

Thank you for your gifts

.... This is the time of year when we all give thanks for our friends, family, clergy, and other gifts received through God. We, the Catholics of the Diocese of Nashville, have much to be thankful for during the past year. Our Holy Father, Pope Francis, has awakened the moral conscience of the people in the world and urged us as Catholics to renew our assistance to others. The Diocese of Nashville has responded through a new program to house and counsel those displaced and in need of housing. The Diocese is excited to partner with Catholic Charities, Safe Haven Family Shelter, and others to provide housing to those in need through the use of apartments at Marina Manor East.

The diocese's fifty programs of ministry (see chart 1) provide necessary aid and support to, seniors, refugees, children, tuition assistance for a Catholic education, housing for those experiencing homelessness, and many more ministries. Continued assistance is dependent upon your support of the Bishop's Annual Appeal for Ministries. Assistance has been scaled back due to a declining number of donations. Bishop Choby encourages your participation because through this collection there is a direct and immediate impact on the lives of people in the diocese.

These programs function both directly through the diocese, through parishes like yours, and institutions like Catholic Charities. Over \$3 million is spent or disbursed annually for these purposes. A detailed analysis of the Annual Appeal revealed that fewer Catholics are donating (see chart 2 below). For example, 7,609 people donated in 2007 but by 2013 the number of donors had dropped to 3,513. The largest decline was in the number of people donating between \$1 and \$99. The next largest decline was for those who used to donate between \$100 to \$499. Please consider if you can donate some amount this year and help us help others. We are thankful for your generosity.

Our Diocese is also thankful for 44 ordinations in 2014. There were 29 men ordained to the permanent diaconate, 5 ordained to the transitional diaconate, and ten ordained to priesthood. The five transitional deacons plan to be ordained to the priesthood in June 2015. These men are already making significant contributions to our sacramental and spiritual lives.

Some have suggested that with these ordinations the diocese should be well poised for the future. Unfortunately the need for more priests continues. Although the number of incardinated priests rose from 45 to 54 and will soon rise to 59, and the number of active priests across the diocese rose from 81 to 90, that number is expected to decline in the next few years through retirements and re-assignments. Eight of our active priests are over the age of 75 and 30 are over the age of 60. An analysis has been performed, in terms of the aging of our priests and our diocesan needs, which shows the need to average four new priests a year in order to meet the growing needs and future retirements within our diocese. Fortunately we expect to continue to be blessed with priests from other dioceses. With an objective to ordain on average three new priests a year, we will require 24-30 seminarians a year since it takes six

Chart 1
MINISTRIES IN THE DIOCESE OF NASHVILLE

<p>General Ministries</p> <ol style="list-style-type: none"> 1. Assistance Fund 2. Calvary Cemetery 3. Catholic Public Policy 4. Prison Ministry 5. Seniors - Low Income Housing (VMM) 6. Families – Low Income Housing (DP-MME) 7. Assisted Living (MQA) 8. Families – Independent Housing (SHPD) 9. Youth Camping - Camp Marymount 10. Catholic Newspaper – <i>Tennessee Register</i> <p>Campus Ministries</p> <ol style="list-style-type: none"> 11. Austin Peay University 12. Fisk University and Meharry Medical Collect 13. Middle Tennessee State University 14. Tennessee Technical College 15. Tennessee State University 16. Vanderbilt University 17. Belmont University 18. Lipscomb University <p>Catholic Charities Programs</p> <ol style="list-style-type: none"> 19. Adoption Support and Preservation Program 20. Adoption Counseling 21. Adult Day Program/Elder Care 22. Caring Choices 23. Child Abuse Prevention 24. Family Counseling 25. North Nashville Outreach Program 26. Pregnancy Counseling 	<p>Chaplain Ministry</p> <ol style="list-style-type: none"> 27. St. Thomas West Hospital 28. St. Thomas Mid-Town 29. MTSU Hospital 30. Veteran's Administration (VA) Hospital, Nashville 31. Fort Campbell 32. Vanderbilt Children's Hospital <p>Church Ministry</p> <ol style="list-style-type: none"> 33. Hispanic Catholics 34. Korean Catholics 35. Vietnamese Catholics 36. Coptic Catholics 37. Parish Assistance 38. Rural Parish Support <p>Religious Education</p> <ol style="list-style-type: none"> 39. Catechetical Formation/Catechist Training 40. Lifelong Catechetics 41. Engaged Couples Formation 42. Religious Education 43. Totus Tuus Catechetics Program <p>School Children</p> <ol style="list-style-type: none"> 44. St. Mary Villa Child Development 45. School Children Counseling – Catholic Charities 46. Catholic High School Assistance 47. CYO - Youth Ministry 48. Search 49. Schools Athletic Office 50. Scouting Program
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Chart 2
BISHOP'S ANNUAL APPEAL FOR MINISTRIES

