



The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Financial Statements
Years Ended June 30, 2020 and 2019

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Financial Statements
Years Ended June 30, 2020 and 2019

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position	6
Statements of Activities and Changes in Net Assets	7
Statement of Functional Expenses—2020	8
Statement of Functional Expenses—2019	9
Statements of Cash Flows	10-11
Notes to Financial Statements	12-37
Supplemental Information	
Independent Auditor's Report on Supplemental Information	39
Schedule I - Statement of Financial Position By Fund	40-41
Schedule II - Statement of Activities and Changes in Net Assets by Fund	42-43



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Independent Auditor's Report

Most Reverend Paul D. Etienne
Roman Catholic Archbishop of Seattle
The Program and Administrative Offices of the
Corporation of the Catholic Archbishop of Seattle
Seattle, Washington

We have audited the accompanying financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of and for the year ended June 30, 2019, were audited by Peterson Sullivan LLP ("PS"), whose partners and professional staff joined BDO USA, LLP as of November 1, 2019, and has subsequently ceased operations. PS expressed an unmodified opinion on those statements in their report dated October 10, 2019.

BDO USA, LLP

November 11, 2020

Financial Statements

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current Assets		
Cash	\$ 15,393,000	\$ 13,357,000
Investments	26,268,000	21,127,000
Contributions and other receivables	9,490,000	7,494,000
Notes receivable	426,000	402,000
Insurance reimbursement receivable	748,000	1,538,000
Prepaid expenses and other assets	359,000	609,000
Total Current Assets	52,684,000	44,527,000
Endowment investments	15,298,000	15,301,000
Annuity/Trust investments	11,968,000	9,435,000
Notes receivable, less current portion and net of allowances	7,258,000	6,861,000
Property and equipment, net	21,145,000	22,171,000
Total Assets	\$ 108,353,000	\$ 98,295,000
Liabilities and Net Assets		
Current Liabilities		
Revolving fund deposits	\$ 35,546,000	\$ 32,495,000
Notes payable, current portion	675,000	556,000
Accounts payable and accrued expenses	2,854,000	2,894,000
Deferred revenue	343,000	1,073,000
Insurance claims payable	13,920,000	10,559,000
Accrued priests' pension plans liability	102,000	-
Other accrued post-retirement medical plan benefits	657,000	630,000
Custodial liabilities	2,731,000	3,734,000
Total Current Liabilities	56,828,000	51,941,000
Notes payable, less current portion	9,763,000	7,243,000
Accrued priests' pension plans liability, less current portion	13,469,000	17,399,000
Other accrued post-retirement medical plan benefits, less current portion	17,389,000	15,043,000
Annuity/Trust liabilities	2,570,000	2,776,000
Total Liabilities	100,019,000	94,402,000
Net Assets		
Without donor restrictions		
Undesignated deficit	(42,527,000)	(43,838,000)
Designated funds	23,771,000	21,659,000
Total net assets without donor restrictions	(18,756,000)	(22,179,000)
With donor restrictions	27,090,000	26,072,000
Total Net Assets	8,334,000	3,893,000
Total Liabilities and Net Assets	\$ 108,353,000	\$ 98,295,000

See accompanying notes to financial statements.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Activities and Changes in Net Assets

Year Ended June 30,	2020	2019
Without Donor Restrictions		
Revenue and other support		
Parish assessments	\$ 7,344,000	\$ 7,213,000
Program fees	6,058,000	6,594,000
Interest and dividends	580,000	582,000
Interest on Revolving Loan Fund notes	197,000	241,000
Contributions	529,000	861,000
Other	534,000	513,000
	15,242,000	16,004,000
Net assets released from restrictions		
Satisfaction of time restrictions, Annual Catholic Appeal	11,884,000	11,757,000
Satisfaction of program restrictions	2,835,000	2,161,000
Total Revenue and Other Support	29,961,000	29,922,000
Expenses		
Program	17,655,000	17,261,000
Management and general	12,317,000	13,802,000
Stewardship and development	1,638,000	2,066,000
Total Expenses	31,610,000	33,129,000
Change in net assets before insurance and other gains and losses	(1,649,000)	(3,207,000)
Insurance revenue	13,530,000	12,350,000
Insurance claims, premiums, and taxes	(15,840,000)	(11,744,000)
Insurance revenue and expense, net	(2,310,000)	606,000
Bequests	2,811,000	1,149,000
Realized gains on investments	4,446,000	571,000
Unrealized gains (losses) on investments	(3,912,000)	25,000
Change in priests' pension liability	(1,477,000)	(1,525,000)
Change in other post-retirement benefit liability	(2,010,000)	(406,000)
Gain on priest pension plan and post-retirement medical plan campaign contributions	7,534,000	5,540,000
Realized gains (losses) on sale of property	(10,000)	264,000
Change in Net Assets without Donor Restrictions	\$ 3,423,000	\$ 3,017,000
Net Assets with Donor Restrictions		
Contributions	\$ 15,459,000	\$ 13,358,000
Investment income	98,000	90,000
Realized gains on investments	1,507,000	150,000
Unrealized gains (losses) on investments	(1,327,000)	126,000
Net assets released from restrictions	-	-
Satisfaction of time restrictions from the Annual Catholic Appeal	(11,884,000)	(11,757,000)
Satisfaction of program restrictions	(2,835,000)	(2,161,000)
Change in Net Assets with Donor Restrictions	\$ 1,018,000	\$ (194,000)
Total Net Assets		
Change in Net Assets without Donor Restrictions	\$ 3,423,000	\$ 3,017,000
Change in Net Assets with Donor Restrictions	1,018,000	(194,000)
Total Change in Net Assets	4,441,000	2,823,000
Net Assets, beginning of year	3,893,000	1,070,000
Net Assets, end of year	\$ 8,334,000	\$ 3,893,000

See accompanying notes to financial statements.

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Statement of Functional Expenses

<i>Year Ended June 30, 2020</i>	Salaries and Benefits	Professional Services	Insurance Premiums	Rentals and Leases	Office and Printing	Bad Debt Expense	Taxes and Assessments	Donations and Contributions	Insurance Claims	Education	Interest	Depreciation	Other	Total	Less: Insurance	Total Without Insurance
Program																
Insurance, premiums, taxes, and claims	\$ 427,000	\$ 1,098,000	\$ 3,442,000	\$ -	\$ 36,000	\$ 43,000	\$ 1,585,000	\$ -	\$ 9,129,000	\$ -	\$ 36,000	\$ 38,000	\$ 6,000	\$ 15,840,000	\$ 15,840,000	\$ -
Archbishop's office	721,000	79,000	44,000	16,000	90,000	-	1,000	-	-	6,000	-	65,000	136,000	1,158,000	-	1,158,000
Liturgy, mission planning, and Chancellor	824,000	63,000	-	12,000	43,000	-	-	-	-	3,000	-	75,000	46,000	1,066,000	-	1,066,000
Catholic schools	768,000	344,000	63,000	39,000	125,000	-	26,000	46,000	-	2,000	-	70,000	96,000	1,579,000	-	1,579,000
Outdoor ministries	807,000	106,000	-	18,000	249,000	(5,000)	10,000	202,000	-	9,000	-	73,000	242,000	1,711,000	-	1,711,000
Retreat Center	671,000	45,000	41,000	-	124,000	-	-	1,000	-	-	-	61,000	175,000	1,118,000	-	1,118,000
Pastoral care - Vicar for Clergy	971,000	35,000	-	-	14,000	-	1,000	26,000	-	1,000	-	88,000	14,000	1,150,000	-	1,150,000
Seminarians	119,000	20,000	-	-	12,000	-	9,000	125,000	-	734,000	-	11,000	22,000	1,052,000	-	1,052,000
Northwest Catholic	383,000	58,000	-	-	488,000	-	2,000	31,000	-	-	-	35,000	57,000	1,054,000	-	1,054,000
Revolving fund	-	-	-	-	-	114,000	-	-	-	-	814,000	-	-	928,000	-	928,000
Priest support	980,000	367,000	-	105,000	14,000	-	1,000	-	-	3,000	-	89,000	15,000	1,574,000	-	1,574,000
Tribunal	611,000	42,000	-	-	7,000	-	-	-	-	-	-	55,000	6,000	721,000	-	721,000
Evangelization	408,000	-	-	-	12,000	-	-	-	-	-	-	37,000	8,000	465,000	-	465,000
Funding to related organizations	-	-	-	-	-	-	-	2,059,000	-	-	-	-	-	2,059,000	-	2,059,000
Athletics	205,000	123,000	2,000	70,000	18,000	-	-	1,000	-	-	-	19,000	19,000	457,000	-	457,000
Pastoral care ministries	87,000	43,000	-	-	19,000	-	-	346,000	-	6,000	-	8,000	26,000	535,000	-	535,000
Youth and young adult ministry	208,000	5,000	-	57,000	11,000	-	-	-	-	-	-	19,000	13,000	313,000	-	313,000
Multicultural ministries	179,000	33,000	-	1,000	15,000	-	-	119,000	-	4,000	-	16,000	30,000	397,000	-	397,000
Formation	210,000	23,000	-	14,000	6,000	-	-	6,000	-	23,000	-	19,000	17,000	318,000	-	318,000
Total Program Expenses	8,579,000	2,484,000	3,592,000	332,000	1,283,000	152,000	1,635,000	2,962,000	9,129,000	791,000	850,000	778,000	928,000	33,495,000	15,840,000	17,655,000
Management and General	6,502,000	2,666,000	9,000	15,000	1,047,000	14,000	222,000	543,000	45,000	105,000	229,000	590,000	330,000	12,317,000	-	12,317,000
Stewardship and Development	1,002,000	170,000	-	9,000	313,000	-	-	-	-	3,000	-	91,000	50,000	1,638,000	-	1,638,000
Total Expenses	\$ 16,083,000	\$ 5,320,000	\$ 3,601,000	\$ 356,000	\$ 2,643,000	\$ 166,000	\$ 1,857,000	\$ 3,505,000	\$ 9,174,000	\$ 899,000	\$ 1,079,000	\$ 1,459,000	\$ 1,308,000	\$ 47,450,000	\$ 15,840,000	\$ 31,610,000

