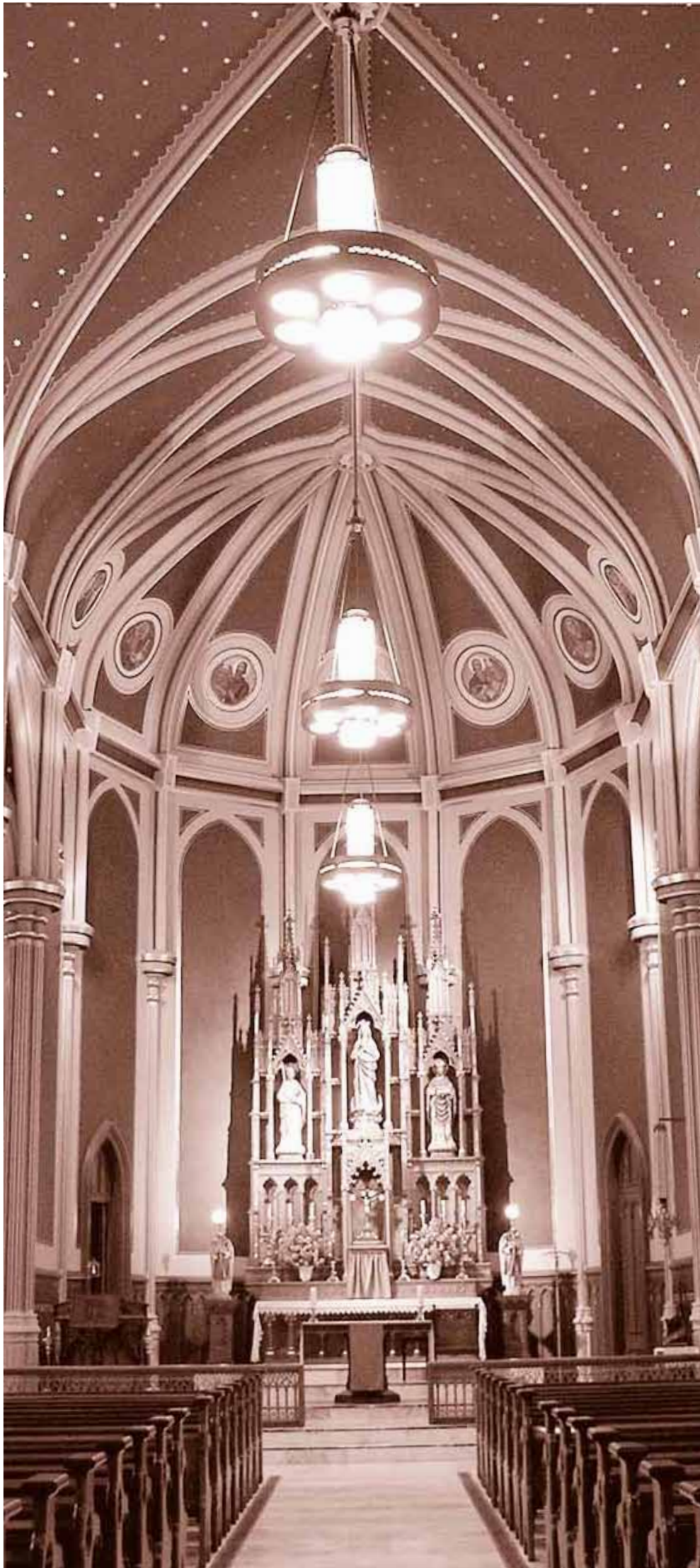


Archdiocese of Seattle 2009–2010 ANNUAL REPORT



My dear friends in Christ,

God bestows blessings on us in abundance and we, in turn, owe God our abundant thanks.

Although my installation as Archbishop of Seattle occurred only a few months ago, the many gifts that God has bestowed on this local Church have already become strikingly apparent to me. Over the past three months, I also have witnessed the open-handed generosity of our clergy, religious and lay people, and I have been humbled by their stewardship of all God has shared with them.

In fact, I grow in gratitude each day as I meet the people of our Archdiocese and discover their unique gifts and how they place them at the service of the Lord. In the past year, for instance, the gifts of our people and their gratitude to God are evident in the financial support given to local parishes, which increased despite current economic challenges. God's abundance and the gratitude of his people are also evident in the overwhelming response to the Annual Catholic Appeal, which supports the many ministries and activities of the Church in Western Washington. The generous outpouring of time and talent in this archdiocese similarly reflects God's plentiful blessings and your grateful response.

One of the many groups I have had the pleasure of meeting in my brief time here has been the Archdiocesan Finance Council. During our meetings I have been impressed with their commitment to the stewardship of the Church's resources. Like so many other individuals and groups working in parishes and ministries, they provided good counsel and faithful service to Archbishop Brunett, who in turn carried forward the longstanding tradition of financial accountability that has become a hallmark of the Archdiocese of Seattle. It is a tradition I intend to honor as archbishop, and this annual report reflects not only a continuing commitment to transparency, but also to responsible management of financial resources given in faith, hope and love.

As in every particular church in every age, we find ourselves confronted by significant challenges and, as disciples, we are called to respond. For this reason, we place our trust in God as we recommit ourselves anew to addressing every instance of clergy sexual abuse with compassion for victims and an uncompromising commitment to the protection of children and young people in our care.