Diocese wide total of people donating to Bishop's Annual Appeal for Ministries	Year		Diocese wide amount of total donations Bishop's Annual Appeal for Ministries	Year	
	2007	2013		2007	2013
a) \$1 to \$99	2865	833	a) \$1 to \$99	\$97,397	\$31,151
b) \$100 to \$499	3569	1831	b) \$100 to \$499	\$771,996	\$409,627
c) \$500 to \$999	732	429	c) \$500 to \$999	\$478,332	\$273,669
d) \$1,000 to \$4,999	416	394	d) \$1,000 to \$4,999	\$658,845	\$624,281
e) over \$5,000	27	26	e) over \$5,000	\$306,987	\$319,328
Grand Total	7609	3513	Grand Total	\$2,313,555	\$1,658,055

to eight years to complete seminarian studies. Fortunately, Bishop Choby has been able to keep us at that level, and he asks for your continued support for the formation of new priests.

We are also thankful for the many accomplishments this year. The *Tennessee Register* was recognized as a leading Catholic diocesan paper and won numerous awards. Our youth ministry program is expanding and recently Bishop Choby retained the accomplished Joan Watson to expand diocesan services to parishes in their adult catechetical programs along with the excellent efforts of Sheri Isham's work with parish religious education

directors.

This week, our Catholic Schools completed their Accreditation Review with flying colors! Dr. Therese Williams reported that at the exit meeting the Accreditation Committee commended the schools for their academics, student engagement, and Catholic mission. They highlighted the Social Justice Program and the leadership in the schools: Bishop Choby, Superintendent Williams and all of the principals. They supported the Bishop's Task Force on the Sustainability of Catholic Schools chaired by Father Michael Johnston. Ratings in all areas were above average. Congratulations to everyone who make

our schools excellent!

Another exciting event in 2014, for which we are all thankful, is our new Catholic Pastoral Center. On August 15, the Diocese of Nashville completed the purchase of the Two Rivers Baptist Church complex off Briley Parkway across the freeway from Opryland Hotel. Bishop Choby so named the new facility the Catholic Pastoral Center (CPC) to reflect its broad pastoral role in the life of the diocese.

The new facility will allow the diocese to reassemble its various offices and ministries under one roof. Approximately 160 people from seven locations will be relocated to the CPC during Spring 2015. The new Catholic Pastoral Center will deliver and coordinate a wide range of ministries including: Office of the Bishop, Tribunal, Vicar General, Chancellor, Development, Fiscal Services, Human Resources, Facilities, Risk Management, Engaged Couples, Vocations, Adult Formation, Young Adult Ministry, Youth Ministry, Catholic Schools Office, Catechetical Teachings, Parish Support Services, Archives, Catholic Charities, Hispanic Ministry, Sagrado Corazon, and the enhanced capacity for meetings and presentations.

