

FINANCIAL SUMMARY *for Fiscal Year 2022*



DIOCESE OF NASHVILLE

On September 30, 2022, I assumed the responsibilities of chief financial officer of the Diocese of Nashville, as my predecessor William (Bill) Whalen officially retired. I am deeply grateful for Bill's longstanding service to the diocese, and especially for his assistance to me through my transition into this new role. On behalf of the leadership of the Diocese of Nashville, I am pleased to share our Fiscal Year 2022 (FY2022) Annual Impact Report covering the period of July 1, 2021, through June 30, 2022.

A LEGACY OF FAITH, HOPE & LOVE— A CAMPAIGN FOR FUTURE GENERATIONS

During FY2022 Bishop Spalding continued the largest diocese-wide fundraising effort in the history of the Diocese of Nashville in the Legacy of Faith, Hope & Love campaign. With the goal of raising \$50 million, this initiative will bolster current endowments to support future generations and provide immediate funding for urgent projects at our parishes. Resources gathered through this campaign will provide long-term, sustainable funding to five key areas: Catholic education endowment, parish share priorities, priestly vocations endowment, parish growth and expansion, and helping our neighbors in need endowment. Although much of the monetary impact of this campaign will be reflected in the financials for specific parishes, schools, foundations, and other organizations, the diocese is gathering pledges and will ensure proper safeguards are in place for the use and security for the funds. More information will be provided as to structure and governance once the campaign officially concludes in spring 2023.

BISHOP'S ANNUAL APPEAL FOR MINISTRIES

Each year the Bishop's Annual Appeal for Ministries makes up the largest annual component of diocesan contributions. It is the lifeblood of our ministry support to parishes and the community, including vocations, the Catholic Schools Office, support for

Catholic Charities, and religious education. Honorary Bishop Miles grants are given to parishes in need, including rural parishes and others that have not experienced the dramatic economic growth and generosity that Nashville has been blessed with. For diocesan support to continue at the levels now provided, gifts to the Bishop's Annual Appeal are essential. Once again in FY2022, the appeal was a great success due to the generosity of giving parishioners and donors across the diocese.

STRONG RECOVERY AFTER COVID-19 SHUTDOWNS

The diocese, parishes, and schools achieved solid financial results in FY2022. Every parish continues to recover from COVID-19 shutdowns. Priest and lay retirement programs further improved their respective funding levels, with the lay retirement fund standing at 126% and the priests' trust at 120%. Parishes received excellent returns on deposits through the Catholic Community Investment and Loan (CCIL).

STRONG STEWARDSHIP OF DIOCESAN RESOURCES

It should be noted that again for FY2022 the diocese maintained a healthy proportion of expenses being directly related to the delivery of programs versus support and administration, with 82% of expenses committed for programs versus only 18% allocated to support and administration.

GOVERNANCE STRUCTURE

DIocese OF NASHVILLE FINANCE COUNCIL 2022-2023

John Gromos, Chair
Brent Baxter
Marty Blair
David Glascoe
Sergio Ora
Angela Robinson
Ned Spitzer
Laura Thigpen

EX OFFICIO

Most Reverend J. Mark Spalding
Very Reverend Dexter S. Brewer
Very Reverend John J.H. Hammond
Brian L. Cooper
Julie Perrey
John D. Roberts

LEGAL

L. Gino Marchetti, Jr.

COLLEGE OF CONSULTORS

Most Reverend J. Mark Spalding
Reverend John Sims Baker
Very Reverend Dexter S. Brewer
Very Reverend Eric Fowlkes
Very Reverend John J. H. Hammond
Reverend Patrick Kibby
Reverend Daniel Steiner
Reverend Edward Steiner

PRESBYTERAL COUNCIL

Most Reverend J. Mark Spalding
Very Reverend Eric Fowlkes, Chair
Reverend John Sims Baker
Reverend Stephen Brett
Very Reverend Dexter S. Brewer
Reverend Andrew Bulso
Reverend Andrew Forsythe
Reverend Phillip Halladay
Very Reverend John J.H. Hammond
Reverend Thomas Kalam
Reverend Patrick Kibby
Reverend Christiano Nunes de Silva
Reverend Daniel Steiner

