

THE ARCHDIOCESE OF CHICAGO



ANNUAL  
REPORT  
2010

MARCH 13, 2011

## A Message from the Cardinal

Dear Brothers and Sisters in Christ:

This issue of the Catholic New World presents the annual report on the finances of the Archdiocese of Chicago. In difficult times, the numbers disclose good management of limited resources and continuous review of parishes and programs. The Archdiocesan financial situation remains basically strong and steady because donations continue, and those numbers tell a story of great generosity on the part of the Catholics in Cook and Lake counties.

Many of our parishes have come to the aid of those who have lost jobs and positions that had given them not only income but also a sense of self-worth. That ministry will continue. Families have reached out to assist other families who, at least temporarily, cannot pay the tuition expenses of their children who are students in our Catholic schools. Catholic Charities feeds the newly hungry and finds shelter for the unexpectedly homeless. New situations call for different pastoral responses; but what is constant is the love of God and neighbor that shapes the lives of the faithful.

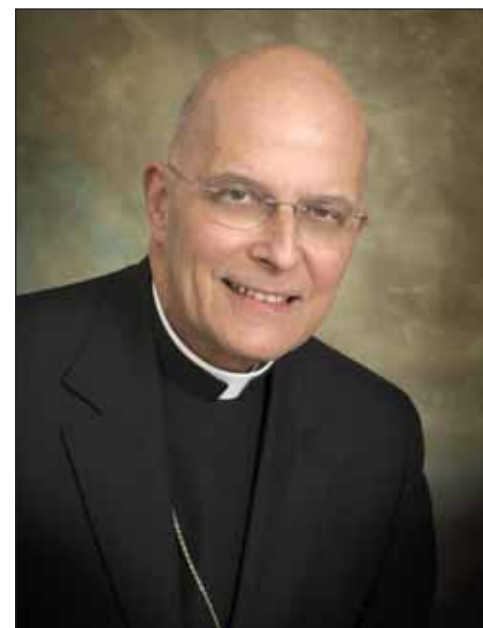
The generosity of the Catholics of the Archdiocese makes me proud and grateful. Thank you for your ongoing support of your parishes and schools and for the special needs regularly met in the Annual Catholic Appeal.

You and those you love are in my prayers; please keep me in yours.



Sincerely yours in Christ,

Francis Cardinal George, OMI  
Archbishop of Chicago



## Father Augustus Tolton Cause for Sainthood



Just one year ago, in March of 2010, Cardinal George announced that Father Augustus Tolton's cause for sainthood was being introduced in the Archdiocese of Chicago. The Cardinal appointed Most Rev. Joseph N. Perry, Auxiliary Bishop of Chicago, as the Postulator for the cause of Fr. Tolton giving him responsibility for making Fr. Tolton better known and encouraging prayer to him.

Last June in Rome, Bishop Perry presented Archbishop Angelo Amato, the prefect of the Congregation of Causes, with a summary of the archival material gathered on Father Tolton. In October, the Roman postulator, Dr. Andrea Ambrosi, met with Bishop Perry and personnel who are working on the Cause, which allowed for the next step in the Cause for the Beatification and Canonization of Father Tolton to be conducted. The Proclamation and First Session of the Canonical Trial was held here in the Archdiocese on February 24.

Much more information about Fr. Tolton and his Cause for Canonization can be found on the official website, [www.toltoncanonization.org](http://www.toltoncanonization.org).



The First Session of the Cause for the Beatification and Canonization of Father Augustus Tolton (1854-1897): His life, his virtues, his reputation for holiness and his intercessory power, was conducted on February 24, 2011 in Saint James Chapel at the Archbishop Quigley Center. Chancellor Jimmy Lago concluded the canonical proceeding and signed the document testifying to the fulfillment of the First Session. The same document was also signed by the notary of the court.

Photos: Karen Callaway/Catholic New World

Cover Photo: Karen Callaway/Catholic New World

## Chancellor's Message

It has been my privilege again this year to oversee the programs and ministries that are coordinated through the Archbishop Quigley and Cardinal Meyer Centers. Parishioners remind us by their faithful giving of the duty to carefully steward these resources. I continue to be amazed and inspired. This financial report is our way of providing accountability and for saying thank you.