The new facility will actually allow the Diocese to reduce overall operating cost. Currently, these programs incur rental and occupancy costs at seven facilities. The combined cost associated with those seven locations is greater than the projected cost to operate the new facility. Relocation to the CPC will also improve efficiency and effectiveness by having these various services functioning in proximity to one another. Many new functions and expanded capacities to benefit you, the Catholic people of the Diocese of Nashville, will be possible through this new facility well into the future.

We are also thankful for the guidance provided to us by the Finance Board (John Gromos, Bill Hill, Mike Kane, John Schneider, George Smith, Ed Stack, Bill Varley, and Mr. Pat Watson, chair). Their leadership has improved the financial condition of the diocese. Across our diocese, your donations have benefited those in need, parishes, schools, Catholic education, and the formation of new deacons and priests. For the fiscal year ended June 30, 2014, Net Assets increased from \$21 million in 2013 to \$40 million in 2014. Net revenue increased from \$1 million in 2013 to \$19 million in 2014 as a result of two major one-time gifts. Operations, including investment returns, generated a net asset contribution of \$2,824,000 the highest in the last seven years. The future sale of the current Catholic Center and a large gift will more than cover the full purchase price of the new Catholic Pastoral Center.

During FY 2014, \$2,992,995 was provided to other forms of ministry (see chart 3). Unfortunately this is the lowest level in recent years due to fewer donations to the Bishop's Annual Appeal for Ministries. Chart 4 shows the total diocesan expenditures by functional area. The cost to operate the governance activities of the Catholic Center has declined by \$300,000 since last year. We are focused on being good stewards of your precious donations.

As a Catholic people, there is much
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Tennessee Register file photo by Rick Musacchio

The Diocese of Nashville reached an agreement in June to purchase the land and buildings that once housed Two Rivers Baptist Church, now home to the Fellowship at Two Rivers, near the Opryland Hotel to serve as the new ministerial and operational headquarters for the diocese. The 220,000-squarefoot facility is located on approximately 37.5 acres on the east side of Briley Parkway at the McGavock Pike exit.

**Summary of Financial Statements, Diocese of Nashville
Comparative FYE June 30, 2011 - June 30, 2014**

	2011	2012	2013	2014	2015 Budget
REVENUE					
Contributions + Assessments	\$ 5,724,239	\$ 5,746,634	\$ 6,241,739	\$ 6,973,270	\$ 6,062,146
Services + Fees	\$ 1,797,439	\$ 2,127,310	\$ 2,419,431	\$ 2,913,123	\$ 3,175,489
Other	\$ 685,568	\$ 438,214	\$ 366,792	\$ 604,795	\$ 296,931
Revenue from Consolidated Entities	\$ 1,845,973	\$ 1,838,985	\$ 3,396,095	\$ 2,619,887	\$ 2,615,828
Total	\$ 10,053,219	\$ 10,151,143	\$ 12,424,057	\$ 13,111,076	\$ 12,150,394
EXPENSES					
Salaries + Benefits	\$ 4,538,000	\$ 4,883,498	\$ 4,302,501	\$ 4,389,055	\$ 4,541,344
Distributions To Parishes, Schools, Ministry	\$ 3,048,758	\$ 3,027,364	\$ 3,015,273	\$ 2,992,995	\$ 2,907,126
Operating Costs	\$ 1,848,493	\$ 1,757,768	\$ 1,813,310	\$ 1,408,583	\$ 1,787,330
Tuition, Room, & Board	\$ 541,920	\$ 720,943	\$ 930,366	\$ 984,831	\$ 980,006
Expense from Consolidated Entities	\$ 1,800,828	\$ 2,005,882	\$ 2,685,421	\$ 2,921,279	\$ 2,515,978
Total	\$ 11,777,999	\$ 12,395,455	\$ 12,746,871	\$ 12,696,743	\$ 12,731,784
NET GAIN (LOSS) FROM REGULAR OPERATIONS	\$ (1,724,780)	\$ (2,244,312)	\$ (322,814)	\$ 414,333	\$ (581,390)
Investment Income	\$ 4,407,145	\$ 405,049	\$ 2,661,402	\$ 2,960,297	\$ 539,344
Extraordinary Transactions	\$ (8,750,000)	\$ (600,000)	\$ (1,445,270)	\$ 15,658,257	\$ -
INCREASE/(DECREASE) IN NET ASSETS	\$ (6,067,635)	\$ (2,439,263)	\$ 893,318	\$ 19,032,887	\$ (42,047)

