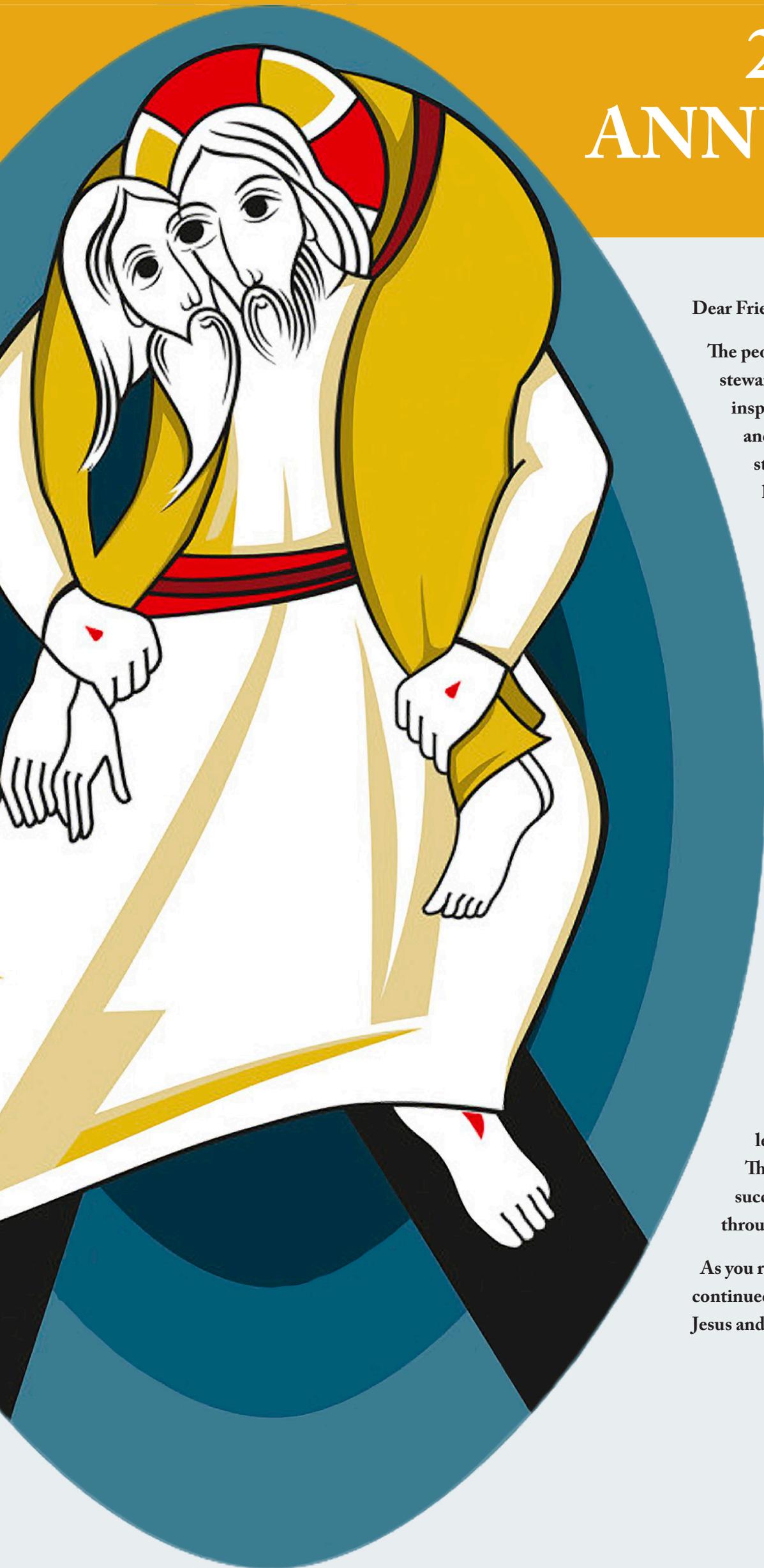


ARCHDIOCESE OF SEATTLE
2015–2016
ANNUAL REPORT



Dear Friends in Christ,

The people of the Archdiocese of Seattle have a tradition of stewardship that is truly remarkable and which never ceases to inspire me. Relying on God's Providence, our clergy, religious and lay people continually receive God's gifts gratefully, steward them responsibly, and then share them in justice and love for all, making a return with increase to the Lord. This is the very definition of Christian stewardship, and I am deeply grateful that the lives of the faithful express it so abundantly in our local church.

Every year brings both challenges and blessings. One of the most immediate challenges to archdiocesan stewardship is adequate funding for pension and medical plans for priests and religious women. I have been in consultation with the Archdiocesan Finance Council and other consultative bodies for several years about how to stabilize archdiocesan pension and medical plans and assure that they will be fully supported in the future. Following these consultations, I have decided to explore the possibility of a major campaign to address this challenge in recognition and appreciation for our priests and women religious for their lives of service.

A great blessing in the past year was a record \$15 million raised by our Annual Catholic Appeal. The Archdiocese of Seattle owes a debt of gratitude to all who participated for their generosity, but of special note this year are Rick and Patti Fersch, who began a well-earned retirement after leading our Stewardship and Development Office since 2003. Their efforts made the Annual Catholic Appeal extraordinarily successful, and their ministry brought people closer to the Lord through their response to God's generosity.