As this 2009-2010 financial report indicates, the archdiocese is on a sound financial footing. The information in these pages reflects gratitude for God's many gifts. As Archbishop, I am grateful to Pope Benedict XVI for giving me the opportunity to serve as pastor of the Archdiocese of Seattle, and I submit this annual report for your consideration with sincere thanks to all for their faithful support.

Sincerely in Christ,

+ *Peter Sartain*

Archbishop Peter Sartain

ANNUAL REPORT 2009/2010

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 a corporate member of the Corporation of the Catholic Archbishop of Seattle. The corporation is made up of a number of independent 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 Office of Youth and Young Adult Ministry (OYYAM); 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 corporate 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.



PHOTO CREDITS:

Page 1: St. James, Vancouver
Page 2: Sacred Heart, Battleground
Page 4: Sacred Heart, Bellingham: courtesy Monica Lewis
Page 5: Schools photos: courtesy Fulcrum Foundation

CHANCERY PROGRAMS & SERVICES

Below is the Statement of Activities for the Chancery for the years ended 2009/2010 and 2008/2009. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.

Chancery Programs and Services Statement of Activities For the Fiscal Years Ended 2009-2010 and 2008-2009

	June 30, 2010 Total All Funds	June 30, 2009 Total All Funds
UNRESTRICTED NET ASSETS		
Revenue and Other Support		
Parish Assessments	\$5,684,000	\$5,502,000
Investment Income on Revolving Funds	308,000	320,000
Investment Income (Losses) on Endowments	510,000	(1,771,000)
Investment Income (Losses) on General Reserve	1,935,000	(5,249,000)
Realized Gains (Losses) on Sale of Property	(125,000)	(15,000)
Subscriptions, Advertising and Program Fees	2,967,000	2,722,000
Contributions and Bequests	1,192,000	202,000
Insurance Program Premiums	9,943,000	10,110,000
Other	1,744,000	1,778,000
Subtotal	\$24,158,000	\$13,599,000
Net Assets Released From Restrictions		
Annual Catholic Appeal	10,448,000	9,771,000
Restricted and Designated Funds	2,650,000	2,431,000
Total Revenue and Other Support	\$37,256,000	\$25,801,000
Expenses		
Catholic Faith Formation	\$928,000	\$1,047,000
Catholic Schools	1,115,000	932,000
Contributions to CCSWW	697,000	696,000
Land Contributed to Parishes	3,240,000	0
Donations, Grants and Subsidies (includes OYYAM)	1,715,000	1,772,000
Missions Office	252,000	236,000
Office of the Vicar for Clergy	3,374,000	3,678,000
Communications and NW Progress	885,000	1,015,000
Tribunal	491,000	495,000
Priest and Retired Bishop Support	700,000	1,973,000
Pension	2,533,000	1,228,000
General Administration	10,298,000	10,534,000
Insurance Program	10,741,000	12,076,000
Revolving Fund Interest & Bad Debts	590,000	379,000
Plant Fund Depreciation & Interest	1,692,000	1,657,000
Total Expenses	\$39,251,000	\$37,718,000
Change in Unrestricted Net Assets		
Change before Unrealized Losses and Transfers	\$(1,995,000)	\$(11,917,000)
Unrealized Gains (Losses) on Investments - General	849,000	(1,692,000)
Unrealized Gains (Losses) on Investments - Endowments	124,000	(357,000)
Change in Minimum Pension Liability	746,000	(5,100,000)
Change in Minimum Other Benefit Liability	1,313,000	114,000
Change in Unrestricted Net Assets	\$1,037,000	\$(18,952,000)

REVENUE AND OTHER SUPPORT:

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.

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

Included is interest, dividends and realized gains (losses) on disposal of assets. Endowments are contributions set aside to generate investment income for restricted and unrestricted purposes.

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.

REALIZED GAINS (LOSSES) ON SALE OF PROPERTY

During the year ended June 30, 2010 (FY0910), the sale of an unused condo unit resulted in a gain of \$96,000. Also, during FY0910 losses on disposal of assets of \$221,000 was recognized for the transfer of various properties to parishes

SUBSCRIPTIONS, ADVERTISING AND PROGRAM FEES

Revenue from The Progress, the official Archdiocesan newspaper. User fees for specific programs and services.

CONTRIBUTIONS AND BEQUESTS

Represents various gifts both Restricted and Unrestricted received by the Archdiocese in the past year.

INSURANCE PROGRAM PREMIUMS

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

ALL OTHER SOURCES OF OPERATING FUNDS

Includes facility use, donations, contributions and miscellaneous.

ANNUAL APPEAL

Contributions from Catholics throughout Western Washington to the Annual Catholic Appeal. Does not include over \$2,006,000 in 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:

CATHOLIC FAITH FORMATION

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

CATHOLIC SCHOOLS

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

GRANT TO CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

Subsidies to CCSWW to assist in their operations.

LAND CONTRIBUTED TO PARISHES

During the year ended June 30, 2010 land valued at over \$3,239,000 was contributed for new parish sites.

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 including OYYAM and donations to various ministries supported by the Archbishop.

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 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.

COMMUNICATIONS AND NW PROGRESS

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

TRIBUNAL

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

PRIEST AND RETIRED BISHOP SUPPORT

Medical premiums and expenses for retired priests and 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

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. The plans are separately managed and are not included in the financial statements

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, Interest and The Department of Administration and Finance including Accounting, Stewardship and Development, Property and Construction and Parish Financial Services.