The continuing economic situation challenges the creativity and ingenuity of our pastors and lay volunteers. Time after time, they have shown the ability to respond to these challenges, which permit catechesis, evangelization, formation and Christ-filled learning to move forward.

The ministry of our Archbishop inspires all of our efforts. In this, we partner with many extraordinary religious women and men, deacons and ecclesial ministers to make this local Church alive and present at all the moments of life.

Sincerely,



Jimmy M. Lago  
Chancellor  
Archdiocese of Chicago



Jimmy Lago  
Chancellor

## Director of Financial Services' Report

The Archdiocese of Chicago Annual Report for the fiscal year ended June 30, 2010 presents the outcome of prudent responsiveness to some of the most economically challenging and fiscally difficult times in recent history while showing signs of a hopeful recovery. Despite the prospect of a protracted recession, dismal unemployment, and volatile capital markets, the generosity of the people of God in this local Church continued to be unwavering.

Most notably, when many charitable organizations were experiencing revenue declines, the regular income of the Combined Parishes showed constancy and stability. Coupled with the benefits of cost containment and expense reduction actions taken, including an Archdiocesan-wide freeze on salaries and wages, the net results of Combined Parish Operations turned positive and drove a significant improvement in the overall operating results.

Employing similar austerity measures to hold spending in check, the Administrative Operations of the Archdiocesan Pastoral Center produced financial results better than those of the previous fiscal year with even greater demands for the ministerial and pastoral services provided. Archdiocesan Pastoral Center total revenues increased but the level of financial support to parishes remained at over double the targeted amount as many parish communities, struggling with the harsh realities of the economic environment and aging physical plants, required additional financial assistance.

Another attestation to the generosity of the faithful in this Archdiocese was the perennially positive response to the Annual Catholic Appeal. Over the 2010 fiscal year the campaign collections totaled nearly \$15.5 million for support of the various works of the Church in the Archdiocese of Chicago. By way of the campaign's parish incentive program \$7.3 million of that total amount was rebated back to the parishes. Such regular and continually improving outcomes have made this campaign one of the most successful of its kind in the country.

The single most significant favorable impact on the financial positions of the entities within the Archdiocese during the 2010 fiscal year was the rebound of investment values. Notwithstanding the relatively defensive position of the portfolio, which actually forestalled greater declines than those suffered in the previous fiscal year, the value of the Archdiocesan pooled investment account grew by nearly 15%, exceeding its custom benchmark for returns by more than three percentage points. As the "new normal" was unfolding in the marketplace the adherence to a careful, wise, and consistent investment strategy had positive consequences.

Functionally, practical programs of best practices in good stewardship, development, and financial management continued to be offered to the parishes and agencies of the Archdiocese in efforts to optimize their operations and the utilization of limited resources. Education on the Annual Catholic Appeal methodology, regular offertory enhancement, planned giving alternatives, and capital campaign execution addressed funding issues while expanded participation in the program of centralized purchasing and benefits cost management created savings opportunities.

With continued dedication to victims' ministry and claims resolution related to allegations of past instances of sexual misconduct by priests, the Archdiocese paid an additional \$6 million in settlements of various claims during the 2010 fiscal year. Funding for misconduct settlements did not come from current contributions to parishes, schools, or the Annual Catholic Appeal. The Archdiocese designated the proceeds from sales of undeveloped properties and recoveries on insurance policies to repay bank borrowings incurred for such settlement payments.

Further details, financial disclosures, and explanatory information appear in the complete copies of the accountant's reports for the Archdiocesan Pastoral Center, Combined Parishes, and Consolidated Archdiocese found on the Archdiocesan website at [www.archchicago.org](http://www.archchicago.org).

Sincerely,



Kevin J. Marzalik  
Director of Finance  
Archdiocese of Chicago



Kevin J. Marzalik  
Director of Financial Services

## ORDINATIONS

Fourteen men, ranging in age from 25 to 44, were ordained to the priesthood for the Archdiocese in May. Seven men were from the U.S., and the others were from Mexico, Kenya, Peru and Poland.

Nineteen permanent deacons were ordained in 2010 for the Archdiocese in two ceremonies; one at the Cathedral and the other at St. Rita of Cascia Church. The men will serve in Chicago and suburban parishes.

