



ARCHDIOCESE  
OF SEATTLE

# 2016-2017 ANNUAL REPORT



Dear Friends in Christ,

As I present this Annual Financial Report each year, I never fail to experience gratitude and joy for God's abundant gifts and your generous response as disciples of Jesus. The ministries supported by the Archdiocese of Seattle are truly life-giving, and they would not be possible without your response as stewards of time, talent and treasure. I can assure you that just as the Word that comes from God does not return to him void, the gifts you share from his abundance are achieving the ends for which they were sent.

This report summarizes the financial status of the local Church for the past year, but more importantly it offers an accounting of your stewardship in support of parishes, schools and pastoral ministries that reflect the vitality of the Church in Western Washington. Among the surest signs of that vitality is your continued support for the Annual Catholic Appeal, which sustains more than 60 ministries here in the Archdiocese of Seattle. Donations totaled \$14.8 million in 2016, an increase of 2.5 percent over gifts in the previous year.

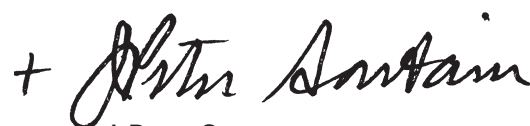
We faced numerous challenges that placed significant demands on our resources in the past year. Those challenges included funding for priest pensions and women religious retirement, sexual abuse settlements, maintaining existing parishes and schools, and the cost of expansion to serve areas of growth. As you review the details of this 2016-2017 Financial Report, you will find that that the archdiocese has kept its financial house in order and is taking steps to steward the resources that will be entrusted to us in the years ahead. For this I express my sincere gratitude to members of our Archdiocesan Finance Council, who selflessly share their talents in service to the local Church. I depend on their wise counsel.

In last year's report, I spoke about the need to explore a major capital campaign for our Priests and Women Religious in recognition of their lives of service. The **"Called to Serve as Christ"** capital campaign has begun. This \$100 million campaign will:

- Provide for the care of our senior priests now and in the future by funding priests' pension and medical plans for generations to come;
- Strengthen the retirement plans of women religious as a sign of our gratitude for their selfless ministry to our Church; and,
- Invigorate parish life through individual projects identified by each parish.

As I submit this annual report for your consideration, I give thanks for your generosity and assure you of my prayers. They are prayers of gratitude and joy in the knowledge that everything we do is entrusted to the care of Christ who is our help, our hope and our salvation.

Sincerely in Christ,

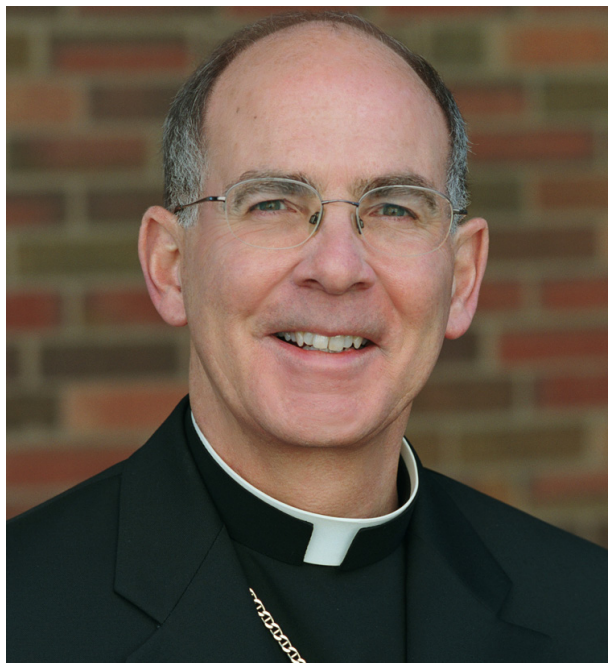


J. Peter Sartain

Archbishop of Seattle



# STATEMENTS OF ACTIVITIES



## ANNUAL REPORT 2016/2017

The information contained in this report provides a financial overview of the Archdiocese of Seattle. Archbishop J. Peter Sartain is the spiritual leader of the

Roman Catholic Church in Western Washington. He is also the CEO and the sole member of the Corporation of the Catholic Archbishop of Seattle. The corporation is made up of a number of separate financial entities. They include: the Chancery (the Central Offices of the Archdiocese) which is under the direct control of the Archbishop; the parishes including parish elementary schools, which are separate canonical units; the Parish Revolving Fund (PRF); Associated Catholic Cemeteries; and the three Archdiocesan high schools (O'Dea High School, Bishop Blanchet High School and Kennedy High School).

Archbishop Sartain is also the sole member of Catholic Community Services of Western Washington, Catholic Housing Services of Western Washington, the Fulcrum Foundation, St. Elizabeth Ann Seton High School and Pope John Paul II High School; all separate corporations.

In the pages of this report you will find a summary of the statements of financial activities for the Chancery. There is also general financial information related to Archdiocesan parishes, schools and other agencies, as well as Catholic Community Services, Catholic Housing Services and the Fulcrum Foundation. This report also includes a letter from the Archdiocesan Finance Council addressing the over-all financial health of the Church in Western Washington. We hope you find it to be informative.



ARCHDIOCESE  
OF SEATTLE

## CHANCERY PROGRAMS & SERVICES

Following is the Statement of Activities for the Chancery for the fiscal years 2016/2017 and 2015/2016. Chancery offices and services assist

Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.

