

# Financial Report of the Diocese of Cork and Ross (Year

	Specific € ,000	Diocesan Mission € ,000	Priests/Seminary € ,000
Opening Balances	1,637	739	2,227
<b>INCOME</b>			
Church collections	275	129	79
Donations/Bequests		281	28
Other dioceses			
Parishes			219
Priests			57
Investment inc.	1		37
Bank Interest	13	10	13
Sundry income			
<b>Total Income</b>	<b>289</b>	<b>420</b>	<b>433</b>
<b>EXPENDITURE</b>			
Assistance to parishes			
Donations to priests			269
Beneficiaries of funds	405	841	133
Central services		1	
Renovations to offices			
Revaluation of Investments	185	12	179
Bank Interest/charges			0
Fund transfers			
<b>Total Expenditure.</b>	<b>590</b>	<b>854</b>	<b>581</b>
Excess Income/Expenditure	(301)	(434)	(148)
Closing Balances	1,336	305	2,079

## Keeping account

These are the accounts of funds in the trust of the Bishop of Cork and Ross.

The daily administration of the funds is dealt with by Fr. Teddy O'Sullivan, Diocesan Secretary, and Ms Marion Hegarty, Bishop's Secretary.

The records are maintained and accounts are prepared by Declan O'Connell, chartered accountant, who is retained by the diocese.

The accounts are independently audited by PricewaterhouseCoopers, Cork.



## to 30 June 2002) Fund movements

Central Funds € ,000	General Funds € ,000	Totals € ,000
1,424	2,340	8,367
60		543
343	9	661
41		41
312		531
		57
75	5	118
	14	50
46		46
877	28	2,047
61	81	142
		269
152		1,531
385		386
25		25
106	159	641
25		25
(133)	133	
621	373	3,019
256	(345)	(972)
1,680	1,995	7,395

## FUND HEADINGS

### SPECIFIC FUNDS:

This is a group of separate accounts which serve specific charitable purposes for which they were established, according to the intention of the donor or initiated by the bishop for a specific reason. Each account is "ring-fenced" and is only used for the purpose for which it is intended.

### MISSION FUNDS:

The Dioceses of Cork and Ross took pastoral responsibility for missions in Trujillo, Peru, in the 1960s and for parishes in Manta, Ecuador, in 1993. Funds were set up by the diocese to finance these missions. Funds' income is received from an annual collection in the churches of the dioceses, mission boxes in the churches, charitable donations, bequests and fundraising by individuals and groups, as well as bank interest.

### PRIESTS'/SEMINARY FUNDS:

The clergy of the diocese contribute annually to a Benevolent Fund which provides a stipend for priests who are ill, retired or unable to derive a stipend otherwise. An annual parish levy (6% of ordinary income from collections) also contributes to the fund. The annual collection for the education of seminarians and priests is also part of these funds.

### CENTRAL FUNDS:

The Central Funds of the dioceses support the centralised activities of the diocese, including providing personnel and running costs for the Cork and Ross Offices, Redemption Road (Bishop's office, Education offices, Communications office, archives); The Cork and Ross Family Centre, 34 Paul Street; the Cork Regional Marriage Tribunal, The Lough; and Diocesan Social Services Administration at St., Finbarr's South; the Office for Parish Pastoral Development.

These funds are principally financed by contributions from the parishes, contributions from other Munster dioceses for the services of the Tribunal, and from income on investments.

### GENERAL FUNDS:

These are charitable funds which have been contributed for pastoral needs for disbursement at the discretion of the bishop.

### OBSERVATIONS:

During the year between July 1, 2001 and June 30, 2002, the income to four of five of the groups of funds fell short of the expenditure. Overall, the diocesan funds received €2,180,000 and paid out €3,151,000.

The decrease in value of invested funds was a significant component of the deficit incurred by the funds.

When the loss of value of investments (€641,000) is deducted from the overall losses (€972,000), there is still a balance of (€331,000) indicating that an overall operating loss has been incurred. As a result, the total financial assets decreased from €8.3m to €7.3m during the year.

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## Understanding the diocesan accounts

The following notes are intended to be read in conjunction with the figures laid out on pages 20 and 21.