	2011	2012	2013	2014
ASSETS				
Current	\$ 29,778,843	\$ 23,885,886	\$ 22,579,398	\$ 27,993,625
Long Term	\$ 2,789,357	\$ 3,317,600	\$ 5,520,761	\$ 15,314,985
Other	\$ 3,493,142	\$ 3,248,237	\$ 3,136,842	\$ 3,717,276
Total	\$ 36,061,342	\$ 30,451,723	\$ 31,237,001	\$ 47,025,886
LIABILITIES				
Current	\$ 1,119,164	\$ 856,944	\$ 1,178,280	\$ 1,195,535
Long Term	\$ 12,348,769	\$ 9,440,633	\$ 9,011,257	\$ 5,750,000
Total	\$ 13,467,933	\$ 10,297,577	\$ 10,189,537	\$ 6,945,535
NET ASSETS				
Unrestricted	\$ 14,834,774	\$ 12,493,580	\$ 12,941,936	\$ 30,551,479
Restricted	\$ 7,758,635	\$ 7,660,566	\$ 8,105,528	\$ 9,528,872
Total	\$ 22,593,409	\$ 20,154,146	\$ 21,047,464	\$ 40,080,351
TOTAL LIABILITIES & NET ASSETS	\$ 36,061,342	\$ 30,451,723	\$ 31,237,001	\$ 47,025,886

Financial Notes:

- (1) Tuition, room and board reflects the increased number of seminarians.
- (2) For budgeting purposes, investment income is budgeted at 3.5% ROI.
- (3) Extraordinary transactions include a pledge to Pope John Paul II High School (2011), extra contributions to priests trusts (2012, 2013, and 2014) and two large gifts (2014).
- (4) The 2015 budget has conservative assumption on revenue growth and expenses reduction. Costs associated with the relocation in Spring 2015 are not included as too indefinite.

**Chart 3
Catholic Diocese of Nashville
SUBSIDIES AND OTHER DISTRIBUTIONS
June 30, 2011, 2012, 2013, and 2014**

GRANTS TO:	2011	2012	2013	2014
Parishes (1)	\$ 564,159	\$ 707,582	\$ 599,521	\$ 455,150
Schools (2)	\$ 9,856,704	\$ 1,281,981	\$ 1,282,778	\$ 1,565,467
Diocesan institutions	\$ 899,605	\$ 608,967	\$ 680,301	\$ 505,184
Catholic institutions	\$ 75,995	\$ 59,895	\$ 76,710	\$ 76,084
Campus ministry	\$ 37,800	\$ 37,800	\$ 37,800	\$ 35,400
Trust beneficiaries	\$ 34,132	\$ 11,766	\$ 11,994	\$ 16,358
Family and Individual assistance (1)	\$ 330,363	\$ 319,373	\$ 326,169	\$ 339,352
Total	\$ 11,798,758	\$ 3,027,364	\$ 3,015,273	\$ 2,992,995

- (1) Funds available to assist smaller parishes and individuals has declined due to fewer Bishop's Annual Appeal for Ministries donations at a time when the need is increasing.
- (2) In 2011, the diocese made a grant of \$8.75 million to Pope John Paul II High School for debt reduction.