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.

REVOLVING FUND INTEREST AND BAD DEBTS

These expenses are related to the loans and deposits in the Archdiocesan Revolving Fund.

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.

UNREALIZED GAINS (LOSSES) ON INVESTMENTS — GENERAL

Represents the difference between market and book value on investments at the fiscal year end on the General Reserve.

UNREALIZED GAINS (LOSSES) ON INVESTMENTS — ENDOWMENTS

Represents the difference between market and book value on investments at the fiscal year end on the 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.

NOTE: PARISH REVOLVING FUND

In prior years, these financial statements included the assets, liabilities and operations of the Parish Revolving Fund (PRF). The PRF is a deposit and loan fund for parishes and ethnic faith communities. Although management of the Archdiocese supports the operations of the PRF, the PRF has historically operated as an independent fund of the Archdiocese. Accordingly, during the year ended June 30, 2010, the management of the Archdiocese determined that it would be more appropriate to present the operations of the PRF in a separate financial statement.

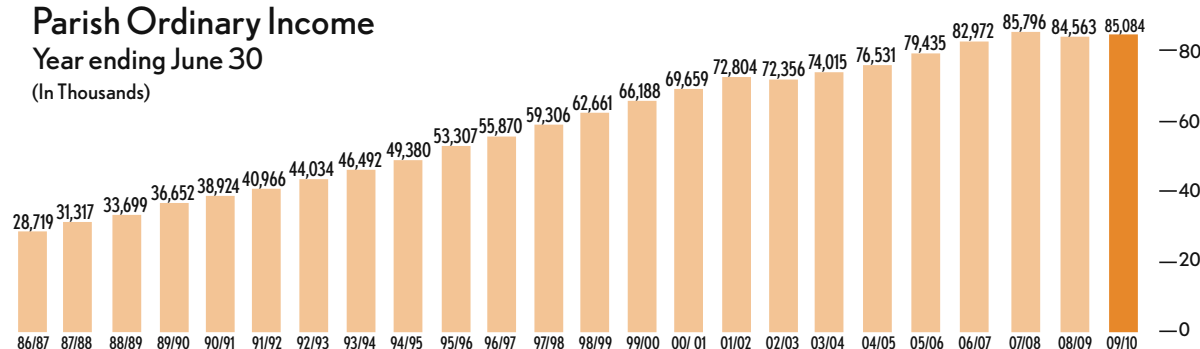
The financial statements as of and for the year ended June 30, 2009, have been restated to remove the PRF. The restatement reduced designated net assets by \$1,802,000 at June 30, 2009, and \$1,942,000 at June 30, 2008. The restatement reduced the negative unrestricted (and total) change in net assets by \$140,000 for the year ended June 20, 2009.



Parish Ordinary Income

Year ending June 30

(In Thousands)



Despite the continuing economic uncertainty, Catholics throughout Western Washington continued to give generously in support of their parishes and missions during 2009/2010. Through this generosity, Parish Ordinary Income (Sunday and Holy Day Collections) increased .62%

in the current fiscal year to \$85.1 million. Total parish revenue from all sources, including parish schools, was in excess of \$225.1 million. Over 61% of our parishes and missions ended the year with an operating surplus. The economic diversity and variations in community size continue

to be reflected in parish collections. In 2009/2010, 21 parishes recorded over \$1 million in collections with two over \$2 million. At the same time, Ordinary Income in 14 parishes, primarily in rural areas, was under \$100,000.

REVOLVING FUNDS

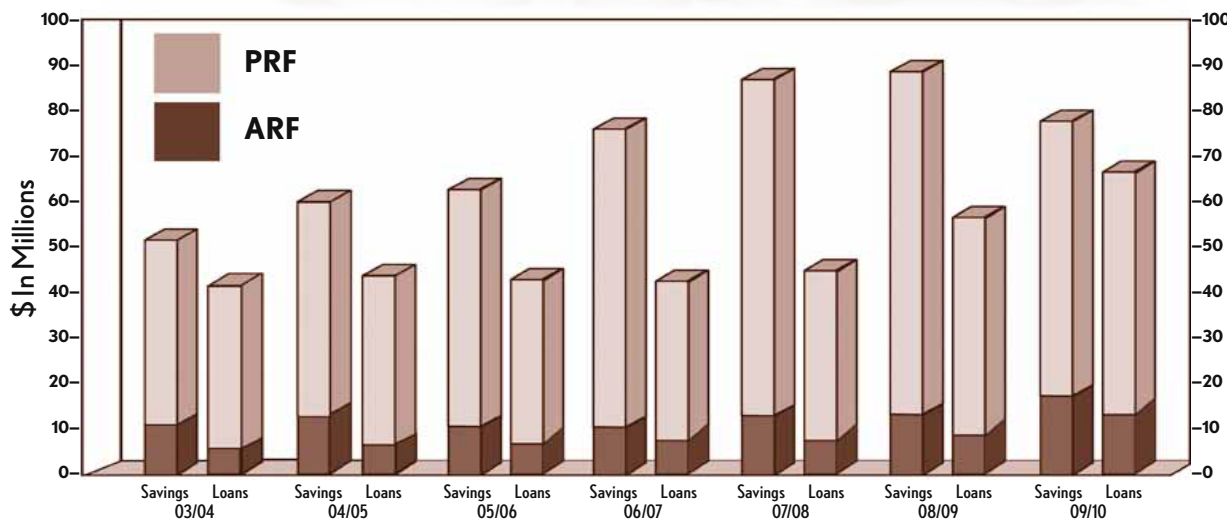
The Parish Revolving Fund (PRF) and Archdiocesan Revolving Fund (ARF) are separately maintained savings and loan organizations within the Archdiocese. Parishes and other institutions deposit surplus funds in the appropriate fund. These funds are then available as loans to grow the Church throughout the Archdiocese. The PRF serves parishes while the ARF provides the same service for other institutions.

