

STATE OF THE DIOCESE OF FALL RIVER REPORT

2014-2019

+ Select Financial Highlights



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Calms the Storm

STATE OF THE DIOCESE OF FALL RIVER

Report

is dedicated to all of
the faithful members
of our Diocesan Community.

A PRAYER FOR OUR TIMES

July 2020

Heavenly Father we come to You today to pray for all of us during these unprecedented times. We bring to You our petitions for victim-survivors of abuse in our Church, for those suffering from the COVID-19 pandemic as well as those who have been affected by social injustices. Fill us with Your love as we remember it is Your will that every human life is treated equally and with dignity no matter what their circumstances.

We pray for Our Holy Mother Church. We stand before You asking for Your protection. For the victims and victim-survivors of abuse and their families, pour out Your healing and Your peace. For the bishops of this country, continue to inspire their decisions and guide them with Your Spirit. For the good and faithful priests, who have followed Your call to serve You, sustain them by Your grace. For the faithful who are angry, confused, and searching for answers, embrace them with Your love, restore their trust, console them with Your clear Gospel message, and renew them with Your sacraments.

We pray for those affected by the COVID-19 pandemic. In the name of our Merciful Savior, may those who have died from the virus be at rest in eternal peace. May the families of those who are sick or have died, the doctors, nurses, researchers, and all medical professionals who seek to heal and help those affected, know Your protection and great mercy dear Lord. For the leaders of all nations, give them the foresight to act with charity and true concern for the well-being of the people they are meant to serve. Give them the wisdom to invest in long-term solutions that will help prepare for or prevent future outbreaks. May they know Your peace, as they work together to achieve it on earth.

We pray for equality and peace. Father, it is Your will that all of Your people be gathered together as one family in Yourself. Fill the hearts of mankind with the fire of Your love and send forth Your spirit to enkindle in them the desire to ensure peace and justice for all. By sharing the good things You give us, may we secure equality for all our sisters and brothers throughout the world. May there be an end to division, strife, and war, and may there be a new dawning of human society built on love and peace.

God the Father of our Lord Jesus Christ, our Merciful Savior, and Prince of Peace: May we all be of one heart and one soul, united in one holy bond of faith, hope, charity, and life; through Jesus Christ our Lord.

Amen.



Dear Sisters and Brothers of the Diocese of Fall River,

Earlier this year I shared a pastoral letter: *Reflections on Five Years – Continuing the Mission*. This letter shared a look back on my first five years as Bishop of Fall River and shared my aspirations for our future. At that time, we had no idea what challenges lay ahead with the coronavirus pandemic and more recently the social unrest in our world. I am optimistic that as we come out of the shutdown and are beginning crucial conversations around equal treatment for all of God’s children, we will continue our momentum of rebuilding a Church with increased faith, love, and trust.

As I mentioned in my pastoral letter, one of the essential tasks of a bishop is governing the Diocese in such a way as to promote the whole mission of the Church. He has to be a good steward of the resources in a Diocese. Good administration is a responsibility that I take seriously. One of the many adjustments made in this area is to conduct yearly financial audits and to share a more regular public report on the findings.

Last year we comprised three commissions of more than 400 volunteers focused on researching and making recommendations on Diocesan Governance, Youth, and Catholic Social Services. This letter and accompanying report are the result of a path our financial leadership started in 2017, and the recommendations that came out of the Governance commission, specifically the Finance and Administration team. In order to be even more transparent, we have already published our audited financials on our Diocese website.

Unlike the previous Chancery Operations report, which was our first step, this document is designed to share a much broader perspective of the objectives, goals, challenges, and finances for many of the ministries in our Diocese. I am hopeful that providing the financials, along with more context, gives all of you a better understanding of how our Diocese is benefiting from your generosity. I recognize that there is still much to do on our journey together and greatly appreciate all of the time, talent, and treasure many have already given. I will continue to seek out your guidance.

Please direct any questions about this report to the Chancellor’s Office at 508-675-1311.

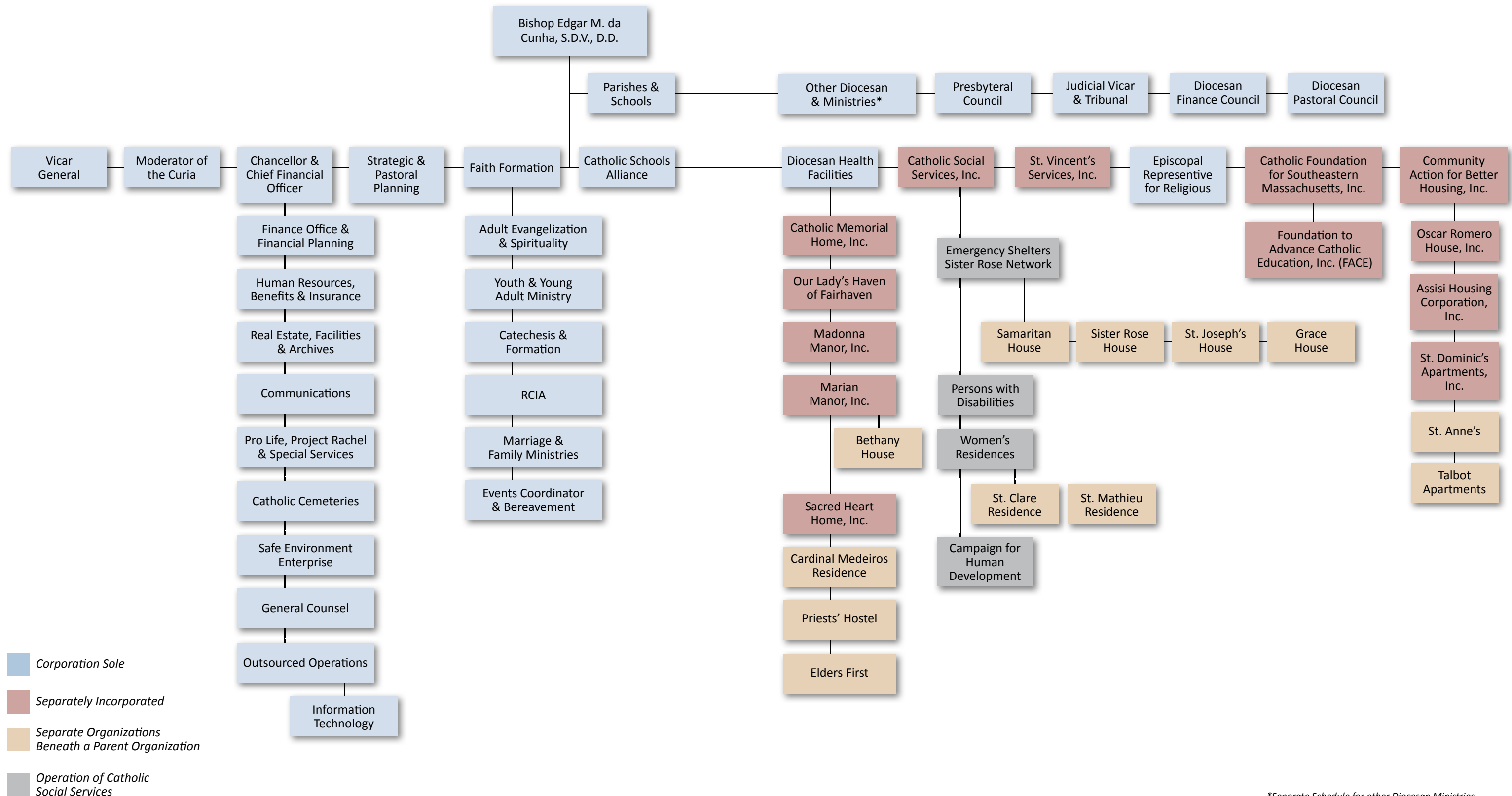
I pray we continue Christ’s mission together for the future of our Diocese and our Church. May Our Lady of the Assumption guide and protect us. May God bless you and your families.

Sincerely Yours in Christ,

Most Reverend Edgar M. da Cunha, S.D.V., D.D.
Bishop of Fall River

DIOCESE OF FALL RIVER

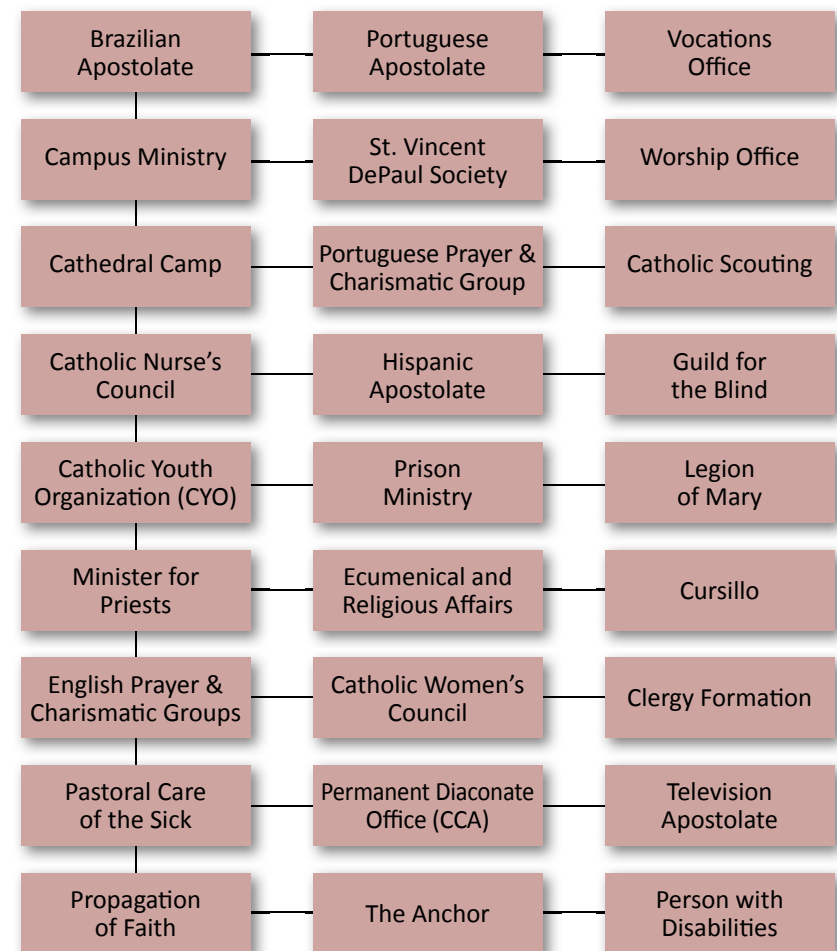
Organization Chart



*Separate Schedule for other Diocesan Ministries

OTHER DIOCESAN MINISTRIES

Organization Chart



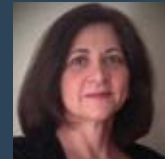
LEADERSHIP

We're in good hands

As we continue our commitment to the mission of the Diocese of Fall River, we embrace long-standing leaders and welcome new leadership. Together, we will build upon a strong foundation and explore new opportunities and initiatives that will benefit all of the faithful members of our Diocesan Community.



