

Archdiocese of Seattle 2010–2011 Annual Report

Dear Brothers and Sisters in Christ,

This Annual Report highlights the stewardship of your financial gifts to the local church, especially your generous response to the Annual Catholic Appeal. Of course, these gifts are only one aspect of stewardship. Over the course of my first full year in the Archdiocese of Seattle, I have observed with gratitude the many ways in which our clergy, religious and lay people give witness to their discipleship as good and faithful stewards of God's abundance.



As disciples of Jesus we express our gratitude to God for the abundant gifts we have received by returning to God with joy a generous portion of all we have. It is in the spirit of a disciple's gratitude and joy that I present this Annual Report.

Each year confronts us with new challenges and the past fiscal year was no exception. Despite the generosity of our people, which has resulted in nine consecutive years of record donations to the Annual Catholic Appeal, slow growth in the economy and other factors forced us to reduce the budget in order to carry out our mission within available resources. With gratitude for your generosity, we managed to continue the

many ministries and activities of the Church that bring the hope and compassion of Jesus to so many.

As I present this report, I acknowledge a deep debt of gratitude to our Archdiocesan Finance Council, one of many consultative bodies that assist me in my pastoral ministry. This group of dedicated disciples brings to its deliberations a high level of professional expertise and a profound devotion to the Church. Like so many other individuals and groups, their counsel is indispensable. This year we also recall with mixed emotions the wise and faithful stewardship of a trusted disciple, Pat Sursely, who contributed many years of service to the local Church, most recently as the chief financial officer of the Archdiocese of Seattle. With Pat's death in early 2012 we acknowledge his service of more than 30 years as an example of the faithful stewardship by clergy, religious and lay people who work, serve and contribute to the well-being of the Church.

In the year ahead we will feel the absence of Pat's leadership, but we take up our ministry with joy knowing it is entrusted to the care of Christ, our help, our hope and our salvation. As this 2010-2011 report indicates, the Archdiocese has kept its financial house in order and is taking steps to steward the resources that will be entrusted to us in the years ahead. I submit this annual report for your consideration with abundant thanks to God for your generosity.

Sincerely in Christ,

+ *J. Peter Sartain*

Most Rev. J. Peter Sartain, Archbishop of Seattle



STATEMENTS OF ACTIVITIES

ANNUAL REPORT 2010/2011

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

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

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

CHANCERY PROGRAMS & SERVICES

Following is the Statement of Activities for the Chancery for the fiscal years 2010/2011 and 2009/2010. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.



Chancery Programs and Services Statement of Activities For the Fiscal Years 2010-2011 and 2009-2010

	June 30, 2011 Total All Funds	June 30, 2010 Total All Funds
UNRESTRICTED NET ASSETS		
Revenue and Other Support		
Parish Assessments	\$5,685,000	\$5,684,000
Investment Income on Revolving Funds	420,000	308,000
Investment Income (Losses) on Endowments	337,000	510,000
Investment Income (Losses) on General Reserve	716,000	1,935,000
Realized Gains (Losses) on Sale of Property	77,000	(125,000)
Subscriptions, Advertising and Program Fees	2,954,000	2,967,000
Contributions and Bequests	585,000	1,192,000
Insurance Program Premiums	10,055,000	9,943,000
Other	1,788,000	1,744,000
Subtotal	\$22,617,000	\$24,158,000
Net Assets Released From Restrictions		
Annual Catholic Appeal	10,525,000	10,448,000
Restricted and Designated Funds	1,594,000	2,650,000
Total Revenue and Other Support	\$34,736,000	\$37,256,000
Expenses		
Catholic Faith Formation	\$879,000	\$928,000
Catholic Schools	1,221,000	1,115,000
Contributions to CCSWW	688,000	697,000
Land Contributed to Parishes	-	3,240,000
Donations, Grants and Subsidies (includes OYYAM)	1,363,000	1,715,000
Missions Office	271,000	252,000
Office of the Vicar for Clergy	3,391,000	3,374,000
Communications and NW Progress	935,000	885,000
Tribunal	487,000	491,000
Priest and Retired Bishop Support	1,973,000	2,013,000
Pension	1,510,000	1,220,000
General Administration	10,662,000	10,298,000
Insurance Program	11,116,000	10,741,000
Revolving Fund Interest & Bad Debts	580,000	590,000
Plant Fund Depreciation & Interest	1,813,000	1,692,000
Total Expenses	\$36,889,000	\$39,251,000
Change in Unrestricted Net Assets		
Change before Unrealized Losses and Transfers	\$(2,153,000)	\$(1,995,000)
Unrealized Gains (Losses) on Investments - General	2,812,000	849,000
Unrealized Gains (Losses) on Investments - Endowments	1,461,000	124,000
Change in Minimum Pension Liability	113,000	746,000
Change in Minimum Other Benefit Liability	(302,000)	1,313,000
Change in Unrestricted Net Assets	\$1,931,000	\$1,037,000

