



OFFICE OF THE BISHOP

DIOCESE OF WHEELING-CHARLESTON

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February 5, 2021

Dear faithful of the Wheeling-Charleston Diocese,

I am pleased to present to you a report on the independent audit of the Diocese's financial status for fiscal 2020 (July 1, 2019-June 30, 2020). The full report can be found online at dwc.org.

The 2019-2020 fiscal year reminds me of the rollercoaster rides I took as a youth: lots of ups and downs. I was installed as the ninth Bishop of Wheeling-Charleston on August 22, 2019 in a cathedral full of the faithful. By March, 2020, we had to suspend public Masses throughout the Diocese because of the Coronavirus pandemic. We re-opened our parishes for Masses again in late May, 2020, but with a variety of protective measures that restricted attendance but allowed those who could come to worship safely. The pandemic drastically affected diocesan revenue, as it did that of parishes, but Catholic Charities West Virginia never stopped, helping record numbers of suddenly unemployed and distressed persons and families. I was charged by the Holy See in Rome to assist Bishop Michael Bransfield in making amends for his wrongful behavior; in July, 2020, the Holy See informed him and us of the amends it considered acceptable in this difficult matter. A year-long rollercoaster ride indeed!

Looking more closely at diocesan finances, the early months of the COVID-19 pandemic resulted in large losses in the Diocese's stock portfolio (the stock market is also a rollercoaster!) and in its mineral revenue as oil prices fell. Most dioceses depend on the parishes to support diocesan operations but in West Virginia the financial support given by parishes to the Diocese (called the *cathedraticum*) is relatively minor. Even that funding has dropped considerably during the pandemic. The three Pastoral Centers (St. John XXIII in Charleston, Mary, Help of Christians, in Huttonsville, and Priestfield in Kearneysville) had to be shut down and the income from them disappeared. Meanwhile, struggling parishes and schools looked to the Diocese for help.

In response to this financially perilous situation, the Diocese tightened its belt by combining some departments, reducing staff by attrition and offering early retirement to eligible employees and by permanently closing two of the Pastoral Centers (only Charleston remains open). We also restructured our health insurance plan to lessen its cost to the Diocese and to make it more accessible to parish, school and other Church employees. That new plan, however, only took effect in January, 2021.

Learning that religious organizations were eligible for the federal government's Payroll Protection Program, the Diocese applied for that relief and received it, not only for diocesan operations but for most of its parishes and schools. There was no reason for our Church

employees, who pay taxes, to lose their jobs and possibly their homes when the government was making funds available precisely to keep people at work.

In contrast, now that diocesan revenues have rebounded somewhat, mainly owing to more favorable stock earnings, and with some of our cost-cutting measures taking effect, I believe the Diocese need not apply for PPP assistance under the latest federal relief bill. Some parishes, schools and Catholic Charities do need that help, however, and the Diocese will help those who qualify apply for it.

Another source of income for the Diocese, its parishes and allied programs is the annual Catholic Sharing Appeal. It was set to launch in March, 2020, when the pandemic hit. To help soften the financial blow that hit many parishes and schools at the start of the pandemic, I suspended the CSA and had the Diocese pay for the initial protective and sanitization supplies needed to safely re-open our facilities later in the year. Revenue from the CSA is shared by the Diocese and the parishes, with the parishes' share coming largely in the first half of the fiscal year and the Diocese's share coming mostly in the last quarter of the fiscal year. That means that the parishes got their share of the 2019 CSA but the Diocese lost its share of the 2020 CSA, owing to its suspension. Without 2020 CSA revenue, the Diocese could not give an additional CSA-related gift of \$200,000 to Catholic Charities. Catholic Charities did receive help from the PPP, which mitigated the loss. The Diocese also sponsored a Giving Tuesday event in early December, 2020, that raised \$1,244,435, most of it for our parishes in accord with donors' instructions.

Wheeling University (formerly Wheeling Jesuit U.) is the only residential Catholic institution of higher learning in West Virginia. Its land and buildings are owned by the Diocese. It is important that we maintain and strengthen it to serve our Catholic people. Under its new leadership, enrollment has improved, course offerings have increased and physical plant issues have been addressed, but owing to unsettled conditions inherited from the former University administration, it still needs financial assistance from the Diocese, as a public university needs financial support from the state. Archbishop Lori, as the Apostolic Administrator of the Diocese, made \$2,000,000 available to the school for fiscal 2020; having consulted the Diocesan Finance Council, I promised the University an additional \$5,000,000 over five years in unequal installments. Apparently a "promise to give" must be reported as a liability in the full amount in the fiscal year in which it is made. But I assure you the amount given to the University in fiscal 2020 was \$2,000,000.

During fiscal 2020, we were still dealing with the effect of the scandal surrounding the former Bishop. As the audit reports, The Bishop's Fund was dissolved and its remaining assets given to the Diocese, which used them to purchase Wheeling Hospital's interest in Diocesan Real Estate, thus formally separating the two entities. The Diocese sold the former Bishop's residence for \$1,200,000 and cancelled the lease on his retirement home in Wheeling (the Holy See had told him not to live in this Diocese in retirement). In addition, along with stipulating that the Bishop accept a much-reduced retirement package, the Holy See ordered him to pay back \$441,000 of the diocesan funds he had used for personal expenses. That payment and the proceeds from the sale of the residence were put in a restricted fund for victims of sexual abuse

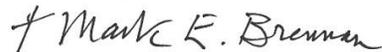
and harassment (listed in the audit as “Designated – Victims Outreach” under “Net Assets”). Money cannot heal emotional and religious wounds, however, so we must keep praying and reaching out to victims and others affected by sexual harassment and abuse.

Building on Archbishop Lori’s promise for greater transparency, I want you to know how the funds at the Diocese’s disposal are being used. Look over the numbers and graphs and the FAQs. I hope those materials and this letter create a clear picture for you.

Whether directly or indirectly, diocesan income supports the mission of the Church: to proclaim Jesus Christ and his Good News of salvation to all who are willing to listen. If we were as poor as some dioceses in the world, we could still proclaim that Gospel and its Lord; but having some financial resources enables us to do so with teachers and priests whom we financially support, in buildings which we put up and maintain, while running programs such as youth retreats and community pantries that we subsidize. Money is not the root of all evils: the love of money is (*1 Timothy 6:10*). In love we will seek to use the financial resources we have in order to do good to God’s people and others who cross our paths.

May God bless and enrich with His grace you and your loved ones!

Sincerely in Christ,

A handwritten signature in black ink that reads "Mark E. Brennan". The signature is written in a cursive style with a cross at the beginning.

+Mark E. Brennan
Bishop of Wheeling-Charleston