Photos:  
Karen Callaway/Catholic New World





**A) STREET MASS WITH BISHOP MANZ.** Auxiliary Bishop John Manz joined faithful from several parishes in the Pilsen neighborhood to celebrate a community Mass Aug. 27 at the Resurrection Project (old St. Vitus Church plaza), on the corner of Paulina Street and 18th Place.

**B) CHICAGO CATHOLIC MEN'S CONFERENCE.** Over 400 men of all ages were challenged to be men of virtue and to bring their faith to the forefront, during the Chicago Catholic Men's Conference at the Stephens Convention Center in Rosemont.

**C) SUNRISE SERVICES.** Five back-to-school sunrise prayer services were conducted simultaneously at sites along Chicago's lake-front just before the start of the school year to pray for an end to violence, the safety of children, and for a successful and non-violent school year.

**D) CATHOLICS COME HOME CHICAGO.** After a positive response to last year's efforts, the evangelization initiative, Catholics Come Home Chicago, returned for a second year with new commercials on local television stations and renewed outreach initiatives in parishes throughout Cook and Lake counties.

**Archdiocesan Pastoral Center  
Statements of Financial Position  
Fiscal Years Ending June 30**  
(amounts in \$000s - unaudited)

	2010	2009
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,064	\$ 5,069
Investments	200,195	203,936
Loans to parishes & religious orders (net)	86,602	90,384
Development Fund - net receivables	436	1,037
Land, building, equipment (net)	105,943	105,197
Prepaid Pension Asset	44,436	58,288
Other assets	41,202	31,112
<b>Total Assets</b>	<b>\$ 483,878</b>	<b>\$ 495,023</b>

**LIABILITIES & NET ASSETS**

<b>LIABILITIES</b>		
Savings deposits from parishes & others	\$ 180,267	\$ 170,244
Bank loans	61,875	57,180
Insurance claims	96,095	90,023
Unearned rental income	17,600	17,805
Accounts payable and Other liabilities	38,286	38,886
<b>Total Liabilities</b>	<b>394,123</b>	<b>374,138</b>

**NET ASSETS**

Unrestricted - undesignated	3,435	36,648
Unrestricted - designated	48,746	44,440
Temporarily restricted	22,920	25,148
Permanently restricted	14,654	14,649
<b>Total Net Assets</b>	<b>89,755</b>	<b>120,885</b>

<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 483,878</b>	<b>\$ 495,023</b>
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**Combined Parishes  
Statements of Financial Position  
Fiscal Years Ending June 30**  
(amounts in \$000s - unaudited)

	2010	2009*
<b>ASSETS</b>		
Deposits with local banks	\$ 75,732	\$ 79,475
Deposits with Archdiocesan Bank	174,980	165,399
Building Fund pledges	21,080	20,794
Land, building, equipment (net)	905,537	914,828
Other assets	298	182
<b>Total Assets</b>	<b>\$ 1,177,627</b>	<b>\$ 1,180,678</b>

**LIABILITIES & NET ASSETS**

<b>LIABILITIES</b>		
Loans from Archdiocesan Bank	\$ 148,909	\$ 146,299
Interest payable on Arch. Bank Loans	13,126	10,579
Accrued post retirement costs	70,112	74,742
Accounts payable & Other liabilities	50,106	49,180
Asset retirement obligations	63,618	62,607
<b>Total Liabilities</b>	<b>345,871</b>	<b>343,407</b>

**NET ASSETS**

Unrestricted	757,655	771,876
Temporarily restricted	74,101	65,395
<b>Total Net Assets</b>	<b>831,756</b>	<b>837,271</b>

<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 1,177,627</b>	<b>\$ 1,180,678</b>
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\* as restated. Full details are in the complete financial report on the Archdiocesan website.