### CHURCH COLLECTIONS:

This figure includes collections which are taken up for international and national church agencies and for special appeals throughout the year.

The proceeds are forwarded by the parishes to the diocesan office. The office forwards the total amounts to the relevant agency or applies them to the appropriate specific diocesan purpose.

Examples include the Mission Sunday collection and the collection for the Episcopal Commissions (supports the activities and agencies of the National Bishops' Conference), the Peter's Pence collection (which goes to Rome) and the Diocesan Mission Collection.

### DONATIONS AND BEQUESTS:

Various donations are received directly by the diocese throughout the year. Some bequests are also received. While some are donated for purposes to be decided by the bishop, most have specific conditions for disbursement which in turn indicate the fund to which they are allocated.

The diocesan mission in Peru and Ecuador, for example, received donations and bequests totally €281,000 during the year in question. The stipulation attached to such donations and bequests is respected and each fund is separate from all others.

### REVALUATION OF INVESTMENTS:

Some diocesan funds are held in long-term investment accounts and shares. The value of these fluctuates according to market forces. The diocesan policy is to invest in low-risk and ethical funds. In the year to 30 June, 2002, equity funds performed poorly generally. The figures in the accounts show the change in market value of these funds from the beginning of the financial year to the end.

### ASSISTANCE TO PARISHES:

Raising funds locally is difficult in some parts of the diocese due to economic disadvantage. These parishes receive relief from the diocesan funds for such projects as church building/repairs and payment of

schools capitation (this latter payment is now no longer required from parishes).

### DONATIONS TO PRIESTS:

One of these funds is a Benevolent Fund for Priests which provides stipends for priests who are retired, infirm or otherwise unable to receive a stipend.

Both the clergy who are in active ministry and the parishes contribute annually to this fund. These funds also provide nursing care for priests whose health requires it.

The donations to priests from Central Funds are Mass offerings which are disbursed by the diocese to priests at home and abroad with the intentions of the donors.

### ASSISTANCE TO BENEFICIARIES OF FUNDS:

This expenditure includes forwarding to the relevant agencies the funds collected through special collections; disbursement of funds to the various projects on the Diocesan Mission in South America; and the annual budget of the Cork Regional Marriage Tribunal (the cost of which is shared by the Munster dioceses, as indicated by "contributions from other dioceses" in the accounts).

The Specific Funds were established to meet pastoral needs in the home diocese and to support national and international church projects.

Expenditure from Diocesan Mission funds meets the expenses of the Mission in Peru and Ecuador.

Expenditure on the missions in the year to hand was higher than usual because, since both missions are winding down, many of the building projects (churches, schools, clinics) fell due for payment.

The diocese has recently made a commitment to assist the Archdioceses of Trujillo (Peru) and Manta (Ecuador) after the Cork and Ross priests return home.

Expenditure from Priests/Seminary funds includes the seminary and formation fees of students for the priesthood and priests doing further educa-

tion.

Grants are also disbursed to students of theology and catechetics as per fund stipulations and a subvention is sent to Maynooth College as required by the Bishops' Conference.

### CENTRAL FUNDS:

The major part of the expenditure from Central Funds is associated with the day-to-day running of the central pastoral services and diocesan offices. The principal sources of these funds are a diocesan levy on the weekend income of parishes and donations and bequests from the faithful.

Expenditure from these accounts includes the stipends and employment costs for the bishop, five priests and eight lay people. The bishop and the priests who work in diocesan offices and agencies receive their stipend from Central Funds. Wages for lay personnel who work at diocesan offices and agencies is also provided from these funds.

These provide services that include: diocesan administration, family ministry, youth ministry, schools management, diocesan advisors for religious education, social services and parish pastoral development.

These Central Funds also meet the ongoing costs of delivering these services, which include:

#### *Central services*

	€ ,000
Stationery	
/OfficeSupplies/Postage	6
Phone	1
Light & Heat	4
Repairs & Maintenance	28
Legal & Professional Fees	49
Insurance	19
Wages & Stipends	252
Security	1
Sundry	6

The payments made from General Funds are for pastoral necessities that are not met from the other funds, e.g. relief for poorer parishes.

— Notes compiled by Tom Hayes from auditors' report and diocesan records.