## CENTRAL OFFICE PROGRAMS AND SERVICES STATEMENT OF ACTIVITIES

For the Fiscal Years ended 2016-2017 and 2015-2016

Amounts in thousands

	June 30, 2017** Total All Funds	June 30, 2016* Total All Funds
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUE AND OTHER SUPPORT</b>		
Insurance Program Premiums	\$11,006	\$10,612
Program Fees and Advertising	6,598	6,868
Parish Assessments	6,356	6,195
Other	1,310	1,464
Contributions and Bequests	1,163	942
Investment Income on General Reserve	403	515
Investment Income on Revolving Funds	391	232
Investment Income on Endowments	21	25
<b>Subtotal</b>	<b>\$27,248</b>	<b>\$26,853</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Annual Catholic Appeal	11,606	11,500
Restricted and Designated Funds	1,680	3,269
<b>Total Revenue and Other Support</b>	<b>\$40,534</b>	<b>\$41,622</b>
<b>EXPENSES</b>		
Insurance Program	\$16,254	\$18,176
General Administration	12,078	12,400
Office of the Vicar for Clergy	3,537	3,539
Priest and Retired Bishop Support	2,567	2,208
Plant Fund Depreciation & Interest	2,270	1,580
Pension	1,919	1,365
Catholic Schools	1,793	1,684
Outdoor Ministries	1,708	1,834
Communications	1,640	1,549
Donations, Grants and Subsidies	1,218	1,545
Archbishop Brunett Retreat Center	1,100	1,220
Contributions to CCSWW	919	1,156
Revolving Fund Interest & Bad Debts	774	943
Catholic Faith Formation	640	720
Athletics	524	527
Tribunal	519	574
Youth and Young Adult Ministry	512	659
Missions Office	333	313
Office of Evangelization	304	-
<b>Total Expenses</b>	<b>\$50,609</b>	<b>\$51,992</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>		
Change before Unrealized Gains/( Losses) and Transfers	\$(10,075)	\$(10,370)
Unrealized Gains (Losses) on Investments - General	3,038	(1,028)
Unrealized Gains (Losses) on Investments - Endowments	660	(84)
Change in Minimum Pension Liability	3,086	(5,268)
Change in Minimum Other Benefit Liability	1,743	(173)
Realized gains (losses) on sale of property	(2,451)	4,612
Impairment of Property	-	(477)
<b>Change in Unrestricted Net Assets</b>	<b>\$(3,999)</b>	<b>\$(12,788)</b>

\*\* Fiscal Year 2016/2017 is the first year we have incorporated Outdoor Ministries, Youth & Young Adult Ministry, and Athletics into the Central Office Financial Statements.

\* Fiscal Year 2015/2016 numbers were restated to include OYYAE, which is now consolidated with Central Office, starting FY2016/2017.

# CENTRAL OFFICE PROGRAMS & SERVICES

## REVENUE AND OTHER SUPPORT:

### INSURANCE PROGRAM PREMIUMS

Premiums from parishes and agencies, including CCSWW, for property, liability, automobile and worker's compensation insurance.

### PROGRAM FEES AND ADVERTISING

User fees for specific programs and services. Revenue from Northwest Catholic Magazine, the official Archdiocesan magazine.

### PARISH ASSESSMENT AND BILLINGS

Assessment on parishes to support the operation of the Church of Western Washington and billings to parishes for specific needs and services.

### ALL OTHER SOURCES OF OPERATING FUNDS

Includes facility use, donations, and miscellaneous.

### INVESTMENT INCOME ON GENERAL RESERVE

The investments of the Archdiocese include Restricted, Unrestricted and Designated Funds. These investments are professionally managed under the guidance of the Investment Committee of the Archdiocesan Finance Council. The income includes interest, dividends and gains (losses) on disposal of investments.

### INVESTMENT INCOME ON REVOLVING FUND

The Archdiocesan Revolving Fund is a loan and deposit fund operated by the Archdiocese for Catholic organizations (other than parishes). Included is interest, dividends and realized gains (losses) on disposal of investments.

### INVESTMENT INCOME ON ENDOWMENTS

Endowments are contributions set aside to generate investment income for restricted and unrestricted purposes. These investments are professionally managed under the guidance of the Investment Committee of the Archdiocesan Finance Council. Included is interest, dividends and realized gains (losses) on disposal of assets.

### ANNUAL APPEAL

Contributions from Catholics throughout Western Washington to the Annual Catholic Appeal. Does not include rebates returned to parishes.

### RESTRICTED AND DESIGNATED FUNDS

Donations from a variety of sources for a variety of programs and services. Restricted funds are set aside for a particular purpose stated by the donor and not expended until the purpose is satisfied. If the funds are temporarily restricted, they may be expended fully for the intended purpose. If the funds are permanently restricted, only the earnings on the donation may be used for the intended purpose. Other unrestricted contributions may be designated by the Archbishop for a particular purpose.

## EXPENSES:

### INSURANCE PROGRAM

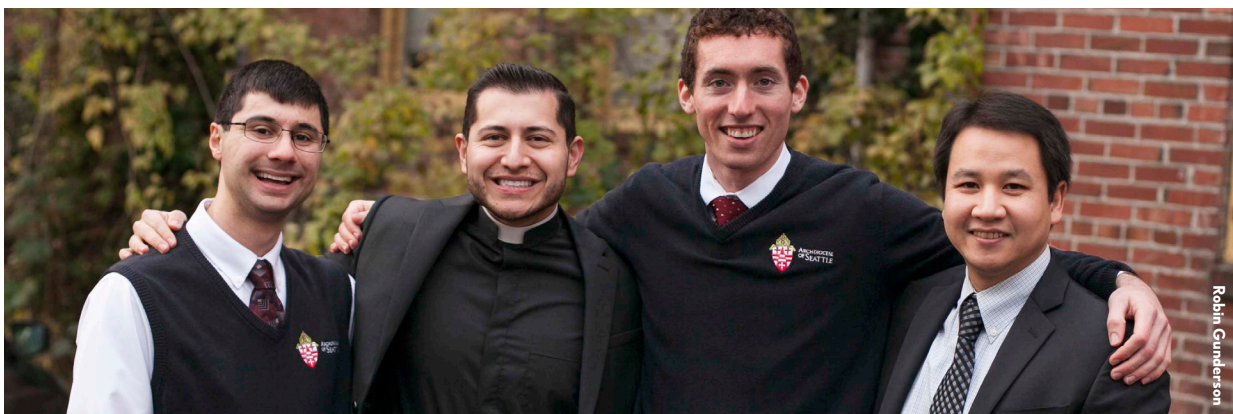
The cost of insurance programs includes annual premiums and claims for property, liability, automobile and worker's compensation for parishes, schools, agencies, including CCSWW, and employees of the Archdiocese. It also includes projected payments for settlement of abuse claims.

## GENERAL ADMINISTRATION

Includes The Office of the Archbishop, Chancellor's office, Archives, Liturgy, Planning & Research, Human Resources, Chancery Management (including Computer and Support Services and Facilities and Operations), New Parishes, Stewardship and Development, Interest, and The Department of Administration and Finance including Accounting, Property and Construction and Parish Financial Services.