A seven member Commission oversees PRF operations, Commission members are listed on page 8.

PRF savings at 6/30/10 totaled \$77.5 million in 652 accounts down sharply from last year's \$89.8 million in 654 accounts. This decrease was due to several major building projects moving into and completing construction. Loans increased to \$66.6 million from the previous year's \$57.1 million primarily as a result of the same building activity. The number of loans increased to 139 from 133.

ARF savings increased from \$12.6 to \$18.7 million at year end with loans also increasing from \$7.7 million to \$12.1.

Beginning with the year ended June 30, 2010, Parish Revolving Fund is separately audited.



GOOD NEWS FROM THE MISSIONS OFFICE

The Missions Office has as its focus the social mission of the Church, providing educational and funding support for local and international evangelization, relief and development work. The office represents the Pontifical Missions Societies, Catholic Relief Services and the Catholic Campaign for Human Development, integrating their educational and fundraising components. Included in programs are year-around 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.

Catholic Relief Services (CRS) is our U.S. Catholic community's international relief and development agency, working in more than 100

countries. The fundamental motivating force of CRS is the Gospel of Jesus Christ as it pertains to the development of people, alleviating human suffering and fostering charity and justice worldwide. CRS provides direct aid to the poor and involves people in their own development. Also, CRS educates the people of the U.S. to fulfill their moral responsibilities toward our brothers and sisters around the world by helping the poor, working to remove the causes of poverty, and promoting social justice.

Propagation of the Faith, one of the four Pontifical Mission Societies, seeks to foster an ever-deeper spirit of universal mission, to inform Catholics of the life and the needs of the Church in the missions, and to encourage prayer and financial help for the mission churches. The Society provides

ongoing support for the pastoral and evangelizing programs in Africa, As the islands of the Pacific and in remote regions of Latin America. This includes aid through Society of St. Peter the Apostle for the education and support of seminarians, Religious novices and lay catechists; for the work of Religious Communities in education, health care and social services; and for communication and transportation needs. The Holy Childhood Association, another Pontifical Mission Society, is dedicated to mission awareness among elementary school-age children – children serving children in need.

The Catholic Campaign for Human Development is the domestic anti-poverty, social justice program of the U.S. Catholic community. Its mission



is to address the root causes of poverty in the U.S. through promotion and support of community-controlled self-help organizations and through transformative education in parishes, schools and faith communities.

In fiscal year 2009/2010, the Missions Office received \$2,984,563 for missions, relief and development work of the Church primarily through the Catholic Relief Services Collection, Operation Rice Bowl, the World Mission Sunday collection, the Build Hope collection, emergency response such as the Haiti earthquake in January 2010, and bequests.



CATHOLIC SCHOOLS



During 2009-2010, the 57 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided the highest quality education emphasizing Catholic values to 16,718 students. Of these, 82% were registered as Catholics. Ethnic minority students comprised 32% of the total elementary population. The four schools – including Forest Ridge, Villa Academy, Holy Family (Lacey) and Pacific Crest Academy – and Eastside Catholic Middle School served 1,059 students of that total.

Parish school operating revenues for 2009/2010 totaled \$104.6 million. Tuition and Fees accounted for 66% of the total with the balance made up of a combination of parish

grants, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. The parish grant amounted to 22% of the school parishes' collection income.

In addition to the parish elementary schools, 11 outstanding Catholic high schools served an additional 6,186 students. Of these 11 schools, the Archdiocese operates three in the greater Seattle area – Bishop Blanchet High School, J.F. Kennedy Catholic High School, and O'Dea High School, under the direction of the Christian Brothers. Together, these three secondary schools enrolled 2,420 students within the total. Budgets for these three schools totaled \$25,324,953.

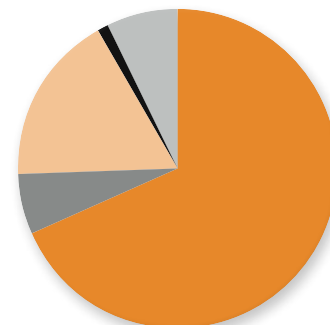


The other eight secondary schools offered high school programs of study in the Seattle, Tacoma, Everett, Bellevue, Vancouver, and Lacey areas of our state. These include Holy Names Academy, Seattle Preparatory School, Bellarmine Preparatory School, Archbishop Thomas J. Murphy High School, Forest Ridge School of the Sacred Heart, Eastside Catholic High School, Seton Catholic College Preparatory High School, and the newly opened

Pope John Paul II High School. Together, these schools enrolled 3,766 students. Their combined budgets totaled \$65,985,895.

