

LOOKING AHEAD TO THE ARCHDIOCESAN FINANCIAL REPORT  
Weekly Column by Archbishop Charles J. Chaput, O.F.M. Cap.  
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The wife of a friend once quipped that there's not much sizzle or romance in balancing a check book – but try feeding the kids if you can't. I've never forgotten her words. No sensible adult goes very long without paying close attention to the finances of his or her own family. And for good reason: Without the necessary resources, no family survives. If a family has financial problems, it needs to know why. That requires accurate information, no matter how complex and sobering, so the problems can be fixed.

So it is with the Church. As I've said many times over the past 22 months, the resources of the Church don't belong to the bishops or the clergy or some remote institution. They belong to her people. The Church is a steward. She holds her resources in trust for her people, to carry out their apostolic work as a community in furthering the Gospel of Jesus Christ. That means she has an obligation to use her resources well. She also has a duty to make an accurate yearly accounting to her people of how she manages those resources, whether the news is happy or not.

One of the many urgencies facing the Church when I arrived here in September 2011 was the need to understand and start fixing our financial problems. We've made progress. Over the past year, we've benefitted from strong, new financial leadership from our CFO, Timothy O'Shaughnessy; our controller, Peter Yecco; and a reinvigorated Archdiocesan Finance Council with talent from across the Catholic business community.

Despite every difficulty we have faced, our people have increased their giving to the annual Catholic Charities Appeal as well as the annual Seminary Appeal. And along with monies raised from the sale of the archbishop's residence and a home on the New Jersey shore – beautiful properties, but unsuited to the needs of the Church today – we've taken big steps toward raising new resources and eventually eliminating our annual budget deficit.

This good news, however, *will need to wait until later* when we'll publish the results of Fiscal Year (FY) 2013 – i.e., the year beginning July 1, 2012, and ending this weekend, on June 30, 2013.

In other words, the fiscal report we plan to publish next week will reflect almost *none* of the progress I just described. Why? Because it will show our financial results from July 1, 2011 – two months before I arrived in Philadelphia – through June 30, 2012, barely two months after our new financial team began their work.

I've asked our staff to make the report on FY 2012 as thorough and clear as possible. The audited financial statements for every major archdiocesan entity will appear on our website for public review. I've also directed that in the future, as we continue to improve our operations, our annual financial reports will appear for our people's scrutiny far more promptly and with proper standards of transparency.

I've reviewed the FY 2012 audited financial statements for our central operations run through the Archdiocesan Pastoral Center; or more technically, the "Office for Financial Services." While

the results are serious – and that’s an understatement – they have the virtue of being honest and accurate. The statements also include several major adjustments to reporting made in previous years. Most of the financial pain we now face as a local Church is inherited and due to chronic patterns of behavior. It has nothing to do with fraud or the abuse crisis. Instead it flows out of well-intentioned but poor management decisions made over a period of nearly two decades at every level of archdiocesan and parish leadership – a crippling habit of trying to hang on to the past and keep unsustainable ministries, schools and parishes afloat, despite great changes in our demographic and financial realities.

We have too many good people in the Archdiocese to let these problems continue to hobble our discipleship in the years ahead. We owe too much to the believers who came before us to fail in renewing the health of our Church. And we owe even more to the young people who will follow us. They need to encounter Jesus Christ through our witness. That’s why our financial problems matter so seriously. And that’s why, with honesty and hard work and the grace of God, we’ll resolve them.

*We will post the audited financial statements for the Office for Financial Services on [www.CatholicPhilly.com](http://www.CatholicPhilly.com) on Wednesday, July 3 at 10:00 a.m. Please note that these statements only relate to operations and ministries stemming from Archdiocesan headquarters. They do **not** include financials for the Office of Catholic Education, Catholic Healthcare Services, Catholic Social Services, Saint Charles Borromeo Seminary, Catholic Charities Appeal or the Heritage of Faith—Vision of Hope Capital Campaign. Audited reports for those entities will be posted in the coming weeks.*

***Also note that none of these reports will include financial statements for parishes -- and for good reason: All parishes are autonomous entities. The Archdiocese has no authority over their assets.***