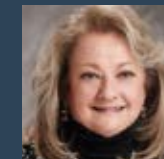
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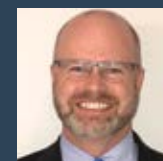
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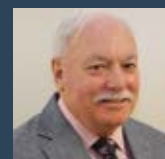
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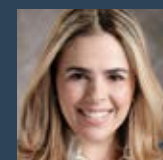
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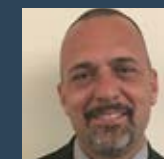
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MISSION *Highlights*

STRATEGIC & PASTORAL PLANNING

Our mission is to engage all members of the faith community and invite them to take and express their Baptismal call to build up the Church through prayer, discernment, and actions that address the needs of the faith community and those served by it.

Bishop da Cunha shared his overall vision for our Diocese in his pastoral letter, *Rebuilding in Faith and Hope*. Following a call from Pope Francis for a “missionary aspiration of reaching everyone,” the Bishop established three major goals:

- Revitalizing our parishes
- Renewing the ministries of the Diocese
- Strengthening support for the clergy

In the months following his letter to all the faithful, the Bishop began listening sessions in English, Portuguese, and Spanish in 2018 throughout the Diocese. Parishes also held local sessions. Across the Diocese, two groups of nearly 100 people studied the listening session results and recommended key areas of strategic planning for Diocesan-wide ministries.

In February 2019, nearly 400 people met with the Bishop to launch a six-month planning process focused on:

Governance

- Finance and Administration
- Human Resources
- Communications
- Facilities and Real Estate

Youth and Young Adults

Catholic Social Services

ACCOMPLISHMENTS

Presented more than 60 Diocesan strategic recommendations to the Bishop in September 2019.

Content and updates can be found here – www.fallriverplanning.org

Formed a Diocesan Pastoral Council to work with the Bishop and Diocesan staff to analyze and prioritize the Diocesan recommendations. The Council meets monthly to review progress and advise the Bishop and Diocesan staff.

Initially formed 10 parish collaboratives to build stronger communities of faith and combat decreasing numbers of active clergy. Twenty-nine parishes joined together to form 10 collaboratives comprised of two to three parishes each. Today we have nine collaboratives as the three North Attleboro parishes requested and were approved for formal unification, which was made official by Bishop da Cunha on January 1, 2020. These models allow parishes to operate more efficiently by sharing a pastor or staff resources, for example.

Presented local recommendations to the Bishop. Four collaboratives presented their strategic recommendations to the Bishop, sharing their plans for: Administration & Finance, Worship & Sacraments, Evangelization & Vocations, Education & Faith Formation (Youth & Adult), and Community Outreach & Partnerships.

For more information, contact Laura Carrillo
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www.fallriverplanning.org



OFFICE OF FAITH FORMATION

Our mission is to ensure the oversight of evangelization and the religious education of children, high school youth, young adults, and adults in the parishes and Catholic schools in the Diocese.

This is accomplished through direct service and providing resources to parish leadership. The Office of Faith Formation includes the former Offices of Religious Education, Adult Education, Youth Ministry, RCIA, and Marriage and Family Ministry



PROGRAMS AND ACTIVITIES

The office operates with a Director, Associate Director, and one support staff. A number of initiatives have been accomplished. The Office of Faith Formation also provides a support group for the bereaved and parish training in bereavement ministry.

Youth Programs

- Christian Leadership Institute (CLI) that prepares high school youth to participate and lead youth service initiatives in their parishes and Diocese
- YES! Retreat — a (post-Confirmation) program to provide in-depth spiritual understanding of “Yes” at Confirmation
- High School Youth Convention — a commemorating of the U.S. Celebration of World Youth Day (30th

Sunday Ordinary Time), including a catechetical keynote presentation by a national speaker, smaller catechetical workshops, and closing Mass

- Middle School rallies for students (grades 6-8) and their parents; an abbreviated version of the High School Youth Convention
- Catholic Youth Day evangelization rally to celebrate the participation of youth in the life of the parish featuring national speakers, young adult witnesses, music, Adoration, confessions, and Mass with the Bishop
- Planned and led pilgrimages to World Youth Day

Formation and Training

- Catholic school teachers and parish catechetical leaders
- Online theology formation through the Notre Dame Satellite Theology Program
- Theology courses for catechetical leaders and catechists
- Three-year cycle of live courses offered in three regions of the Diocese
- Scripture-sharing program for parish adult education catechist formation evenings offered in three regions
- Adult Confirmation Preparation classes
- Adult Confirmation Retreat
- RCIA annual retreat for catechumens, candidates, and their sponsors
- Circle of Grace, the safe environment training for youth (coordinated with the Safe Environment Enterprise)

Marriage Preparation

- Oversee the Diocesan marriage preparation program that prepares over 300 engaged couples
- Recruit and train over 30 volunteer marriage preparation team couples to conduct marriage preparation sessions 12 times per year in three locations in the Diocese
- Oversee Diocesan Remarriage Preparation conducted by volunteer couples in private couple-to-couple sessions; consult with the Tribunal when necessary

- Provide support for parish marriage preparation FOCCUS inventory through scoring and training

Lenten CRS Rice Bowl, including:

- Collection
- Meal cooking challenge
- CRS Catholic Social Teaching campaigns for high school youth events (CYD, Convention)
- Diocesan-wide youth service project to provide resources to Catholic Social Services

Cursillo

- Organized Cursillo Convocation to launch a revitalization of the Cursillo Movement in the Diocese of Fall River
- Formed the Cursillo Action Committee to continue promoting Cursillo in the parishes of the Diocese

Liturgical Events

- Rite of Election
- Pope Pius X Award
- Adult Confirmation (fall/spring)
- Wedding Anniversary Mass

Other

- Provide support for parish leadership through visits and gathered meetings
- Serve on a team for the planning and implementation of the annual Women/Men’s Conference
- Drafted and prepared for final approval the Guidelines for the Sacraments of Initiation promulgated by Bishop da Cunha in June 2016, which continues to be implemented by our office

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CATHOLIC SOCIAL SERVICES

Our mission is to help those in need by providing programs and services to individuals and families struggling with poverty and by advocating for social justice.

Catholic Social Services (CSS) targets systemic discrepancies and addresses immediate and structural problems encountered by the economically disadvantaged and socially vulnerable in the communities we serve. We reach out to those facing socioeconomic, cultural, and racial barriers that preclude their engagement in mainstream services. Through these deeds, CSS strives to make love visible.

Our core programs are Housing and Homeless Services (for those facing housing crisis), Basic Needs (services such as food, clothing, and essential items) and Immigration and Foundational Services (for those in our community who are seeking peace, freedom, and a better future for themselves and their families).

HISTORY

CSS has proudly served the community since 1924. Originally, CSS was primarily an adoption and welfare agency. Over the last 95 years, CSS' scope of services has expanded to meet the many diverse needs throughout the Diocese. The agency now offers over 30 unique programs and services that promote: improving quality of life for the poor and those in need; strengthening individuals and families; and advocating for social justice.

Over the past five years, CSS has seen a change in leadership. In July 2017, a new Chief Executive Officer was hired to lead the agency. This presented an opportunity to assess current programs to determine if they met the evolving needs within the communities of our Diocese. To assist with this, Catholic Charities USA (CCUSA) was contracted in February 2018 to complete a full organizational assessment of CSS. CCUSA was able to identify challenges and solutions to create a new organizational structure to promote growth and realignment with the mission. This included the creation of an executive team consisting of a Vice President of Finance, a Vice President of

Programs, and a Human Resources Director. One of CCUSA's most positive discoveries was that through the employees' work and deeds, they manifested the mission of helping those in need.

ACCOMPLISHMENTS

As a result of the Diocesan Strategic Planning Initiative in 2019, CSS received feedback from its various constituents, including parishioners, clergy, and other Diocesan entities on the issues affecting them and what services the agency could provide to help meet their needs. This feedback was critical in establishing goals and objectives that will allow CSS to improve current services, identify areas for new growth, keep the agency safe from risk, and comply with regulations across all programs. The Strategic Plan established five goals for the organization to be completed by 2023. The accomplishments below represent steps taken toward those bigger goals.

Developed new internal policies and procedures regarding finance and human resources. The agency also recognized the need to support staff and implemented an employee assistance program.

Established new partnerships with various other Diocesan entities.

Formed new collaborations with foundations and private donors on issues regarding immigration and other vulnerable undocumented persons who are living in our communities.

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CATHOLIC SCHOOLS ALLIANCE



Our mission is to ensure a system of schools that is financially sustainable, academically rigorous, and rooted in a strong Catholic identity.

The vitality and sustainability of the Diocese of Fall River's 21 Catholic schools and the 5,600 students it serves is a priority for Bishop da Cunha and essential to the success of his *Rebuilding in Faith and Hope* initiative to revitalize the Church and re-engage the youth.

Bishop da Cunha established a task force on Catholic school education — comprised of senior-level executives in the public and private sectors, Catholic school alumni, administrators, faculty, and priests — to examine the state of the Diocese's Catholic schools with a focus on finances, governance, academics, and enrollment. A Central Board of Education was then established to collaborate with the Catholic Schools Office's (CSO) leadership team to implement the task force's recommendations.