CHANCERY 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

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

INVESTMENT INCOME ON GENERAL RESERVE

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

REALIZED GAINS (LOSSES) ON SALE OF PROPERTY

During the year ended June 30, 2011 (FY10/11), the sale of unused property resulted in a gain of \$62,000. Also during FY10/11 gains on disposal of assets of \$15,000 was recognized.

SUBSCRIPTIONS, ADVERTISING AND PROGRAM FEES

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

CONTRIBUTIONS AND BEQUESTS

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

INSURANCE PROGRAM PREMIUMS

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

ALL OTHER SOURCES OF OPERATING FUNDS

Includes facility use, donations, contributions and miscellaneous.

ANNUAL APPEAL

Contributions from Catholics throughout Western Washington to the Annual Catholic Appeal. Does not include over \$2,061,000 in rebates returned to parishes.

RESTRICTED AND DESIGNATED FUNDS

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

EXPENSES:

CATHOLIC FAITH FORMATION

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

CATHOLIC SCHOOLS

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

GRANT TO CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

Subsidies to CCSWW to assist in their operations.

DONATIONS, GRANTS AND SUBSIDIES

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

MISSIONS OFFICE

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

OFFICE OF THE VICAR FOR CLERGY

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

COMMUNICATIONS

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

TRIBUNAL

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

PRIEST AND RETIRED BISHOP SUPPORT

Medical premiums and expenses for retired priests and 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. The plans are separately managed and are not included in the financial statements.