## OFFICE OF THE VICAR FOR CLERGY

Assists the Archbishop in providing oversight and coordination of services and programs that promote and support the development of priests, seminarians, deacons, deacon candidates, and vocations to the priesthood and diaconate. Provides comprehensive support to clergy and other pastoral leaders in parishes and faith communities. Also assists the Archbishop in ensuring for the pastoral care of parishes and faith communities by serving pastors, staffs and consultative leadership.



Robin Gunderson

## PRIEST AND RETIRED BISHOP SUPPORT

Medical premiums and expenses for retired priests and the retired Archbishops. Living expenses for priests between assignments or on leave. Living and medical expenses for priests who are temporarily or permanently unable to perform their priestly functions.

## PLANT FUND DEPRECIATION & INTEREST

The depreciation is taken on the Fixed Assets of the Archdiocese and the interest is on the debt to acquire Archdiocesan assets.

## PENSION

The Archdiocese contributes to three separate plans for the benefit of its employees: The Archdiocesan Pension Plan for Lay Employees, The Priests' Pension Plan and the Supplemental Retirement Program for Priests.

## CATHOLIC SCHOOLS

Coordinates the development of Christian formation, curriculum, administrative and personnel policy for the Catholic elementary and high schools.

## OUTDOOR MINISTRIES

Offers CYO Camps which are the only summer camps in Washington that inspire campers to learn respect and dignity for themselves, others and the environment, all through Catholic teachings.

## COMMUNICATIONS

Produces media communications and public information for the Archdiocese. Office functions include media relations, graphic services, web management, Northwest Catholic Magazine and administrative support services.

## DONATIONS, GRANTS AND SUBSIDIES

Support for the Washington State Catholic Conference, contributions to the National Conference of Catholic Bishops/United States Catholic Conference and a grant to Catholic University. Contributions to Peter's Pence and the Sisters' Pension. Subsidies to related organizations and donations to various ministries supported by the Archbishop.

## ARCHBISHOP BRUNETT RETREAT CENTER

Provides 56 guest rooms and exceptional meeting facilities

in a beautifully secluded but convenient setting for retreats, spiritual growth and professional formation.

## CONTRIBUTIONS TO CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

Grants to CCSWW to assist in their operations.

## REVOLVING FUND INTEREST AND BAD DEBTS

These expenses include interest paid on deposits in the Archdiocesan Revolving Fund, and provision for bad debts.

## CATHOLIC FAITH FORMATION

Assists the Archbishop in establishing a program for Formation and Education for all clergy, religious and lay people throughout the Archdiocese.

## ATHLETICS

Sports done a different way - as one community. Individuals and teams strive for greatness in accordance with Gospel values.

## TRIBUNAL

Provides the legal process by which an individual can resolve questions of marital status according to the norms and teachings of the Church.

## YOUTH AND YOUNG ADULT MINISTRY

Collaborates with the leaders of parish and faith communities to complement their ministry to youth and young adults by: facilitating formation and training, providing ministry resources, fostering a network of community and support and offering large-scale direct ministry for youth and young adults.

## MISSIONS OFFICE

Through several organizations, the Missions Office is responsible for fundraising and education for various efforts on behalf of the Church worldwide.

## OFFICE OF EVANGELIZATION

Seeks to help more people to come to know the Lord and live their faith to the full by sharing in the Archbishop's apostolic mission, through service of our parishes, schools, and faith communities.

## UNREALIZED GAINS (LOSSES) ON INVESTMENTS-GENERAL

Represents the change in market on investments at the fiscal year end on the General Reserve.

## UNREALIZED GAINS (LOSSES) ON INVESTMENTS- ENDOWMENTS

Represents the change in market on investments at the fiscal year end on Archdiocesan Endowments.

## CHANGE IN MINIMUM PENSION LIABILITY

Represents the change in the priest pension liability based on actuarial assumptions.

## CHANGE IN MINIMUM OTHER BENEFIT LIABILITY

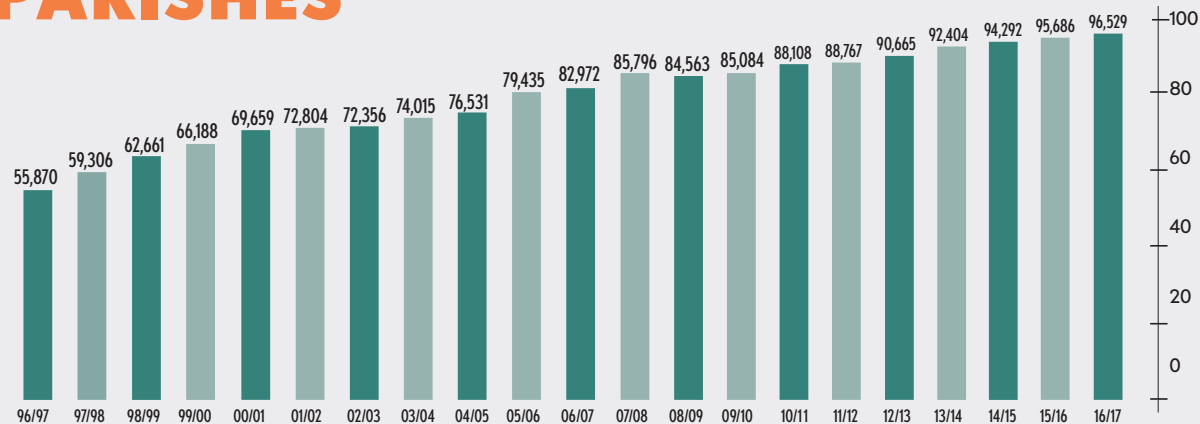
Represents the change in the liability of other benefits based on actuarial assumptions.

## REALIZED LOSS ON SALE OF PROPERTY

Loss from the sale of Hawk's Prairie property.