A total of 1,291 teachers delivered an educational program to the elementary children. A total of 522 full and part time secondary teachers instructed the high school students.

Sources of Parish School Revenue



- Tuition/Fees 67%
- All Other Revenue 6%
- Fundraising/Gift Revenue 17%
- Neighboring Parishes 1%
- Parish Subsidy 9%



FULCRUM FOUNDATION

Leveraging Support for Catholic Schools
in the Archdiocese of Seattle

Founded in 2002, the Fulcrum Foundation provides financial assistance to the 73 Catholic schools in Western Washington and their students, primarily through tuition assistance, assistance to schools in need, and school initiatives that promote academic excellence and faith formation.

In fiscal year 2010, over \$2,500,000 was distributed by the Fulcrum Foundation to families, schools, and teachers in Catholic schools in Western Washington. This represents the largest year of distributions to schools in the recorded history of the Archdiocese and a 310-percent increase in annual distributions from the Fulcrum Foundation since 2004.

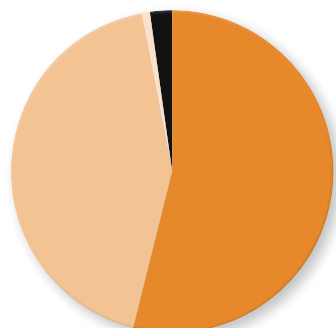
Fulcrum's success has meant a sounder financial footing for our Catholic schools, which continue to make excellent academic, religious, and co-curricular programs accessible to more students. This report highlights the distributions of tuition assistance, assistance to schools in need, and grants for teacher and staff initiatives for fiscal year 2010 that are making a difference in the lives of families, schools, and communities across Western Washington.



To view Fulcrum's complete 2010 Annual Report, go to www.fulcrumfoundation.org.



Funds Distribution



Program Services

- Tuition Assistance Program Grants 54% (\$1,394,700)
- Assistance to Schools Grants 43% (\$1,101,304)
- Assistance for Teachers 1% (\$32,172)
- Program Services 2% (\$58,643)

Total Program Services \$2,586,819

The office for Youth and Young Adult Ministry for the Archdiocese exists to foster ministry to our target populations and their families within the parishes of the Archdiocese. Noting the particular needs of our parishes, direct ministry programs are also offered to augment what parishes are able to offer on their own. The office is organized into three areas of focus: Youth & Young Adult Ministry, Catholic Youth Organization Athletics, and Catholic Youth Organization Camp Services.

YOUTH & YOUNG ADULT MINISTRY

While fostering ministry at the parish level through resources and support is our main focus, direct ministry is also part of our scope. Through Archdiocesan events, such as the Youth Convention and the Junior High Rally, over 2,300 youth from 83 parishes have encountered Christ as they celebrate their faith as part of the Universal Church. Through other direct programs of the office, including Confirmation retreats, parish based retreats and weeklong service trips, approximately 1,200 youth have been ministered to. Young adult ministry in programs such as retreats, leadership development, formation events, and college campus ministry, the Archdiocese ministered to over 1,000 participants ages 18-35 in Western Washington. We continue to offer Marriage Preparation Retreats as well as other retreats and service opportunities. In the past year we have expanded young adult ministry to include new programs specifically designed for young adults.

CYO ATHLETICS

CYO Athletics coordinated league competition for over 40 Catholic parishes/schools and several other private schools within King, Pierce and Snohomish counties. The purpose of these programs is to help our 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 and track and field. An adult softball league was also offered. The majority of participants were in grades 4 through 8. There were approximately 15,000 youth team members and an estimated 3,000 adult volunteer coaches, coordinators and commissioners. Almost 500 coaches were trained in the “Play Like A Champion” coaches workshop and an associated parent workshop was added as an additional resource for parishes and schools.

CYO CAMP SERVICES

CYO Camp Services fosters a deeper love for Christ and the Catholic Church among youth through rustic outdoor experiences, prayer encounters in the natural setting of God’s creation, and the sacraments. We also seek to provide gathering space and pastoral hospitality to retreat groups through facility rentals. In the 2009-10 fiscal year, CYO Camp Services engaged over 5,000 youth and young adults in its ministries across three camps: Don Bosco, Hamilton, and Gallagher.

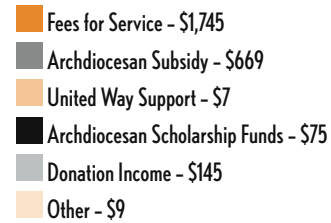
970 youth from 29 Catholic schools across the Seattle Archdiocese and 2 schools from the Portland Archdiocese attended Environmental Education at Camp Hamilton in our fall and spring programs. CYO offers the only such program rooted from Catholic social teaching in the Northwest. The curriculum meets all state and Catholic school requirements while also emphasizing a greater appreciation for creation through stewardship.

1,600 youth enjoyed a session of residential summer camp or day camp, while 130 young adult staff members served as ministers and models of faith to them. Together, they grew in Christ and created vibrant Catholic communities of service and discipleship. Over 100 individuals enjoyed Catholic fellowship and fun at one of our five adult or family camps.