Photos A, C, D: Karen Callaway/Catholic New World  
Photos B: Darrell Harmon/Catholic New World

**Archdiocesan Pastoral Center  
Statements of Activities  
Fiscal Years Ending June 30**  
(amounts in \$000s - unaudited)

	2010	2009
<b>REVENUES</b>		
Parish assessments	\$ 24,147	\$ 23,756
Cemetery assessment	7,100	6,725
Annual Catholic Appeal (net)	6,214	8,242
Contributions & bequests (excl. seminaries)	12,995	4,498
Interest and dividends on investments	13,412	(5,788)
Interest income - parish loans	7,850	7,680
Other	1,886	1,787
<b>Total revenues</b>	<b>73,604</b>	<b>46,900</b>

**EXPENSES**

<b>Parish Support:</b>		
Operating grants	11,539	12,094
Capital grants	5,355	2,455
Provision for uncollectible loans & receivables	15,103	18,778
Subtotal Parish Support	31,997	33,327

**Administrative Operations:** (see report at right)

Ministerial Services (net)	8,162	7,907
Pastoral Services (net)	25,860	27,013
Subtotal Net Administrative Operations	34,022	34,920

**Other:**

Seminaries (net including fundraising)	4,088	373
Assessments to Catholic Church organizations	1,464	1,754
Annual Catholic Appeal direct distributions	640	640
Interest expense - parish savings deposits	10,907	(9,694)
Interest expense - bank borrowings	1,324	1,904
Depreciation	5,602	4,742
Other	3,087	3,022
Subtotal Other	27,112	2,741
<b>Total expenses</b>	<b>93,131</b>	<b>70,988</b>

**Net Revenue/(Expense) of Other Activities**

Insurance program (excl. uncollectibles)	(18,033)	(5,659)
Food service	4,346	4,569
Publications	312	(1,041)
<b>Total Other Activities</b>	<b>(13,375)</b>	<b>(2,131)</b>

**Income/(Loss) from Operations**

Pension Adjustments	(12,186)	(29,590)
Net Investment Gains/(Losses)	11,618	(27,408)
Net Property Gains/(Losses)	3,566	(2,733)
Inter-entity Transfers	(263)	8,254
Parish Improvement Fund Grants	(421)	(387)
Development Fund (net)	(542)	(1,521)
<b>CHANGE IN PASTORAL CENTER NET ASSETS</b>	<b>\$ (31,130)</b>	<b>\$ (79,604)</b>



**FRASSATI CATHOLIC ACADEMY**, a cooperative effort of three Lake County parishes, opened its doors in Wauconda, where classes for sixth, seventh and eighth graders will focus on math, science and technology.  
Darrell Harmon/Catholic New World

**Administrative Operations Net Spending  
Fiscal Years Ending June 30**  
(amounts in \$000s - unaudited)

	2010	2009	Agencies Included
Office of Catholic Schools	\$ 1,476	\$ 2,260	Catholic Schools, Sponsored Programs
Parish Life & Formation	5,259	4,398	OFC, ODW, Family Ministry, SPRED, Peace & Justice, Ethnic Ministry, Lay Councils, Respect Life, Young Adult, Ecumenical, Kolbe House
Ministry Formation	1,334	1,186	CDM, Ministry Formation, Liturgical Institute, Casa Jesus, Abramowicz House
Human Services	93	63	Office of Deaf, Hospital & Health Affairs
<b>Total Ministerial Services</b>	<b>8,162</b>	<b>7,907</b>	
Cardinal's Staff/Vicar General	2,179	3,161	Cardinal, Vicars, Vicariate Offices, Campus Ministry, Vocations, Chaplains
Chancellor	3,946	4,191	Chancellor, Legal, Archives, Advanced Studies, Research & Planning, Racial Justice
Canonical Services	1,097	1,086	Tribunal & Judicial Vicar, Office of Conciliation
Information Technology	2,657	2,626	System Maintenance & Implementation
Communications	564	655	Public Relations, Radio & TV, Hispanic Communications, New World Publications
Development	1,271	1,432	Appeal, Planned Giving, Parish Programs
Financial Services	7,760	7,571	Parish Ops, Audits, Facilities/Construction, Insurance, Real Estate, Treasury, Controller, Building Ops
Personnel Services	4,848	4,905	Vicar for Priests, HR, Diaconate, Priest Placement, Office for Religious, Ministerial Evaluation, Vocation Office, Retreat House, Sabbaticals, Protection of Children & Youth
Professional Conduct	1,538	1,386	Fitness Review, Professional Responsibility, Assistance Ministry
<b>Total Pastoral Services</b>	<b>25,860</b>	<b>27,013</b>	
<b>Net Administrative Operations</b>	<b>\$ 34,022</b>	<b>\$ 34,920</b>	

Note: Net spending reflects spending less direct revenue or fees received by an agency.