CORPORATION MEMBERS

Most Reverend J. Mark Spalding, Bishop
Very Reverend Dexter S. Brewer, Vicar General
Very Reverend John J.H. Hammond, Vicar General
Brian L. Cooper, Chancellor and Bishop's Delegated
Appointee

FINANCIAL IMPACT FOR FY2022

Unfavorable financial impact in FY2022 resulted from the 2022 stock market decline, a global inflation surge, and a global supply chain crisis that have followed the COVID-19 pandemic. By the end of FY2022, the S&P 500 had fallen nearly 24%. Given this market, FY2022 investment income for the diocese dropped by approximately \$3.3 million from the FY2021 level. As for inflationary pressures, diocesan expenses for the year increased by nearly \$1 million, or 6%, from the FY2021 baseline. With the combination of these factors and a small net change among other issues, FY2022 Change in Net Assets declined to approximately \$306,000 representing a \$4.4 million deterioration from FY2021 results.

Highlights from FY2022 include:

Total Assets increased by nearly \$17,000
Liabilities decreased by \$289,000
Revenues decreased by \$2.6 million
Expenses increased by \$980,000
Changes in Net Assets with Restrictions decreased by \$804,000
Net Assets (equity) increased by \$306,000

The full audited financial report can be found online at www.dioceseofnashville.com/financial.

In closing, the leadership of the Diocese of Nashville is enormously thankful for the resources entrusted to our care. We stand committed to effectively manage and deploy these resources to fulfill our mission: *Living and Proclaiming the Good News of Jesus Christ, Welcoming All!*



Sincerely,



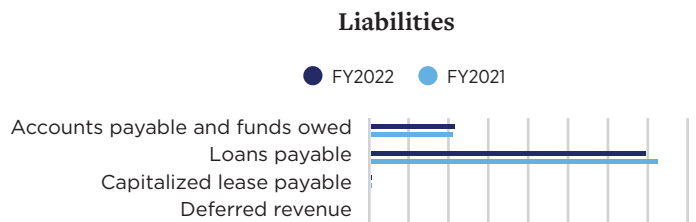
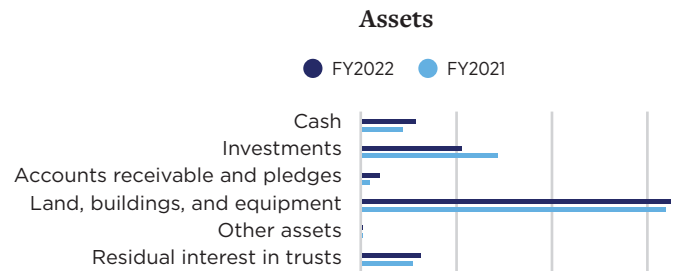
John D. Roberts
Chief Financial Officer



DIOCESE OF NASHVILLE

FINANCIAL SUMMARY *for Fiscal Year 2022*

	FY2022	FY2021
	(\$ in oos)	
Assets		
Cash	5,976	4,591
Investments	10,730	14,495
Accounts receivable and pledges	2,177	1,142
Land, buildings, and equipment	32,602	32,099
Other assets	59	29
Residual interest in trusts	6,457	5,628
Total Assets	58,001	57,984
Liabilities		
Accounts payable and funds owed	2,186	2,136
Loans payable	6,991	7,299
Capitalized lease payable	36	50
Deferred revenue	0	16
Total Liabilities	9,213	9,501
Net Assets		
Without donor restrictions	2,025	2,986
Without donor restrictions, designated	33,570	33,229
With donor restrictions	13,193	12,268
Total Net Assets	48,788	48,483
Total Liabilities and Net Assets	58,001	57,984



	FY2022	FY2021
	(\$ in 000s)	
Revenues		
Assessments from parishes	6,280	6,057
Contributions and program grants	6,271	7,326
Service and materials fees	4,008	2,353
Investment income	(841)	2,434
Net assets released from restrictions	1,348	1,540
Total Revenues without Donor Restrictions	17,066	19,710
Expenses		
Program services	14,515	13,806
Management and general	2,551	2,352
Fundraising	619	547
Total Expenses	17,685	16,705
Changes in Net Assets with Restrictions	925	1,729
Total Change in Net Assets	306	4,734
Expenses as percentage of each dollar		
Program expenses	82%	83%
Support expenses	18%	17%
	100%	100%