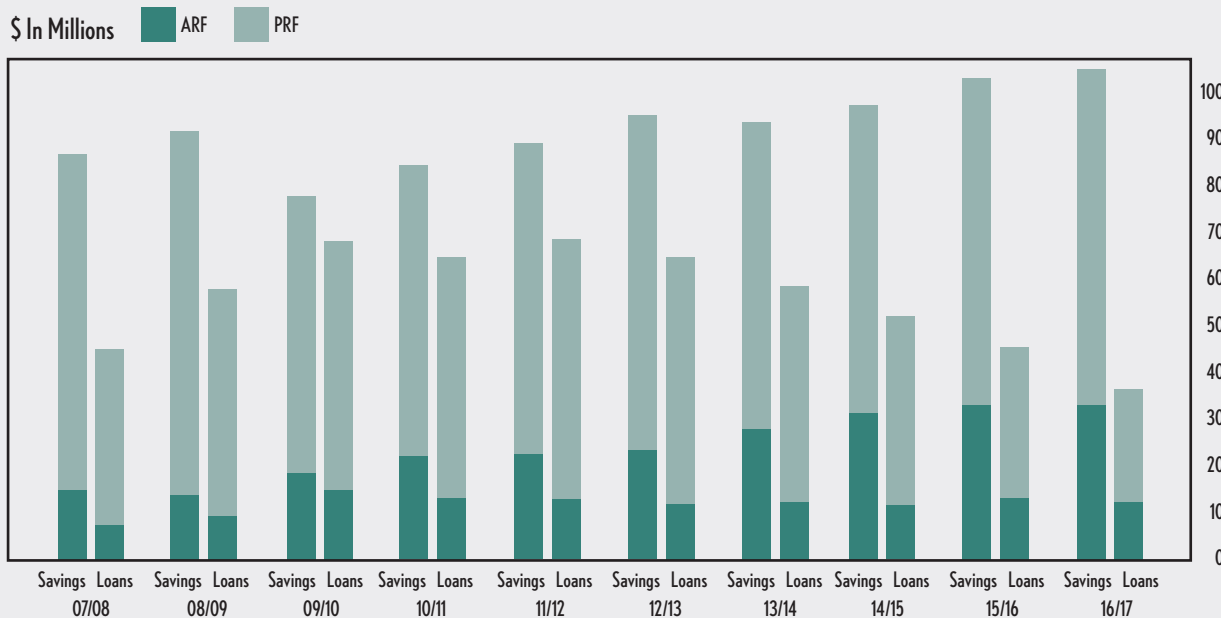


## PARISHES



Parishes in Western Washington overall saw another increase in collection income. From July 1, 2016 through June 30, 2017, Ordinary Income (Sunday and Holy Day Collections) increased by .9% to over \$96 million. Total parish revenue from all sources, including parish schools but excluding intra parish transfers exceeded \$255 million. In 2016/2017, 28 parishes exceeded \$1 million, with another 4 parishes exceeding \$2 million, in Ordinary Income. 34 parishes and missions, primarily in rural areas, had Ordinary Income under \$100,000.

## REVOLVING FUNDS



The PRF serves parishes and parish schools while the ARF provides the same service for other institutions. The Parish Revolving Fund (PRF) is a separately maintained savings and loan organization within the Archdiocese. Parishes deposit surplus funds in the PRF. A seven member Commission oversees PRF operations, Commission members are listed on page 8.

PRF savings at 6/30/17 totaled \$108.0 million in 683 accounts, an 8% increase from last year's \$100.7 million in 647 accounts. Loans decreased to \$37.0 million, a 19% decline from last year's \$44.1 million. The number of loans also decreased from 82 to 76.

The Archdiocesan Revolving Fund (ARF) accepts deposits from other institutions in the Archdiocese. These funds are then available as loans to finance operating and capital needs throughout the Archdiocese.

ARF savings decreased from \$31.6 million to \$30.6 million at year end with loans decreasing to \$11.6 million.

## GOOD NEWS FROM THE MISSIONS OFFICE

The Missions Office focuses on the social mission of the Church, providing educational and funding support for local and international evangelization, relief and development work. On your behalf we represent the **Pontifical Missions Societies, Catholic Relief Services** and the **Catholic Campaign for Human Development**. Included in programs are year-round Catholic social teaching resources for parishes and schools, and grants for charity and justice projects. Information on all of the above can be found at [WWW.SEATTLEARCHDIOCESE.ORG/MISSIONS](http://WWW.SEATTLEARCHDIOCESE.ORG/MISSIONS).

**CATHOLIC RELIEF SERVICES** (CRS) is our U.S. Catholic community's official international relief and

development agency, working in more than **100 countries** and reaching nearly **100 million** of the world's poorest



people each year with innovative solutions to tough problems like poverty, hunger, drought, disease and emergencies. Now celebrating its

75th anniversary, CRS continues to be motivated by the Gospel of Jesus Christ to cherish, preserve and uphold the sacredness and dignity of all human life, foster charity and justice, and embody Catholic social and moral teaching. [HTTPS://75.CRS.ORG](https://75.crs.org).

The **CATHOLIC CAMPAIGN FOR HUMAN DEVELOPMENT** (CCHD) is the



domestic anti-poverty program of the U.S. Catholic Bishops working to carry out the mission of Jesus Christ "to bring good

news to the poor." CCHD addresses the root causes of poverty in the U.S. through promotion and support of community-controlled, self-help organizations and through transformative education in our parishes and schools. [WWW.SEATTLEARCHDIOCESE.ORG/CCHD](http://WWW.SEATTLEARCHDIOCESE.ORG/CCHD).

Given the title "Pontifical" in 1922, the

### PONTIFICAL MISSION SOCIETIES



have special responsibility in the Universal Church. They are under the direct canonical jurisdiction of the Pope, who, together

with the entire body of Bishops, remind the faithful of their Baptismal call to mission, as they gather basic support for more than 1,100 mission dioceses in Asia, Africa, the Pacific Islands and Latin America. The Pontifical Mission Societies include the **Society for the Propagation of the Faith**, the **Missionary Childhood Association**, and the **Society of St. Peter Apostle**. [WWW.MISSIO.ORG](http://WWW.MISSIO.ORG).

In fiscal year 2016-2017, the Missions Office received and distributed \$2,100,628 for evangelization, education, relief and development work of the Church primarily through the Catholic Relief Services Collection, the Rice Bowl Lenten program, the World Mission Sunday collection, the Catholic Campaign for Human Development (CCHD) collection, mission appeals, emergency responses, and designated gifts and bequests. The distribution figure does not include donations provided directly to the above organizations from people in this archdiocese, such as \$2,989,042 to Catholic Relief Services in FY 2017.

# CATHOLIC SCHOOLS

The Office for Catholic Schools fosters collaborative communities among all shareholders through high quality professional development to positively impact student learning and develop Christ-like servant-leaders for today's world.

During the 2016-2017 school year, our 63 elementary schools and 11 high schools provided a faith-based, academically excellent Catholic education to 21,863 students. Of these students, 72% are registered as Catholic. We serve 38% ethnic minority students. Our schools employed a total of 1,982 teachers who daily offer their gifts in service of our students and their families.

