

# Archdiocese ends fiscal year in strong position



*Archbishop William E. Lori processes into the Cathedral of Mary Our Queen in Homeland at the start of the permanent deacon ordination Mass May 11, 2013. William Baird, chief financial officer for the archdiocese, said to be in a more stable financial position will help the church evangelize better. (Tom McCarthy Jr. | CR Staff)*

**By George P. Matysek Jr.**

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Buoyed by increased contributions and a strengthened economy, the Archdiocese of Baltimore ended Fiscal Year 2012-2013 in a stronger position than the previous fiscal year.

According to an annual report released at the beginning of February, the archdiocese had a consolidated operating surplus of \$44.3 million. In Fiscal Year 2011-2012, the archdiocese had a consolidated operating deficit of \$12.6 million. The new report shows that last fiscal year, \$12 million of the surplus was gained prior to factoring in investment income, which amounted to \$10.8 million. It was the second consecutive year in which the archdiocese had a surplus prior to investments.

"We experienced incredible generosity from the folks who participated in the capital campaign," said William Baird, chief financial officer for the archdiocese, referring to the Embracing Our Mission – Shaping Our Future capital campaign, the archdiocese's first capital campaign in 16 years.

"We also benefitted greatly from improvements in equity in fixed income markets that helped our portfolios," Baird said.

Baird emphasized that investment gains "do not necessarily give us the opportunity to have cash to spend, but they improve or limit some of our liabilities in things such as our retirement plans."

As key interest rates began to climb, valuations on underfunded retirement plans or struggling investments improved, according to the archdiocese, reducing liabilities associated with the plans by \$13.2 million.

John Matera, controller of the archdiocese, added that the operating budget is not dependent on investments.

Last year, \$29 million was raised through the capital campaign and endowments. The archdiocese also had a \$5.2 million gain on the sale of property. Weekly contributions by parishioners throughout the archdiocese increased, with the archdiocese recording a 1.9 percent increase in the assessments that are applied to each parish in support of archdiocesan ministries.

The archdiocese distributed \$22.2 million in grants, 52 percent of which went to parishes.

"I think the archbishop has certainly put a tremendous effort and emphasis on evangelization, which is going to be a key topic for us as we go into this year and ensuing years," Baird said. "To be in a much more stable financial condition will help us evangelize better and provide more programs and ministries throughout the archdiocese."

The archdiocese has employed renewed spending discipline in recent years as one way of withstanding economic downturns. Last year, operating expenses totaled \$51.8 million – down from \$52.4 million the prior year.

"I think the most important piece has been discipline around hiring and evaluating positions as they open up to make sure that they are consistent with the archbishop's priorities," Baird said. "In the last several years, there's been a deliberate process not only for the approval of new hires, but the re-approval of open positions so that they are continually evaluated and re-evaluated to make sure they are still consistent with the archbishop's priorities for the archdiocese."

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