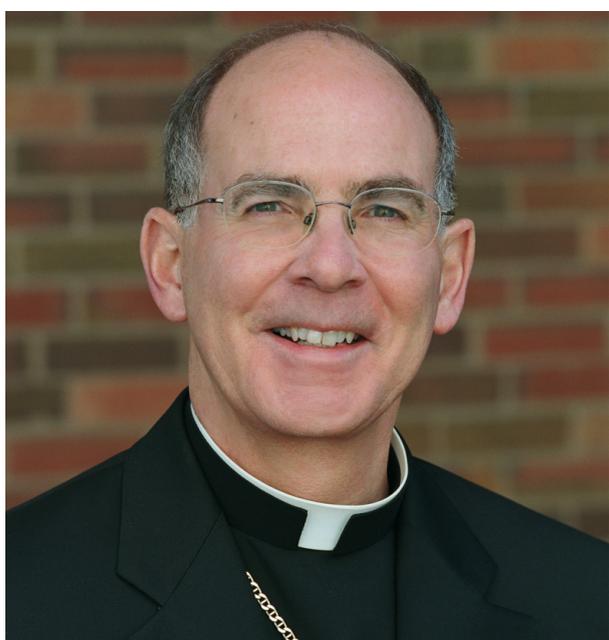
As you review this 2015-16 Annual Report, please be assured of my continued prayer that we will grow to know, love and serve the Lord Jesus and his Church more each day.

Sincerely in Christ,

+ *J. Peter Sartain*

J. Peter Sartain
Archbishop of Seattle

STATEMENTS OF ACTIVITIES



ANNUAL REPORT 2015/2016

The information contained in this report provides a financial overview of the Archdiocese of Seattle.

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

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

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



ARCHDIOCESE
OF SEATTLE

CHANCERY PROGRAMS & SERVICES

Following is the Statement of Activities for the Chancery for the fiscal years 2015/2016 and 2014/2015. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.

Central Office Programs and Services Statement of Activities For the Fiscal Years ended 2015-2016 and 2014-2015

	June 30, 2016 Total All Funds	June 30, 2015 Total All Funds
UNRESTRICTED NET ASSETS		
Revenue and other support		
Parish Assessments	\$6,195,000	\$6,044,000
Investment Income / (Loss) on Revolving Funds	232,000	192,000
Investment Income (Losses) on Endowments	23,000	231,000
Investment Income (Losses) on General Reserve	515,000	682,000
Program Fees and Advertising	5,326,000	4,214,000
Contributions and Bequests	851,000	2,422,000
Insurance Program Premiums	10,612,000	10,937,000
Other	1,274,000	1,266,000
Subtotal	\$25,028,000	\$25,988,000
Net Assets Released From Restrictions		
Annual Catholic Appeal	11,500,000	11,277,000
Restricted and Designated Funds	3,213,000	1,372,000
Total Revenue and Other Support	\$39,741,000	\$38,637,000
Expenses		
Catholic Faith Formation	\$720,000	\$941,000
Catholic Schools	1,684,000	1,573,000
Contributions to CCSWW	1,156,000	683,000
Archbishop Brunett Retreat Center *	1,220,000	
Donations, Grants and Subsidies (includes OYYAE)	1,545,000	1,340,000
Missions Office	313,000	296,000
Office of the Vicar for Clergy	3,539,000	3,341,000
Communications	1,549,000	1,646,000
Tribunal	574,000	522,000
Priest and Retired Bishop Support	2,208,000	1,590,000
Pension	1,365,000	656,000
General Administration	12,079,000	12,063,000
Insurance Program	18,176,000	9,945,000
Revolving Fund Interest & Bad Debts	943,000	1,027,000
Plant Fund Depreciation & Interest	1,580,000	1,615,000
Total Expenses	\$48,651,000	\$37,238,000
Change in Unrestricted Net Assets		
Change before Unrealized Gains/(Losses) and Transfers	(\$8,910,000)	\$1,399,000
Unrealized Gains (Losses) on Investments - General	(1,020,000)	(185,000)
Unrealized Gains (Losses) on Investments - Endowments	(84,000)	(110,000)
Change in Minimum Pension Liability	(5,268,000)	(3,596,000)
Change in Minimum Other Benefit Liability	(173,000)	(3,187,000)
Realized gains on sale of property	2,943,000	
Impairment of Property	(477,000)	(2,746,000)
Change in Unrestricted Net Assets	(\$12,989,000)	(\$8,425,000)

* Fiscal Year 2015/2016 is the first year we have incorporated Archbishop Brunett Retreat Center into the Central Office Financial Statements.

CENTRAL OFFICE PROGRAMS & SERVICES

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

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

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.

PROGRAM FEES AND ADVERTISING

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

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, and miscellaneous.

ANNUAL APPEAL

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

RESTRICTED AND DESIGNATED FUNDS

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

EXPENSES:

CATHOLIC FAITH FORMATION

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



Janis Olson

CATHOLIC SCHOOLS

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

CONTRIBUTIONS TO CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

Grants to CCSWW to assist in their operations.