Our facility rental program served over 2,484 guests and community users at Camp Hamilton and Camp

SUMMARY OF OPERATIONS

Fiscal Year 2009/2010 (\$ In thousands)



Total Income Fund 5111 General - \$2,650



Total Expense Fund 51-5111 General - \$2,730

Operations:	
Expenditures in Excess of Revenue	\$(80)
Other Revenue:	
Timber Harvesting	\$259
Net Expenditures in Excess of Revenue	\$179

Don Bosco. 1,148 from 22 Archdiocesan groups; 1,336 from 20 Non-Archdiocesan groups. Overall, the groups occupied 132 calendar days out of 300 days available, totaling 45% of our calendar; 24% of the available calendar days were occupied by Archdiocesan groups.

In winter 2010, we constructed a new high ropes course at Camp Hamilton, opening exciting opportunities for challenge course ministry. For summer 2011, we’re making efforts to expand our sacramental offerings at camp, enhance programming and ensure fiscal efficiency in camp operation.

ASSOCIATED CATHOLIC CEMETERIES

MISSION STATEMENT

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 pre-arrangement planning, and scheduled opportunities for prayer. ACC also serves as a resource to parishes regarding funeral and burial issues.

SUMMARY OF OPERATIONS

Fiscal Year 2009/2010

REVENUE

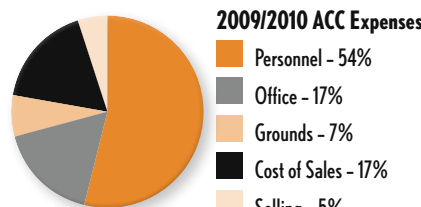
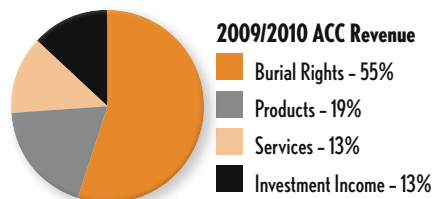
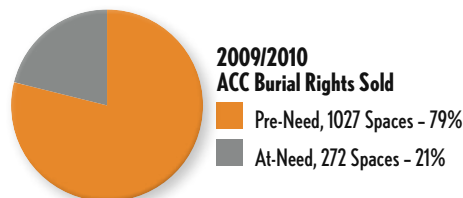
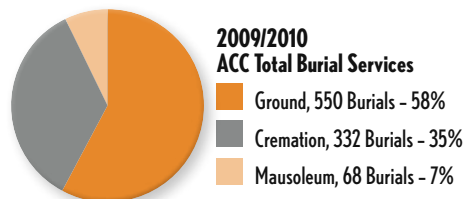
Burial/Entombment Rights	3,068,900
Products	1,075,929
Services	754,684
Revenue from Care/Pre-Need/Other	705,935
Total Revenue	5,605,448

SURRENDERS/DISCOUNTS	(668,302)
NET REVENUE	4,937,146
COST OF SALES	1,718,879
GROSS MARGIN	3,218,267

OPERATING EXPENSES

Personnel	1,576,813
Depreciation	198,101
All Other Operation & Care Expense	1,330,862
Total Operating Expenses	3,105,776

NET INCOME FROM OPERATIONS FOR DEVELOPMENT AND EQUIPMENT ACQUISITION	112,491
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Associated Catholic Cemeteries is comprised of four cemeteries and has buried more than 78,000 people over 121 years. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyhood, serving North Seattle, King, and Snohomish Counties, was blessed 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 950 burial services during 2009/2010. 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, 2010 show a positive Net Income from Operations which is used for development and equipment replacement. The cemeteries also have a Care Fund to ensure long-term care and maintenance. Even with market uncertainty, regular contributions to the Care Fund as well as some positive returns in the Fund’s investment portfolio resulted in a net growth of approximately 16% 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.acc-seattle.org.





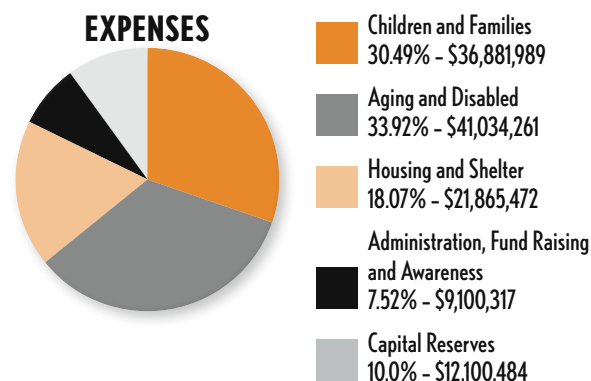
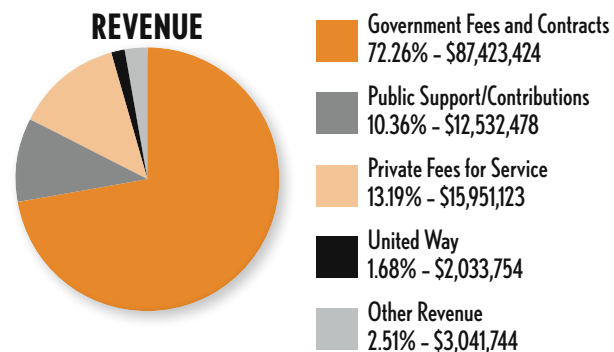
CATHOLIC COMMUNITY SERVICES
CATHOLIC HOUSING SERVICES
OF WESTERN WASHINGTON

As a faith-based and values-driven outreach of the Catholic Church in Western Washington, Catholic Community Services has provided safety, stability and supportive connections in the lives of men, women and children in need for more than 90 years. It is the largest local private provider of assistance to poor and vulnerable people in the State of Washington. Under the leadership of Archbishop Alex J. Brunett from January 1, 2010 – November 30, 2010 and Archbishop J. Peter Sartain as of December 1, 2010, the direction of the Boards of Trustees, and Michael L. Reichert, President, the staff of Catholic Community Services (CCS) and Catholic Housing Services (CHS) provide loving and compassionate service to persons in need throughout Western Washington.