**Chart 4
Catholic Diocese of Nashville FUNCTIONAL EXPENSES
June 30, 2011, 2012, 2013, and 2014**

EXPENSES	2011	2012	2013	2014
Grant Payable (1)	\$ 8,750,000			
Governance (3)	\$ 2,689,336	\$ 3,092,337	\$ 3,006,042	\$ 2,699,439
Pastoral, social and educational services	\$ 1,030,168	\$ 936,138	\$ 937,000	\$ 1,036,927
Clergy benefits	\$ 1,195,698	\$ 1,942,011	\$ 2,487,243	\$ 1,462,768
School and institutional assistance (4)	\$ 1,201,831	\$ 1,297,356	\$ 1,280,407	\$ 1,575,099
Vocations	\$ 1,065,426	\$ 1,177,223	\$ 1,573,025	\$ 1,685,746
Ministries (youth, elderly, campus and ethnic) (5)	\$ 791,621	\$ 753,943	\$ 1,361,230	\$ 1,498,514
Communications	\$ 704,043	\$ 777,673	\$ 653,769	\$ 671,731
Parish assistance	\$ 1,003,774	\$ 943,084	\$ 985,781	\$ 1,008,126
Family assistance and payments to beneficiaries	\$ 383,057	\$ 347,018	\$ 509,034	\$ 407,961
Fundraising expenditures	\$ 294,908	\$ 341,645	\$ 116,141	\$ 79,834
Cemeteries	\$ 388,954	\$ 360,963	\$ 290,847	\$ 285,199
Insurance and worker's compensation	\$ 713,302	\$ 730,670	\$ 540,719	\$ 674,897
Depreciation and amortization	\$ 315,881	\$ 295,394	\$ 276,257	\$ 160,502
Total	\$ 20,527,999	\$ 12,995,455	\$ 14,017,495	\$ 13,246,743

- (1) Funds available to assist smaller parishes and individuals has declined due to fewer Bishop's Annual Appeal for Ministries donations.
- (2) In 2011, the diocese made a grant of \$8.75 million to Pope John Paul II High School for debt reduction.
- (3) The diocese has made a concerted effort to reduce costs.
- (4) The diocese has been able to donate funds for elementary school tuition assistance but much more is needed.
- (5) Increase reflects assistance to ethnic Catholic groups.

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for which to be thankful. As fellow Catholics in the Diocese of Nashville we are blessed with each person's generous donation of your personal time, your skills, your experience, and your financial support. Last Sunday, our Lord Jesus shared with us a parable on Talents (one talent was equal to fifteen years of basic wages). Our Lord spoke of investment and return on investment, even a 100% return. Wall Street tells us such returns require risk. Jesus tells us RISK is necessary for abundant return. The risk of letting go, trusting others, and receiving our return through Jesus. Our Catholic faith tells us to place our trust in God; our country says, "In God We Trust", yet do we? Do you trust Jesus enough to trust He will put your donations to the church to good use and reward you for trusting Him and taking that risk? Please consider your level of support to the Church and a possible donation to the Bishop's Annual Appeal for Ministries.

A question I have heard is why does the Diocese of Nashville need collections and what does the diocese do with those funds? The Diocese of Nashville conducts three collections for its own use: an assessment to each parish, the Bishop's Annual Appeal for Ministries, and our Priesthood Sunday collection. The assessment funds the operation of the canon law required diocesan offices (Office of the Bishop, Vicar General, Chancellor, Judicial Tribunal, and Chief Financial Officer), provides the funding of the priests' benefits and retirement trusts, and funding for the Catholic high schools. The Bishop's Annual Appeal provides funds for assisting others as shown in the list of 50 ministries. Those donations are redirected 100% to assistance and ministry to others. The Priesthood Sunday collection provides funds for seminarian education. The funds are used solely to pay for tuition, room and board. These important and required activities benefit from your support.

And, please, continue your support of your parish church with an increase to your weekly contribution, their costs rise annually too.

The diocese's FY 2013-2014 financial statements were audited by Crosslin & Associates, P.C., certified public accountants. Their clean opinion and full report are posted on the diocesan website.

Thank you and May God continue to BLESS US ALL. Happy Thanksgiving.

William J. Whalen
Chief Financial Officer
Diocese of Nashville