**Combined Parishes  
Statements of Activities  
Fiscal Years Ending June 30**  
(amounts in \$000s - unaudited)

	2010	2009*
<b>PARISH OPERATIONS</b>		
Revenues	\$ 334,242	\$ 315,496
Expenses	330,056	345,365
Net surplus/(deficit)	4,186	(29,869)

**EDUCATIONAL ACTIVITIES**

Revenues	270,005	274,568
Expenses	323,682	332,654
Net surplus/(deficit)	(53,677)	(58,086)

**Combined Operating Surplus/(Deficit)  
before Pastoral Center Grants**

	(49,491)	(87,955)
Pastoral Center Grants	16,090	15,329
<b>Parish Operating Surplus/(Deficit)</b>	<b>(33,401)</b>	<b>(72,626)</b>

**OTHER ACTIVITIES & ADJUSTMENTS**

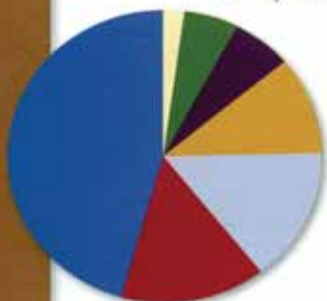
Building Fund Collections	18,421	15,494
Grants from Noise Abatement Projects	-	1,298
Other - including land sales & donations	1,377	1,637
Accretion of asset retirement obligations	(1,011)	(991)
Other post-retirement related costs	9,099	(5,440)
<b>CHANGE IN PARISH NET ASSETS</b>	<b>\$ (5,515)</b>	<b>\$ (60,628)</b>

Depreciation Expense included above	\$ 38,946	\$ 37,842
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\* as restated. Full details are in the complete financial report posted on the Archdiocesan website.

### 2011 ANNUAL CATHOLIC APPEAL

The funds will be distributed as follows:

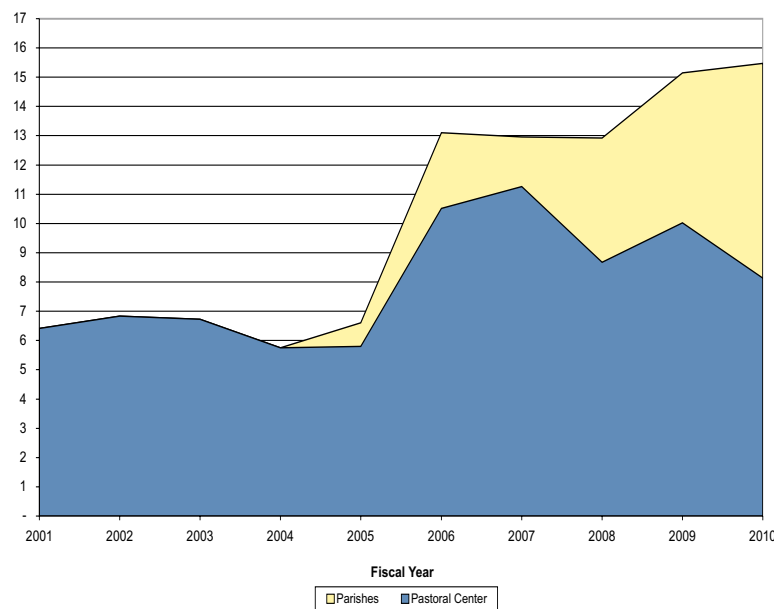


- **\$3,500,000** grants and scholarships for schools serving economically disadvantaged communities
- **\$1,000,000** capital grants to parishes and schools serving economically disadvantaged communities
- **\$1,350,000** support parish ministries that provide religious education to children, youth and adults in economically disadvantaged communities
- **\$640,000** Catholic Relief Services for aid to the poor in foreign lands
- **\$560,000** support ministries that provide comfort, care and counseling to those in need
- **\$1,350,000** recruitment, education and formation of lay ministers and deacons, and for continuing education and ongoing spiritual formation of priests
- **\$250,000** promote the dignity of life from conception through natural death