Our Strategic Plan continues to guide our work with the emphasis this year on the following initiatives:

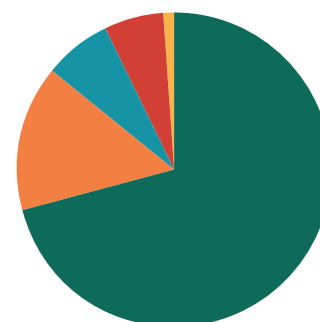
- 1. CATHOLIC IDENTITY:** 52 of our schools report heightened Catholic Identity through participation in the Christ in the Classroom retreats
- 2. ACADEMIC EXCELLENCE:** Increased leadership capacity for both our 112 teacher leaders, 85 % of our school administrators trained in instructional leadership
- 3. ACCESS:** Hosted a successful marketing pilot in four of our schools, with enrollment increasing by 81 students in 4 pilot schools
- 4. BUSINESS PRACTICES:** Continue our work with principals to increase understanding of the budgeting process and working with a finance committee to promote sound business practices
- 5. DATA:** Hired of a full-time data manager to help us disaggregate and analyze our data in our quest to positively impact student enrollment and student learning



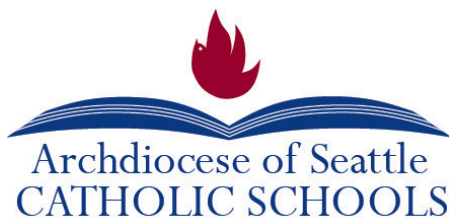
Courtesy Office for Catholic Schools

## SOURCES OF PARISH SCHOOL REVENUE

Parish school operating revenues for 2016/2017 totaled \$130.1 million. Tuition and Fees accounted for 71% of the total with the balance made up of a combination of parish subsidy, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. Parishes with schools gave 7% of ordinary income in support of their schools.



- Tuition/Fees 71%
- Fundraising/Gift Revenue 15%
- Parish Subsidy 7%
- All Other Revenue 6%
- Neighboring Parishes 1%



[HTTP://WWW.OCSSW.ORG](http://www.ocsw.org)

# FULCRUM FOUNDATION

Founded in 2002, the Fulcrum Foundation provides financial assistance to promote and support Catholic schools in the Archdiocese of Seattle, primarily through tuition assistance grants, school partnership grants, and grants for transformational leaders.

In fiscal year 2017, Fulcrum distributed more than \$4,300,000 to Catholic schools, to Catholic school students and families, and to Catholic school teachers and leaders across the Archdiocese of Seattle. Fulcrum's efforts have strengthened these school communities, schools that provide an excellent and transformational education rooted in the Catholic faith. This report highlights the distribution of funds across our core grant programs in fiscal year 2017 – programs that are making a difference in the lives of families, teachers and leaders, and schools across the Archdiocese of Seattle.

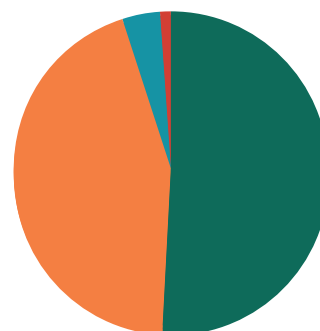
To view Fulcrum's annual report, please visit:

[WWW.FULCRUMFOUNDATION.ORG](http://www.fulcrumfoundation.org)



2017 Community Report

## FUNDS DISTRIBUTION



### PROGRAM SERVICES

- Tuition Assistance 51%  
\$2,203,796
- School Partnership Programs 44%  
\$1,898,430
- Program Planning and Management 4%  
\$175,549
- Leadership Programs 1%  
\$29,000

**Total Program Services 100%  
\$4,306,775**





# EVANGELIZATION, FORMATION, & DISCIPLESHIP

The mission of Evangelization is for encounter with Christ, who calls and sends missionary disciples and who himself provides life-long formation and nourishment in the Church.

## MULTICULTURAL YOUTH AND YOUNG ADULT MINISTRY

Multicultural Youth and Young Adult Ministry supports the development of said ministries through leadership development opportunities, assisting existing programs/ ministries to become more responsive and accessible to culturally diverse communities, and assisting in strengthening faith-based avenues that are culturally sensitive to help individuals grow closer to Christ. In the last year this department has served over 1000 people of all ages attending retreats/camps and other direct programs, over 1500 people through collaborative work with other ministries and over 45 young adults serving in leadership through formation opportunities. Indirectly, we have served countless more as those who participated in our programs have returned to serve their families and faith communities

## YOUTH MINISTRY

In addition to the development of youth ministry and its leaders, we offer direct programming for teens as part of our support to parishes in

the Archdiocese. We gathered, formed, and supported over 80 youth ministry leaders through New Youth Ministers Formation Gatherings and quarterly Formation Days. Through events such as Catholic Youth Convention and Junior High Rally, 1430 youth & youth leaders from 85 parishes have had the opportunity to encounter Christ as they celebrate their faith with the Universal Church. Over the last year, 330 youth participated in Confirmation retreats and weeklong service-learning trips, and 72 youth from over 30 parishes gained concrete skills to lead as Catholic disciples in their communities through the high school leadership retreat

## CYO CAMPS AND GUEST SERVICES

During the 2017 camp season we served 1,446 campers providing nearly \$100,000 in scholarship to 1/3 of those children. This included Day and Resident camp at Camp Don Bosco, resident camp at Camp Hamilton and high school kids in our Nanamakee trip program. During the year we employed over 110 college aged Catholic youth. In addition to summer programs our Spring Environmental Education program finished its 2nd year of

new curriculum that was created in partnership with our Catholic Schools. We served

nearly 800 students from 19 different schools across the Archdiocese. During the the rest of the year our properties were used by over 4,500 people with 58 different groups, 47 of those groups coming from our Parishes.