See accompanying notes to financial statements.

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Statement of Functional Expenses

<i>Year Ended June 30, 2019</i>	Salaries and Benefits	Professional Services	Insurance Premiums	Rentals and Leases	Office and Printing	Bad Debt Expense	Taxes and Assessments	Donations and Contributions	Insurance Claims	Education	Interest	Depreciation	Other	Total	Less: Insurance	Total Without Insurance
Program																
Insurance, premiums, taxes, and claims	\$ 320,000	\$ 1,554,000	\$ 2,834,000	\$ -	\$ 36,000	\$ 63,000	\$ 1,392,000	\$ -	\$ 5,477,000	\$ -	\$ 24,000	\$ 41,000	\$ 3,000	\$ 11,744,000	\$ 11,744,000	\$ -
Archbishop's office	667,000	196,000	44,000	16,000	68,000	-	2,000	-	-	5,000	-	85,000	139,000	1,222,000	-	1,222,000
Liturgy, mission planning, and Chancellor	564,000	38,000	-	7,000	41,000	-	-	-	-	3,000	-	73,000	35,000	761,000	-	761,000
Catholic schools	940,000	332,000	-	38,000	118,000	-	35,000	37,000	-	4,000	-	120,000	122,000	1,746,000	-	1,746,000
Outdoor ministries	825,000	88,000	-	19,000	341,000	2,000	7,000	101,000	-	6,000	-	106,000	243,000	1,738,000	-	1,738,000
Retreat Center	634,000	66,000	40,000	-	167,000	-	-	-	-	-	-	81,000	233,000	1,221,000	-	1,221,000
Pastoral care - Vicar for Clergy	971,000	16,000	-	-	13,000	-	-	28,000	-	7,000	-	125,000	23,000	1,183,000	-	1,183,000
Seminarians	102,000	10,000	-	-	20,000	-	10,000	82,000	-	801,000	-	13,000	47,000	1,085,000	-	1,085,000
Northwest Catholic	339,000	31,000	-	-	515,000	-	1,000	38,000	-	-	-	43,000	62,000	1,029,000	-	1,029,000
Revolving fund	-	-	-	-	-	338,000	-	-	-	-	781,000	-	-	1,119,000	-	1,119,000
Priest support	35,000	564,000	-	84,000	19,000	-	-	-	-	-	-	5,000	53,000	760,000	-	760,000
Tribunal	579,000	36,000	-	-	9,000	-	-	-	-	3,000	-	74,000	16,000	717,000	-	717,000
Evangelization	508,000	13,000	-	1,000	9,000	-	-	-	-	1,000	-	65,000	11,000	608,000	-	608,000
Funding to related organizations	-	-	-	-	1,000	-	-	1,790,000	-	-	-	-	-	1,791,000	-	1,791,000
Athletics	207,000	129,000	2,000	92,000	53,000	-	-	1,000	-	-	-	26,000	16,000	526,000	-	526,000
Pastoral care ministries	23,000	55,000	-	1,000	13,000	-	-	346,000	-	2,000	-	3,000	38,000	481,000	-	481,000
Youth and young adult ministry	201,000	11,000	-	60,000	10,000	-	-	120,000	-	1,000	-	26,000	14,000	443,000	-	443,000
Multicultural ministries	154,000	34,000	-	1,000	20,000	-	-	139,000	-	28,000	-	20,000	48,000	444,000	-	444,000
Formation	221,000	28,000	-	-	5,000	-	-	6,000	-	11,000	-	28,000	31,000	330,000	-	330,000
Other programs	-	57,000	-	-	-	-	-	-	-	-	-	-	-	57,000	-	57,000
Total Program Expenses	7,290,000	3,258,000	2,920,000	319,000	1,458,000	403,000	1,447,000	2,688,000	5,477,000	872,000	805,000	934,000	1,134,000	29,005,000	11,744,000	17,261,000
Management and General	8,615,000	2,646,000	9,000	46,000	1,045,000	60,000	237,000	21,000	-	113,000	282,000	394,000	334,000	13,802,000	-	13,802,000
Stewardship and Development	1,181,000	266,000	-	-	347,000	-	-	1,000	-	3,000	-	151,000	117,000	2,066,000	-	2,066,000
Total Expenses	\$ 17,086,000	\$ 6,170,000	\$ 2,929,000	\$ 365,000	\$ 2,850,000	\$ 463,000	\$ 1,684,000	\$ 2,710,000	\$ 5,477,000	\$ 988,000	\$ 1,087,000	\$ 1,479,000	\$ 1,585,000	\$ 44,873,000	\$ 11,744,000	\$ 33,129,000

See accompanying notes to financial statements.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Cash Flows

Year Ended June 30,	2020	2019
Cash Flows from (for) Operating Activities		
Reconciliation of change in net assets to net cash flows from (for) operating activities:		
Change in net assets	\$ 4,441,000	\$ 2,823,000
Adjustments to reconcile change in net assets to net cash flows from (for) operating activities:		
Depreciation	1,459,000	1,479,000
(Gain) Loss on sale of property	10,000	(264,000)
Endowment contributions	(53,000)	(77,000)
Unrealized (gains) losses on investments	5,239,000	(151,000)
Realized gains on investments	(5,953,000)	(721,000)
Change in accrued priests' pension plan and post-retirement plan liability	(1,455,000)	(1,378,000)
Change in operating receivables	(1,248,000)	1,226,000
Change in prepaid expenses and other assets	250,000	167,000
Change in insurance claims payable	3,361,000	(5,704,000)
Change in accounts payable and accrued expenses	(40,000)	221,000
Changes in deferred revenue	(730,000)	(126,000)
Annuities and trusts	(206,000)	26,000
Provisions for bad debt	156,000	401,000
Net Cash Flows from (for) Operating Activities	5,231,000	(2,078,000)
Cash Flows from (for) Investing Activities		
Net (purchases of) proceeds from sales of investments	(6,957,000)	4,808,000
Proceeds from sales of property and equipment	529,000	1,659,000
Purchase of property and equipment	(972,000)	(866,000)
Archdiocesan Revolving Fund loan principal receipts	418,000	88,000
Archdiocesan Revolving Fund additional loans issued	(1,343,000)	(34,000)
Deposits into the Archdiocesan Revolving Fund	7,406,000	8,214,000
Withdrawal of Archdiocesan Revolving Fund deposits	(4,355,000)	(7,746,000)
Net Cash Flows from (for) Investing Activities	(5,274,000)	6,123,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Cash Flows

Year Ended June 30,	2020	2019
Cash Flows from (for) Financing Activities		
Collection on notes receivable	\$ 390,000	\$ -
Change in custodial liability	(1,003,000)	498,000
Proceeds from debt	3,195,000	-
Repayments of note payable	(556,000)	(1,787,000)
Endowment contributions	53,000	77,000
Net Cash Flows from (for) Financing Activities	2,079,000	(1,212,000)
Net Change in Cash	2,036,000	2,833,000
Cash, beginning of year	13,357,000	10,524,000
Cash, end of year	\$ 15,393,000	\$ 13,357,000

See accompanying notes to financial statements.