ACCOMPLISHMENTS

Increased family involvement. Created opportunities for families to learn more about their faith, to express it in prayer, and to liturgically celebrate it with the community.

Collaborated with parish religious education programs to help develop a new and synergetic model for Catholic school and religious education faith formation programs. This new model will continue to build on the schools' evangelization approach.

Obtained private and public funds to upgrade Wi-Fi capacity in all of our schools. This opened up myriad new instructional and assessment possibilities for the schools.

Secured a grant from The Flatley Foundation to execute a robust classroom-based professional development program. Teachers can adopt personalized learning methodologies and strengthen math instructional practices:

- **Shifted to the new online MAP Growth Assessment.** Schools administer MAP three times per year to monitor individual student achievement in real time and implement a personalized learning approach — including for students with learning differences.
- **Used new technology capacity for virtual-based instruction during the COVID-19 crisis.**

Established the Academy platform for collaborative instructional leadership and interventions focused on STEM (science, technology, engineering, and math). Implemented across 21 schools through a variety of partnerships with higher education institutions, corporations, foundations, and philanthropists. Educational partners include the University of Notre Dame's STEM Center, Boston College's Lynch Leadership Academy, Worcester Polytechnic Institute, Stonehill College, Bridgewater State University's STEM Center, Morton Hospital, and S.E.A.L. Foundation. This offers a multidisciplinary approach to critical thinking and problem solving tailored to meet the needs of all students and empower them to reach their God-given potential and become prepared for a future career.

Secured private and public resources (including S.E.A.L. Foundation) to serve students with learning differences (SPED). Ten schools hired a special

education teacher in 2018 and 2019. We also instituted a robust professional development program for the Catholic schools in Fall River and New Bedford and created a Diocesan-wide special education parent group.

Formed partnerships and secured resources to assist schools with serving children and families who are experiencing social, emotional, and mental health challenges.

Opened Little Flower Early Learning Center in Attleboro. Serves children ages 6 weeks to 3.9 years old. A long-term goal includes an early education center in each of the Deaneries to develop a much-needed feeder system for the Catholic schools.



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www.catholicschoolsalliance.org

Special gratitude to former Superintendent of Schools, Stephen A. Perla, who recently left the Diocese to pursue national interests in Catholic Special Education.

VOCATIONS

Our mission is to promote vocations by helping men and women who believe the Lord may be calling them to ministry in the Church and in the discernment of that calling.

We seek to promote the universal vocation to the call to holiness, particularly by helping the faithful to realize the Lord does call most of us to a particular vocation and how we come to know that.

A major part of the work of the Vocation Director is dealing directly with the men who are discerning a possible vocation and the men who are preparing for the priesthood through their seminary formation. The office consists of three part-time individuals: a Vocation Director and an Assistant Vocation Director – both of whom have other full-time assignments – and a religious Sister who works with vocation awareness committees throughout the Diocese but also has full-time work with the religious communities in the Diocese.

HISTORY

The history of vocations in the Diocese reflects what is seen throughout Dioceses in the United States. In the 1900s, there was a gradual increase in vocations to the priesthood and religious life for several decades, but in the 1970s there began a decline in the amount of men and women responding to a call from the Lord. The effects of that began to manifest itself in the 1980s.

Up until the early 1980s, most vocations were coming from within the Diocese; but in the 1990s Bishop Sean O'Malley realized that would not be enough to sustain the life of the Diocese so he began to look outside. The number of men entering the seminary increased to up to approximately 30 seminarians, and a few new religious orders entered the Diocese (while the ones that were remaining were still seeing a decline in the amount of men and women entering). Due to the fact that some seminarians from outside the Diocese – particularly from other countries – came more for worldly reasons than promoting the fullness of the faith, several of them left the priesthood in the early 2000s.

ACCOMPLISHMENTS

Vocational meetings. The Vocation Director and the Assistant Vocation Director meet with men discerning a possible vocation to the priesthood, applicants to the seminary, the seminaries, and seminarians.

Vocational presentations. Throughout the year, the Assistant Vocation Director presents on vocations.

Vocational programs. The Vocation Director coordinates Diocesan holy hours and leads Quo Vadis, a five-day discernment vocation retreat/camp.

CHALLENGES

The ongoing effects of the sexual abuse crisis had a direct effect on vocations; along with limiting the candidates applying from other countries, the numbers of seminarians decreased and by 2010 the Diocese only had three seminarians. (Although there has been an increase in priestly vocations during the last decade and in the last four years the Diocese has been averaging 15 seminarians each year, it falls short to maintain the priestly presence needed to sustain the sacramental lives of the parishes.) Because of growing challenges priests face in leading parishes and the ongoing effects of the sexual abuse crisis, many clergy are hesitant to speak about and promote vocations.

- Decline in vocations to marriage.
- Fewer families practicing their faith.
- Effects of secularism and atheism in the American culture. Materialistic and secularistic messages can result in the loss of recognizing a vocation to the priesthood and religious life.



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OFFICE OF THE PRO-LIFE APOSTOLATE AND PROJECT RACHEL MINISTRY



Our mission is to educate and promote a Culture of Life that protects and preserves all life from the moment of conception until natural death.

The goal is to bring this message to all by reaching out through our parishes, Catholic schools, and the communities around us, and by serving all according to the teachings and precepts of the Roman Catholic Church.

HISTORY AND ACCOMPLISHMENTS

During the past 20 years, the office has continued to expand outreach and services to the whole Diocese, including its first Diocesan-sponsored trip to the March for Life in 1993 and the establishment in 1995 of the Project Rachel Ministry, a service that provides aid to crisis pregnancies and post-abortion counseling. Publications, distributed to every parish and school throughout the Diocese, include *The Measure of Love is to Love without Measure: A Parish Guide to Physician-Assisted Suicide*, as well as *Pro-Life Issues*.

Throughout the years, new pro-life committees have been formed in numerous parishes across the entire Diocese, from Fall River to Cape Cod. Every year we continue to have almost double the amount of attendees at the annual March for Life pilgrimage to Washington, D.C., both in parish attendance and with

our Catholic schools. The four-day Pro-Life Boot Camp, established in 2010 for our Diocesan youth (ages 13+) and held at Stonehill College in Easton, Massachusetts, teaches about building a Culture of Life into day-to-day activities.

The office created and launched a website to provide easy access to information including events, contact information, and pro-life/Project Rachel resources.

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DIOCESAN HEALTH FACILITIES

Our mission is to provide extended care to the chronically ill and disabled, with special emphasis on the care of the frail elderly.



There are currently nine facilities: Diocesan Health Facilities Office, five nursing homes, EldersFirst, Bethany House Adult Day Health Care, and Cardinal Medeiros Residence. In response to Christ's teachings, this includes a full spectrum of health care and spiritual care that meets the resident's physical, medical, social, and emotional needs that cherishes residents' God-given humanity, dignity, and individuality. This approach to care — grounded in the religious Sisters who originally staffed our institutions — sets apart our services and compassionate staff from those of many other extended-care facilities.

We also encourage the involvement of family members and significant others as part of the health care team; collaborate with residents, families, and physicians to create individualized care plans; assist residents in achieving their maximum level of independent living; nurture a home-like atmosphere; and cherish life as a gift that is meaningful — even in its final moments. We serve our residents to the very best of our abilities both clinically and spiritually and in accordance to Religious Directives of the Catholic church.

HISTORY

Originally established in 1940, the Diocesan Health Facilities Office provides oversight and management services for the five skilled-nursing and rehabilitative-care facilities and specialty programs owned and operated by the Diocese of Fall River: Catholic Memorial Home founded in 1939; Sacred Heart Home founded in 1920; Our Lady's Haven of Fairhaven founded in 1945; Madonna Manor founded in 1966; and Marian Manor founded in 1962.

Bethany House Adult Day Health Care was founded in 1995 (sponsored by Marian Manor) to provide a structured daytime program with nursing care and support for adults with health care needs who do not require 24-hour care. Also in 1995 the EldersFirst Care Manager program (sponsored by Our Lady's Haven) was started to help older people and their families with senior care and services such as crisis intervention and the coordination of in-home help. Cardinal Medeiros Residence, a retirement facility for Diocesan priests, expanded from 17 suites to 23 suites in 2010. Priest Hostel, founded in 1939, provides residence for up to five priests.

ACCOMPLISHMENTS

Successfully transitioned to the first lay Chief Executive Officer of the Diocesan Health Facilities, Joanne Roque, RN, BSM, MS, in July 2019. Joanne has many years within the Diocesan Health Facilities as a Nurse, nursing home Administrator, and Senior Manager.

Implemented key personnel and financial process updates. Includes vendor payment, increased monthly cash revenue, compliance with the new Department of Labor/Wage and Hour Exempt Status, and increased clients and total revenue for the EldersFirst community nurse program for 2019.

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ST. VINCENT'S SERVICES



Our mission is to foster the well-being of children, youth, families, and the community through a holistic approach to treatment and care — including advocacy, a strengths-based approach to personal development, and family-centered, trauma-informed care.

Taking into account the physical, social, psychological, and spiritual needs of those we serve, we help our clients draw on their strengths and resilience to make positive change in their lives.

Our vision is to be a place of positive change for children, youth, and their families and to give them the insight and tools they need to build healthy relationships.

HISTORY

Saint Vincent's was founded in 1875 as an orphanage. While Saint Vincent's has provided residential and congregate care exclusively in the past — along with operating a K-12 residential special education school and therapeutic day school — today it is a resource for behavioral health services in a variety of settings to meet the ever-changing needs of children, youth, and families as they face a variety of issues, including abuse, neglect, poverty, addiction, mental illness, emotional and behavioral problems, domestic abuse, family trauma, and learning challenges.

Most services, including an outpatient mental health clinic and various group care services, are provided at the Fall River campus on Highland Avenue. We also maintain group homes in Fall River and Plymouth, as well as provide community-based and in-home services throughout the south coast. Saint Vincent's Services, Inc., has an annual operating budget of \$13M and employs 291 staff.

