughout the Archdiocese. The endowment that is established to support these grants had a June 30, 2024 balance of $3.9 million which allows for approximately $185,000 in annual grant funding.

James P. Scott Capital Improvement Endowment Fund

This endowment fund was made possible by an undesignated estate gift to the Archdiocese from James P. Scott. The annual distributions are provided in the form of a matching grant or award to support parish, school and agency capital projects that demonstrate the greatest potential impact on an archdiocesan program, parish, or the larger Catholic community. The endowment had a June 30, 2024 balance of $6.5 million which generates annual grants of about $310,000.

The Queen and Divine Mercy Endowment Fund

The Queen and Divine Mercy Center Endowment Fund was established by Rev. Elmer J. Burwinkel to promote devotion to the Queenship of Mary and to the Divine Mercy of Jesus. The endowment had a June 30, 2024 balance of $1.25 million which generates annual grants of about $53,000. Grants have been awarded annually since 2012. Parishes, schools, and agencies of the Archdiocese of Indianapolis are eligible to apply for this grant.

For more information on the grant process and a summary of all awards issued in 2023-2024, please visit the Finance Office webpage at www.archindy.org/finance/grant or contact Stacy Harris in the Finance Office at sharris@archindy.org.

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 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. Archdiocesan leadership 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. Charles C. Thompson	Archbishop, Chairman
Rev. William F. Stumpf	Vicar General
Brian Burkert	Chief Financial Officer

Members

J. Patrick Byrne	St. Mary-of-the-Knobs, Floyds Knobs
Brian Carroll	St. Simon the Apostle, Indianapolis
Steve Gutzwiller	Sts. Francis and Clare, Greenwood
Martha Lehman	St. Christopher, Indianapolis
Lance Lyday	St. Simon the Apostle, Indianapolis
Bruce Rippe	St. Louis, Batesville
Andy Rinzel	St. Joseph, Shelbyville
Jeffrey Whiting	St. Luke, Indianapolis
2 open positions	

This past fiscal year marked one of establishing financial stability. While we certainly still face challenges, we did see signs of continuing financial advancement for the parishes, schools, and agencies of the Archdiocese of Indianapolis. As we set goals for the new year, we will renew our goal to strengthen the core of all our ministries. We continue to place great emphasis on improving the financial stability of those parishes experiencing financial hardship. May God lead us toward continued success in our ministries.

Respectfully submitted,

Brian Burkert, CPA
Chief Financial Officer

This summary of the financial status of the Archdiocese of Indianapolis ("Archdiocese") reflects activities of the Chancery of the Archdiocese and certain affiliated agencies with direct accountability to Most Reverend Charles C. Thompson, Archbishop of the Archdiocese 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/finance/archdiocese.html.

Chancery and Certain Entities of the Archdiocese of Indianapolis
Combined Statements of Financial Position as of June 30, 2024 (in thousands)

	2024
ASSETS	
CASH	$ 14,217
INVESTMENTS	403,316
RECEIVABLES:	
Contributions receivable—net of allowance of $97 in 2024 and $116 in 2023	1,338
ADLF loan receivable—net of allowance of $373 in 2024 and $403 in 2023	21,085
Accounts receivable—net of allowance of $1,770 in 2024 and $1,740 in 2023	12,843
Total receivables—net	35,266
OTHER ASSETS	410
BURIAL SPACES AND OTHER INVENTORIES	2,235
LAND, BUILDINGS, AND EQUIPMENT—Net	21,903
TOTAL	$477,347
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accounts payable and accrued expenses	$ 4,259
Reserves for self-insurance	5,507
Other liabilities	9,434
ADLF deposit payable	88,465
Pooled checking program deposit payable	30,423
Total liabilities	138,088
NET ASSETS:	
Without donor restriction	286,972
With donor restriction	52,287
Total net assets	339,259
TOTAL	$477,347

Chancery and Certain Entities of the Archdiocese of Indianapolis
Combined Statement of Activities for the year ended June 30, 2024 (in thousands)

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES:			
Assessments	$ 17,126	$ -	$ 17,126
Insurance premiums	25,953	-	25,953
Contributions	11,055	6,422	17,477
United Catholic Appeal	5,382	259	5,641
Sales of goods and services	5,678	-	5,678
Program fees	6,286	-	6,286
School tuition—net	5,452	-	5,452
Grants and other public support	9,024	1,401	10,425
Fundraising events—net	1,341	1	1,342
Interest income and investment return—net	30,402	5,496	35,898
Other	663	-	663
Net assets released from restrictions	6,866	(6,866)	-
Total support and revenues	125,228	6,713	131,941
EXPENSES:			
Salaries and wages	22,378	-	22,378
Employee benefits and taxes	7,399	-	7,399
Health care costs	28,177	-	28,177
Retirement plan contributions	4,843	-	4,843
Professional services	10,046	-	10,046
Cost of sales of goods and services	1,749	-	1,749
Administrative and supplies	3,789	-	3,789
Property insurance	5,378	-	5,378
Repairs and maintenance	1,435	-	1,435
Depreciation	2,303	-	2,303
Occupancy costs	1,975	-	1,975
Interest	1,763	-	1,763
Bad debts	281	-	281
Contributions	6,276	-	6,276
Direct assistance	1,929	-	1,929
Other	2,596	-	2,596
Total expenses	102,317	-	102,317
CHANGE IN NET ASSETS	22,911	6,713	29,624
NET ASSETS—Beginning of year	264,061	45,574	309,635
NET ASSETS—End of year	$ 286,972	$ 52,287	$ 339,259