GENERAL ADMINISTRATION

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

INSURANCE PROGRAM

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

REVOLVING FUND INTEREST AND BAD DEBTS

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

PLANT FUND DEPRECIATION & INTEREST

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS – GENERAL

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS – ENDOWMENTS

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

CHANGE IN MINIMUM PENSION LIABILITY

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

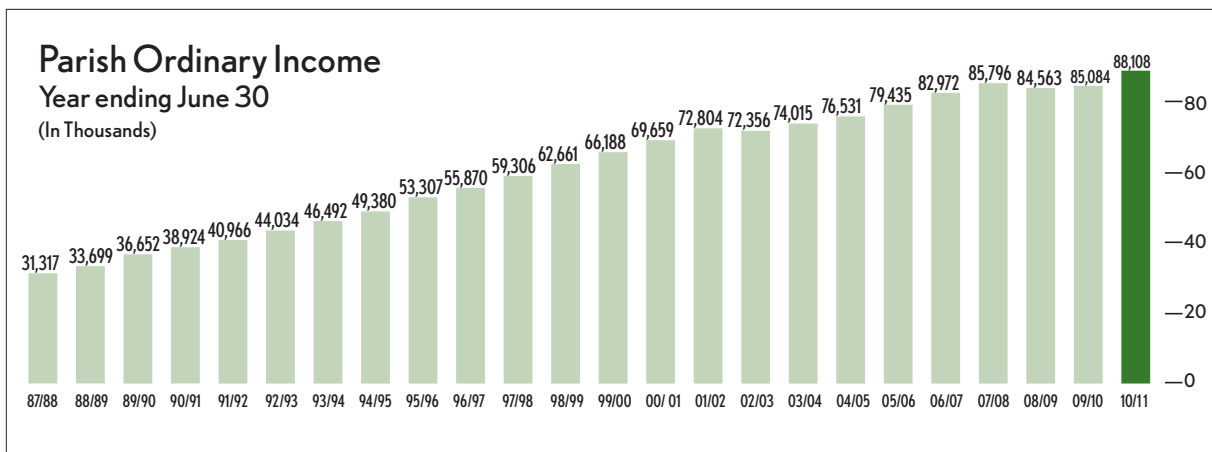
CHANGE IN MINIMUM OTHER BENEFIT LIABILITY

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



MARIA LAUCHLIN

PARISHES



Despite the current economic environment, Catholics in Western Washington continued their strong support of parishes and missions during 2010/2011. The total increase (3.55%) reflected both the transition of three ethnic communities to Personal Parishes and a 2.08% increase in existing parishes. Parish Ordinary Income (Sunday and Holyday Collections) in 2010/2011 was \$88.1 million. Total parish revenue from all sources, including parish schools, was in excess of \$236.4 million. Over 63% of our parishes and missions ended the year with an operating surplus. The economic diversity and variations in community size continue to be reflected in parish collections. In 2010/2011, 22 parishes recorded over \$1 million in collections including two over \$2 million. At the same time, Ordinary Income in 12 parishes, primarily in rural areas, was under \$100,000.

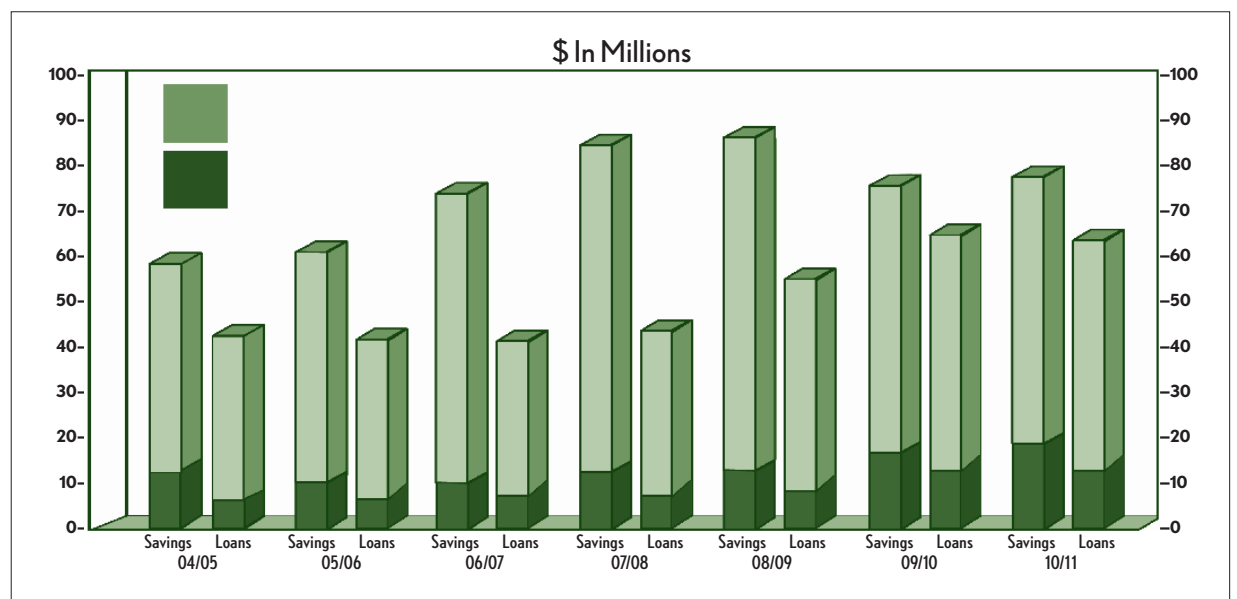
The Parish Revolving Fund (PRF) and Archdiocesan Revolving Fund (ARF) are separately maintained savings and loan organizations within the Archdiocese. Parishes and other institutions deposit surplus funds in the appropriate fund. These funds are then available as loans to grow the Church throughout the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

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

PRF savings at 6/30/11 totaled \$82.1 million in 685 accounts up 6% from last year's \$77.5 million in 652 accounts. This increase primarily reflected savings growth in anticipation of several major building projects moving into construction over the summer. Loans decreased to \$62.5 million from the previous year's \$66.6 million. The number of loans also decreased slightly from 139 to 136.

ARF savings increased from \$18.7 to \$20.2 million at year end with loans increasing slightly to \$12.3 million from \$12.1.