Supplemental Disclosures

Interest paid on a cash basis was \$1,079,000 and \$1,099,000 during the years ended June 30, 2020 and 2019, respectively.

Archdiocesan high schools have received term loans from the Knights of Columbus. The Archdiocese is the primary borrower on these loans. Payments are made by the high schools. The high schools repaid \$390,000 and \$372,000 directly to the lender during the years ended June 30, 2020 and 2019, respectively.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

The accompanying financial statements include the assets, liabilities, net assets, and financial activities under direct control of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle (the “Archdiocese”). The Program and Administrative Offices are staffed by approximately 160 permanent employees (the “Chancery”). These employees work on First Hill in Seattle, the Archbishop Brunett Retreat Center in Federal Way, and the Catholic Youth Organization camps in Carnation and Monroe. These locations are owned and managed by the Archdiocese. The parishes of the Archdiocese, which are separate canonical units, Archdiocesan high schools, and the Parish Revolving Fund are not included in these financial statements. While these entities are part of the Archdiocesan Corporate Sole, they are managed under local control.

Catholic Community Services of Western Washington, the Archdiocesan Housing Authority, Catholic Charities Foundation of Western Washington, Called to Serve as Christ Campaign (“CTSC”), the Associated Catholic Cemeteries (“ACC”), and the Fulcrum Foundation are independent corporations and are not included in these financial statements. The Archdiocese is affiliated with an overall international religious entity based in Vatican City.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Financial Statement Presentation

The Archdiocese reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Contributions

Contributions received are recorded depending on the existence and/or nature of any donor restrictions. Temporarily restricted contributions are required to be reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions when the restrictions are met.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Net Assets without Donor Restrictions

Although the accompanying statements of financial position reflect a deficit in net assets without donor restrictions or board designations, the Archdiocese will be able to meet its obligations and continue its operation in the ordinary course of its mission. In reaching this conclusion, management has considered the following factors and plans:

- The Archdiocese has a deficit of \$42,527,000 in net assets without donor restrictions or board designations.
 - The Archdiocesan Revolving Fund (“ARF”) holds deposits payable of \$35,546,000, which is a current liability. Of this balance, \$27,053,000 belongs to ACC. Management expects to pay only a small portion of this liability in the coming year based on historical trends and knowledge of the operations of the entities who hold the deposits.
 - Liabilities for Priests’ Pension and Post-Retirement Medical Plans recorded in the statement of financial position total \$31,617,000, of which \$30,858,000 is noncurrent. The Archdiocese has begun a campaign, the CTSC, with the goal of substantially funding these benefit obligations, which will significantly reduce or eliminate the undesignated deficit. Through June 30, 2020, this campaign has raised a total of \$50,188,000 in cash and pledges. The funds raised will be shared between the Priests’ Pension and Post-Retirement Medical Plans, women religious retirement plans, ordered priests plans, and the parishes. The plans will be funded as contributions are collected from the donors.
 - In the event that the proceeds from the CTSC are not sufficient to eliminate the undesignated deficit, designated funds (\$23,771,000) may be reclassified as undesignated.
- The balance in net assets with donor restrictions includes \$10,906,000 from the Annual Catholic Appeal as of June 30, 2020, which became unrestricted on July 1, 2020.
- Management believes that the Archdiocese has adequate capital and stable sources of revenue to support its present budget for the coming fiscal year and for the foreseeable future.

See Note 2 for further discussion of the Archdiocese’ liquidity and availability of resources.

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The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of unexpended contributions restricted for particular purposes or time periods and contributions restricted in perpetuity. The income from contributions restricted in perpetuity is utilized for the purpose specified by the donor. Net assets with donor restrictions that are temporary in nature are transferred to net assets without donor restrictions as restrictions are met or as time restrictions expire. Net assets with donor restrictions consist of the following at June 30:

	2020	2019
Net Assets with Temporary Donor Restrictions		
Annual Appeal Pledges restricted for the next year	\$ 10,906,000	\$ 11,520,000
Contributions restricted for various purposes	4,945,000	3,013,000
Accumulated endowment earnings		
Priest support and education endowments	2,675,000	2,878,000
Religious education endowments	75,000	207,000
Poor and needy endowments	68,000	81,000
Camp maintenance and development	35,000	40,000
Total Net Assets with Temporary Donor Restrictions	18,704,000	17,739,000
Net Assets with Perpetual Donor Restrictions		
Priest support and education endowments	6,098,000	6,098,000
Religious education endowments	1,612,000	1,559,000
Poor and needy endowments	501,000	501,000
Camp maintenance and development	175,000	175,000
Total Net Assets with Perpetual Donor Restrictions	8,386,000	8,333,000
Total Donor Restricted Net Assets	\$ 27,090,000	\$ 26,072,000

Fund Accounting

The Archdiocese uses the following fund groups:

- *Operating Fund* - all unrestricted and restricted resources available for support of Archdiocesan operations. The operating fund also includes non-endowment custodial liabilities, which represent funds to be paid to other Catholic organizations.
- *Archdiocesan Revolving Fund ("ARF")* (a segregated portion of the operating fund) - a deposit and loan fund representing resources arising from cooperative investment and lending programs established for the mutual benefit of Catholic organizations within the Archdiocese. Parishes participate in the PRF, a separate revolving fund not included in these financial statements. The Associated Catholic Cemeteries holds a significant portion of their investment funds in the ARF.
- *Plant Fund* - all expendable resources restricted for property and equipment acquisitions, amounts invested in property and equipment, and related debt.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

- *Endowment and Similar Funds* - contributions to the Archdiocese and other amounts set aside to generate investment income for restricted and unrestricted purposes. Included within the endowment and similar funds are the following:
 - Permanent endowments: The principal of true endowments is expected to be invested for perpetuity.
 - Temporarily restricted endowments: Funds temporarily restricted by donors but included in this fund, as they are treated by the Archdiocese as long-term.
 - Unrestricted designated endowments: Funds designated to be treated as endowments by the Archbishop. Any portion may be expended with the Archbishop's approval.
 - Custodial liabilities: Funds that will eventually revert to Catholic organizations outside the reporting entity. Interest, dividends, and realized and unrealized gains and losses are allocated directly to the custodial liabilities.

All significant transactions among funds included in the reporting entity have been eliminated in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Most expenses are charged directly to the function served at the time they are recorded. Depreciation is allocated according to salaries and benefits expense.

Donated Services

A number of people have donated time to the activities of the Archdiocese. The donated services do not meet the requirements for recognition in the financial statements and have not been recorded.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Archdiocese considers cash in checking, savings, and certain money market accounts to be cash. Other money market accounts and short-term, highly liquid investments are classified as investments in the statements of financial position.

The Archdiocese maintains a significant portion of its cash and investments in accounts that are not insured.

Investments

Investments are reported at fair value or net asset value.

- Stocks, bonds, and publicly traded mutual funds are valued using Level 1 inputs such as market prices on national exchanges.
- Certificates of deposit are recorded at cost plus accrued interest (considered the same as Level 1 inputs).
- Non-publicly-traded mutual funds are valued using the net asset value per unit (“NAV”). The NAV is determined each business day by the administrator of each fund. The funds invest in securities that have observable Level 1 inputs, including quoted prices for similar assets in active markets. There are no unfunded commitments, and the investments can be redeemed on a daily basis. This practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different from the reported NAV.

Pension-Related Investments

- The investments in common stocks listed on securities exchanges are valued at their closing price on the valuation date. Quoted market prices are used to value investments, which are Level 1 observable inputs.
- The life insurance policies are valued at the cash surrender value based on contractual terms as supplied by the insurance company, which is considered a Level 3 input.
- The investments in the master trusts are valued at fair value using the NAV, which is determined by the administrators of the funds and is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets held by the master trusts, less any liabilities, and then divided by the number of units outstanding. This practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different from the reported NAV. The financial statements of these master trusts are audited; therefore, those financial statements are not included in the notes to the financial statements. As of June 30, 2020 and 2019, there are no unfunded commitments or redemption restrictions on these investments.
- Non-publicly-traded mutual funds are valued fair value using NAV, which is determined by the administrators of the funds and is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets held by the mutual funds, less any liabilities, and then divided by the number of units outstanding. This practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different from the reported NAV. As of June 30, 2020 and 2019, there are no unfunded commitments or redemption restrictions on these investments.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Contributions and Other Receivables

Contributions and other receivables are recorded at cost and adjusted for any bad debt allowance. Management estimates allowances for bad debts based primarily on historical bad debt experience. The allowance is adjusted annually, and bad debts are written off against the allowance when management determines a balance is uncollectible. Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables expected to be collected over periods in excess of one year are initially recorded at fair value using appropriate discount rates for the receivable and amortizing the discount over the life of the receivable.