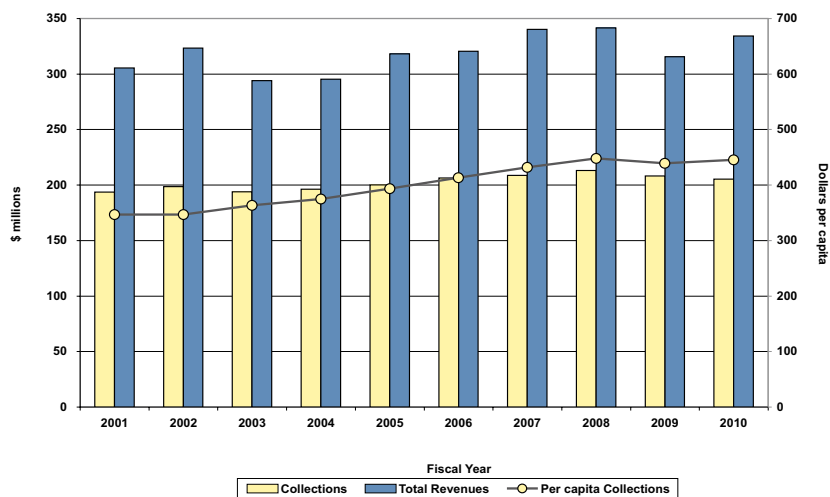
*Any funds raised are carefully spent; it is money for God's work, and we use it accordingly. Your generosity will make a difference in the lives of many.*

The Annual Catholic Appeal supports the work of the Church in the Archdiocese of Chicago. No money donated to the Annual Catholic Appeal has been or will be used to defray expenses related to misconduct issues.

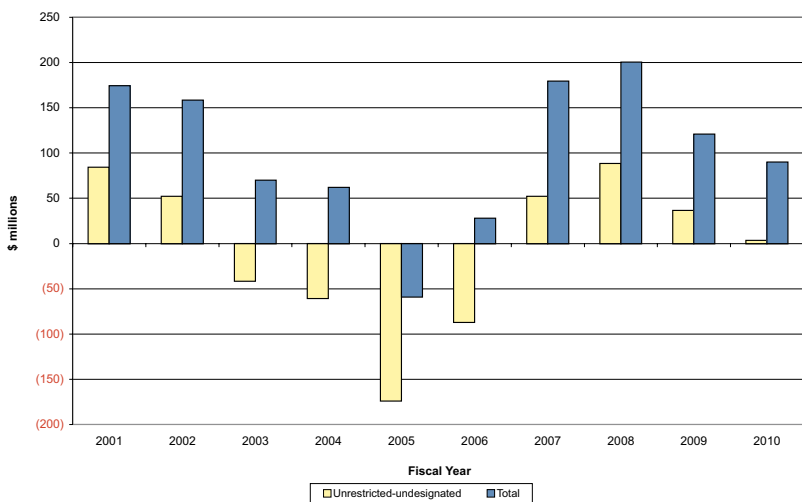
Annual Catholic Appeal



Combined Parish Revenues

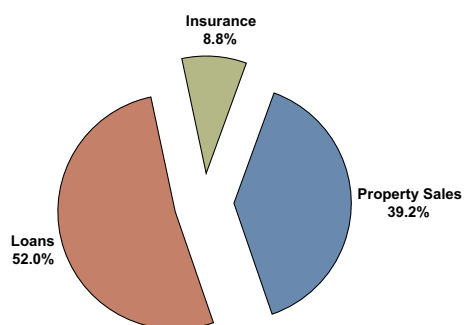


Pastoral Center Net Assets



Financing Misconduct Claims FY 2001 - FY 2010

Total Settlements, Legal, & Other costs = \$113.1 million



## Working on behalf of immigrants

The Archdiocese strengthened its work on behalf of immigrants with the establishment of the Office for Immigrant Affairs and Immigrant Education. Staff of this office, in cooperation with parishes, supportive groups of priests and religious, other faith communities and service agencies, work for compassionate treatment of immigrants and comprehensive immigration reform, through public prayer services, press conferences and education programs.



Aldolfo Amador joined a rally at Daley Plaza following the annual May Day march in Chicago. Many of the marchers carried signs opposing the enactment and implementation of Arizona SB 1070 and calling for a freeze on non-felony deportations and the passage of compassionate, comprehensive immigration legislation.