REVOLVING FUNDS



GOOD NEWS FROM THE MISSIONS OFFICE

The Missions Office focuses on the social mission of the Church, providing educational and funding support for local and international evangelization, relief and development work. On your behalf we represent the Pontifical Missions Societies, Catholic Relief Services and the Catholic Campaign for Human Development. Included in programs are year-round Catholic social teaching resources for

parishes and schools, and grants for charity and justice projects. Information on all of the above can be found at www.seattlearchdiocese.org/missions, and a report on revenue and distribution of donations is published annually in this newspaper.

Catholic Relief Services (CRS) is our U.S. Catholic community's official international relief and development agency, working in 100 countries to provide direct aid to the poor by involving people in their own development. The Gospel of Jesus Christ is the motivating force behind all activities and programs. CRS educates the people of the U.S. to fulfill our moral responsibilities toward our brothers and sisters around the world by helping the poor, working to remove the causes of poverty, and promoting charity and justice.

The Catholic Campaign for Human Development (CCHD) is the domestic anti-poverty, social justice program of the U.S. Catholic community. Its mission is to address the root causes of poverty in the U.S. through promotion and support of community-controlled, self-help organizations and through transformative education in parishes, schools and faith communities.

The Pontifical Missions Societies include the Propagation of the Faith, which seeks prayer and sacrifice for the world's Missions in Asia, Africa, the Pacific Islands and Latin America. Help is offered for pastoral and evangelizing programs, for catechetical work, to build churches, for the work of Religious communities, and for communication and transportation needs. The Society of St.

Peter the Apostle supports the education and formation of candidates for the priesthood and for Religious life in the developing world. The Holy Childhood Association is dedicated to mission awareness among elementary school-age children — children serving children in need.

In fiscal year 2010/2011, the Missions Office received \$2,920,765 for mission, relief and development work of the Church primarily through the Catholic Relief Services Collection, Operation Rice Bowl, the World Mission Sunday collection, the Build Hope collection, emergency response such as the Japan earthquake and tsunami in March 2011, designated gifts and bequests.



SHUTTERSTOCK

CATHOLIC SCHOOLS

During 2010-2011, the 57 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided the highest quality education emphasizing Catholic values to 16,666 students. Of these, 78% were registered as Catholics. Ethnic minority students comprised 35% of the total elementary population. The four schools — including Forest Ridge 5-8, Villa Academy, Holy Family (Lacey) and Pacific Crest Academy — and Eastside Catholic Middle School served 1,012 students of that total.

Parish school operating revenues for 2010/2011 totaled \$102.2 million. Tuition and Fees accounted for 71% of the total with the balance made up of a combination of parish grants, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. The parish grant amounted to 22% of the school parishes' collection income.

In addition to the parish elementary schools, 11 outstanding Catholic high schools served an additional 6,088 students. Of these 11 schools, the Archdiocese operates three in the greater Seattle area — Bishop Blanchet High School, J.F. Kennedy Catholic High School, and O'Dea High School, under the direction of the Christian Brothers. Together, these three secondary schools enrolled 2,269 students within the total. Budgets for these three schools totaled \$27,039,313.

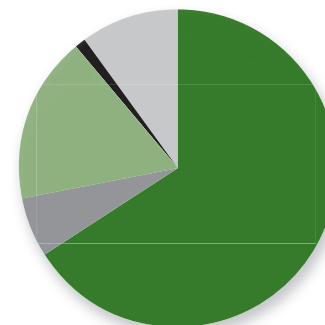
The other eight secondary schools offered high school programs of study in the Seattle, Tacoma, Everett, Bellevue, Vancouver, and Lacey areas of our state. These include Holy Names Academy, Seattle Preparatory School, Bellarmine Preparatory School, Archbishop

Thomas J. Murphy High School, Forest Ridge School of the Sacred Heart, Eastside Catholic High School, St. Elizabeth Ann Seton Catholic High School, and the newly opened Pope John Paul II High School. Together, these schools enrolled 3,819 students. Their combined budgets totaled \$49,384,662. A total of 1,422 teachers delivered an educational program to the elementary children. A total of 585 full and part time secondary teachers instructed the high school students.



Sources of Parish School Revenue

Parish school operating revenues for 2010/2011 totaled \$107 million. Tuition and Fees accounted for 66% of the total with the balance made up of a combination of parish grants, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. The parish grant amounted to 21% of the school parishes' collection income.