ARCHBISHOP BRUNETT RETREAT CENTER

Provides 56 guest rooms and exceptional meeting facilities in a beautifully secluded but convenient setting for retreats, spiritual growth and professional formation.

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 OYYAE 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 the pastoral care of parishes and faith communities by serving pastors, staffs and consultative leadership.

COMMUNICATIONS

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

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

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.

GENERAL ADMINISTRATION

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

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

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- ENDOWMENTS

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

CHANGE IN MINIMUM PENSION LIABILITY

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

CHANGE IN MINIMUM OTHER BENEFIT LIABILITY

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

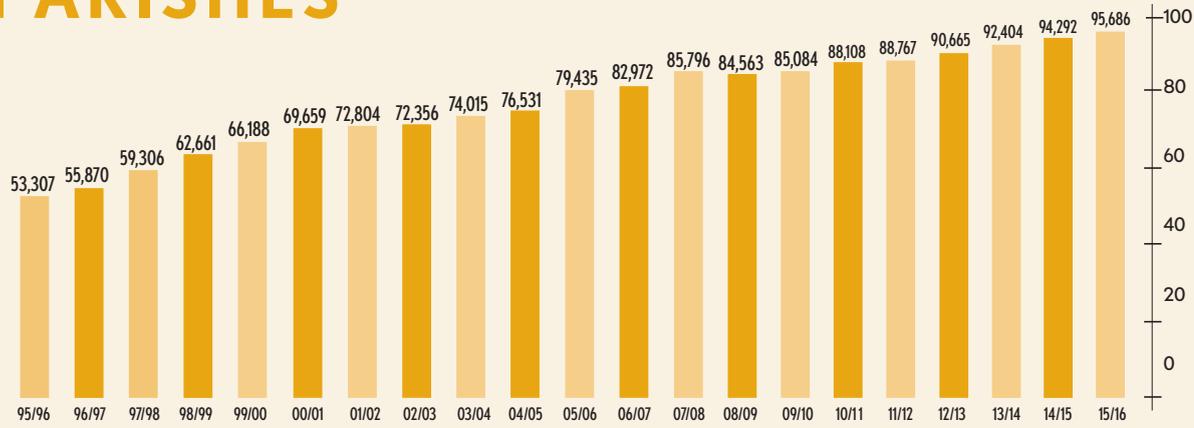
REALIZED GAINS ON SALE OF PROPERTY

Gains from the sale of Seafarer building.

IMPAIRMENT OF PROPERTY

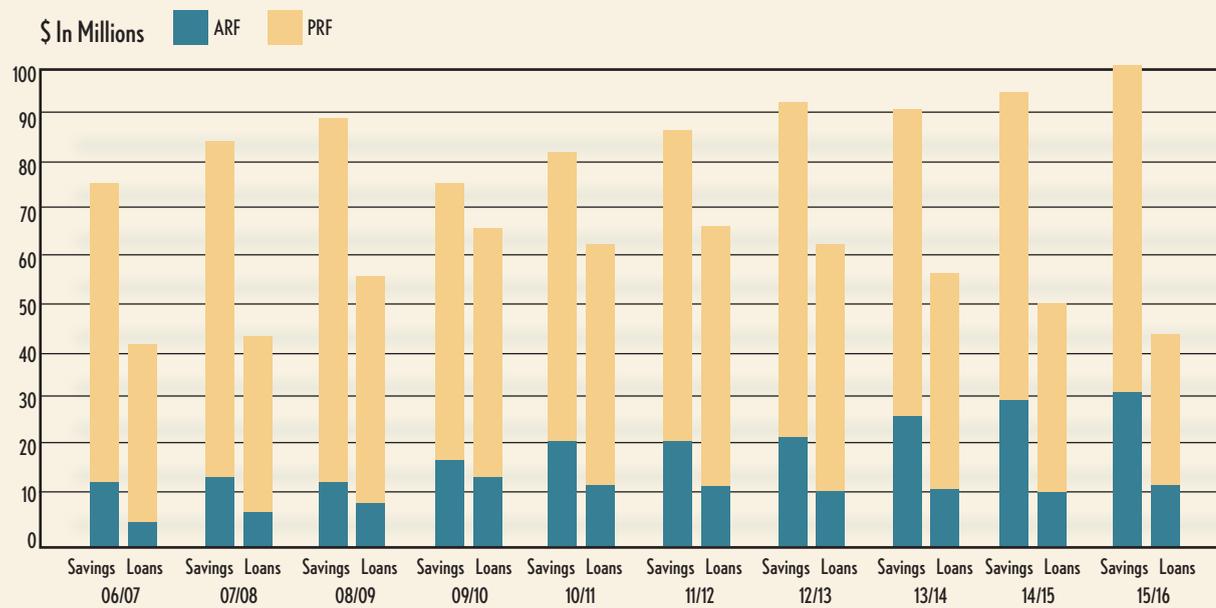
Recognized the loss due to the decline in the value of Donated Real Estate.