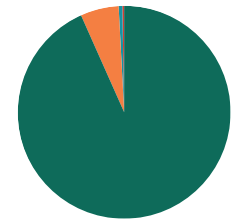
[HTTP://WWW.OYYAE.ORG](http://www.oyyae.org)

## CYO ATHLETICS:

CYO Athletics coordinated league competition and championships for approximately 50 Catholic parishes/ schools and a number of other private schools within King, Pierce and Snohomish counties. The purpose of these programs is to help youth grow in their ability to apply the Gospel values to their everyday life - to develop attitudes of fair play, teamwork, self-discipline and physical fitness based upon Catholic Christian principles. Sports included: soccer, cross country, basketball, volleyball, baseball, track & field and adult softball. The majority of participants were in grades K-8, while high school basketball and volleyball were also offered. There were over 16,000 team members and an estimated 3,000 volunteer coaches, coordinators and commissioners. Over 500 coaches were trained in the "Play Like a Champion Today" coaches training program.

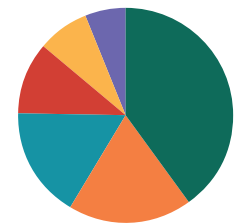
## CALCULATION OF ANNUAL REPORT FIGURES

Fiscal Year 2016/2017 (\$ In thousands)



- Fees for Service \$1,685 (93%)
- Released from Restricted funds \$103 (6%)
- Donation Income \$12 (1%)
- United Way Support \$2 (0%)

TOTAL INCOME GENERAL \$1,802 (100%)



- Outdoor Ministries \$1,154 (40%)
- Youth Athletics \$535 (18%)
- Camp Maintenance and Facilities \$480 (17%)
- Youth and Young Adult Ministries \$312 (11%)
- Hispanic and Campus Ministries \$226 (8%)
- Administration \$171 (6%)

Total Expense General \$2,878 (100%)

Net Expenditures in Excess of Revenue ..... (\$1,076) -60%

# ASSOCIATED CATHOLIC CEMETERIES

We trust in Jesus to use our hearts and hands to comfort His people, celebrate the dignity of life and offer hope. Catholic cemeteries are signs of hope that are places of prayer and witness our faith in the Lord Jesus and the hope we share in resurrection. This ministry is extended through the education of parishioners concerning prearrangement planning, and scheduled opportunities for prayer. ACC also serves as a resource to parishes regarding burial and funeral issues.

Since 1838 Catholics in the Archdiocese have chosen to be buried in sacred burial ground. Associated Catholic Cemeteries continues this tradition by serving the Puget Sound area and have buried more than 85,000 people. These Archdiocesan cemeteries consist of four cemeteries. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyrood, serving North Seattle, King, and Snohomish Counties, was dedicated in 1953. Gethsemane, dedicated in 1975, serves

South Seattle, King and Pierce Counties. St. Patrick, begun in 1890 as the parish cemetery for St. Anthony (now Holy Spirit) Parish in Kent, was transferred to ACC in 1989. These four cemeteries provided 1,052 burial services during 2016/2017. In keeping with the Church's teaching of a preferential option for the poor, Associated Catholic Cemeteries continues to provide burial services at no charge or at a reduced cost to those in need. This is made possible due to the support of other families who choose their Catholic cemetery for their burial needs.

Associated Catholic Cemeteries continues its long-standing practice of operating without financial subsidy from the Archdiocese. Financial results for the year ending June 30, 2017 shows a Change in Net Assets for Operations of (\$688,000). While net sales for the year totaled approximately \$7.7 million, \$3.3 million of those sales were deferred pre-need goods, services, and open A/R accounts with burial rights. While these sales provide current operational cash flow, they are deferred until the goods and services are delivered and/or the open A/R accounts are paid. Therefore, they are not reflected in the revenue. Regular contributions to the Care Fund from Operations as well as positive returns in the Fund's investment portfolio resulted in a net growth of approximately 19% in the Fund's investment portfolio.

In addition to the four Archdiocesan Cemeteries, there are

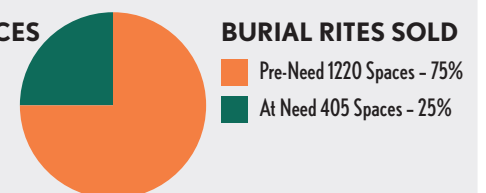
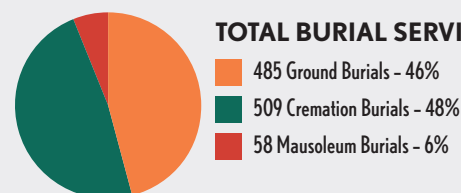
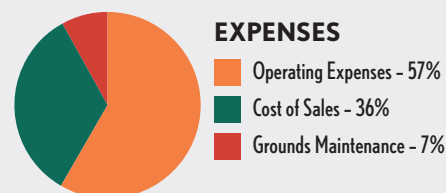
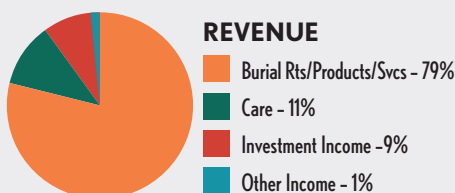
20 active parish cemeteries throughout the Archdiocese. The financial results of these cemeteries are included in parish operations.

A **Pre-Need Planning Guide** as well as **A Guide for Making Good Decisions for the End of Life** are both available at no charge by calling 1-888-784-8683. To learn more about the Catholic Cemeteries of the Archdiocese visit them on the internet at

[WWW.MYCATHOLICCEMETERY.ORG](http://www.mycatholiccemetery.org)

## SUMMARY OF OPERATIONS 2016/2017

REVENUE	
Burial Rights & Other Sales less Adjustments	4,442,000
Cemetery & Mausoleum Care	626,000
Interest Income	550,000
Other Income	(17,000)
<b>NET REVENUE</b>	<b>5,601,000</b>
COST OF SALES	
	<b>(2,135,000)</b>
<b>GROSS MARGIN</b>	<b>3,466,000</b>
OPERATING EXPENSES	
Cemetery Operating Expenses	(3,663,000)
Grounds Maintenance	(491,000)
	<b>(4,154,000)</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>(688,000)</b>



# CATHOLIC COMMUNITY SERVICES AND CATHOLIC HOUSING SERVICES OF WESTERN WASHINGTON

As the Archdiocesan Catholic Charities network in Western Washington, Catholic Community Services and Catholic Housing Services (CCS/CHS) have provided quality, integrated services and housing to tens of thousands of men, women and children over the past century. Under the leadership of Archbishop J. Peter Sartain, the Boards of Trustees, and Michael L. Reichert, President, and rooted in Catholic Social Teaching and the Gospel imperative, CCS/CHS has grown to become the largest private source of assistance to poor and vulnerable people in the State of Washington.