- Tuition/Fees 66%
- All Other Revenue 6%
- Fundraising/Gift Revenue 17%
- Neighboring Parishes 1%
- Parish Subsidy 10%

FULCRUM FOUNDATION

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

In fiscal year 2011, nearly \$3,000,000 was distributed by the Fulcrum Foundation to families, schools, and teachers in Catholic schools in Western Washington. This represents the largest year of distributions to

schools in the recorded history of the Archdiocese and a 370-percent increase in annual distributions from the Fulcrum Foundation since 2004.

Fulcrum's success has meant a sounder financial footing for our Catholic schools, which continue to make excellent academic, religious, and co-curricular programs accessible to more students. This report highlights the distributions of tuition assistance, assistance to schools in need, and grants for teacher and staff initiatives for fiscal year 2011 that are making

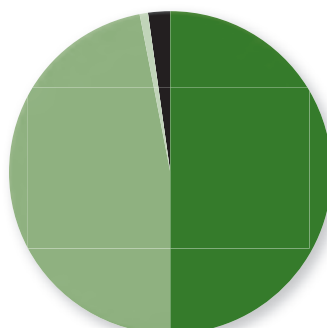
a difference in the lives of families, schools, and communities across Western Washington. To view Fulcrum's complete 2011 Annual Report, go to www.fulcrumfoundation.org.



Leveraging Support for Catholic Schools in the Archdiocese of Seattle



Funds Distribution



Program Services

- Tuition Assistance 50% (\$1,469,135)
- Assistance to Schools 47% (\$1,406,577)
- Assistance for Teachers 1% (\$32,024)
- Program Planning and Management 2% (\$59,756)

Total Program Services \$2,967,492

COURTESY, FULCRUM FOUNDATION

OFFICE FOR YOUTH AND YOUNG ADULT MINISTRY

While fostering ministry at the parish level through resources and support is our main focus, direct ministry is also part of our scope. Through archdiocesan events, such as Youth Convention and Junior High Rally, over 2,400 youth from over 85 parishes have encountered Christ as they celebrate their faith as part of the Universal Church. Through other direct programs of the office, including Confirmation retreats, parish based retreats and weeklong service trips, approximately 1,000 youth have been ministered to.

Young adult ministry in programs such as retreats, leadership development, formation events, and college campus ministry, the Archdiocese ministered to over 1200 participants ages 18–39 in Western Washington. In the past year we have expanded young adult ministry to include new programs specifically designed for young adults and launched a young adult leadership development program supporting ministries in almost 20 parishes around the Archdiocese.

ATHLETICS

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

Sports included soccer, cross country, basketball, volleyball, baseball and track and field. The majority of participants were in grades 4 through 8. However, some programs for K-3, a high school basketball program and an adult softball league were also offered. There were

over 15,000 youth team members and an estimated 3,000 adult volunteer coaches, coordinators and commissioners. Over 400 coaches were trained in the “Play Like A Champion” coaches workshop and an associated parent workshop was offered as an additional resource for parishes and schools.

CAMPING SERVICES

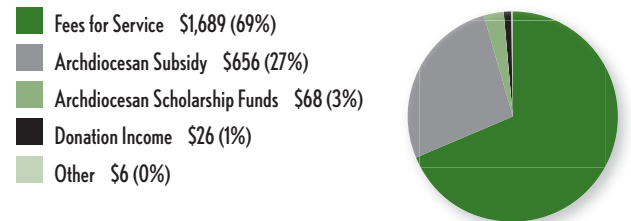
1,500 youth from 29 Catholic schools across the Seattle Archdiocese and 2 schools from the Portland Archdiocese attended Environmental Education at Camp Hamilton in our fall and spring programs. CYO offers the only program rooted in Catholic social teaching in the Northwest. The curriculum meets all state and Catholic school requirements while also emphasizing a greater appreciation for creation through stewardship. 1,285 youth enjoyed a session of residential summer camp or day camp, while 90 young adult staff members served as ministers and models of faith to them. Together, they grew and created a vibrant Catholic community of service and discipleship. This summer we used the Gallagher facility only as a Nanamakee destination and moved our high school resident camps to Camp Hamilton. We distributed over \$85,000 in financial aid with the help of a group of committed alumni that raised \$25,000 in campership funds.