PARISHES



Parishes in Western Washington overall saw another increase in collection income. From July 1, 2015 through June 30, 2016, Ordinary Income (Sunday and Holy Day Collections) increased by 1.45% to over \$95 million. Total parish revenue from all sources, including parish schools but excluding intra parish transfers exceeded \$248 million. In 2015/2016, 29 parishes exceeded \$1 million, with another 4 parishes exceeding \$2 million, in Ordinary Income. 36 parishes and missions, primarily in rural areas, had Ordinary Income under \$100,000.

REVOLVING FUNDS



Revolving Funds

The Parish Revolving Fund (PRF) is a separately maintained savings and loan organization within the Archdiocese. Parishes deposit surplus funds in the PRF. The Archdiocesan Revolving Fund (ARF) accepts deposits from other institutions in the Archdiocese. These funds are then available as loans to finance operating and capital needs throughout the Archdiocese. 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 6/30/16 totaled \$100.7 million in 647 accounts, a 5% increase from last year's \$95.9 million in 677 accounts. Loans decreased to \$44.1 million, a 13% decline from last year's \$50.9 million. The number of loans also decreased from 89 to 82.

ARF savings increased from \$28.8 million to \$31.6 million at year end with loans increasing to \$12.0 million.

GOOD NEWS FROM THE MISSIONS OFFICE

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

Catholic Relief Services (CRS) is our U.S. Catholic community's official international relief and development agency, working in **100 countries** and reaching nearly **100 million** of the world's poorest people each year with



innovative solutions to tough problems like poverty, hunger, drought, disease and emergencies. CRS is motivated by the Gospel of Jesus Christ to cherish, preserve and uphold the sacredness and dignity of all human life, foster charity and justice, and embody Catholic social and moral teaching. www.crs.org.



The **Catholic Campaign for Human Development** (CCHD) is the domestic anti-poverty program of the U.S. Catholic Bishops working to carry out the mission of Jesus Christ "to bring good news to the poor." CCHD addresses the root causes of poverty in the U.S. through promotion and support of community-controlled, self-help organizations and through transformative education in our parishes and schools. www.usccb.org/cchd.



The **Pontifical Mission Societies** have special responsibility in the Universal Church. They are under the direct canonical jurisdiction of the Pope, who, together with the entire body of Bishops, remind us of our baptismal call to be missionary disciples, as they gather basic support for

more than 1,150 mission dioceses in Asia, Africa, the Pacific Islands and Latin America. The Societies include the **Society for the Propagation of the Faith**, the **Missionary Childhood Association**, and the **Society of St. Peter Apostle**. www.onefamilyinmission.org.

In fiscal year 2015-2016, the Missions Office received and distributed **\$1,926,366.91** for evangelization, education, relief and development work of the Church primarily through the Catholic Relief Services Collection, the Rice Bowl Lenten program, the World Mission Sunday collection, the Catholic Campaign for Human Development (CCHD) collection, mission appeals, emergency responses, and designated gifts and bequests.