Notes Receivable

Notes receivable are recorded at cost (adjusted for any bad debt allowance), and interest is recorded as earned. The Archdiocese does not charge fees for its loan programs. Management uses various factors, including the borrower's location, and the local economy, and population where the borrower is located to determine the amount of the allowance for bad debts. The allowance is adjusted annually. A note is written off against the allowance when management determines that the balance is uncollectible. Notes are considered past due when the scheduled note payments become 90 days past due. Due to the close working relationship between the Archdiocese and the borrowers, management has not established past due categories for loans. Accordingly, loans continually accrue interest while they are outstanding.

Revenue Recognition

Parish assessment and special parish billings are billed and recognized as revenue during each fiscal year.

Program fees are recorded as revenue when the related program takes place.

Contributions (including appeals) are recorded when the unconditional promise to give is made.

Insurance program premiums are recognized as revenue, net of any associated discounts, in the period in which the coverage is provided.

Split-Interest Agreements

The Archdiocese receives contributions in the form of irrevocable split-interest agreements. These agreements include charitable annuities and charitable remainder trusts.

As the Archdiocese is the trustee, the assets are recorded at fair value and are included as part of annuity and trust investments; the estimated present value of the distributions expected to be paid to the beneficiaries over the term of the trust is recorded as a liability along with any amounts to be paid to other organizations at the termination of the agreement. The difference is recorded as contribution revenue. The discount rates used to compute the present value of the liabilities range from 6.5% to 7.0%, and the discount periods are based on Internal Revenue Service actuarial tables.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Property and Equipment

Property and equipment are recorded at cost when purchased and at fair value when contributed. The Archdiocese's policy is to capitalize assets with a cost greater than \$5,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, ranging from 3 to 45 years. Donated property and equipment are considered unrestricted property unless specifically restricted by the donor. Restricted donated property and equipment are reclassified to net assets without donor restrictions when the restrictions are met.

Deferred Revenue

Deferred revenue primarily consists of program fees received in advance. Revenue from program fees is recognized as the programs take place. Deferred revenue consists of the following at June 30:

	2020	2019
Summer camp programs	\$ 21,000	\$ 625,000
Other	322,000	448,000
	\$ 343,000	\$ 1,073,000

Income Taxes

The Archdiocese is a nonprofit organization and is exempt from federal income taxes.

Recently Issued Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU assists in the determination of the nature of the transaction, which then governs the revenue recognition methodology and timing of the transaction. The ASU is effective for contributions received by the Archdiocese in periods beginning after December 15, 2018. The Archdiocese adopted this update in fiscal year 2020 under the modified prospective basis. The adoption of this update did not materially impact contribution revenue in the financial statements.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers ("Topic 606")*, related to revenue recognition which replaces numerous requirements in the accounting principles generally accepted in the United States of America, including industry-specific requirements, and provides companies with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services in accordance with the five-step model outlined in Topic 606:

1. Identify the contract with the customer,
2. Identify the performance obligations in the contract,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations, and
5. Recognize revenue when (or as) performance obligations are satisfied.

The two permitted transition methods under the new standard are the full retrospective method, in which the standard is applied to each prior reporting period presented and the cumulative effect of applying the standard is recognized at the earliest period presented, and the modified retrospective method, in which the cumulative effect of applying the standard is recognized at the date of initial application.

In May 2020, the FASB voted to approve the proposed deferral of the effective date for Topic 606 for one year for all non-public entities that have not yet issued financial statements as of the date the final ASU is issued. As such, the Archdiocese is electing to defer implementation of Topic 606 until the year ending June 30, 2021.

Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

Subsequent Events

Management of the Archdiocese has evaluated subsequent events through the date these financial statements were available to be issued, which was November 11, 2020.

2. Liquidity and Availability of Resources

The Archdiocese strives to maintain liquid financial assets sufficient to cover 180 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Archdiocese financial assets as of June 30, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include custodial liabilities as more fully described in Note 8. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

A summary of the Archdiocese financial assets available for general expenditures within one year as of June 30, 2020 and 2019, is as follows:

	2020	2019
Cash	\$ 15,393,000	\$ 13,357,000
Investments	26,268,000	21,127,000
Contributions and other receivables	9,490,000	7,494,000
Notes receivable	426,000	402,000
Insurance reimbursement receivable	748,000	1,538,000
Total Financial Assets	52,325,000	43,918,000
Less: Financial assets not available for general expenditure		
Custodial liabilities not available within one year	2,731,000	3,734,000
Revolving fund deposits not available within one year	10,974,000	8,872,000
Net assets with donor restrictions for certain purposes	4,945,000	3,013,000
	\$ 33,675,000	\$ 28,299,000

3. Investments

The following table represents information about the Archdiocese's assets that have been measured at fair value on a recurring basis and indicates classification by level of inputs within the fair value hierarchy described in Note 1 as of June 30, 2020 and 2019.

<i>June 30, 2020</i>	Investments Measured Using Level 1 Inputs	Investments Measured at Net Asset Value*	Total Fair Value
Value equity mutual fund	\$ 1,353,000	\$ 13,517,000	\$ 14,870,000
Bond mutual funds	-	9,893,000	9,893,000
International equity mutual funds	-	9,266,000	9,266,000
Money market accounts	6,501,000	-	6,501,000
Developed market equities	3,410,000	-	3,410,000
Growth mutual funds	487,000	2,710,000	3,197,000
Ultrashort bond	2,054,000	-	2,054,000
Inflation-protected bond fund	1,759,000	-	1,759,000
Small cap equity mutual fund	-	1,754,000	1,754,000
U.S. corporate stocks	535,000	-	535,000
Corporate bonds	-	172,000	172,000
Real estate	123,000	-	123,000
	\$ 16,222,000	\$ 37,312,000	\$ 53,534,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

<i>June 30, 2019</i>	Investments Measured Using Level 1 Inputs	Investments Measured at Net Asset Value*	Total Fair Value
Growth mutual funds	\$ 217,000	\$ 10,531,000	\$ 10,748,000
International equity mutual funds	2,542,000	8,046,000	10,588,000
Bond mutual funds	97,000	8,802,000	8,899,000
Value equity mutual fund	104,000	4,424,000	4,528,000
Small cap equity mutual fund	-	2,044,000	2,044,000
Ultrashort bond	2,000,000	-	2,000,000
Money market accounts	1,911,000	-	1,911,000
Inflation-protected bond fund	1,679,000	-	1,679,000
U.S. corporate stocks	1,431,000	-	1,431,000
Corporate bonds	-	1,181,000	1,181,000
Developed market equities	579,000	-	579,000
Real estate	213,000	-	213,000
Other	62,000	-	62,000
	\$ 10,835,000	\$ 35,028,000	\$ 45,863,000

These investments are presented on the statements of financial position as follows:

	2020	2019
Investments	\$ 26,268,000	\$ 21,127,000
Endowment investments	15,298,000	15,301,000
Annuity/trust investments	11,968,000	9,435,000
	\$ 53,534,000	\$ 45,863,000

The annuity and trust investments are restricted as follows:

	2020	2019
Annuity assets	\$ 2,367,000	\$ 2,633,000
Unitrust assets	1,329,000	1,442,000
Priest medical plan assets	8,272,000	5,360,000
	\$ 11,968,000	\$ 9,435,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

The Priests' Pension Plan is discussed in Note 9. This plan has certain benefit obligations and holds investments to meet some of these obligations. The investments held by this plan are netted against the benefit obligation in the statements of financial position and are categorized in the fair value hierarchy as follows:

<i>June 30, 2020</i>	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Money market accounts	\$ 135,000	\$ 135,000	\$ -	\$ -
Common stocks	2,133,000	2,133,000	-	-
Cash surrender value of life insurance policies	1,248,000	-	-	1,248,000
Total Assets in the Fair Value Hierarchy	3,516,000	\$ 2,268,000	\$ -	\$ 1,248,000
Investments measured at net asset value*				
Master trusts	5,487,000			
Mutual funds	4,277,000			
Total Investments, at fair value	\$ 13,280,000			