FACILITIES

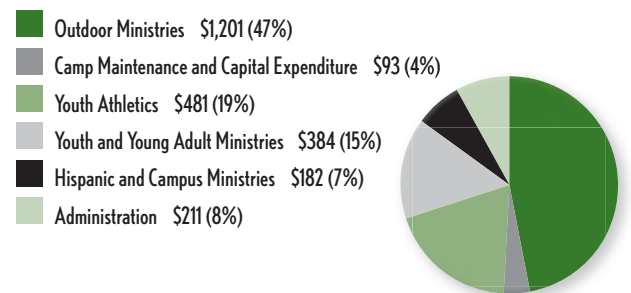
The facility rental program served 3,008 guests and community members at Camp Don Bosco and Camp Hamilton. The overall program occupied 138 calendar days of an available 300, or 46% of the calendar. Of the groups using our facilities 2,033 guests came from 39 different Archdiocese groups and 975 guests came from 14 Non Archdiocese groups with an overall increase of 17% in additional guests during the fiscal year 2010–2011.

Calculation of Annual Report Figures

Fiscal Year 2010/2011 (\$ In thousands)



Total Income Fund 5111 General – \$2,445 (100%)



Total Expense Fund 51-5111 General – \$2,552 (100%)

Operations:
Expenditures in Excess of Revenue..... \$(107) 4%

Other Revenue:
Timber Harvesting..... \$75 3%

Net Expenditures in Excess of Revenue..... (\$32) -1%

ASSOCIATED CATHOLIC CEMETERIES

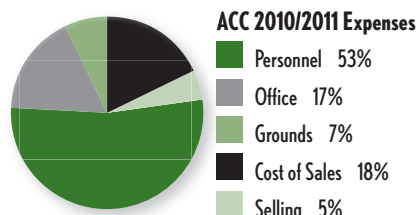
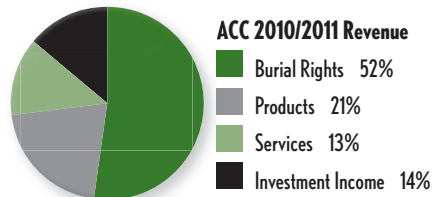
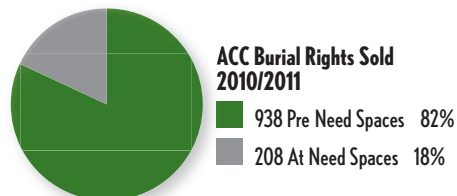
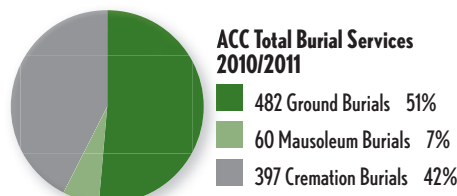
MISSION STATEMENT

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



Summary of operations 2010/2011

Revenue		
Burial/Entombment Rights	3,169,529	
Products	1,250,194	
Services	757,701	
Revenue from Care/Pre Need/Other	828,234	
		6,005,658
Surrenders/Discounts		(714,974)
Net revenue		5,290,684
Cost of Sales		1,784,188
Gross Margin		3,506,496
Operating Expenses		
Personnel	1,640,285	
Depreciation	199,724	
All Other Operation & Care Expense	1,398,038	
		3,238,047
Net Income from Operations for Development and Equipment Acquisition		268,449



Associated Catholic Cemeteries is comprised of four cemeteries and has buried more than 79,000 people over 122 years. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyhood, serving North Seattle, King, and Snohomish Counties, was blessed in 1953. Gethsemane, dedicated in 1975, serves South Seattle, King and Pierce Counties. St. Patrick, begun in 1890 as the parish cemetery for St. Anthony (now Holy Spirit) Parish in Kent, was transferred to ACC in 1989. These four cemeteries provided 939 burial services during 2010/2011. 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, 2011 show a positive Net Income from Operations which is used for development and equipment replacement. The cemeteries also have a Care Fund to ensure long-term care and maintenance. Even with market uncertainty, regular contributions to the Care Fund as well as positive returns in the Fund's investment portfolio resulted in a net growth of more than 25% in the Fund's investment portfolio.