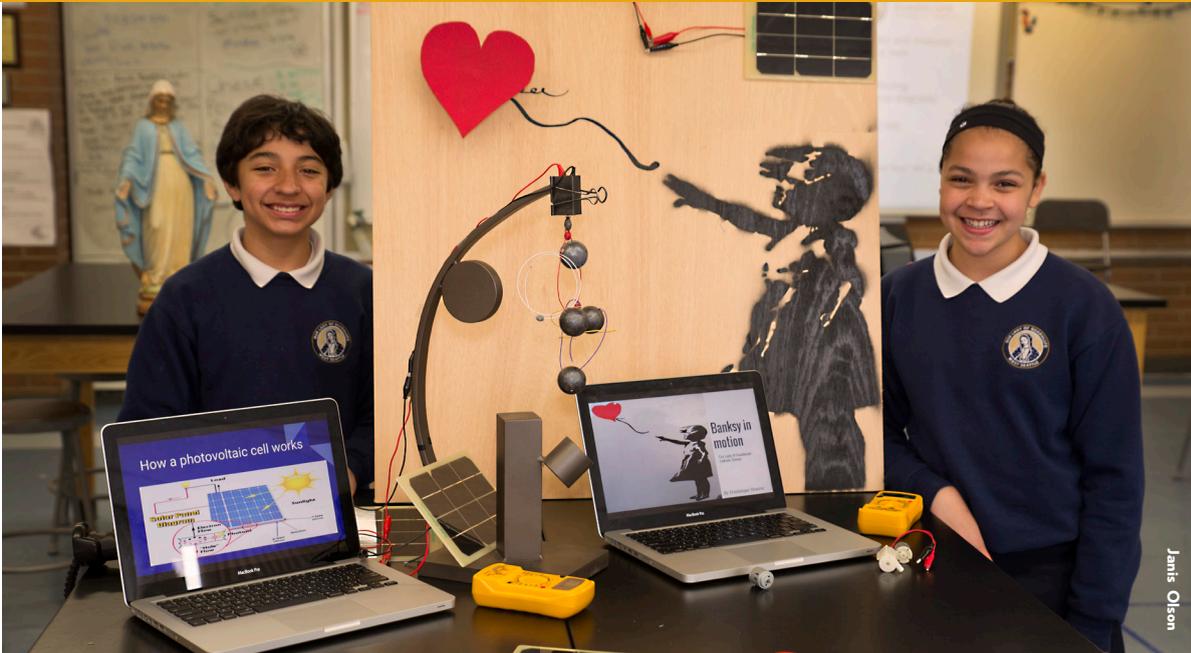
CATHOLIC SCHOOLS

During 2015-2016, the 58 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided a high-quality Catholic education to 15,904 students. Of these, 79% were registered as Catholics, and 37% were ethnic minority students. The four non-diocesan elementary schools – Forest Ridge 5-8, Villa Academy, Holy Family (Lacey) and Pacific Crest Academy – and Eastside Catholic Middle School served 1,008 students of that total.

Eleven Catholic high schools served an additional 6,165 students. Of these schools, the Archdiocese operates three in the greater Seattle area – Bishop Blanchet High School, Kennedy Catholic High School, and O’Dea High School. Together, these three secondary schools enrolled 2,159 students, whose budgets totaled \$33,614,503.

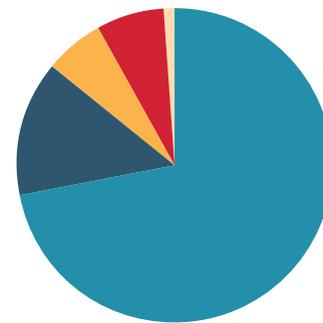
The remaining eight secondary schools offered high school programs of study throughout western Washington. These included Holy Names Academy (Seattle); Seattle Preparatory School (Seattle); Bellarmine Preparatory School (Tacoma); Archbishop Thomas J. Murphy High School (Everett); Forest Ridge School of the Sacred Heart (Bellevue); Eastside Catholic High School (Sammamish); Seton Catholic College Preparatory High School (Vancouver); and Pope John Paul II High School (Lacey). Together, these schools enrolled 4,006 students with combined budgets of \$78,404,915.

A total of 1,351 teachers delivered an educational program to the elementary children, and 632 full and part time secondary teachers instructed the high school students.



Sources of Parish School Revenue

Parish school operating revenues for 2015/2016 totaled \$123.4 million. Tuition and Fees accounted for 72% of the total with the balance made up of a combination of parish subsidy, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. Parishes with schools gave 16% of ordinary income in support of their schools.



- Tuition/Fees 72%
- Fundraising/Gift Revenue 14%
- All Other Revenue 6%
- Parish Subsidy 7%
- Neighboring Parishes 1%

FULCRUM FOUNDATION



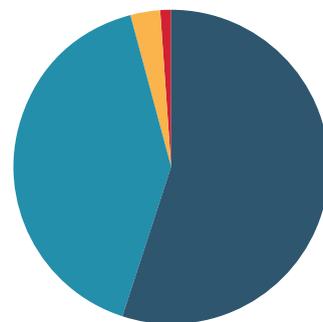
Founded in 2002, the Fulcrum Foundation provides financial assistance to promote and support Catholic schools in the Archdiocese of Seattle, primarily through tuition assistance, school partnership grants, and grants for transforming leaders.

In fiscal year 2016, Fulcrum distributed more than \$3,700,000 to Catholic schools, to Catholic school students and families, and to Catholic school teachers and leaders across the Archdiocese of Seattle. Fulcrum’s efforts have strengthened these school communities, schools that provide an excellent and transformational education rooted in the Catholic faith. This report highlights the distribution of funds across our core grant programs in fiscal year 2016—programs that are making a difference in the lives of families, teachers and leaders, and schools across the Archdiocese of Seattle.

To view Fulcrum’s annual report, please visit: www.fulcrumfoundation.org



Funds Distribution



Program Services

- Tuition Assistance 55% (\$2,053,405)
 - School Partnership Programs 41% (\$1,553,921)
 - Program Planning and Management 3% (\$125,553)
 - Leadership Programs 1% (\$32,238)
-
- Total Program Services 100% (\$3,765,117)**

OFFICE FOR YOUTH AND YOUNG ADULT EVANGELIZATION

MULTICULTURAL YOUTH AND YOUNG ADULT MINISTRY

Multicultural Youth and Young Adult Ministry supports the development of said ministries through leadership development opportunities, assisting existing programs/ministries to become more responsive and accessible to culturally diverse communities, and assisting in strengthening faith-based avenues that are culturally sensitive to help individuals grow closer to Christ. In the last year this department has served over 750 people of all ages attending retreats/camps and other direct programs, over 1000 people through collaborative work with other ministries and over 40 young adults serving in leadership through formation opportunities. Indirectly, we have served countless more as those who participated in our programs have returned to serve their families and faith communities.

YOUNG ADULT MINISTRY

The Archdiocese has ministered to over 1,500 young adults ages 18-39 through leadership development, formation opportunities, fellowship events, and college campus ministry. Young adult ministry has been expanded by a greater engagement of young adults with previous programs ranging from small faith-group-gatherings for weekly Lenten reflections to teams playing in the flag football league and tournament. Additionally, this department has launched a weekly newsletter that helps connect young adults to young adult focused ministries and activities offered by parishes throughout the Archdiocese.