Karen Callaway/Catholic New World

# Anniversaries



## OFFICE FOR BLACK CATHOLICS

A week of activities under the banner of Faith, Family and Future marked the 25th anniversary of the Office for Black Catholics. Masses with Bishop Perry and Cardinal George marked the beginning and end of the celebrations that included an expression of Black Catholic Faith during a revival at St. John de LaSalle Church; a presentation on Family by Sr. Anita Baird, D.H.M., director of the Office for Racial Justice; and a Youth and Young Adult celebration focused on the Future.



## THEOLOGY-ON-TAP

Theology-On-Tap celebrated 30 years of serving the finest in speakers, conversation and Theology for single and married young adults. In that time, more than 270 speakers have addressed over 40,000 young adults in more than 4,000 sessions at 203 different parishes, universities and organizations in the Archdiocese.



## RACIAL JUSTICE

The Archdiocese's Office for Racial Justice celebrated its tenth anniversary with a special Mass celebrated by Cardinal George. Approximately 7,000 individuals have participated in making the Archdiocese an "anti-racist" organization through the office's anti-racism training workshops for all archdiocesan employees and through its Workshops on Racism and Ethnic Sensitivity in more than 300 parishes.



## AIRPORT CHAPLAINCIES

For 50 years the Archdiocese has maintained a spiritual presence at O'Hare and Midway airports, serving the more than 50,000 people who work at the airports and the hundreds of thousands of travelers who pass through.



A

# THE FUTURE IS NOW

## A New Generation Ready to Lead, New Media and Social Networking

### FACEBOOK

Both the Archdiocese and Cardinal George have distinct and separate Facebook pages that provide ready information on happenings throughout the Archdiocese.  
[www.facebook.com/FrancisCardinalGeorgeOMI](http://www.facebook.com/FrancisCardinalGeorgeOMI)  
[www.facebook.com/archchicago](http://www.facebook.com/archchicago)

### TWITTER

"Follow us on Twitter" is now a perennial invitation of the Archdiocese of Chicago to those who want to find an instant source of timely messages. Be brief, be immediate, but be there!  
<http://twitter.com/cathnewworld>



B



### ARCHDIOCESAN WEBSITE

The main website for the Archdiocese of Chicago continues to be the primary portal of information for everything and everyone connected to the Archdiocese, including direct links to all the Archdiocesan social networking sites, news and information about the Cardinal, parishes, schools, departments, and the Strategic Pastoral Plan.  
[www.archchicago.org](http://www.archchicago.org)

### YOUTUBE

The Archdiocese has welcomed thousands of visitors to our YouTube Channel and Spanish language YouTube Channel. Spotlighting our vibrant Catholic community in Cook and Lake counties, YouTube provides a vehicle to share videos from events, announcements and special liturgies helping keep Catholics connected.  
[www.youtube.com/catholicchicago](http://www.youtube.com/catholicchicago)  
[www.youtube.com/chicagocatolico](http://www.youtube.com/chicagocatolico)



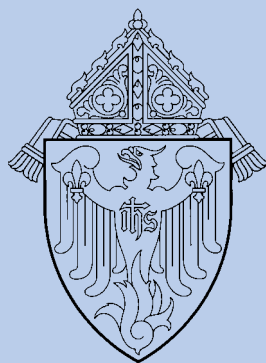
### MOBILE WEB SITE

The challenge to "Seek and ye shall find" just got easier. Our mobile web site is ready to help you locate news and parishes, learn about ministry offices and read short messages from the Cardinal and our weekly Blog - all via your iPhone or iPad!  
[www.m.archchicago.org](http://www.m.archchicago.org)

A) The annual, three-day "Bread of Life" retreat brought over 350 teens to Guerin College Prep in River Grove in April.  
 Karen Callaway/Catholic New World

B) Tyra Cleggett leads fellow youth and youth-ministry leaders in a game during a Young Leaders of Chicago meeting. The group, sponsored by the Office for Catechesis and Youth Ministry, focuses on concerns of the younger generation and helps develop leadership in the Church.  
 Brian Morowczynski/Catholic New World

The Annual Report of the Archdiocese of Chicago is produced in cooperation with the Department of Finance and the Department of Communications and Public Relations and is designed and published by New World Publications. A complete financial report is available for inspection through the office of the Director of Finance for the Catholic Archdiocese of Chicago, 835 North Rush Street in Chicago and at the Archdiocesan web site, [www.archchicago.org](http://www.archchicago.org).



## Archdiocese of Chicago

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