ACCOMPLISHMENTS

Outpatient mental health clinic licensed by the Massachusetts Department of Public Health. Provides access to a broad continuum of services for families

and direct contact with an Intake Coordinator. Services are available within the community, in clients' homes, on Saint Vincent's main campus, and in many Diocesan and public schools. The Mental Health Clinic can be accessed directly by parents and families without the need for state agency involvement.

Trained outpatient mental health clinicians, who utilize the SMART Room to provide Sensory Motor Arousal Regulation Treatment. Early-stage focus is on gaining a better understanding of the child in order to understand their concerns. Engaging the child in sensory motor activities offers the child new opportunities to regulate their bodies and feelings.

Developed the capacity to provide congregate care services for infants and toddlers from birth to age 4. In response to a Department of Children and Families request for proposals for this age and service group, services include a separate space on campus and specialized staff training.

Opened a STARR (Short-Term Assessment and Rapid Reintegration) program/house in Plymouth, Massachusetts. In response to a request for proposals to serve Plymouth and the Cape & Islands Department of Children and Families area offices, this program provides STARR services for co-ed latency-aged youth.

Introduced the new agency name: Saint Vincent's Services, Inc. The rebranding effort will better present the many changes that have occurred in service delivery.

Experienced a 54% growth in the number of clients served (from 824 to 1,267 children, youth, and families from fiscal year 2014 to 2019). This increase is directly related to the ongoing development and growth of services provided by our licensed outpatient mental health clinic.

Selected the evidence-based Attachment, Regulation, Competency (ARC) framework as its primary practice for the development and delivery of trauma-informed care. Emphasizes cultivating child and youth awareness and skills in identifying, understanding, tolerating, and managing internal feelings to empower appropriate expression.

Contracted with Foster Forward, a Providence-based foster care program, to provide services as part of their Works Wonders™ program. This career development and employment engagement program provides training to enhance skills of older youth, one-on-one career coaching, and paid work-based learning opportunities. It enhances Saint Vincent's existing Life Skills Program for older youth working toward independence.



For more information, contact John T. Weldon
jack@saintvincentservices.org
508-679-8511
www.saintvincentservices.org



CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS



Our mission is to invite great generosity, safeguard all gifts entrusted to our care, and enable our parishes, schools, and ministries to advance the mission of our Church throughout the Diocese of Fall River.

In spring 2018, the Diocese of Fall River formally established Catholic Foundation of Southeastern Massachusetts (CFSEMA), an independent, charitable foundation responsible for raising, managing, and distributing philanthropic funds to provide long-term, sustainable support for the parishes, schools, and life-changing ministries across the Diocese. The Foundation is focused on helping the Diocese to fulfill God's will for REBUILDING the church in Southeastern Massachusetts.

ACCOMPLISHMENTS

Incorporated the Foundation as a separate 501(c)(3) not-for-profit organization, fully endorsed by the Diocese and our Bishop, Most Reverend Edgar M. da Cunha, S.D.V., D.D. This legal structure ensures that all gifts will be used for their intended purposes and provides a level of efficiency, accountability, and transparency that will earn the respect and confidence of donors as well as the pastors/parishes, schools, and ministries it serves.



Catholic Foundation Board

Bishop Edgar M. da Cunha
Patrick Carney (*President and Co-Director*)
Nick Christ (*Treasurer and Co-Director*)
Rev. John M. Murray
Very Rev. Richard Wilson
George Agostini
Richard Lafrance
Bob Long
Christine Long
Maryellen Sullivan Shachoy
Rev. Marcel Bouchard
Joseph Ciffolillo (*Honorary Board Member*)
Miriam Finn Sherman (*Chief Executive Officer*)

Each of our Board members has made a financial pledge to seed the start-up of the Foundation and staff.



Hired Chief Executive Officer Miriam Finn Sherman in fall 2018. Since her arrival, she has been building her team as well as the structure of the Foundation, while also attending to the immediate fundraising needs of the Diocese and various entities.

Established stewardship, development functions, and fundraising within the Diocese under the purview of the Foundation, including the annual Catholic Appeal.

Established a comprehensive fundraising program that includes planned giving, major gifts, charitable IRAs, memorial and honorary gifts, monthly and matching giving programs, donor-advised funds, capital gifts, and grants.



Manages a stewardship program including donor acknowledgments, recognition publications, giving societies, special events, and other opportunities to thank supporters. Moving forward, the Foundation will also begin to manage the consolidation of Diocesan and parish endowments to leverage investment opportunities and maximize performance.

For more information
508-675-1311
email info@catholicfoundationsema.org
www.catholicfoundationsema.org

COMMUNITY ACTION FOR BETTER HOUSING

Our mission is to work with a variety of local governments, as well as private and public agencies, to coordinate the delivery of resources and actions in response to the region's pressing affordable housing and neighborhood development needs. Our mission is straightforward: to create affordable housing to rent or own by low-income households.

The Community Action for Better Housing Board of Directors consists of nine members, whose President is Edgar M. da Cunha, Bishop of the Fall River Diocese.

ACCOMPLISHMENTS

Created and rehabilitated affordable housing for the elderly and homeless populations including veterans and women:

St. Dominic's Apartments, 818 Middle Street, Fall River. Conversion of the St. Anne's Church Priory building into 18 affordable rental units for the elderly with supportive services.

Veterans Housing, 886 Eastern Avenue, Fall River. Substantial rehabilitation of a vacant, substandard, six-family residence into six units of affordable housing for low-income homeless veterans.

Oscar Romero House, 8 Allen Street, New Bedford. Substantial rehabilitation, historic preservation, and retrofitting of a vacant 8,400 square-foot building into 12 affordable rental units for low- and very low-income households.

Grace House. Purchase and rehabilitation of St. Hedwig's Rectory into a transitional housing program for 11 single, adult, homeless women.

Sr. Rose House. Relocation of the homeless shelter located at Eighth Street in New Bedford to the closed St. Hedwig's Church in the city's South End. The new shelter provides a vastly improved living environment for its guests, community garden, food pantry, and supportive services on site.

Developed 14 scattered site multi-family properties in Fall River and New Bedford into 100 affordable rental units for very low-income households.

Developed 20 scattered site single-family and multi-family properties during the past 25 years that were sold to low-income first-time home buyers.

Addressed city-documented health code violations and made other necessary repairs of neglected and substandard housing (as a court-appointed receiver in Fall River and New Bedford). Successfully completed seven receivership projects during this time.

PROJECTS UNDER DEVELOPMENT

43 Roosevelt Street, New Bedford. Multi-family property purchased in October 2018 that will require substantial rehabilitation to transform into affordable rental housing for households at or below 60% of the area's median income. Targeted completion: Summer 2020.

CABH continues to address ongoing challenges that include a lack of public funds for the creation of affordable housing and the need to combine affordable housing with the provision of supportive services to create stable living conditions for low-income households.



For more information, contact
Ed Allard
eallard@cafbh.org
508-997-0130



ADMINISTRATION *Highlights*

To the Catholic Community of the Diocese of Fall River,

This State of the Diocese Report celebrates the five-year anniversary of Bishop Edgar M. da Cunha's installation as Bishop. There have been many accomplishments since then; many are celebrated in these pages to help give you added perspective with regard to the mission as well as administrative and financial aspects of the organization. Most of the Chancery Services Team is new, and we are all dedicated to our mission of "pastorally serving and expertly guiding our parishes, schools, ministries, and affiliates so as to foster Christ's work on earth."

When I came to the Diocese a little over four years ago, there were five main areas to address:

1. CULTURE OF SERVICE
2. FINANCIAL TRANSPARENCY
3. TALENT ACQUISITION
4. FINANCIAL SUSTAINABILITY
5. LAY PENSION PLAN FUNDING

Creating a culture of service requires a lot of patience, understanding, and empathy when working with constituents — no matter what the subject or issue. A change of focus is required from doing things right to doing the right things. The complexity and volume of issues the Chancery Team has to address is often underestimated; but there is no question that our team has risen to the occasion of pastorally serving and expertly guiding, helping us all give glory and honor to God.

The first-ever audit of the Diocese of Fall River Chancery Operations was completed in 2017. Our most recent audit, for the period ended on June 30, 2019, was completed earlier this year with financial highlights offered in this report. All of the audits have been conducted in accordance with Generally Accepted Auditing Standards (GAAS) and concluded with an unmodified or clean opinion. The formation of the Audit Committee has provided tremendous support and guidance throughout the process of gaining financial transparency. We have been a proud partner with the international audit firm of Grant Thornton LLP for the past four years.

The size and scope of a Diocese or Archdiocese can rival any large multi-divisional private or public company, yet it operates with less than half of the personnel. While the Diocese has been blessed with key hires in the areas of finance, financial planning, human resources, real estate, safe environment, legal affairs, and cemetery management, there have been a number of Chancery employees who have either retired or moved on, requiring the replacement of these positions. Overall the staff has grown very little in the past four years, which is concerning given all that needs to be accomplished. Thankfully, in addition to our efficient and effective workforce, we are assisted by many wonderful and talented lay

volunteers, still working or retired, who have answered the call. As mentioned, much has been accomplished but many challenges remain.

The Diocese was experiencing significant budget deficits over the years, requiring the implementation of a parish assessment in 2016; some parishes are still experiencing an adjustment period. A considerable amount of effort has been spent reducing costs in some areas and investing in others. The Diocesan investment strategy was revamped in 2017, which has lowered fees and increased returns. The Diocesan budget for Chancery Operations is now financially sustainable; however, there is no guarantee for the future with the effects of the pandemic still being experienced and assessed. More detailed information regarding the budget is displayed in the Financial Highlights section of this report. We are assisted by the Diocesan Finance Council with the approval and ongoing monitoring of budget performance, vice-chaired by retired bank executive E. Dennis Kelly Jr.

With regard to the lay pension plan, a task force was assembled in 2017 to address the unfunded status of the plan after it was frozen in 2015. Analysis determined that if no action was taken, the plan would be insolvent by 2030. Bishop da Cunha, the task force, and I agreed this was unacceptable and implemented a plan to ensure its long-term sustainability. Based on the current market value and actuarial analysis, the plan could potentially be fully funded by 2037. This would be an incredible accomplishment, giving piece of mind to our current retirees receiving a pension and vested employees yet to receive pension benefits.