<i>June 30, 2019</i>	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Money market accounts	\$ 109,000	\$ 109,000	\$ -	\$ -
Common stocks	2,139,000	2,139,000	-	-
Cash surrender value of life insurance policies	1,220,000	-	-	1,220,000
Total Assets in the Fair Value Hierarchy	3,468,000	\$ 2,248,000	\$ -	\$ 1,220,000
Investments measured at net asset value*				
Master trusts	2,604,000			
Mutual funds	4,120,000			
Total Investments, at fair value	\$ 10,192,000			

* In accordance with FASB Subtopic 820-10, certain investments that were measured at NAV per unit (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

The table below summarizes changes in the fair value of Level 3 assets for the year ended June 30, 2020:

	Cash Surrender Value of Life Insurance Policies
Balance, June 30, 2018	\$ 1,191,000
Increase in cash surrender value	29,000
Balance, June 30, 2019	1,220,000
Increase in cash surrender value	28,000
Balance, June 30, 2020	\$ 1,248,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

4. Notes Receivable and Revolving Fund Deposits

Archdiocesan Revolving Fund

The ARF is a deposit and loan fund operated by the Archdiocese for non-parish Catholic organizations. The resulting balances are included in the operating fund. Deposits are generally available for withdrawal on demand. Organizations with excess funds may deposit them and earn interest. The current savings rate is 2.0%. Loans are made based on financial status, an approved repayment plan, and the availability of funds. Payments are received monthly, quarterly, or annually over an agreed-upon payback period. Interest on loans is charged at agreed-upon rates, normally between 0% and 5%.

At June 30, 2020 and 2019, accrued interest receivable was \$26,000 and \$744,000, respectively. There was no accrued interest payable at June 30, 2020 or 2019. The allowance for doubtful accounts is the estimated uncollectible amount of notes receivable. All notes in this fund are due on various payment schedules and are unsecured.

Notes receivable and deposits payable for the ARF are summarized as follows as of June 30:

	2020	2019
Receivables		
Notes receivable	\$ 5,652,000	\$ 4,727,000
Less: Allowance for doubtful notes	(687,000)	(573,000)
	4,965,000	4,154,000
Less: Current portion	(18,000)	(12,000)
	4,947,000	4,142,000
Liabilities - Deposits	\$ 35,546,000	\$ 32,495,000

Of the total deposits payable as of June 30, 2020 and 2019, \$27,053,000 and \$25,957,000, was from ACC, respectively. ACC is separately incorporated from the Archdiocese, and the Archbishop of Seattle is the corporate sole of ACC. During the years ended June 30, 2020 and 2019, \$634,000 and \$628,000 of interest was paid to ACC, respectively.

At June 30, 2020, there were eight notes receivable from eight outstanding borrowers. At June 30, 2019, there were nine notes receivable from eight outstanding borrowers. These notes had the following characteristics at June 30:

	2020	2019
Largest note outstanding	\$ 5,244,000	\$ 2,644,000
Largest note as a percentage of total	92.8%	55.9%
Number of past due notes	2	4
Amount of past due notes	\$ 5,610,000	\$ 4,710,000
Past due notes as a percentage of total	99.3%	99.6%

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

As of June 30, 2020, two notes receivable from Saint Elizabeth Ann Seton High School (“Seton High School”) were refinanced into one note, which totaled \$5,244,000, including accrued interest, or 93% of the total notes receivable amount. No payments on this note were received during the year ended June 30, 2020. As of June 30, 2019, two notes receivable from Seton High School total \$4,342,000 or 92% of the total notes receivable amount. See Note 7, Guarantees, for further discussion on this borrower.

At June 30, 2020, the note portfolio consisted of maturities between 36 months and 30 years.

The following is a summary of the ARF’s allowance for doubtful notes for the years ended June 30:

	2020	2019
Beginning Balance	\$ 573,000	\$ 234,000
Provision	114,000	339,000
Ending Balance	\$ 687,000	\$ 573,000

Other Notes Receivable

	2020	2019
Note receivable from Kennedy High School (see Note 7)	\$ 1,150,000	\$ 1,367,000
Note receivable from Bishop Blanchet High School (see Note 7)	1,569,000	1,742,000
	\$ 2,719,000	\$ 3,109,000

Notes receivable are presented in the statement of financial position as follows as of June 30, 2020:

	ARF	Other	Total
Notes receivable, current portion	\$ 18,000	\$ 408,000	\$ 426,000
Notes receivable, non-current portion	4,947,000	2,311,000	7,258,000
Total Notes Receivable	\$ 4,965,000	\$ 2,719,000	\$ 7,684,000

Notes receivable are presented in the statement of financial position as follows as of June 30, 2019:

	ARF	Other	Total
Notes receivable, current portion	\$ 12,000	\$ 390,000	\$ 402,000
Notes receivable, non-current portion	4,142,000	2,719,000	6,861,000
Total Notes Receivable	\$ 4,154,000	\$ 3,109,000	\$ 7,263,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

5. Contributions and Other Receivables

Contributions and other receivables are as follows at June 30:

	2020	2019
Annual Catholic Appeal pledges	\$ 5,614,000	\$ 4,341,000
Insurance premiums receivable	3,163,000	1,802,000
Parish assessments	1,140,000	888,000
Accrued interest and dividends	26,000	744,000
Other	772,000	901,000
	10,715,000	8,676,000
Less: Allowance for doubtful accounts and discounts	(1,225,000)	(1,182,000)
	\$ 9,490,000	\$ 7,494,000

6. Property and Equipment

Property and equipment are as follows at June 30:

	2020	2019
Land and improvements	\$ 8,975,000	\$ 8,966,000
Buildings	40,894,000	40,945,000
Furniture and equipment	5,187,000	4,732,000
	55,056,000	54,643,000
Less: Accumulated depreciation	(33,911,000)	(32,472,000)
	\$ 21,145,000	\$ 22,171,000

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The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

7. Notes Payable/Guarantees

Long-Term Notes Payable

Long-term notes payable are as follows at June 30:

	2020	2019
Note payable to the Knights of Columbus in monthly installments of \$32,750, including interest at 4.91%. The note is collateralized by real property. Monthly payments started on July 1, 2017. The note is due in June 2037 and is secured by real property with a net book value of \$5,489,000.	\$ 4,524,000	\$ 4,690,000
Note payable to the Knights of Columbus in monthly installments of \$22,811, including interest at 4.51%. The proceeds were passed through to Kennedy High School (see Note 4). The note is due in February 2025 and is collateralized by real property of the school. The school is expected to make debt service payments.	1,150,000	1,367,000
Note payable to the Knights of Columbus in monthly installments of \$20,882, including interest at 4.66%. The proceeds were passed through to Bishop Blanchet High School (see Note 4). The note is due in November 2027 and is collateralized by real property of the school. The school is expected to make debt service payments.	1,569,000	1,742,000
Note payable to the Knights of Columbus in monthly installments of \$9,208 beginning on July 1, 2020, including interest at 4%. The note is due in June 2025, and is unsecured.	500,000	-
Payroll Protection Program Loan; the loan bears interest at 1% and is unsecured. The principal and interest of the note is forgivable if proceeds are spent on qualifying costs during the 24-week period following the date the note was issued. Qualified costs are considered as 60% of the loan amount on payroll costs, and 40% on non-payroll costs, including rent and utilities. Interest payments are deferred for the first ten months of the note period, following the 24-week period. Should any portion of the principal of the note not meet the forgiveness provisions, monthly principal and interest payments will be regularly made using a monthly amortization schedule starting from the end of the deferral period until maturity on April 15, 2022.	2,695,000	-
	\$ 10,438,000	\$ 7,799,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Principal payments on the long-term notes payable are as follows for the years ending June 30:

2021	\$	675,000
2022		3,402,000
2023		740,000
2024		773,000
2025		718,000
Thereafter		4,130,000
		\$ 10,438,000

Guarantees

The Archdiocese has guaranteed a loan on behalf of Seton High School. As of June 30, 2020, the balance on the loan was \$8,805,000. The Archdiocese guaranteed \$7,700,000 of this balance. In addition, there is one outstanding ARF loan to Seton High School that totaled \$5,244,000 as of June 30, 2020 (see Note 4). The ARF loan is subordinate to the \$8,805,000 loan.