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

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

CATHOLIC COMMUNITY SERVICES

As a faith-based and values-driven outreach of the Catholic Church, Catholic Community Services (CCS) and Catholic Housing Services (CHS) of Western Washington have provided safety, stability and supportive connections in the lives of men, women and children in need for more than 90 years. CCS/CHS is the largest local 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 150 programs. CCS has 12 family centers which are multi-service centers providing a variety of programs based on the needs of the particular community in which they are located. The Long Term Care System provides home-based services for seniors and people with disabilities of all economic backgrounds, as well as community based services at 35 sites throughout Western Washington. Chemical Dependency System Northwest provides a full continuum of outpatient chemical dependency treatment services for youth and adults and their families. The Family Preservation System assists children/youth and families with multiple and complex needs. Catholic Housing Services provides affordable housing, case management and other valuable services at 50 properties throughout the region.

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 governments; fees for services; private donations and foundations; and through United Way. Archdiocesan funding is provided through the Annual Catholic Appeal, CCS Week, and a variety of specific family center and program appeals 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. Where possible, family centers tailor a unique approach to each family that comes to them in need. Family center staff work to integrate all the services available in a community to nourish self-sufficiency and achieve wholeness and wellbeing 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, chemical dependency services, foster care, adoption, pregnancy support, Volunteer Chore Services, the Foster Grandparent Program, and others.

CCS FAMILY CENTERS

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
Mount Vernon:	Skagit 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



CATHOLIC COMMUNITY SERVICES
CATHOLIC HOUSING SERVICES
OF WESTERN WASHINGTON

THE LONG TERM CARE SYSTEM

More than 5,000 people are served every day by Catholic Community Services' Long Term Care System. With more than 2,000 staff and 200 volunteers at 21 local offices and centers throughout the community, the Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in Western Washington. Services include home care to over 2,500 seniors daily, the African-American Elders Program in King County, 35 senior meal sites, "meals-on-wheels" for homebound seniors, 5 senior centers in Lewis County, senior transportation, and caregiver training at many sites, training thousands of caregivers during the year.

Long Term Care System Offices and Senior Centers: Aberdeen/Grays Harbor, Bellevue, Bellingham, Bremerton, Centralia, Chehalis, Everett, Kelso/Longview, Kent, Lakewood, Morton, Olympia, Packwood, Port Angeles, Raymond, Seattle, Shelton, Tacoma, Toledo, Vancouver, and Winlock.

CHEMICAL DEPENDENCY SYSTEM NORTHWEST

CCS Recovery Centers provide a full continuum of outpatient chemical dependency treatment services to youth, adults, and their families. CCS Recovery Centers are a safe, nurturing, and enriching environments where all are treated with dignity and respect. All clients and their families are encouraged and supported to make healthy changes to stop the destruction of alcoholism and other drug dependencies. CCS Recovery Centers emphasize a broad range of approaches to the treatment of alcoholism and other drug dependencies. We strive to serve those most in need.

CD System Northwest Locations: Whatcom County and Snohomish County.

THE FAMILY PRESERVATION SYSTEM

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

Family Preservation System: Serving Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, Skamania, Thurston, and Wahkiakum counties in Western Washington; and Clackamas, Multnomah and Washington counties in Oregon.

CATHOLIC HOUSING SERVICES

Catholic Housing Services (CHS) believes in every person having the right to a safe, affordable place to call home. CHS provides more than 2,000 affordable permanent housing units at 50 properties throughout

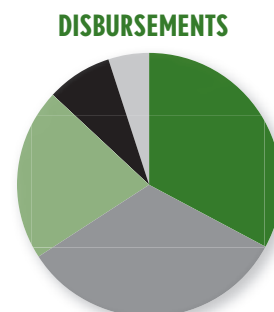
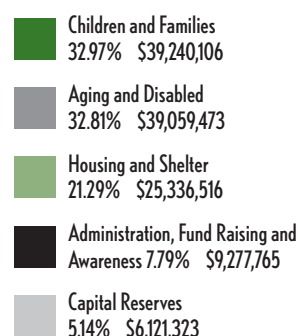
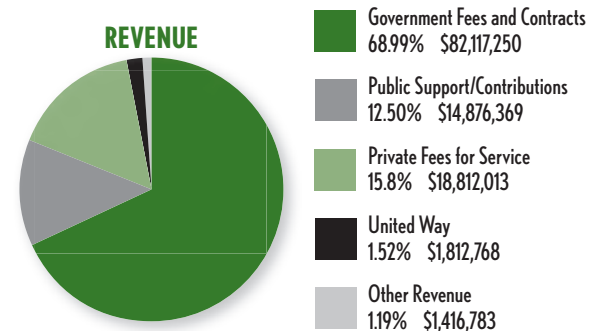
Western Washington, serving single persons, families, seniors, and persons with special physical and mental needs. Most CHS housing includes resident support services in addition to a clean and safe place to live. CHS provides a continuum of care for some of the most vulnerable populations, in partnership with local, state and federal government agencies, public funders and private lenders, and dedicated staff and volunteers. CHS housing is currently located in Bellevue, Bellingham, Bremerton, Burien, Centralia, Everett, Forks, Lakewood, Kelso, Mount Vernon, Olympia, Puyallup, Redmond, Renton, Seattle, Sedro Woolley, Sumner, Tacoma, Tumwater and Woodland.