YOUTH MINISTRY

In addition to the development of youth ministry and its leaders, we offer direct programming for teens as part of our support to parishes in the Archdiocese. We gathered, formed, and supported over 80 youth ministry leaders through New Youth Ministers Formation Gatherings

and quarterly Formation Days. Through events such as Catholic Youth Convention and Junior High Rally, 1600 youth & youth leaders from 85 parishes have had the opportunity to encounter Christ as they celebrate their faith with the Universal Church. Over the last year, 334 youth participated in Confirmation retreats and weeklong service-learning trips, and 78 youth from over 30 parishes gained concrete skills to lead as Catholic disciples in their communities through the high school leadership retreat.

CYO CAMPS AND GUEST SERVICES

The Environmental Education program with CYO Camp Hamilton finished the first stage of its new curriculum and participating schools have been very pleased with the rooting in Pope Francis's "Laudato Si". It still maintains a high level of excellence and meets all state requirements as well. This year around 900 students from 19 different Catholic Schools joined us.

Summer Camp served 1,390 youth from around Western Washington and was able to award over \$104,000.00 in scholarships thanks to generous donations. 110 seasonal staff were hired on to help complete the task of providing an amazing Catholic summer experience via Camp Don Bosco, Camp Hamilton and Nanamakee.

In the off-season the properties were used to provide retreat

space for 65 different groups. 54 of those groups were from local Catholic Parishes and Schools while the other 11 were from outside groups that share similar beliefs to the Church. Those groups combined represented an additional 4,439 participants experiencing God's creation through our camps.

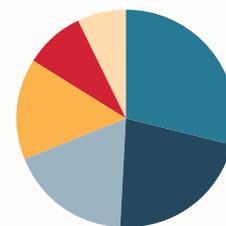
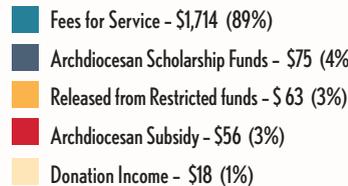
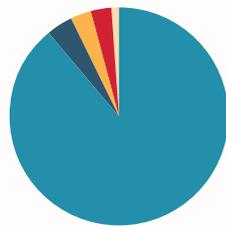
CYO ATHLETICS

CYO Athletics coordinated league competition and championships for approximately 50 Catholic parishes/schools and a number of other private schools within King, Pierce and Snohomish counties. The purpose of these programs is to help youth grow in their ability to apply the Gospel values to their everyday life – to develop attitudes of fair play, teamwork, self-discipline and physical fitness based upon Catholic Christian principles – and become champions by maximizing their potential.

Sports included: soccer, cross country, basketball, volleyball, baseball, track & field and an ultimate frisbee initiative. The majority of participants were in grades 4-8. However, programs for K-3, high school basketball and volleyball, and adult softball and flag football were also offered. There were over 16,000 team members and an estimated 3,000 volunteer coaches, coordinators and commissioners. Almost 500 coaches were trained in the "Play Like a Champion Today" coaches training program, and a parent workshop was also offered as an additional resource.

Calculation of Annual Report Figures

Fiscal Year 2015/2016 (\$ In thousands)



Total Expense General – \$2,992 (100%)

Net Expenditures in Excess of Revenue.....(\$1,066) -55%

<http://www.oyyae.org>

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 burial and funeral issues.*

Since 1838 Catholics in the Archdiocese have chosen to be buried in sacred burial ground. Associated Catholic Cemeteries continues this tradition by serving the Puget Sound area and have buried more than 84,000 people. These Archdiocesan cemeteries consist of four cemeteries. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyrood, serving North Seattle, King, and Snohomish Counties, was dedicated in 1953. Gethsemane, dedicated in 1975, serves South Seattle, King and Pierce Counties. St. Patrick, begun in 1890 as the parish cemetery for St. Anthony (now Holy Spirit) Parish in Kent, was transferred to ACC in 1989. These four cemeteries provided 957 burial services during 2015/2016.

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.

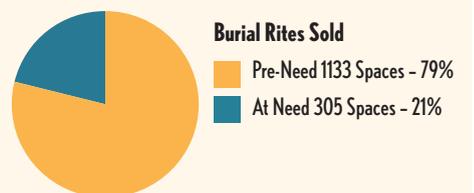
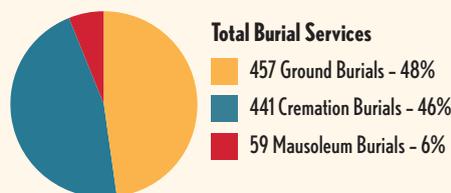
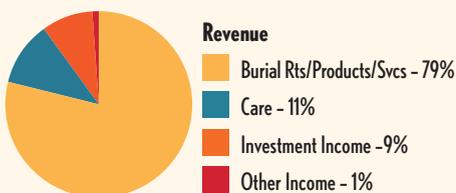
Associated Catholic Cemeteries continues its long-standing practice of operating without financial subsidy from the Archdiocese. Financial results for the year ending June 30, 2016 show a Change in Net Assets for Operations of (\$476,000). While sales for the year totaled approximately \$8.54 million, \$2.83 million of those sales were pre-need goods and services. While these sales provide current operational cash flow, they are deferred until the goods and services are delivered and/or the open A/R accounts are paid. Therefore, they are not reflected in the revenue. Regular contributions are made to the Care Fund from Operations. However, due to market volatility, the Fund's investment portfolio resulted in a net loss of approximately (2.5%).