The Pope John Paul II High School has leased property under a lease ending in June 2025. The Archdiocese has guaranteed the payments on the lease through June 2024. The estimate of the guarantee is approximately \$1,340,000. In addition, there is one outstanding ARF loan to Pope John Paul II High School for \$366,000 as of June 30, 2020.

8. Custodial Liabilities

The Archdiocese serves a custodial function for money due to other Catholic organizations. All custodial accounts are recorded as liabilities until remitted to the intended recipients. The custodial liabilities balances are as follows at June 30:

	2020	2019
Other amounts held for local and national Archdiocesan organizations	\$ 1,573,000	\$ 2,767,000
Archdiocesan parish and other Archdiocesan organization endowment funds	1,158,000	967,000
	\$ 2,731,000	\$ 3,734,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

9. Pension Plans and Other Post-Retirement Benefits

The Archdiocese maintains the following separate plans, which provide retirement benefits to all lay employees and Archdiocesan priests who meet eligibility requirements:

- The Archdiocesan Pension Plan for Lay Employees (a defined contribution plan)
- Archdiocesan 403(b) Savings Plan (a defined contribution plan)
- Pension Plan and Trust for the Priests of the Archdiocese of Seattle (a defined benefit plan)
- Priests' Health Plan (a defined benefit plan)

In addition, the Archdiocese contributed to retirement plans maintained by the various religious orders of women. The assets and liabilities of these pension plans are separately managed and are not included in these financial statements.

The pension plans are not subject to the requirements of Title I of the Employee Retirement Income Security Act of 1974. A summary of each of the four plans sponsored by the Archdiocese is as follows:

The Archdiocesan Pension Plan for Lay Employees is a noncontributory defined contribution plan. The plan covers all eligible employees of the Archdiocese who are not ordained priests or members of a religious order. The costs of the plan are paid by the employing parishes, schools, and agencies. Annual contributions to the plan are made on the basis of 6% of gross annual earnings.

Pension expense for the years ended June 30, 2020 and 2019, was \$602,000 and \$611,000, respectively. This represents the contribution by the Archdiocese on behalf of lay employees working in the Chancery.

The Archdiocesan 403(b) Savings Plan is a tax deferred savings plan covering substantially all employees of the Archdiocese. Archdiocesan contributions to this plan were not material during the years ended June 30, 2020 and 2019.

Pension Plan and Trust for the Priests of the Archdiocese of Seattle is a noncontributory defined benefit plan covering all eligible Archdiocesan priests. Contributions from parishes, schools, and agencies employing priests outside the Archdiocese are recognized as a reduction to pension expense by the Archdiocese.

On January 1, 2018, a new plan, the Frozen Pension Benefit Plan for Priests, was created for priests who are on permanent prayer and penance or have been reduced to the lay state under the Norms accompanying the charter for the Protection of Children and Youth. These Priests were removed from the Priests' Pension Plan and all related assets and liabilities were transferred into the new plan. The assets and liabilities related to the Frozen Pension Benefit Plan for Priests are included with the Pension Plan and Trust for the Priests of the Archdiocese of Seattle on the statements of financial position (collectively, the "Priests' Pension Plans").

Priests' Health Plan is a plan used by the Archdiocese to provide health benefits including medical, dental, vision, and other benefits to its active, retired, and inactive priests ordained or incardinated in the Archdiocese of Seattle.

The post-retirement benefits described above are provided at the discretion of the Archbishop and may be changed in the future.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Obligations, Funded Status, and Assumptions

The following tables summarize the funded status of the Priests' pension and health benefits, as well as significant actuarial assumptions based on a June 30 measurement date:

	2020		2019	
	Priests' Pension Plans	Priests' Health Plan	Priests' Pension Plans	Priests' Health Plan
Benefit obligation	\$ 31,692,000	\$ 18,046,000	\$ 29,678,000	\$ 15,673,000
Fair value of plan assets	18,121,000	*	12,279,000	*
Funded Status	\$(13,571,000)	\$(18,046,000)	\$(17,399,000)	\$(15,673,000)
Accrued benefit cost in the statements of financial position	\$ 13,571,000	\$ 18,046,000	\$ 17,399,000	\$ 15,673,000
Weighted-average assumptions to determine benefit obligations and net periodic benefit cost:				
Discount rate	2.30%	2.56%	3.21%	3.41%
Expected rate of return on plan assets	5.50%	N/A	6.00%	N/A

* As of June 30, 2020 and 2019, this plan held investment assets of \$8,272,000 and \$5,360,000, respectively. However, these assets are not netted against the liability, as the plan covers both active and retired priests.

Benefits payable under this plan are established at certain amounts without regard to levels of compensation paid to priests during employment. Consequently, changes in priests' compensation levels have no effect on the amount of projected or accumulated benefit obligation.

The computations assume annual rates of increase in the per-capita cost of covered health care benefits to be 4.9%, grading down to 4.0% in later years.

Changes in Actuarial Assumptions

During the year ended June 30, 2020, accrued Priests' pension and health benefit costs increased by a total of \$2,000,000 and \$2,400,000, respectively, due to an update on claims cost experience, changes in the discount rate from 3.21% to 2.30% for the pension plan and from 3.41% to 2.56% for health benefits, and an update on the mortality assumptions to reflect the MP-2019 mortality improvement scale recently released by the Society of Actuaries' Retirement Plans Experience Committee.

During the year ended June 30, 2019, accrued Priests' pension and health benefit costs increased by a total of \$2,200,000 due to an update on claims costs experience, changes in the discount rate from 3.95% to 3.21% for the pension plan and from 4.07% to 3.41% for health benefits, and an update on the mortality assumptions to reflect the MP-2019 mortality improvement scale recently released by the Society of Actuaries' Retirement Plans Experience Committee.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Contributions

The CTSC contributed \$5,477,000 and \$4,028,000 to the Priest Pension Plan and \$2,057,000 and \$1,512,000 to the Health Benefits Plan during the years ended June 30, 2020 and 2019, respectively.

Amounts to be paid into the plans from the CTSC for future years are dependent on cash collected against the CTSC pledges. The Archdiocese expects to contribute approximately \$800,000 to its Priests' Pension Plan, \$200,000 to the Frozen Pension Benefit Plan for Priests, and \$800,000 to its Priests' Health Plan in the year ending June 30, 2021.

Benefit Cost and Contributions

Priest pension and health benefit expenses and related contribution information is summarized as follows for the years ended June 30:

	2020		2019	
	Priests' Pension Plans	Priests' Health Plan	Priests' Pension Plans	Priests' Health Plan
Benefit Cost	\$ 1,793,000	\$ 993,000	\$ 1,722,000	\$ 1,062,000
Less:				
Contributions paid by parishes, and schools	(1,478,000)	-	(1,299,000)	-
Contributions paid by CTSC	(5,477,000)	-	(4,028,000)	-
Contributions and bequests	(144,000)	-	(152,000)	-
Net (Benefit) Cost	(5,306,000)	993,000	(3,757,000)	1,062,000
Change in expense resulting from a change in the minimum liability	1,477,000	2,010,000	1,525,000	406,000
Total (Benefit) Expense	(3,829,000)	3,003,000	(2,232,000)	1,468,000
Archdiocesan Contribution to the Plan	1,117,000	630,000	1,063,000	632,000
Total Benefits Paid by the Plan	\$ 2,240,000	\$ 630,000	\$ 2,316,000	\$ 632,000
Items not yet recognized as a component of net periodic benefit cost				
Net loss	\$ 16,995,000	\$ 16,204,000	\$ 15,219,000	\$ 15,841,000
Prior service cost	2,940,000	(1,842,000)	3,239,000	(168,000)
	\$ 19,935,000	\$ 14,362,000	\$ 18,458,000	\$ 15,673,000
Reclassification of amounts to net periodic benefit cost				
Net loss	\$ 1,776,000	\$ 2,020,000	\$ 1,824,000	\$ 485,000
Prior service cost	(299,000)	(10,000)	(299,000)	(79,000)
	\$ 1,477,000	\$ 2,010,000	\$ 1,525,000	\$ 406,000
Amounts expected to be recognized in net periodic benefit cost for the year ending June 30, 2021				
Net loss*	\$ 813,000	\$ -	\$ 683,000	\$ -
Prior service cost	299,000	(2,000)	299,000	(31,000)
	\$ 1,112,000	\$ (2,000)	\$ 982,000	\$ (31,000)

* Amount to be determined for net gain/loss for pension plan.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

These plans do not allow participant contributions.

