

Market woes affect diocesan revenue

Rob Cullivan/Catholic Courier

While Pastoral Center operations ended the year with a surplus of more than \$284,000, a continuing stock market decline and negative investment return led to an overall deficit of nearly \$9.3 million for total operations of the Diocese of Rochester for the fiscal year ending June 30, 2002.

In a four-page pull-out supplement to this week's *Catholic Courier* (after page 8), the diocese presents a condensed version of its annual financial report, which was prepared by the independent auditing firm of Bonadio and Co., LLP, of Pittsford. A full version of the audited financial statements will be posted to the diocese's Web site, www.dor.org.

In a letter to diocesan Catholics accompanying the report, Bishop Matthew H. Clark noted that this year's report was especially significant because it contained a presentation of costs incurred related to cases of sexual abuse of children by priests since the inception of the diocese's sexual-abuse policy in 1993.

According to an article on the fourth and final page of the diocesan financial supplement, since the 1992-93 fiscal year, "the diocese has paid a total of \$426,000 for counseling for victims and their families, settlements with victims and legal expenses." In the same 10-year period, the report states, "the diocesan insurance program paid a total of



cies of the diocese."

According to the financial report, the diocese had total revenues of more than \$14.7 million, compared to almost \$16.8 million in 2000-01. Total expenses were more than \$24 million, compared to almost \$20.6 million the previous year, resulting in a deficit of more than \$9.3 million.

The report indicates that the diocese suffered losses of more than \$4 million in investment income from June 30, 2001, to June 30, 2002. This is far greater than the loss of \$1.27 million in the same category in 2000-01.

Amid the bad news, however, James M. Rinefierd, the diocese's chief financial officer, noted that the diocese suffered a negative return of 8 percent on its investments, a softer blow than that suffered by many other investors.

"It could have been worse," he said, noting that the diocese has a diversified portfolio designed to withstand volatility in the stock market.

By comparison, Standard & Poor's 500 Index declined 18 percent, and NASDAQ declined 32.5 percent in

\$12.5 million for all other insurance claims such as property damage, personal liability, workers' compensation, auto and boilers for parishes, schools and agen-



Karin von Voigtlander/Catholic Courier

Rite of Election

Bishop Matthew H. Clark congratulates catechumens during a Rite of Election ceremony at Sacred Heart Cathedral March 9. Nearly 700 children and adults have taken part in the Rite of Christian Initiation of Adults in preparation for the Easter Vigil.

the same time frame, he said.

Overall investments are down by almost \$9.4 million reflecting not only poor performance, but also use of invested funds.

Income from a portion of diocesan investments is used to support operations and programs, Rinefierd noted. Because the diocese only spends a small percentage of the average market value of these investments each year, it can weather the effects of the stock market decline over the short term, he said, but a turnaround is needed.

Another portion of invested funds are used to meet the diocese's long-term obligations, for example the Priests' Pension Fund.

"As these funds decline, we will need to make up the difference and may be unable to make enhancements that we would like to do, such as increasing pension levels without additional funds," Rinefierd said. "The economic trends and market performance over the last couple of years mean that we're entering some very challenging times fiscally."

In addition to poor investment performance, Rinefierd said the deficit also reflected spiraling health-care costs, which have been increasing 15 to 20 percent per year for several years now. Diocesan employers paid \$750,000 more in premiums in 2001-02 than in the previous year, he said.

"The majority of the increase was borne by employers," he said. "The trend of the increase is creating a significant problem that we're going to have to deal with."

Rinefierd also highlighted other major differences, from the prior

year's results:

- A 20 percent increase in support for Catholic education over the previous year, primarily reflecting support for the Wegmans Inner City Voucher program in Rochester. The program is funded by Robert and Peggy Wegman of Wegmans Food Markets.

- A 28 percent increase in support to parishes, which came primarily in the area of buildings and structures. Since January 2001, parishes have been asked to contribute 1 percent of their savings to a diocesan fund that helps needy parishes make repairs, Rinefierd said. He added that the increase also reflected support for preliminary phases of the renovation project at Sacred Heart Cathedral, Rochester.

- An increase of 36 percent compared to the previous year in the area of subsidies, gifts, grants and assessments paid. Rinefierd said most of the increase can be attributed to diocesan funding for a new building currently being constructed in Pittsford to house St. Bernard's School of Theology and Ministry.

In conclusion, Rinefierd said that this year's economic woes only highlight how important it is for diocesan Catholics to support such initiatives as the Thanks Giving Appeal each year.

"I can't overstate the importance of the Thanks Giving Appeal in allowing us to support parishes and to conduct the ministries and affairs of the diocese," he said. "Bishop Clark is extremely grateful for donor support of the Thanks Giving Appeal and diocesan fundraising objectives."

BONAVENTURE PRESIDENT RESIGNS IN WAKE OF SCANDAL

ST. BONAVENTURE, N.Y. (CNS) — At the unanimous request of the board of trustees, St. Bonaventure University President Robert J. Wickenheiser resigned March 9 because of his role in the scandal of an ineligible player on the men's basketball team.

The board placed the university's athletic director, the head basketball coach and an assistant coach on administrative leave pending further investigation.

The board named Franciscan Father Dominic Monti as interim university president and appointed a committee to review all aspects of the men's basketball program in the wake of the scandal.

The scandal stemmed from a National Collegiate Athletic Association determination that Bonnies center Jamil Terrell was ineligible because he did not meet transfer requirements. The university agreed to forfeit the six Atlantic 10 wins in which Terrell played.

Upset players voted to boycott the final two games of the season.

On Feb. 27 the NCAA ruled that Terrell, who was accepted at St. Bonaventure last April, was not eligible to play as a transfer student from Coastal Georgia Community College because he had not earned an associate's degree, as required for junior college transfers under NCAA rules. Terrell had earned a certificate in welding.

Wickenheiser had reportedly overruled a warning to the basketball coaching staff by Barbara Questa, the university's compliance officer, that Terrell did not meet NCAA academic requirements for eligibility.

Pa

Stephen Steel

WASHINGTON — Pious sage from Pope John Paul II, President Bush during the White House without U.N. approval, a moral ... illegal, "peaceful avenue" the Iraqi crisis.

Addressing the National Press Club, Cardinal Ruffini discussed details, the end of the pope's tenure, Mr. Bush, praying for the Lord to ask the way of the blessed of humanity.

Also taking part in the House meeting was the Advisory Committee on the Vatican, the

Cardinal Ruffini, Secretary of State, fore flying to Rome to stop on his return.

Speaking to the Powell seemed amending the constitution could lead to force Iraq to do at least he is 'Great Britain,' ing an arms weapons inspection.

Cardinal Ruffini, ambassador to a friend of Bush, President George W. Bush, the atmosphere of the White House in

At a press conference in Mass at the Basilica Shrine of the Immaculate Conception, the cardinal, if his "message" was the same intention.

Cardinal Ruffini, discussing the conflict with Bush, tion to Middle East, solving the conflict.

Objecting to the would advance and freedom is said "Look what is in the ... Peace happened there."

He also expressed Christian-Muslim "We are trying to find a balance between Christian and Muslim, don't want to do it."

At the earlier press conference, the cardinal said he would be in Ash Wednesday, world are following the quest to pray for