In addition to the four Archdiocesan Cemeteries, there are 20 active parish cemeteries throughout the Archdiocese. The financial results of these cemeteries are included in parish operations.

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

Summary of Operations 2015/2016

Revenue	
Burial Rights & Other Sales less Adjustments	4,355,000
Cemetery & Mausoleum Care	610,000
Interest Income	514,000
Other Income	4,000
Net Revenue	5,483,000
Cost of Sales	(2,016,000)
Gross Profit	3,467,000
Operating Expenses	
Cemetery Operating Expenses	(3,443,000)
Grounds Maintenance	(500,000)
	(3,943,000)
Change in Unrestricted Net Assets	(476,000)



CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

As the local Catholic Charities agency in Western Washington—a faith-based and values-driven outreach of the Catholic Church—Catholic Community Services and Catholic Housing Services (CCS/CHS) of Western Washington have provided safety, stability and supportive connections in the lives of men, women and children in need for nearly 100 years. CCS/CHS is the largest private provider of assistance to poor and vulnerable people in the State of Washington. Under the leadership of Archbishop J. Peter Sartain, and at the direction of the Boards of Trustees and Michael L. Reichert, President, the staff of CCS and CHS provide loving and compassionate service to persons in need throughout Western Washington.

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

In each area of the Archdiocese, services are based on local needs and funding. Services are provided through a variety of sources, including contracts with cities and counties; contracts with state and federal government; fees for services; private donations and foundations; and United Way. Archdiocesan funding is provided through the Annual Catholic Appeal, the annual CCS Appeal for the Poor, and a variety of specific family center and program appeals throughout 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. Wherever 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, family support services, child care, youth services, addiction recovery services, foster care, adoption, pregnancy support, Volunteer Services, and others.

THE LONG TERM CARE SYSTEM

More than 20,000 people were served by Catholic Community Services' Long Term Care System. The Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in Western Washington. Services include home care; the African-American Elders Program in King County; senior meal sites in King and Pierce Counties that offer "more than a meal" to low-income seniors; nail care sites in Pierce and Skagit Counties; "meals-on-wheels" for



Danny Gaddi

homebound seniors; senior transportation; and Caregiver Training at many sites for thousands of people yearly.

THE FAMILY BEHAVIORAL HEALTH SYSTEM

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

CATHOLIC HOUSING SERVICES

Catholic Housing Services (CHS) believes in every person having the right to a safe, affordable place to call home. CHS provides affordable permanent housing units throughout Western Washington, serving single persons, families, seniors, and persons with special physical and mental needs. Most CHS housing includes resident support services in addition to providing a clean and safe place to live. CHS provides a continuum of care for some of the most vulnerable populations, in partnership with local, state and federal government agencies; public funders and private lenders; and dedicated staff and volunteers.

CCS FAMILY CENTERS LOCATIONS:

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

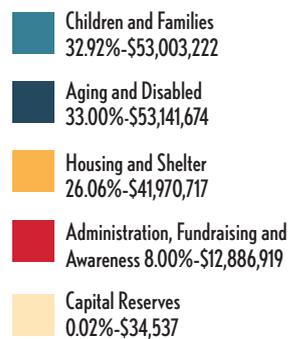
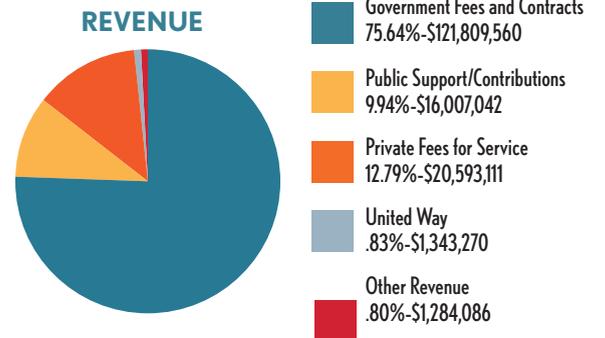
www.ccsww.org



CATHOLIC COMMUNITY SERVICES
CATHOLIC HOUSING SERVICES
OF WESTERN WASHINGTON

Combined CCS/CHS Operating Budgets \$161,037,069

Fiscal Year 2015/2016 (In thousands)



In addition to the 2016 Operating Budgets, CCS and CHS are the managing general partners or program managers for 24 affordable housing projects with a combined operating budget of \$8,867,904.

The Catholic Charities Foundation of Western Washington reported total assets of \$14 million, as of June 30, 2016, that were invested for the benefit of CCS and CHS. For the year ending June 30, 2016, the Foundation distributed \$650,000 to CCS and CHS.

ONLINE FORMS AND INFORMATION

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

[CYO Summer Camp Brochure](#) for youth ages 6-18.