Together with parish communities, CCS/CHS provide an array of services to those in need through more than 175 programs. CCS has 12 Family Centers which are multi-service centers providing a variety of programs based on the needs of the particular communities in which they are located. The Long Term Care System provides home care services for seniors and people with disabilities of all economic backgrounds, as well as community-based services throughout Western Washington. The Family Behavioral Health System assists children/youth and families with multiple and complex needs. Catholic Housing Services provides affordable housing, case management, and other valuable services throughout Western Washington.

In each area of the Archdiocese, services are based on local needs and funding. Services are provided through a variety of sources, including contracts with cities and counties; contracts with state and federal government; fees for services;

private donations and foundations and United Way. Archdiocesan support is provided through the Annual Catholic Appeal,

the CCS Appeal for the Poor, and a variety of specific family center and program appeals throughout the year. The Catholic Charities Foundation is also a source of funding.

## CCS FAMILY CENTERS

CCS has 12 Family Centers located throughout Western Washington. Family Center staff work to integrate all available services to nourish self-sufficiency and achieve wholeness and well-being for every individual or family member. Family Center services vary by site and may include case management, information and referral, emergency services, rapid rehousing, emergency shelters, transitional and permanent housing, mental health services, family support services, youth services, addiction recovery services, foster care, adoption, pregnancy support, Volunteer Services, and others.



CATHOLIC COMMUNITY SERVICES  
CATHOLIC HOUSING SERVICES  
A CENTURY OF HOPE



*The Eyes of Mercy*, by Tacoma artist Mary Mann, was commissioned by CCSWW as a tribute to the women who founded the Archdiocesan Catholic Charities network in 1918. The mural depicts the corporal works of mercy: feed the hungry, give drink to the thirsty, clothe the naked, shelter the homeless, care for the sick, visit the imprisoned and bury the dead.

## THE LONG TERM CARE SYSTEM

The Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in Western Washington. Services include home care; the African-American Elders Program in King County; senior meal sites in King and Pierce Counties that offer "more than a meal" to low-income seniors; foot care sites in Pierce and Skagit Counties; "meals-on-wheels" for homebound seniors; senior transportation; and Caregiver Training at many sites.

## THE FAMILY BEHAVIORAL HEALTH SYSTEM

The Family Behavioral Health System offers an array of intensive in-home mental health and social services/supports to children, youth, and families experiencing serious mental health or behavioral health issues.

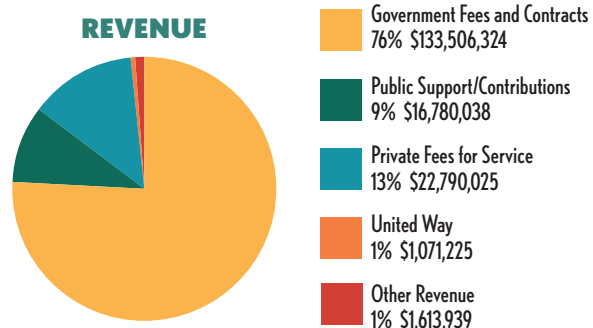
## CATHOLIC HOUSING SERVICES

Catholic Housing Services (CHS) believes in every person having the right to a safe, affordable place to call home. CHS provides affordable permanent housing units throughout Western Washington, serving single persons, families, seniors, and persons with special physical and mental health needs. Most CHS housing includes resident support services in

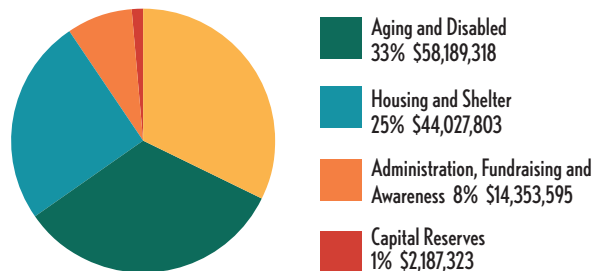
addition to providing a clean and safe place to live. CHS provides a continuum of care for some of the most vulnerable populations, in partnership with local, state and federal government agencies, public funders, private lenders, and dedicated staff and volunteers.

## COMBINED CCS/CHS OPERATING BUDGETS \$175,761,551

FISCAL YEAR 2016/2017 (IN THOUSANDS)



## DISBURSEMENTS



In addition to the 2017 Operating Budgets, CCS and CHS are the managing general partners or program managers for 24 affordable housing projects with a combined operating budget of \$9,033,283.

The Catholic Charities Foundation of Western Washington reported total assets of \$14 million, as of June 30, 2017, that were invested for the benefit of CCS and CHS. For the year ending June 30, 2017, the Foundation distributed \$643,866 to CCS and CHS.

## CCS FAMILY CENTERS LOCATIONS:

Aberdeen:	Grays Harbor Family Center
Bellevue:	East King County Family Center
Bellingham:	Whatcom Family Center
Bremerton:	Kitsap Family Center
Burlington:	Skagit Family Center
Everett:	Snohomish County Family Center
Kent:	South King County Family Center
Olympia:	Thurston County Family Center
Seattle:	Randolph Center Family and Learning Center
Tacoma:	Pierce Family Center
Vancouver/Longview:	Columbia River Family Centers

## ONLINE FORMS AND INFORMATION

CLICK ON LINKS BELOW TO VISIT A WEBSITE OR ORDER MORE INFORMATION

[CYO Summer Camp Information](#)

[Associated Catholic Cemeteries](#)

[Crosier Society Information Brochure](#)

[Fulcrum Foundation Community Report](#)

[Audited Financial Statements of the Centrally Managed Ministries of the Corporation of the Catholic Archbishop of Seattle as of 06/30/17](#)

[Audited Financial Statement of the Fulcrum Foundation as of 06/30/17](#)



# FROM THE FINANCE COUNCIL



Dear Members of the Church of Western Washington:

As members of the Archdiocesan Finance Council, we assist Archbishop Sartain and his staff in the oversight of the financial matters of the Archdiocese. However, it is only through your generosity that the Archdiocese of Seattle is able to carry out its mission in Western Washington. This Annual Report, along with this letter, addresses the financial condition of the Archdiocese as well as information on other significant ministries of the church in Western Washington.