We celebrate our successes and continue to move forward. I want to thank our gifted and talented employees, lay volunteers, and especially our Presbyterate who work for Christ dutifully and beautifully during these unprecedented times in the life of the Church and our world. De Colores!

"Keep on walking, advance, keep on adding, keep on progressing: Do not delay on the road, do not go back, do not deviate. If you wish to reach a higher level of self-understanding, you must allow yourself to be dissatisfied with where you are. For when you were satisfied, you made no progress. Do not delay on the road, do not go back, do not deviate. On earth we are always travelers, always on the go. Do not grow complacent with what you are. Where you have become pleased with yourself, there you get stuck. If you say "That's enough," you are finished. Always add something more. Always forge ahead."

-From Sermon 169, 18 by St Augustine

Sincerely,



Kevin R. Kiley, M.S.C.M., C.D.F.M.
Chancellor and Chief Financial Officer

RECOGNITION OF OUR TALENTED LAY AND CLERGY FAITHFUL

PRESBYTERAL COUNCIL MEMBERSHIP

Most Reverend Edgar M. da Cunha, S.D.V., D.D.

Very Reverend Richard D. Wilson,
Vicar General

Reverend John M. Murray,
Moderator of the Curia

Very Rev. Jay T. Maddock, V.F.,
Chairman

Rev. Msgr. Stephen J. Avila, V.F.

Very Rev. Gregory A. Mathias, V.F.

Very Rev. Freddie Babiczuk, V.F.

Very Rev. Timothy P. Reis, V.F.

Rev. Kevin A. Cook

Rev. Octavio Cortez

Rev. Jon-Paul Gallant

Rev. Msgr. Edmund J. Fitzgerald

Rev. James M. Fitzpatrick

Rev. Michael J. Fitzpatrick

Rev. Edward Healey

Rev. Thomas C. Lopes

Rev. Jay Mello

Rev. Riley J. Williams

PASTORAL COUNCIL MEMBERSHIP

Most Reverend Edgar M. da Cunha, S.D.V., D.D.

Very Reverend Richard D. Wilson,
Vicar General

Reverend John M. Murray,
Moderator of the Curia

Joe Booth

Dionisio DaCosta

Maryanne DeChambeau

Charles Feeney

Christopher Fortier

Rev. Matthew Gill

Richard Grace

Deacon Peter Guresh

Berta Herrera

Virginia Jacques

Anna Marini

Peter Marshall

Michael Murphy

Michael Murray

Joseph O'Keefe

Rev. John Ozug

Cheryl Paulo

Michael Philipps

James Riley

David Rose

Joseph Sollecito

Amanda Tarantelli

Staff: Laura Carrillo

FINANCE COUNCIL MEMBERSHIP

Most Rev. Edgar M. da Cunha, S.D.V., D.D.

Very Rev. Richard M. Wilson

Rev. John M. Murray

Paula A. Freitas

David T. Gay

E. Dennis Kelly Jr.

Dennis F. Leahy CPA

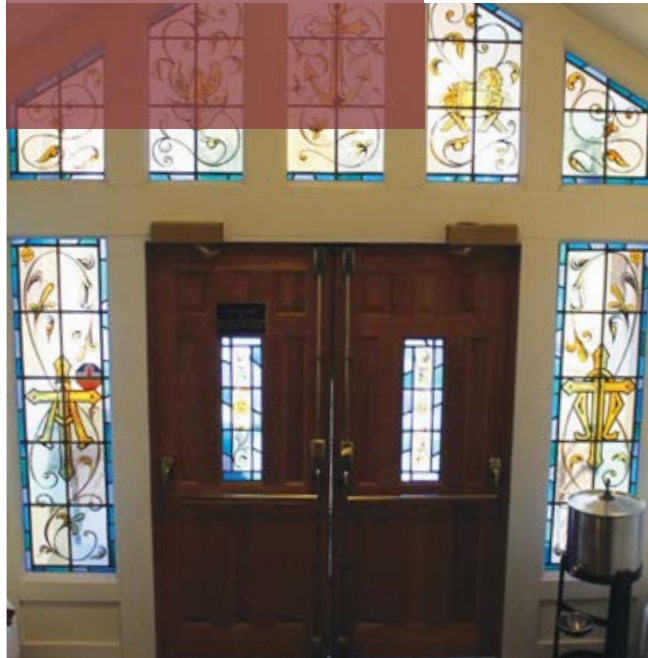
Rev. Michael K. McManus

Sandra L. Sevigney

*Staff: Kevin Kiley, Joseph Harrington,
Paul Brooks, Michael Carroll*



FINANCE



Our mission is to support the central administration of the Diocese with accounting, financial planning, accounts payable, billing, accounts receivable, and investment management support; and assist parishes, schools, and other Diocesan entities with their obligations to be good financial stewards by building stronger financial systems and assisting with the implementation of best practices.

For more information, contact
Joe Harrington
jharrington@dioc-fr.org
508-985-6503
www.fallriverdiocese.org

ACCOMPLISHMENTS

Formed a Diocesan Audit Committee and Investment Committee.

Completed the first audit of Chancery Office financials published for FY17 (with comparative financials for FY16). Followed by the FY18 and release of the first financial transparency report in the history of the Diocese, and most recently FY 2019 (highlighted in this report).

Implemented a new planning process for schools. Created three-year plans in 2017, followed by dissemination of budget tools and calendars for schools to prepare their own budgets for review by the Central School Board each year going forward.

Transitioned accounting platforms online for schools (complete) and parishes (75% complete as of April 2020).

Introduced a financial review process for parishes and schools.

Offer Quickbooks, Excel, Cyber-security, and clergy tax classes and/or seminars.

Supported group purchasing of energy (electric and gas) supply contracts and development of SOLAR at select parishes and schools (with 100% of the benefits accruing to parishes and schools).

Supported the launch of the Catholic Foundation, providing accounting, financial planning, financial systems, and accounts payable support.

Assisted with the payroll integration of Pro-Life, Spanish Apostolate, Ministry for the Sick, and Faith Formation divisions into the Chancery Office.

Assisted with the consolidation of Diocesan investment and bank accounts.

Created new *Parish Living and Administration* manual for pastors and parish staff.

Consolidated Chancery invoices and updated format.

For more details, see the Financial Highlights section.

HUMAN RESOURCES

Our mission is to create and implement programs to improve the quality of work and home life for our employees and to assist Diocesan leaders in the management of their workforce.

Human Resources (HR) team members cover all functions of human resources and payroll management. Responsibilities include compensation; talent acquisition and retention; employee relations; leadership coaching; training and development; labor/employment law and compliance; process improvement; succession planning; policy design and administration; mediation; diversity and inclusion; payroll management; change management; performance management; and workplace safety.

HISTORY

The HR Department currently consists of the following six positions: Executive Director of Human Resources and Administration; Human Resources Manager; Payroll Specialist/HR Generalist; Benefits Manager; Assistant Benefits Manager; and Benefits Assistant. Prior to the Human Resources Department being established, the Chancery only had the Insurance Office, which consisted of the following six positions: Benefits Manager; Assistant Benefits Manager; three Benefits Assistants; and Administrative Assistant.

ACCOMPLISHMENTS

Developed and distributed holiday schedule and HR-related forms.

Introduced a new hire orientation for Chancery operations, as well as school and parish employees.

Launched Total Training Network, a DVD library to develop employees' and managers' skills.

Created job descriptions, time sheets, and time-off requests for all Chancery operations' employees and offered templates for school and parish employees.

Developed and conducted annual performance and development reviews.

Established web-based open enrollment forms for the consolidation of medical, dental, and vision enrollment forms from manual to electronic.

Developed a personnel policies and procedures manual.

Significantly enhanced short-term disability and group term life insurance benefits while reducing costs.

Implemented accidental death and personal loss insurance at a minimal expense.

Established formal employee records for Chancery operations.

Implemented a prescription "carve out" of medical insurance plans that will save an estimated \$750K+ per year.

Produced an employee handbook and distributed to all employees of Chancery operations.

Added voluntary disability and life insurance programs throughout the Diocese at no expense to the employer.

Implemented health care and dependent care flexible spending accounts throughout the Diocese.

Implemented Employee Navigator software for online and paperless enrollment at open enrollment.

Developed a Brainshark employee benefits presentation for open enrollment.

Implemented and certified in Predictive Index Assessments.

Fully implemented Medicare as a primary plan with expected medical insurance savings of approximately \$1M/year.

Conducted an RFP and selected Arthur J. Gallagher & Co. as our new retirement advisor.

Developed a benefits guide for new hires and benefit-eligible employees.

Conducted an RFP and implemented Lincoln Financial as our new 403(b) record keeper, with lower fees and significantly enhanced technology and services.

Implemented an employee assistance program (EAP) for all priests and employees.

For more information, contact Peter J. Powers
ppowers@dioc-fr.org
508-985-6507
www.fallriverdiocese.org

SAFE ENVIRONMENT ENTERPRISE

Our mission is to develop standards so that each individual is held morally, ethically, and professionally in their role to minister within the Diocese of Fall River with a specific focus on the protection of minors and vulnerable adults.

HISTORY

In 2002, the United States Conference of Catholic Bishops created a policy known as the “The Charter for the Protection of Children and Young People” (Charter), which addressed how to properly manage allegations of sexual abuse of minors by Catholic priests. The Charter set guidelines for reconciliation, healing, accountability, and prevention of future acts of abuse. The Charter was revised in 2005, 2011, and most recently in 2018. It is the responsibility of each bishop to incorporate the above guidelines and to set standards of advocacy, compliance, investigations, and the need for an overall safe environment within the Diocese he leads. In order for these guidelines per the Charter to be upheld, the Safe Environment Enterprise, under the direction of the Director of Professional Standards and Oversight, shall assist the bishop in governing these areas.

ACCOMPLISHMENTS

Created the Director of Professional Standards and Oversight position to develop and oversee standards for all who minister in the Diocese and to assist in implementing the standards for the Safe Environment Enterprise.

Established current lists to organize clergy matters, including cases of sexual abuse of minors.

Established a database to organize and confirm all ordained clergy as compliant, restricted, or rejected in ministry with the Diocese.