Plan Assets

The Archdiocese's overall strategy is to invest in a diversified portfolio of high-grade securities and other assets to provide long-term growth through income and appreciation in excess of customized indexes and at a lower relative risk. However, market fluctuations may result in capital losses. In general, the Archdiocese's goal is to maintain the following allocation ranges:

Domestic equity securities	33.6% - 50.4%
International equity securities	14.4% - 21.6%
Fixed income and cash surrender value of life insurance	16% - 24%
Real estate and mortgage-backed fixed income funds	16% - 24%

The Archdiocese's Priests' Pension Plan weighted-average asset allocations by asset category are as follows at June 30:

	2020	2019
Cash and cash equivalents	4%	15%
Domestic equity securities and mutual funds	38%	37%
Fixed income and cash surrender value of life insurance	17%	17%
International equity securities and mutual funds	21%	15%
Real estate funds	13%	8%
Mortgage-backed fixed income funds	7%	8%
Total	100%	100%

The overall expected long-term rate-of-return on plan assets represents a weighted-average composite rate based on expected rates-of-return for the following individual asset categories:

	2020	2019
Cash and equivalents	1.94%	2.88%
Domestic equity securities and mutual funds	5.65%	6.78%
Fixed income and cash surrender value of life insurance	2.91%	3.89%
International equity securities and mutual funds	6.70%	7.93%
Real estate funds	5.55%	6.92%
Mortgage-backed fixed income funds	3.09%	3.87%

Such rates are estimated by adjusting historical results for each category of investment for anticipated market movement.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service for the current population of priests, are expected to be paid for the years ending June 30:

	Priests' Pension Plans	Priests' Health Plan
2021	\$ 2,261,000	\$ 657,000
2022	2,150,000	677,000
2023	2,082,000	690,000
2024	1,998,000	716,000
2025	1,875,000	728,000
2026 - 2029	8,389,000	3,691,000
	\$ 18,755,000	\$ 7,159,000

10. Insurance

Property, liability, and workers' compensation insurance coverage is purchased. The liability insurance includes coverage for sexual misconduct liabilities. The Archdiocese administers the insurance program for the administrative offices, parishes, and other Archdiocesan organizations. It collects premiums from the affected organizations and pays insurance policy premiums and certain claim costs.

The Archdiocese is self-insured for specific amounts. Coverage for losses in excess of the self-insured limits of liabilities is also purchased. Estimated unpaid claim costs that are self-insured have been recorded as a liability in these financial statements.

11. Insurance Claims Payable and Contingencies

Insurance claims payable include the following as of June 30:

	2020	2019
Workers' compensation	\$ 6,056,000	\$ 5,582,000
Property and liability	1,414,000	1,297,000
Sexual abuse	6,400,000	3,630,000
Employment	50,000	50,000
	\$ 13,920,000	\$ 10,559,000

Property and liability and workers' compensation liabilities represent exposure based on actuarially determined case reserves and incurred but not reported claims for losses up to the Archdiocese's self-insurance level. The Archdiocese is self-insured up to \$500,000 for workers' compensation claims and \$250,000 for property and liability claims.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

The Archdiocese is defending claims for damages involving allegations of sexual abuse of minors. These cases date back to abuse that happened between the 1960's and early 1990's. The Archdiocese's policy is to provide counseling assistance to all victims regardless of fault. However, it is also the Archdiocese's policy to ensure that it has competent legal representation in every claim made against it. Liabilities are assessed at the time a claim is reported.

During the year ended June 30, 2020, the Archdiocese settled 13 sexual abuse cases for approximately \$2,196,000, net of insurance. During the year ended June 30, 2019, the Archdiocese settled 16 sexual abuse cases for approximately \$7,319,000, net of insurance.

As of June 30, 2020, there were 15 sexual abuse cases outstanding and in litigation. Management has concluded that reasonable estimates for settlements of these cases would be \$6,400,000, which is recorded as a liability as of June 30, 2020. Additionally, management reviewed the Archdiocese's insurance coverage for each case and has estimated that approximately \$748,000 of the estimated settlement liability will be covered by insurance carriers; this amount has been recorded in accounts receivable.

Management considers estimates of settlements of sexual abuse claims and related insurance recoveries to be significant estimates, and it is reasonably possible that the amounts will change in the near term based on further settlements and claims activity. The changes could have a material effect on the financial statements.

12. Endowment

Archdiocesan Endowment

The Archdiocesan endowments consist of 12 individual funds established for a variety of purposes. The endowments include eight donor-restricted endowment funds and four funds designated by the Archbishop to function as endowments ("quasi-endowments"). Five of the 12 individual funds, or 77% of the endowment fund balance, are restricted for seminarian support. Designated endowments may be re-designated as non-endowed funds at the discretion of the Archbishop. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Management interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Archdiocese classifies (a) the original value of gifts donated to the permanent endowment plus (b) the original value of subsequent gifts to the permanent endowment as net assets with donor restrictions to be held in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets to be held in perpetuity is classified as donor-restricted net assets until those amounts are appropriated for

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

expenditure by the Archdiocese in a manner consistent with the standard of prudence described by UPMIFA. In accordance with UPMIFA, the Archdiocese considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Archdiocese
- The investment policies of the Archdiocese

Endowment net assets consist of the following at June 30:

<i>Year Ended June 30, 2020</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual Restrictions	
Donor-restricted endowment funds	\$ -	\$ 2,853,000	\$ 8,386,000	\$ 11,239,000
Quasi-endowment funds	2,895,000	-	-	2,895,000
Total	\$ 2,895,000	\$ 2,853,000	\$ 8,386,000	\$ 14,134,000

<i>Year Ended June 30, 2019</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual Restrictions	
Donor-restricted endowment funds	\$ -	\$ 3,206,000	\$ 8,333,000	\$ 11,539,000
Quasi-endowment funds	2,789,000	-	-	2,789,000
Total	\$ 2,789,000	\$ 3,206,000	\$ 8,333,000	\$ 14,328,000

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The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Changes in endowment net assets are as follows for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual Restrictions	
Endowment Net Assets, June 30, 2018	\$ 2,609,000	\$ 3,461,000	\$ 8,256,000	\$ 14,326,000
Investment Return				
Investment income	66,000	90,000	-	156,000
Net appreciation (realized and unrealized)	207,000	276,000	-	483,000
Total Investment Return	273,000	366,000	-	639,000
Contributions	-	-	77,000	77,000
Appropriation of endowment net assets for expenditure	(93,000)	(621,000)	-	(714,000)
Endowment Net Assets, June 30, 2019	2,789,000	3,206,000	8,333,000	14,328,000
Investment Return				
Investment income	70,000	98,000	-	168,000
Net appreciation (realized and unrealized)	126,000	179,000	-	305,000
Total Investment Return	196,000	277,000	-	473,000
Contributions	-	-	53,000	53,000
Appropriation of endowment net assets for expenditure	(90,000)	(630,000)	-	(720,000)
Endowment Net Assets, June 30, 2020	\$ 2,895,000	\$ 2,853,000	\$ 8,386,000	\$ 14,134,000

Return Objectives and Risk Parameters

The Archdiocese has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and maintaining compliance with socially responsible investment guidelines of the Church. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s), as well as quasi-endowment funds. Under this policy, as approved by the Archbishop, the endowment investment objectives will be for the asset value, exclusive of contributions or withdrawals, to grow over time and earn, through a combination of investment income and capital appreciation, a rate-of-return (time-weighted total return) in excess of inflation, as measured by the Consumer Price Index and defined benchmarks. Allocations of endowment investments will change over time as circumstances, investment performance, economic, and other conditions change.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Archdiocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Archdiocese targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Archdiocese has a policy of appropriating for distribution each year no more than 5% of its endowment fund's fair value at June 30. This is consistent with the Archdiocese's objective to maintain the purchasing power of the endowment assets held in perpetuity for a specified term, as well as to provide additional real growth through new gifts and investment return. Investment returns depend on many factors, and there can be no assurance that the planned returns will be achieved.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires. As of June 30, 2020 and 2019, there were no funds with deficiencies.

13. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Archdiocese is not able to estimate the effects of the pandemic on its future operations, financial condition or liquidity for fiscal year 2021. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, supplies, industry, and workforce.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provision relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to the tax depreciation methods for qualified improvement property.