## PARISHES

Parish ordinary income increased by .9% to \$96.5 million. For 2016, ordinary income was \$95.7 million, an increase of 1.5 % over fiscal year '15. The change for 2017 is less than the average increase for the last 10 years of approximately 2% Ninety eight (57 %) of our parishes experienced increases in ordinary income and seventy four (43%) of our parishes experienced declines or limited changes in ordinary income. The growth in savings with and reductions in loans from the Parish Revolving Fund are overall indicators of improving financial position at our Parishes. Significant financial challenges facing our Archdiocese include securing capital necessary to maintain existing Parishes and schools and to fund expansions needed to serve new areas. As we know, our Parishes vary significantly in size and economic circumstances.

## ANNUAL APPEAL

Annual Catholic Appeal amounts reported in the Statement of Activities are reported in arrears. Once again, contributions to the Annual Catholic Appeal actually exceeded the prior year, and at \$14.8 million represent an increase of 2.5 % over 2015. Total rebates to Parishes were \$ 3.2 million, an increase from the \$2.55 million rebated in 2015. There was also generous support of Catholic Charities, the Fulcrum Foundation, Missions and other ministries of our Church.

## THE CHANCERY

In 2017, Chancery revenues and other support decreased by \$1.1 million to \$40.5 million.

Restricted and designated funds revenues decreased by \$1.5 million because of the release of a restricted gift of real property that was recorded in 2016. Increased Annual Appeal revenue (\$100,000) and insurance program premiums (\$400,000) partially offset this decrease.

Total expenses were \$50.6 million, a decrease of \$1.4 million. The primary reason for this improvement is that sexual abuse settlement costs were down resulting in a decrease in insurance program costs of \$1.9 million. Although the sexual abuse case load decreased in 2017 compared to 2016, it is not yet possible to determine when these claims will cease. The Archdiocese continues to expand its efforts to reach out to victims, screen those who work with children and provide training for all parish staff and volunteers that interact with our children. All of the outstanding cases arose 30 or more years ago.

For 2017, unrealized investment gains were \$3.7 million compared to unrealized losses of \$1.1 million in 2016. Consistent with overall market performance, investment results were strong through December 2017. The markets "corrected" in early 2018, but have partially recovered. Limited distributions of approximately 2% of General Reserve investments were made in 2017. Similar distributions are planned in 2018.

Pension and post -retirement medical obligations declined in 2017 due to increases in discount rates resulting in credits of \$4.8 million. In 2016, a charge of \$5.4 million was recorded due to an increase in the pension benefit payable to our priests, effective July 1, 2017. This was the first increase in the benefit provided in 10 years. As interest rates fluctuate, and actuarial principles require other changes to assumptions, we will continue to see changes in the amounts reflected in our Statement of Activities for adjustments to minimum Pension and Other Benefits liabilities.

In 2017, an adjustment was recorded for property sold resulting in a charge of \$2.4 million. For 2016, property sales yielded gains of \$2.9 million. Impairments of property in 2016 were \$477,000.

All of the changes between years resulted in loss of \$4 million compared to a loss of \$12.8 million for 2016. The improvement is attributable to significantly better investment performance, changes in pension and post retirement liabilities and reduced sexual abuse settlement costs.

## FINANCIAL POSITION

The financial position of the Chancery remains stable.

The Archdiocese's portion of sexual abuse case settlements has been funded by proceeds from certain real estate sales, our Archdiocesan Insurance Program and deposits to our Archdiocesan Revolving Fund. We expect that, over time, the deposits utilized to fund the settlements will be replenished from revenues of the Archdiocesan insurance program.

The Called to Serve as Christ Capital Campaign to address the retirement needs we face today for priests and are projected to face in the future and those faced by the orders of women religious who have served our Archdiocese, as well as local parish needs has begun. The goal for the Campaign is \$100 million. Leadership gift solicitations are under way. The pilot "wave" of parish campaigns will occur this spring. In addition to improving the financial position of the Chancery, successful completion of a campaign will provide financial security to our priests and women religious and provide additional resources to our parishes.

We hope this report and letter provide you with useful information on the major issues relating to the financial affairs of the Archdiocese. As a council we look forward to working with Archbishop Sartain as he sets goals to address the needs of the Archdiocese. With your continued support, the Finance Council is committed to providing good stewardship and assistance to Archbishop Sartain and his staff in the financial management of the Church in Western Washington.

Sincerely,

Kevin Hylton, Chair  
Archdiocesan Finance Council

## ARCHDIOCESAN FINANCE COUNCIL

CHAIRPERSON: Mr. Kevin Hylton

VICE-CHAIRPERSON: Mr. Bob McLaughlin

Mr. David Boitano

Mr. Scott Burns

Ms. Mary Dorn

Rev. Patrick Freitag

Mr. Jason Heinz

Ms. Mary Jane Patterson

Ms. Terry Walter

Mr. Fred Weiss

STAFF: Mr. Frank Feeman, *CFO, Archdiocese of Seattle*

## PRF COMMISSION MEMBERS:

CHAIRPERSON: Ms. Mary Dorn, Chair

CHIEF FINANCIAL OFFICER: Frank Feeman

Rev. Jim Coyne

Carol Durbin

Joe Schick

Rev. Jack Shrum

NON-VOTING: Bob McLaughlin, *AFC Liaison*,  
Dennis O'Leary, *Executive Director of the Chancery*

STAFF: Scott Bader, Ed Foster, Mary Jo Gillis,  
Loretta Griffin

## AFC SUBCOMMITTEE FOR INVESTMENTS:

Mr. Dan Brotherton

Mr. Scott Burns

Mr. Dick Kennedy

Ms. Mary Jane Patterson

Ms. Michele Tiesse

Mr. Fred Weiss

STAFF: Ms. Mary Jo Gillis, *Controller*

Mr. Frank Feeman, *CFO, Archdiocese of Seattle*

## ARCHDIOCESAN BUILDING COMMISSION:

The Archdiocesan Building Commission guides and assists parishes, agencies and other archdiocesan entities in the planning, building and remodeling of their facilities.

CHAIRPERSON: Dennis Lehtinen

CHIEF FINANCIAL OFFICER: Frank Feeman

Janice George

Rev. Chad Green

Rev. Richard K. Hayatsu

William Maibush

Dan Miles

Jim Napolitano

Bill Rutledge

Joe Sacquitne

Don Severide

Peter Somers

Rick Tomkins

STAFF: Ed Foster, Scott Bader, Mary Jo Gillis,  
Dennis O'Leary