Created a newly established Ministerial Review Board on behalf of the Bishop for all matters of misconduct by clergy.

The three pillars of the
Safe Environment Enterprise:

ADVOCACY

COMPLIANCE

INVESTIGATIONS

Completed the oversight of the audit of clergy files. Initiated to produce a list of credibly accused clergy of sexual abuse in light of the national demand for each Diocese to be transparent.

Hired a Victim Assistance Coordinator, who is a Massachusetts Licensed Social Worker, for the advocacy and promotion of healing to the victims/survivors of clergy abuse.

Established Adverse Criminal Background Policy and Guidelines per the Department of Criminal Justice Information Services.

Established a yearly Mass of Atonement for the healing of victims/survivors of sexual abuse.

For more information, contact Lorraine Levy
llevy@dioc-fr.org
508-985-6513
www.fallriverdiocese.org



FACILITIES AND REAL ESTATE



Our mission is to be a good steward of all facilities and land owned by the Diocese and to leverage those properties, which allows us to advance the mission of the Church.

Our goal is to improve service and support to parishes, schools, and ministries of the Diocese by coordinating, collaborating, and utilizing technology to advance the mission of the Church.

Our Diocesan footprint includes more than 480 pieces of property.

For more information, contact Paul J. Brooks, Jr.
pbrooks@dioc-fr.org
508-985-6504
www.fallriverdiocese.org

ACCOMPLISHMENTS

Transitioning from a manual tracking system to an advanced database that allows much easier tracking of all Diocesan properties. This undertaking has been in the works for about seven months with completion expected this fall.

Developed a property assessment portfolio that includes property conditions as well as tracking vacant or leased status.

Secured storage of sacred/non-sacred goods. Long-term lease to allow safe handling and storage of sacred and non-sacred goods, and accurate inventory tracking.

Established new real estate policies and procedures that include guidelines and forms, and a tracking system for construction, renovation projects, and property sales.

OFFICE OF COMMUNICATIONS

Our mission is to share the Gospel and the work of the Diocese of Fall River using communications and technology — specifically through traditional and digital media platforms, media relations, and our Diocese website. This includes serving as spokesperson and a communications resource for the Bishop and Diocesan departments, ministries, and agencies.

HISTORY

Communication has been an integral part of the mission of the Fall River Diocese and its many entities — parishes, schools, ministries, and institutions — since its establishment in 1904. In its early years, communications was done primarily through the written and spoken word.

As new technologies became affordable and additional media channels available, they were put to use by the Diocese to further its outreach. The Diocese launched *The Anchor* newspaper in 1957 and a weekly television Mass broadcast in 1963. In 1977, the then Priest Editor of *The Anchor* was appointed to the new position of Diocesan Director of Communications. A few years later, in 1984, an Office of Communications was established and a layperson brought on staff. The first Diocesan website went live in 2000, with the current site dating back to 2015. The TV Mass was then also posted to the website for online viewing.

Communications was among four areas addressed within the broader “governance” category of the *Rebuilding in Faith and Hope* planning initiative in 2019. After several months of study and discussion, a group of 35 communications planners put forward a list of urgent and critical needs and, in response, three goals and a host of action steps within each to address them.

For more information, contact John E. Kearns Jr.
jkearns@dioc-fr.org
508-985-6512
www.fallriverdiocese.org

ACCOMPLISHMENTS

Post regularly on social media platforms.

A coordinated and consistent approach on three platforms — Facebook, Twitter, and Instagram — with the part-time assistance of a social media evangelist. The result is a marked increase in the number of followers and friends on the Diocese social media platforms and critical communication regarding the suspension of public Masses during the COVID-19 pandemic.

Launched a weekly blog — “Building Faith” — by Bishop da Cunha. A conversational platform to explain, reflect, and share, including photos, videos, and links.

Provide critical coronavirus communication through the Diocesan website, *The Anchor*, social media, and outreach to secular media. These channels were leveraged to publicize and explain the Diocesan response — including its directives on the suspension of Masses, required changes to parish practices and operations, online spiritual resources, and the availability/schedule of online Masses.

Improved management of *The Anchor* subscriptions. Worked with a third-party vendor to implement a more efficient system to oversee subscriptions including payments and renewal efforts. Also updated newspaper layout and content.

Increased live-streaming of significant Diocesan events. Includes Ordinations, the Marian Medal Awards Ceremony, and the Chrism Mass.

Building an Intranet for internal communications and collaboration (in process).



Period Ended June 30, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL *Highlights*



A NOTE ON ORGANIZATIONAL STRUCTURE

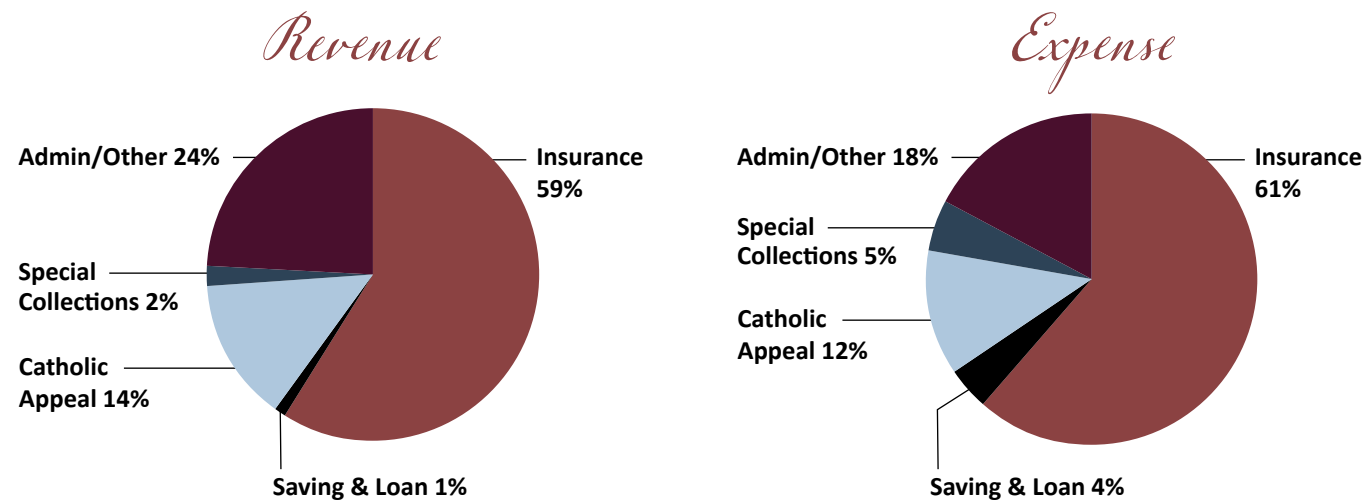
The **“Roman Catholic Bishop of Fall River”** is a corporation sole that was civilly established in the Commonwealth of Massachusetts in 1904. As a corporation sole it does not have a Board of Directors, rather responsibility for managing all assets and liabilities of the Diocese fall to the current bishop. The Roman Catholic Bishop of Fall River includes parishes, schools, and numerous ministries spread throughout Southeastern Massachusetts.

The Diocese and the oversight responsibilities of the Bishop also include several other separately incorporated entities, including the Catholic Foundation of Southeastern Massachusetts (CFSEMA), the Foundation to Advance Catholic Education (FACE), Catholic Social Services (CSS), various nursing homes, Saint Vincent’s Services, and Community Action for Better Housing (CABH).

A full list of entities included in the Diocese of Fall River can be found at www.fallriverdiocese.org.

The audited financial statements in this report include financial information related to the Chancery Office only. The Chancery is an entity within Roman Catholic Bishop of Fall River that provides administrative services, programs, and financial support to entities throughout the Diocese. It is important to note that it does not include financial statements for parishes, schools, cemeteries, several ministries, and the separately incorporated entities within the Diocese. These entities operate independently and account for their operations separately.

The Chancery Office – FY19 Revenue and Expense



INSURANCE

The Chancery Office acts as the insurance broker for the Diocese, including medical, dental, property/liability, workers compensation, short-term/long-term disability, vision, and life insurance plans for nearly 3,500 Diocesan employees. Expenses include claims, insurance premiums, and administrative fees related to the medical, dental, property, worker compensation, automotive, and other insurance plans. The medical plan is self-insured, meaning that the majority of expenses are related to medical claims. As a result, expenses may fluctuate significantly if claims experience spikes. The Diocese mitigates this risk by purchasing stop-loss insurance. Revenues are derived from monthly premiums assessed by the various Diocesan entities.

In FY19 the Diocese transitioned prescription services to a new provider and worked with staff to transition eligible employees onto Medicare (with supplemental insurance provided by the Diocese). These and other cost-saving measures have allowed the Diocese to dramatically reduce rates assessed to parishes for priests medical and keep lay staff rates flat from FY19-FY20 (and again in FY21), in contrast to national trends.

SAVINGS AND LOAN

The Chancery Office manages the savings and loan program for the Diocese. The program provides

an opportunity for parishes and schools to earn guaranteed rates of return on cash reserves in excess of what they could earn from a commercial bank. As of June 30, 2019, the interest rate on Chancery savings accounts was 2.00%. The Chancery also offers financing for projects at parishes, schools, and other entities, without the additional administrative burden of applying for loans at commercial institutions. At June 30, 2019, the interest rate on Chancery loans was 4.00%.

A number of performing loans issued and the interest paid on them is well short of the historically high number of non-performing loans. The Chancery Office worked to create appropriate reserves for nonperforming loans and has reached out to several parishes and schools with debt resolution proposals to help improve the situation.

CATHOLIC APPEAL

Chancery financials include the annual Catholic Appeal. Revenues are related to the annual fund-raising campaign. Expenses include quarterly stipends to affiliated pastoral and social service agencies, as well as staffing costs for several ministries. The Appeal is managed by the Catholic Foundation, and the Chancery Office pays a service fee to the Foundation to manage the campaign.

FY19 Catholic Appeal revenues included \$681K in pledges receivable. This is related to pledges made during the May-June 2019 campaign that will be paid out over the ensuing year. Pledges had not been accrued for in past campaigns. This resulted in a “spike” in Catholic Appeal revenues recognized, but was simply an accounting adjustment, not an increase in cash received. This creates the illusion of a greater cash surplus than really existed for the fiscal year.