CCS and CHS together have more than 150 programs. The 12 CCS family centers provide an array of services. The Long Term Care System provides home and community based services in the homes of seniors and people with disabilities of all economic backgrounds, in addition to thirty-five sites in the community. Chemical Dependency System Northwest provides a full continuum of outpatient chemical dependency treatment services for youth, adults and their families. The Family Preservation System assists children/youth and families with multiple and complex needs. Catholic Housing Services provides affordable housing, case management and other valuable services.

OPERATING BUDGET – \$120,982,523

Fiscal Year 2009/2010
(In thousands)



In addition to the 2010 Operating Budgets, CCS and CHS are the managing general partners or program managers for 27 affordable housing projects with a combined operating budget of \$7,398,878.

The Catholic Charities Foundation of Western Washington reported assets as of June 30, 2010, of \$13.9 million that were invested for the benefit of CCS and CHS. For the year ending June 30, 2010, the Foundation distributed \$635,000 to CCS and CHS.

CATHOLIC COMMUNITY SERVICES

In each area of the Archdiocese, services are based on local needs and funding. They are provided through a variety of sources, including contracts with cities and counties; the state and federal governments; fees for services; private donations and foundations; and through United Way. Archdiocesan funding is provided through the Annual Catholic Appeal, CCS Week, and a variety of specific family center and program appeals during the year. The Catholic Charities Foundation also provides funding.

CCS FAMILY CENTERS

CCS has 12 family centers located throughout Western Washington. CCS family centers reflect the needs and resources in each community where they are located. Where possible, family centers tailor a unique approach to each family that comes to them in need. Family center staff work to integrate all the services available in a community to nourish self-sufficiency and achieve wholeness and well-being for every member of the family. Family center services vary by site and may include counseling, case management, information and referral, emergency services, shelters and transitional housing, permanent housing, mental health services, chemical dependency services, foster care, adoption, pregnancy support, Volunteer Chore Services, the Foster Grandparent Program and others.

THE LONG TERM CARE SYSTEM

More than 5,000 people are served every day by Catholic Community Services' Long Term Care System. With more than 2,200 staff and 200 volunteers at nineteen local offices throughout the community, 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 to over 2,500 seniors daily, two African-American outreach/case management programs, 35 senior meal sites, "meals-on-wheels" program for homebound seniors, senior centers, senior transportation, and a caregiver training program, training 10,000 caregivers during the year.

Long Term Care System Offices: Bellingham, Everett, Seattle, Kent, Bellevue, Tacoma, Lakewood, Shelton, Chehalis, Olympia, Aberdeen, Raymond, Vancouver, Longview, Centralia, Morton, Packwood, Pe Ell, and Winlock.

CHEMICAL DEPENDENCY SYSTEM NORTHWEST

CCS Recovery Centers provide a full continuum of outpatient chemical dependency treatment services to youth, adults, and their families. CCS Recovery Centers are a safe, nurturing, and enriching environment where all are treated with dignity and respect. All clients and their families are encouraged and

supported to make healthy changes to stop the destruction of alcoholism and other drug dependencies. CCS Recovery Centers emphasize a broad range of approaches to the treatment of alcoholism and other drug dependencies. We strive to serve those most in need.

CD System Northwest Locations: Whatcom County and Snohomish County.

CCS FAMILY CENTERS

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

THE FAMILY PRESERVATION SYSTEM

The Family Preservation System provides an array of mental health and child welfare services and social supports to children/youth and families with multiple and complex needs, serious family conflict, risk of or history of separation from the family, as well as difficulties in other areas of life.

Family Preservation System: Serving King, Pierce, Kitsap, Thurston, Mason, Clark and Grays Harbor counties in Western Washington.

CATHOLIC HOUSING SERVICES

Catholic Housing Services (CHS) believes in every person having the right to a safe, affordable place to call home. Throughout Western Washington, CHS provides more than 1,838 affordable permanent housing units in 45 programs, serving single persons, families, seniors, and persons with special physical and mental needs. Most CHS housing includes resident support services in addition to 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 and private lenders, and dedicated staff and volunteers. Affordable housing facilities are located in Bellevue, Bellingham, Bremerton, Burien, Centralia, Everett, Lakewood, Kelso, Mount Vernon, Puyallup, Redmond, Renton, Seattle, Sedro Woolley, Sumner, Tacoma, Tumwater and Woodland.

ORDER FORM

Additional information is available upon request for the following:

- _____ 2011 CYO Summer Camping Brochure for youth ages 6-18.
- _____ **Significant Savings** are available to those who pre-plan their cemetery arrangements. Return this order form for a **FREE Pre-Need Planning Guide** filled with useful information.
- _____ Information about Planned Giving (Wills and Basic Estate Planning).
- _____ Crozier Society Information Brochure.
- _____ Fulcrum Foundation Annual Report.
- _____ Audited Financial Statements of the Office of Youth and Young Adult Ministry as of June 30, 2010.
- _____ Audited Financial Statements of the Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of June 30, 2010.
- _____ Audited Financial Statements of the Fulcrum Foundation as of June 30, 2010.
- _____ Audited Financial Statements of the Parish Revolving Fund as of June 30, 2010.