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fold@corkandross.org

## Church and parishes have complex, unique structure

The finances of the Catholic Church in Cork and Ross are complex. This is so because of several factors:

The Catholic Church in the Diocese has several components and each are independent of one other and even of the bishop — though they minister in the diocese subject to the bishop's approval.

These include:

- **FEMALE RELIGIOUS CONGREGATIONS**

[Sisters involved in education, health, retreat work, work with the poor, cloistered sisters, parish sisters, etc]

The larger groups of sisters in the diocese are the Presentation Sisters and the Sisters of Mercy.

- **MALE RELIGIOUS ORDERS AND SOCIETIES (PRIESTS AND/OR BROTHERS)**

[Communities of priests and communities of brothers (some have both) involved in a particular mission, and often following a rule of their particular founder. Some are missionary societies, i.e. priests who were ordained specifically for work in foreign missions, and who have bases in the diocese.]

These include Augustinians, Capuchins, Dominicans, Franciscans, Missionaries of the Sacred Heart, Redemptorists, Society of African Missions (SMA), Vincentians, etc.

By agreement with the bishop, the Capuchins, the SMAs and the Vincentians in Cork have pastoral responsibility for Gurranabraher, Blackrock Road, Wilton and Sunday's Well parishes.

The religious congregations and orders are not financially accountable to the bishop. (Each has a Provincial or other Superior to whom each community accounts.)

### **DIOCESAN CLERGY**

Secular diocesan priests staff the majority of the 68 parishes of the diocese. These do not belong to any religious order or congregation but have committed themselves to serving in the local diocesan church.

Each parish priest is responsible in church law for the stewardship of the temporal goods of the parish, including funds. It is the policy of the diocese that each parish publish for parishioners an annual account of its income

and expenditure.

The central services of the diocese exist principally to support the pastoral ministry of the people who work in parishes, schools, hospitals, prisons, social service agencies, charitable organisations and any other place where people serve the Good News in collaboration with the bishop of the diocese.

These services are funded exclusively by the voluntary donations of the faithful of the diocese. While particular projects engaged in by parishes and services at local level may receive government grants from time to time, the central diocesan services do not receive any such funds.

The diocesan funds have charitable status and therefore do not pay income tax on contributions received. However, the funds pay VAT on purchases and PRSI on salaries in line with statutory regulations.

## First publication of accounts

This is the first time that the accounts of the Diocese of Cork and Ross have been published by the bishop.

The accounts have been independently audited to professional standards by PricewaterhouseCoopers.

It is hoped that the publication of the diocesan accounts will assist people in understanding the various uses to which their donations are put.

The accounts also indicate the range of activities and services provided by the diocese and supported by the faithful of the diocese.

Above all, the accounts also reflect the generosity of the people of the diocese who benefit from and support the provision of the Church's services and social projects.

## Diocesan Funds

**T**he parishes which comprise the Diocese of Cork and Ross include those between Goleen and Watergrasshill, from Glounthaune to Uibh Laoire, and everywhere in between, including all of Cork city.

The parish priest or administrator of each parish is responsible for the financial administration of the parish, and is accountable to the bishop of the diocese, to whom he sends an annual report.

The funds of the parish are kept locally in separate bank accounts. Each parish is required to inform parishioners locally at least once each year about the state of the parish finances.

Each parish also contributes to the funding of the centralised activities of the Diocese.

The principal mechanism for this is a diocesan levy on all the principal collections (other wise known as the "offertory collection") taken up in parishes throughout the Diocese.

Parishes contribute eight per cent

of this collection to the central diocesan funds.

A further six per cent is also contributed to the Priests' Fund of the Diocese — from which retired and infirm priests are given a stipend.

The parishes also support agencies which are established by the diocese but which have their own independent structure and administration. These include St. Anne's Adoption Society and Cork Marriage Counselling Centre.

Each derives support from one annual collection in the churches, the proceeds of which is forwarded directly by the parishes to the management of the agency concerned.

This report is concerned with accounting to the people of the Diocese regarding the movement of funds held by the diocese and administered by the bishop.

It does not include parish accounts or the accounts of agencies whose administration is independent of the bishop.