SPECIAL COLLECTIONS

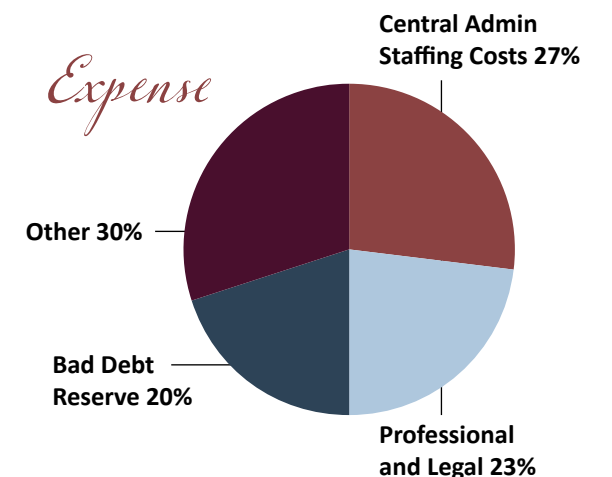
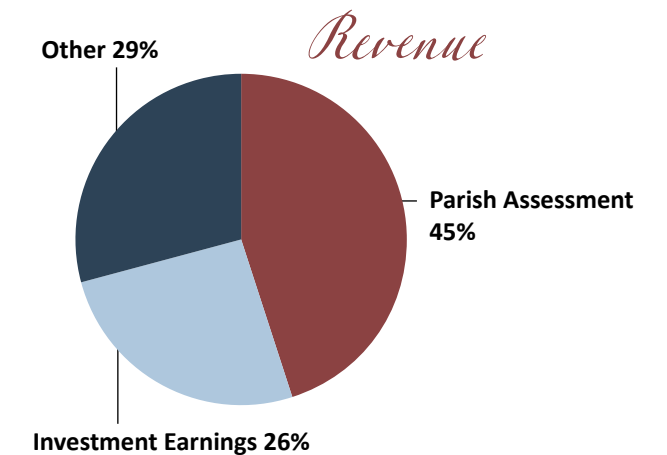
The majority of special collections are remitted to national entities, including the USCCB or Catholic University; however, some collections are retained to pay costs incurred at the Diocesan level, including costs for seminarians as well as retired and infirmed priests.

ADMIN/OTHER

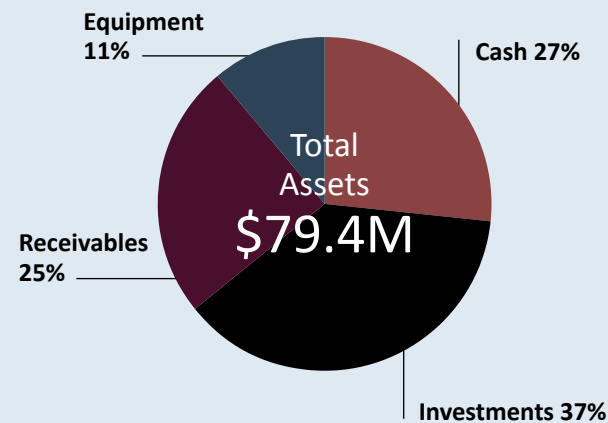
Admin/Other revenues in FY19 were favorably impacted by strong returns on Diocesan investments. Revenues were also favorably impacted by a one-time, non-cash adjustment of \$1.8M to the P&L related to special collections prior to FY16.

Admin expenses were impacted by consulting fees related to the parish planning process, as well as a significant bad debt adjustment. The Chancery Office performed a thorough review of nonperforming loans to ensure they were properly reserved for ultimate expected collections on those loans. This review also included accounts receivable that the Chancery Office deemed uncollectable. An outcome of this review was to increase the reserve for potentially uncollectible accounts and loans receivable, which resulted in an increase to bad debt expense in FY19.

With regard to a parish planning process, The Diocese contracted with L’Etoile Development Services, LLC over the course of fiscal years’ 2018 and 2019 to develop planning processes around the development of parish collaboratives, lay commissions around Governance, Youth, and Catholic Social Services, and other strategic and tactical initiatives. The outlay for these services to the Diocese was approximately \$1M offset by generous donations of approximately \$400K. This was a one-time expense. Hiring a full-time employee significantly reduced these costs and ongoing expenses.



The Chancery Office FY19 Balance Sheet



Total
Liabilities
\$67.7M

Net Assets
\$11.7M

TOTAL ASSETS

The Chancery Office balance sheet included \$79.4M in assets at June 30, 2019. The \$79.4M included \$29.8M in investments, \$21.3M in cash, \$19.8M in receivables, and \$8.8M in land & equipment. The \$29.8M in investments includes a subset of the accounts overseen by the Diocesan Investment Committee, which also includes investments related to the pension plans, FACE, Catholic cemeteries, Diocesan schools, and select parishes that were outside the scope of this audit. Likewise, the Land & Equipment figure represents a small percentage of the property owned by the Diocese, which is spread throughout Southeastern Massachusetts.

In FY19 the investment figure was favorably impacted by the positive investment earnings reflected in the P&L. Cash reserves decreased due to an increase in accounts receivable. Also, as noted previously, a substantial portion of the P&L surplus was related to non-cash accounting entries.

TOTAL LIABILITIES

Liabilities are largely related to the \$64.3M in savings accounts. As noted previously, the imbalance between the accounts held in savings and the number of performing loans has resulted in a savings and loan program deficit.

NET ASSETS

Chancery Net Assets include two new classifications:

Net Assets Without Donor Restrictions: These include net assets without donor-imposed restrictions on stipulations. These funds may be designated for special use by the Bishop.

Net Assets With Donor Restrictions: These funds include donor restrictions. The Diocese manages donor funds in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Commonwealth of Massachusetts.

The increase in net assets is detailed in our P&L discussion above.

Investment Management

The Chancery Office manages a portfolio of investments that, as of March 31, 2020, totaled nearly \$100M*. The portfolio includes lay and clergy pension plans, FACE scholarship endowments, Diocesan schools scholarship funds, Diocesan cemetery investments, select parish trusts, and general Diocesan investments.

In 2016, the Diocese formed an Investment Committee of lay subject-matter experts with requisite investment certifications to oversee the portfolios. The Investment Committee meets quarterly to review the fees and performance of the investment advisors selected to manage the Diocesan investments. Each quarter a manager makes a presentation to the Investment Committee on a rotational basis.

The Diocese seeks to maximize investment returns while managing fees and investing in assets that do not conflict with the teachings of the Church. Each of the investment accounts has an associated investment policy statement that addresses the risk tolerance and targeted investment strategy for each account. The Investment Committee regularly reviews how advisors are adhering to these strategies. Investment advisors are also directed to use screening tools created by the United States Conference of Catholic Bishops to determine if assets meet the strict moral criteria ordained by the Church.

Since its inception in 2016, the Investment Committee has worked closely with the Chancery Finance Office to build the current structure in place. One of the group's first tasks was to consolidate the number of investment advisors managing Diocesan funds from nearly 20 down to four. A concerted effort was also made to transfer miscellaneous stocks left to the Diocese over the years into these professionally managed investment vehicles regularly reviewed by the Investment Committee. In addition to providing greater focus and oversight, the Investment Committee was able to cut management fees by an estimated \$400K/year by leveraging economies of scale and negotiating favorable fee structures from the remaining advisors.

Moving forward the Investment Committee seeks to build upon the progress that has already been made. Investment Committee members serve three-year terms and the Investment Committee welcomed some new members this year.

**Note that only a portion of the overall portfolio are reflected in the Chancery Office financials included in this report.*

DIOCESE OF FALL RIVER - CHANCERY OFFICE

STATEMENT OF *Financial Position*



Cost Savings Initiatives – 2014-2019 (and beyond)

LIFETIME SAVINGS:

| | |
|---------------------------------------|--------|
| Diocesan Organized Solar Initiatives: | \$7.2M |
|---------------------------------------|--------|

ANNUAL SAVINGS:

| | |
|---|--------|
| Merger of DFR Worker's Comp Program with Massachusetts Catholic Self Insurance Group [MCSIG]: | \$600K |
|---|--------|

| | |
|--|--------|
| Consolidation of Investment Managers and Advisors: | \$400K |
|--|--------|

| | |
|--|---------|
| Transition to "Medicare as Primary" Program: | \$600K+ |
|--|---------|

| | |
|---|---------|
| Negotiated Prescription Drug "Carve Out" Program: | \$700K+ |
|---|---------|

| | |
|--|--------|
| Energy and Telecommunications Group Purchasing | \$125K |
|--|--------|

| | |
|------------------------------|---------------|
| TOTAL ANNUAL SAVINGS: | \$2.4M |
|------------------------------|---------------|

ASSETS

| | FY2019 | FY2018 (as restated) |
|--|----------------------|-------------------------|
| Cash and cash equivalents | \$ 21,287,241 | \$ 24,199,223 |
| Accounts receivable from parishes and other, net | 5,877,382 | 4,764,845 |
| Loans receivable from parishes and others, net | 11,808,171 | 11,719,244 |
| Other receivables, net | 697,230 | 511,416 |
| Accrued interest, net | 1,036,881 | 1,844,620 |
| Note receivable, net | 118,000 | 193,806 |
| Prepaid expenses | - | 3,000 |
| Investments | 29,798,795 | 27,836,455 |
| Land, buildings, and equipment, net | 8,820,916 | 9,091,335 |
| | <u>\$ 79,444,615</u> | <u>\$ 80,163,943</u> |
| Total Assets | | |

LIABILITIES AND NET ASSETS

LIABILITIES

| | | |
|---|-------------------|-------------------|
| Accounts payable and accrued expenses | \$ 2,337,431 | \$ 2,158,241 |
| Funds on deposit from parishes and others | 46,569,078 | 47,569,109 |
| Funds on deposit from cemetery perpetual care | 17,834,247 | 17,586,952 |
| Interest payable to parishes and others | 325,562 | 478,645 |
| Other payables | 289,637 | 856,260 |
| Agency funds | 381,050 | 2,000,951 |
| | <u>67,737,005</u> | <u>70,650,158</u> |
| Total Liabilities | | |