Please send to:

Name _____

Address _____

City _____

State _____ Zip _____

Telephone (optional) _____

Please return this form to:

**Archdiocese of Seattle
Administration & Finance
710 9th Avenue
Seattle, WA 98104-2017**



Dear Members of the Church in Western Washington:

As members of the Archdiocesan Finance Council, it is our responsibility to assist Archbishop Sartain and his staff in the oversight of the financial matters of the Archdiocese of Seattle.

Only through your generosity is the Archdiocese of Seattle able to carry out its mission in Western Washington. This Annual Report is intended to keep you informed of the overall financial condition of the Archdiocese as well as other significant financial matters that are addressed by the Finance Council.

The gradual pace of economic recovery continues to impact the finances of our Church as it does the rest of society. While overall parish ordinary income increased by 0.6% in the past year, 45% of our parishes experienced a decline. On a more positive note, your generosity resulted in a 1.5% increase in the Annual Catholic Appeal, for a total of over 13 million dollars. This included over 2.5 million dollars in rebates to the parishes. There was also generous support to the Fulcrum Foundation, which provides tuition assistance grants to children who need financial aid to attend our schools and grants to our schools that are facing financial challenges.

While the stock market yielded positive returns last year, the improvement was not significant enough to permit the invested funds of the Archdiocese to provide operating support to the Archdiocesan budget. Thus, additional cuts were necessary in order to achieve a balanced budget for the Archdiocese. As in the previous year, the Archbishop made these cuts in the most prudent manner to avoid dramatically impacting the most essential services of the Archdiocese.

The Archdiocese continues to settle sexual abuse claims from victims. Currently, the Archdiocese is dealing with eighteen (18) claims, the majority of these are cases related to certain Christian Brothers who served at O'Dea High School and Briscoe Memorial Boarding School. All of the claims relate to abuse that occurred between 1930 and 1978. This past year the Archdiocese settled 29 cases for a total cost of 5.7 million dollars.

These settlements were partially funded from insurance. When there was insufficient insurance coverage, the settlements were funded from the Archdiocese General Reserve. The source of funds for the General Reserve was the sale of unused property in the late 70's and mid-80's. No funds donated to the Annual Catholic Appeal or from the parish assessments have been used to fund sexual abuse settlement cases. In addition to settling cases, the Archdiocese continues to expand its efforts to address this tragedy by reaching out to victims, screening all those who work with children and providing training for all parish staff and applicable volunteers to insure that our parishes and schools provide a safe environment for our children.

We hope this report provides you with insights into the financial affairs of the Archdiocese as well as those issues which we deem important and which we are addressing as a Finance Council. We look forward to working with Archbishop Sartain as he sets goals to address the needs of the Archdiocese. With your continued support we are committed to providing good stewardship and assistance to Archbishop Sartain and his staff in the financial management of the Church in Western Washington.

Sincerely,

Lou Dell'Osso, Jr., Chair
Archdiocesan Finance Council

ARCHDIOCESAN FINANCE COUNCIL

Chairperson: Mr. Lou Dell'Osso, Jr.

Vice-Chairperson: Mr. Pat Welch

Mrs. Mary Almonte

Mr. Dan Brotherton

Rev. Patrick Freitag

Mr. Mel Kelso

Mr. Kevin Mest

Ms. Mary Jane Patterson

Mr. Tom Rainville

Mr. Jack Sullivan

Staff: Mr. Pat Sursely
*Archbishop's Delegate for
Administration & Finance*

PRF COMMISSION MEMBERS:

Chairperson: Mr. Pete Shepherd

Vice Chairperson: Rev. Jack Walmesley

Rev. Jim Johnson

Ms. Brenda Nulliner

Ms. Carol Thompson

Rev. Dave Young

Mr. Pat Sursely
*Archbishop's Delegate for
Administration and Finance*

Staff: Mr. Ed Williams
Director of Parish Financial Services

AFC SUBCOMMITTEE FOR INVESTMENTS:

Mr. Dan Brotherton

Dr. Hildegard Hendrickson

Mr. Dick Kennedy

Ms. Mary Jane Patterson

Staff: Ms. Nan Severns
Controller

Mr. Pat Sursely
*Archbishop's Delegate for
Administration & Finance*

ARCHDIOCESAN BUILDING COMMISSION:

Chairperson: Mr. Bill Lehtinen

Mr. Kevin Broderick

Mr. Art Butler

Rev. Dick Hayatsu

Mr. Dennis Lehtinen

Mr. Jim Napolitano

Mr. Bill Rutledge

Mr. Joe Sacquitne

Mr. Don Severide

Mr. Richard Tomkins

Rev. Tom Vandenberg

Staff: Mr. Ed Foster
Director of Property & Construction Services

Ms. Carolyn Lassek
Director of Liturgy

Mr. Pat Sursely
*Archbishop's Delegate for
Administration and Finance*

Mr. Ed Williams
Director of Parish Financial Services