[Associated Catholic Cemeteries:](#) 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 Centrally Managed Ministries of the Corporation of the Catholic Archbishop of Seattle as of 6/30/16.](#)

[Audited Financial Statements of the Fulcrum Foundation as of 6/30/16.](#)

FROM THE FINANCE COUNCIL



Dear Members of the Church of Western Washington:

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

PARISHES

Parish ordinary income increased by 1.45% last year to over \$95 million. Last year's ordinary income was \$94.3 million, an increase of 2.07%. The change for 2016 is less than the average increase for the last 10 years of approximately 1.9%. Ninety three (54%) of our parishes experienced increases in ordinary income and seventy nine (46%) of our parishes experienced declines or limited changes in ordinary income. As we know, our Parishes vary significantly in size and economic circumstances.

ANNUAL APPEAL

Annual Catholic Appeal amounts reported in the Statement of Activities are reported in arrears. Once again, contributions to the Annual Catholic Appeal actually exceeded the prior year and, at \$14.05 million represent an increase of 2.5% over 2014. Total rebates to Parishes were \$ 2.55 million, an increase from the \$2.4 million rebated in 2014. There was also generous support of Catholic Charities, the Fulcrum Foundation, and other ministries of our Church.

THE CHANCERY

In 2016, Chancery revenues and other support increased \$1.1 million to \$39.7 million.

Annual Catholic Appeal revenues to the Chancery increased by about \$200,000. Restricted and designated funds revenues increased by \$1,841,000 because of the release of a restricted gift of real property and increases in the amount of temporarily restricted net assets that met program restrictions. Offsetting these increases, bequests declined by \$700,000 to \$851,000. The 2015 total was unusually high. Insurance program premiums decreased by \$325,000 primarily because premiums for certain coverage for affiliated entities were billed directly by carriers rather than through the Archdiocese.

Total expenses were \$48.65 million, an \$11.4 million increase. There are two reasons for the increase. First, the costs of operating the Archbishop Brunett Retreat Center are now included in operating expenses. In prior years, these costs were separately reported. Secondly, insurance program costs increased because of additional sexual abuse settlement costs. The overall sexual abuse case load increased in 2016 compared to 2015. It is not yet possible to determine when these claims will cease. The Archdiocese continues to expand its efforts to reach out to victims, screen those who work with children and provide training for all parish staff and volunteers that interact with our children.

Investment results in 2016 reflected net losses of \$ 569,000 consistent with market performance for the fiscal year. Net gains of \$ 618,000 were recorded in 2015. Investment results have improved in the latter half of calendar 2016 and early 2017. Limited distributions of approximately 2% of General Reserve investments were made in 2016. Similar distributions are planned in 2017.

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

Property sales yielded gains of \$2.9 million. Impairments of property were \$477,000.

FINANCIAL POSITION

The financial position of the Chancery remains stable.

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

Archbishop Sartain has approved the exploration of a major campaign to address the retirement needs we face today for priests and are projected to face in the future and those faced by the orders of women religious who have served our Archdiocese, as well as local parish needs. We anticipate the completion of this planning study in April of 2017. In addition to improving the financial position of the Chancery, successful completion of a campaign will provide security to our priests and women religious and provide additional resources to our parishes.

Other significant financial challenges facing our Archdiocese include securing capital necessary to maintain existing Parishes and schools and to fund expansions needed to serve new areas.

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

Sincerely,

Kevin Hylton, Chair
Archdiocesan Finance Council

ARCHDIOCESAN FINANCE COUNCIL

Chairperson: Mr. Kevin Hylton

Vice-Chairperson: Mr. Bob McLaughlin

Mr. David Boitano

Mr. Scott Burns

Rev. Patrick Freitag

Mr. Mel Kelso

Mr. Kevin Mest

Ms. Mary Jane Patterson

Mr. Jack Sullivan

Ms. Terry Walter

Mr. Fred Weiss

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

PRF COMMISSION MEMBERS:

Chairperson: Ms. Mary Dorn

Vice Chairperson: Rev. David Young

Chief Financial Officer: Frank Feeman

Rev. Jim Coyne

Carol Durbin

Joe Schick

Rev. Jack Shrum

Non-voting: Bob McLaughlin, *AFC Liaison*

Mr. Dennis O'Leary,
Executive Director of the Chancery

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

AFC SUBCOMMITTEE FOR INVESTMENTS:

Mr. Dan Brotherton

Mr. Scott Burns

Mr. Dick Kennedy

Ms. Mary Jane Patterson

Mr. Fred Weiss

Staff: Ms. Mary Jo Gillis, *Controller*

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

ARCHDIOCESAN BUILDING COMMISSION:

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

Chairperson: Dennis Lehtinen

Chief Financial Officer: Frank Feeman

Rev. Richard K. Hayatsu

Dan Miles, Jim Napolitano

Bill Rutledge, Joe Sacquitne

Don Severide, Peter Somers

Rick Tomkins

Rev. Thomas L. Vandenberg

Staff: Ed Foster, Scott Bader, Andrew Casad,
Mary Jo Gillis, Dennis O'Leary