NET ASSETS

| | | |
|----------------------------------|----------------------|----------------------|
| Without Donor Restrictions | 6,561,485 | 4,414,305 |
| With Donor Restrictions | 5,146,125 | 5,099,480 |
| | <u>11,707,610</u> | <u>9,513,785</u> |
| Total Net Assets | | |
| | <u>\$ 79,444,615</u> | <u>\$ 80,163,943</u> |
| Total Liabilities and Net Assets | | |

DIOCESE OF FALL RIVER - CHANCERY OFFICE

STATEMENT OF *Activities*

| | FY2019 | | FY2018 (as restated) | |
|--|-------------------------------|----------------------------|-------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| REVENUES AND OTHER SUPPORT | | | | |
| Insurance program fees | | | | |
| Medical and dental premiums | \$ 16,173,796 | \$ - | \$ 16,173,796 | \$ 16,984,428 |
| Other benefits and insurance premiums | 4,387,536 | - | 4,387,536 | 4,423,550 |
| Contributions and bequests | | | | |
| Catholic Charities Appeal | 5,225,504 | - | 5,225,504 | 4,479,174 |
| Special collections | 2,171,514 | - | 2,171,514 | 696,978 |
| Bequests and other contributions | 153,434 | - | 153,434 | 336,931 |
| Parish assessment | 3,839,901 | - | 3,839,901 | 3,904,438 |
| Interest on loans and notes | 396,033 | - | 396,033 | 639,072 |
| Investment Return | 1,991,132 | 127,208 | 2,118,340 | 208,118 |
| Rental income | 166,363 | - | 166,363 | 177,230 |
| Gain on sale of real estate | 79,190 | - | 79,190 | 2,114,097 |
| Other revenue | 517,837 | - | 517,837 | 390,406 |
| Net Assets Released from program Restrictions | 80,563 | (80,563) | - | - |
| Total revenues and other support | <u>35,182,803</u> | <u>46,645</u> | <u>35,229,447</u> | <u>34,354,423</u> |
| EXPENSES AND LOSSES | | | | |
| Medical and dental premiums, claims, and expenses | 16,561,343 | - | 16,561,343 | 16,347,060 |
| Other insurance premiums, claims, and expenses | 3,593,443 | - | 3,593,443 | 3,207,951 |
| Program activities: | | | | |
| Pastoral ministries | 2,782,607 | - | 2,782,607 | 2,942,164 |
| Education and Grants | 528,960 | - | 528,960 | 535,951 |
| Communications and faith formation | 614,832 | - | 614,832 | 650,266 |
| Support for matriculating Seminarians | 339,282 | - | 339,282 | 380,027 |
| Clergy retirement and other support costs | 900,298 | - | 900,298 | 1,104,245 |
| Supporting services: | | | | |
| Chancery office | 2,223,441 | - | 2,223,441 | 2,533,183 |
| Professional fees and settlement costs | 1,072,072 | - | 1,072,072 | 1,156,000 |
| Development | 24,819 | - | 24,819 | 479,672 |
| Other supporting services | 1,598,319 | - | 1,598,319 | 1,179,243 |
| Interest on deposits and loans | 1,322,561 | - | 1,322,561 | 1,843,761 |
| Bad debt expense | 1,141,824 | - | 1,141,824 | 401,022 |
| Depreciation | 270,419 | - | 270,419 | 290,994 |
| Other | 61,402 | - | 61,402 | 70,769 |
| Total expenses and losses | <u>33,035,623</u> | <u>-</u> | <u>33,035,623</u> | <u>33,122,308</u> |
| Change in net assets | 2,147,180 | 46,645 | 2,193,825 | 1,232,115 |
| Net assets, beginning of year | 4,414,305 | 5,099,480 | 9,513,785 | 8,281,669 |
| Net assets, end of year | <u>\$ 6,561,485</u> | <u>\$ 5,146,125</u> | <u>\$ 11,707,610</u> | <u>\$ 9,513,784</u> |

DIOCESE OF FALL RIVER - CHANCERY OFFICE

STATEMENT OF *Cash Flows*

| | FY2019 | FY2018 (as restated) |
|---|----------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 2,193,825 | \$ 1,232,115 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities | | |
| Unrealized/Realized (gains)/losses on investments | (1,374,255) | 532,359 |
| Bad debt expense | 1,141,825 | 401,022 |
| Depreciation | 270,419 | 290,994 |
| Changes in operating assets and liabilities | | |
| Accounts receivable from parishes and others, net | (2,152,617) | (643,895) |
| Other receivables, net | (185,814) | 91,171 |
| Accrued interest receivable, net | 705,994 | (250,419) |
| Prepaid expenses | 3,000 | 40,662 |
| Accounts payable and accrued expenses | 179,189 | 112,992 |
| Interest payable to parishes and others | (153,083) | (29,123) |
| Agency funds | (1,619,901) | (89,613) |
| Other payables | (566,622) | 294,602 |
| Net cash (used in)/provided by operating activities | <u>(1,558,040)</u> | <u>1,982,868</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Change in Net Loans receivable from parishes and others | (88,927) | (78,051) |
| Net payments received on notes receivable, net | 75,806 | 50,748 |
| Proceeds from sales of investments | 4,787,124 | 36,478,037 |
| Purchases of investments | (5,375,208) | (37,268,237) |
| Net cash used in investing activities | <u>(601,205)</u> | <u>(817,503)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Change in funds on deposit from parishes and others | (1,000,031) | (640,788) |
| Change in funds on deposit from cemetery perpetual care | 247,295 | 253,465 |
| Net cash used in financing activities | <u>(752,736)</u> | <u>(387,323)</u> |
| Net change in cash and cash equivalents | <u>(2,911,982)</u> | <u>778,043</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>24,199,223</u> | <u>23,421,179</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 21,287,241</u> | <u>\$ 24,199,223</u> |

DIOCESE OF FALL RIVER - CHANCERY OFFICE

BUDGET VS. *Actual*

| | FY2019 | | FY2020 | |
|--|-----------------------|----------------------|----------------------------|----------------------|
| | Actual | Budget | Fav/(Unfav) Act vs. Bud | Approved Budget |
| OPERATING REVENUE | | | | |
| Catholic Charities Appeal | \$ 5,225,504 | \$ 4,830,000 | \$ 395,504 | \$ 4,698,491 |
| Parish Assessment | 3,839,901 | 3,870,000 | (30,099) | 3,823,360 |
| Special Collections | 2,299,948 | 560,000 | 1,739,948 | 606,391 |
| Bequests and contributions | 218,000 | 107,000 | 111,000 | 50,000 |
| Interest, Dividends, Unrealized Gains/Losses | 2,181,586 | 700,000 | 1,481,586 | 2,132,495 |
| Rental income | 166,363 | 175,000 | (8,637) | 167,580 |
| All Other | 418,072 | 524,000 | (105,928) | 363,473 |
| Total Operating Revenue | \$ 14,349,373 | \$ 10,766,000 | \$ 3,583,373 | \$ 11,841,790 |
| OPERATING EXPENSE | | | | |
| Lay Compensation and Benefits | \$ 2,156,876 | \$ 2,522,000 | \$ 365,124 | \$ 2,560,904 |
| Clergy and Religious | 126,492 | 103,000 | (23,492) | 125,988 |
| Professional and Legal | 1,398,668 | 1,350,000 | (48,668) | 929,086 |
| Office and related | 149,159 | 94,000 | (55,159) | 99,757 |
| Buildings, grounds, and utilities | 376,085 | 340,000 | (36,085) | 307,593 |
| Support to USCCB and MA Catholic Conference | 111,565 | 110,000 | (1,565) | 115,995 |
| Ecclesiastical fund | 456,057 | 550,000 | 93,943 | 409,611 |
| Cardinal Medeiros Residence | 588,000 | 588,000 | - | 588,000 |
| Clergy Fund | 273,601 | 500,000 | 226,399 | 244,783 |
| Catholic Charities Appeal External Support | 3,388,590 | 3,580,000 | 191,410 | 3,861,948 |
| Chancery Service Fee to Catholic Foundation | 357,236 | 360,000 | 2,764 | 360,000 |
| Depreciation | 270,419 | 290,000 | 19,581 | 290,988 |
| Settlement Claims and Reserves | 90,000 | 250,000 | 160,000 | 250,000 |
| All Other | 1,799,465 | 200,000 | (1,599,465) | 198,445 |
| Total Operating Expense | \$ 11,542,213 | \$ 10,837,000 | \$ (705,213) | \$ 10,343,098 |
| Operating Surplus/(Deficit) | \$ 2,807,160 | \$ (71,000) | \$ 2,878,160 | \$ 1,498,692 |
| Savings and Loan Interest Income | \$ 395,862 | \$ 800,000 | \$ (404,138) | \$ 336,371 |
| Savings and Loan Interest Expense | 1,403,125 | 1,300,000 | (103,125) | 1,331,286 |
| Savings and Loan Surplus/(Deficit) | \$ (1,007,262) | \$ (500,000) | \$ (507,262) | \$ (994,915) |
| Insurance Income | \$ 20,548,714 | \$ 23,600,000 | \$ (3,051,286) | \$ 19,454,663 |
| Insurance Expense | 20,154,786 | 21,000,000 | 845,214 | 17,414,034 |
| Insurance Surplus/(Deficit) | \$ 393,929 | \$ 2,600,000 | \$ (2,206,071) | \$ 2,040,629 |
| Net Surplus/(Deficit) | \$ 2,193,826 | \$ 2,029,000 | \$ 164,826 | \$ 2,544,406 |
| Total Revenue | \$ 35,293,950 | \$ 35,166,000 | \$ 127,950 | \$ 31,632,824 |
| Total Expense | 33,100,123 | 33,137,000 | 36,877 | 29,088,418 |
| Total Surplus/(Deficit) | \$ 2,193,826 | \$ 2,029,000 | \$ 164,826 | \$ 2,544,406 |

see all the

PEOPLE

79th Annual Catholic Appeal
DIOCESE OF FALL RIVER



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