It also appropriated funds for the Small Business Administration Paycheck Protection Program ("PPP") loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small business and nonprofits harmed by COVID-19. The Archdiocese applied for and received a PPP loan in the amount of \$2,695,000. The note payable incurs interest at 1% and is unsecured. The principal and interest of the note is forgivable if the proceeds are spent on qualifying costs during the 24-week period following the date the note is issued. Qualified costs are considered as 60% of the loan amount on payroll costs,

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

and 40% on non-payroll costs, including rent and utilities. Interest payments are deferred for the first ten months of the note period, following the 24-week period. Should any portion of the principal of the note not meet the forgiveness provisions, monthly principal and interest payments will be repayable using a monthly amortization schedule starting from the end of the deferral period until maturity on April 15, 2022.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Certain programs at the Archdiocese were deemed too risky to operate during the COVID-19 outbreak, including the retreat center, summer camps, and CYO athletics, and are currently not operating with in-person events or programs. The closure of these programs resulted in a loss of revenue for the Archdiocese, however, this loss was mitigated by furloughing the majority of staff who worked on these programs and maintaining only essential maintenance and business continuity staff. Other programs and services of the Archdiocese continue to operate; however, many employees are now working from home.

The Annual Catholic Appeal (the “Appeal”) is the Archdiocese primary fundraising event. The Archdiocese has pledged 10% of the Appeal revenue to the Parish Solidarity Fund for COVID Relief and it will be distributed to parishes in the upcoming year. The planned start of the appeal was delayed a few months. Through the date of this report, the Appeal is running short of its annual goal. Parish giving has been negatively impacted by the COVID-19 outbreak and future revenue from parish assessments is based on a percentage of parish ordinary income. Management continues to examine the impact that the CARES Act may have on the Archdiocese.

Supplemental Information



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Independent Auditor's Report on Supplemental Information

Most Reverend Paul D. Etienne
Roman Catholic Archbishop of Seattle
The Program and Administrative Offices of the
Corporation of the Catholic Archbishop of Seattle
Seattle, Washington

We have audited the financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of and for the year ended June 30, 2020, and our report thereon dated November 11, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 3 and 4. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2020 fund information in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

November 11, 2020

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule I - Statement of Financial Position by Fund

<i>June 30, 2020</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Assets					
Cash	\$ 15,393,000	\$ -	\$ -	\$ -	\$ 15,393,000
Investments	26,268,000	-	-	-	26,268,000
Contributions and other receivables	9,464,000	26,000	-	-	9,490,000
Notes receivable	408,000	18,000	-	-	426,000
Insurance reimbursement receivable	748,000	-	-	-	748,000
Prepaid expenses and other assets	359,000	-	-	-	359,000
Total Current Assets	52,640,000	44,000	-	-	52,684,000
Endowment investments	-	-	-	15,298,000	15,298,000
Annuity/trust investments	11,968,000	-	-	-	11,968,000
Notes receivable, less current portion and allowance	2,311,000	4,947,000	-	-	7,258,000
Property and equipment, net	-	-	21,145,000	-	21,145,000
Other interfund balance	(30,771,000)	30,777,000	-	(6,000)	-
Total Assets	\$ 36,148,000	\$ 35,768,000	\$ 21,145,000	\$ 15,292,000	\$ 108,353,000

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule I - Statement of Financial Position by Fund

<i>June 30, 2020</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Liabilities and Net Assets					
Revolving fund deposits	\$ -	\$ 35,546,000	\$ -	\$ -	\$ 35,546,000
Notes payable, current portion	675,000	-	-	-	675,000
Accounts payable and accrued expenses	2,620,000	222,000	12,000	-	2,854,000
Deferred revenue	343,000	-	-	-	343,000
Insurance claims payable	13,920,000	-	-	-	13,920,000
Accrued priests' pension plans liability	102,000	-	-	-	102,000
Other accrued post-retirement medical plan benefits	657,000	-	-	-	657,000
Custodial liabilities	1,573,000	-	-	1,158,000	2,731,000
Total Current Liabilities	19,890,000	35,768,000	12,000	1,158,000	56,828,000
Notes payable, less current portion	9,763,000	-	-	-	9,763,000
Accrued priests' pension plans liability, less current portion	13,469,000	-	-	-	13,469,000
Other accrued post-retirement benefits, less current portion	17,389,000	-	-	-	17,389,000
Annuity/trust liabilities	2,570,000	-	-	-	2,570,000
Total Liabilities	63,081,000	35,768,000	12,000	1,158,000	100,019,000
Net Assets					
Without donor restrictions					
Undesignated deficit	(64,573,000)	-	20,278,000	1,768,000	(42,527,000)
Designated funds	21,789,000	-	855,000	1,127,000	23,771,000
Total net assets without donor restrictions	(42,784,000)	-	21,133,000	2,895,000	(18,756,000)
With donor restrictions	15,851,000	-	-	11,239,000	27,090,000
Total Net Assets	(26,933,000)	-	21,133,000	14,134,000	8,334,000
Total Liabilities and Net Assets	\$ 36,148,000	\$ 35,768,000	\$ 21,145,000	\$ 15,292,000	\$ 108,353,000

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule II - Statement of Activities and Changes in Net Assets by Fund

<i>Year Ended June 30, 2020</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Net Assets without Donor Restrictions					
Revenue and other support					
Parish assessments	\$ 7,344,000	\$ -	\$ -	\$ -	\$ 7,344,000
Program fees	6,058,000	-	-	-	6,058,000
Interest and dividends	510,000	-	-	70,000	580,000
Interest on Revolving Loan Fund notes	-	197,000	-	-	197,000
Contributions	529,000	-	-	-	529,000
Other	534,000	-	-	-	534,000
	14,975,000	197,000	-	70,000	15,242,000
Net assets released from restrictions					
Satisfaction of time restrictions from the Annual Catholic Appeal	11,884,000	-	-	-	11,884,000
Satisfaction of program restrictions	2,204,000	-	-	631,000	2,835,000
Total Revenue and Other Support	29,063,000	197,000	-	701,000	29,961,000
Expenses					
Program	17,655,000	-	-	-	17,655,000
Management and general	10,857,000	-	1,460,000	-	12,317,000
Stewardship and development	1,638,000	-	-	-	1,638,000
Total Expenses	30,150,000	-	1,460,000	-	31,610,000
Change in net assets before insurance and other gains and losses	(1,087,000)	197,000	(1,460,000)	701,000	(1,649,000)
Insurance revenue	13,530,000	-	-	-	13,530,000
Insurance premiums, taxes, and claims	(15,840,000)	-	-	-	(15,840,000)
Insurance revenue and expense, net	(2,310,000)	-	-	-	(2,310,000)

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule II - Statement of Activities and Changes in Net Assets by Fund

<i>Year Ended June 30, 2020</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Bequests	\$ 2,811,000	\$ -	\$ -	\$ -	\$ 2,811,000
Realized gains on investments	3,363,000	-	-	1,083,000	4,446,000
Unrealized (losses) on investments	(2,955,000)	-	-	(957,000)	(3,912,000)
Change in priests' pension liability	(1,477,000)	-	-	-	(1,477,000)
Change in other post retirement benefit liability	(2,010,000)	-	-	-	(2,010,000)
Realized (losses) on sale of property	(10,000)	-	-	-	(10,000)
Gain on priest pension plan and post-retirement medical plan campaign contributions	7,534,000	-	-	-	7,534,000
Internal transfers of net assets without donor restrictions	477,000	(197,000)	441,000	(721,000)	-
Change in Net Assets without Donor Restrictions	4,336,000	-	(1,019,000)	106,000	3,423,000
Net Assets with Donor Restrictions					
Contributions	15,406,000	-	-	53,000	15,459,000
Investment income	-	-	-	98,000	98,000
Realized gains on investments	-	-	-	1,507,000	1,507,000
Unrealized (losses) on investments	-	-	-	(1,327,000)	(1,327,000)
Net assets released from restrictions					
Satisfaction of time restrictions from the Annual Catholic Appeal	(11,884,000)	-	-	-	(11,884,000)
Satisfaction of program restrictions	(2,204,000)	-	-	(631,000)	(2,835,000)
Change in Net Assets with Donor Restrictions	1,318,000	-	-	(300,000)	1,018,000
Total Net Assets					
Change in Net Assets without Donor Restrictions	4,336,000	-	(1,019,000)	106,000	3,423,000
Change in Net Assets with Donor Restrictions	1,318,000	-	-	(300,000)	1,018,000
Total Change in Net Assets	5,654,000	-	(1,019,000)	(194,000)	4,441,000
Net Assets, beginning of year	(32,587,000)	-	22,152,000	14,328,000	3,893,000
Net Assets, end of year	\$ (26,933,000)	\$ -	\$ 21,133,000	\$ 14,134,000	\$ 8,334,000