In addition to the 2011 Operating Budgets, CCS and CHS are the managing general partners or program managers for 29 affordable housing projects with a combined operating budget of \$8,335,019.

The Catholic Charities Foundation of Western Washington reported assets as of June 30, 2011, of \$13.9 million that were invested for the benefit of CCS and CHS. For the year ending June 30, 2011, the Foundation distributed \$675,000 to CCS and CHS.

COMBINED CCS/CHS OPERATING BUDGETS – \$119,035,183

Fiscal Year 2010/2011 (In thousands)



ORDER FORM

Additional information is available upon request for the following:

- 2012 CYO Summer Camping Brochure for youth ages 6-18.
- Significant Savings are available to those who pre-plan their cemetery arrangements. Return this order form for a FREE Pre-Need Planning Guide filled with useful information.
- Information about Planned Giving (Wills and Basic Estate Planning).
- Crozier Society Information Brochure.
- Fulcrum Foundation Annual Report.
- Audited Financial Statements of the Office of Youth and Young Adult Ministry as of June 30, 2011.
- Audited Financial Statements of the Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of June 30, 2011.
- Audited Financial Statements of the Fulcrum Foundation as of June 30, 2011.
- Audited Financial Statements of the Parish Revolving Fund as of June 30, 2011.

Please send to:

Name _____
Address _____
City _____
State _____ Zip _____
Telephone (optional) _____

Please return this form to:

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

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 other significant matters that come before the Finance Council.

The gradual pace of economic recovery continues to impact the finances of the Archdiocese. While parish ordinary income (excluding three faith communities that became parishes during the year) increased by 2.1% last year, forty-four percent of our parishes experienced a decline in income. However, your generosity resulted in a 4.2% increase in the Annual Catholic Appeal to a total of just over \$13.5 million. This allowed rebates of over \$3 million to the parishes. There was also generous support of the Fulcrum Foundation, which provides tuition assistance grants to children in need of financial aid to attend our schools and grants to our schools that are facing financial challenges.



While invested funds of the Archdiocese showed modest positive returns they were not large enough to provide operating support to the Archdiocesan budget. Once again cuts were necessary in order to achieve a balanced budget. As in the previous year, the Archbishop

made these cuts in the most prudent manner to avoid dramatically impacting the most essential services of the Archdiocese.

The Archdiocese continues to settle sexual abuse claims from victims. During the past year thirteen cases were settled at a cost of \$1.8 million. While the number of claims has been diminishing 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.

As has been previously reported the source of funds to settle the sexual abuse claims has been from insurance and the General Reserve which contained proceeds from surplus asset sales. This General Reserve has now been nearly depleted and soon additional funds from other sources will need to be identified to settle future claims. As a result, the Archbishop has formed a special committee of clergy and lay members to develop a long term plan to fund future settlements without significantly impacting parish ministries and to insure the financial stability of the Archdiocese.

We hope this report and letter provides you with 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,

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

ARCHDIOCESAN FINANCE COUNCIL

Chairperson: Mr. Lou Dell'Osso, Jr.

Vice-Chairperson: Mr. Pat Welch

Ms. Mary Almonte

Mr. Dan Brotherton

Rev. Patrick Freitag

Mr. Mel Kelso

Mr. Kevin Mest

Ms. Mary Jane Patterson

Mr. Tom Rainville

Mr. Jack Sullivan

Staff: Mr. Pat Sursely, CFO, *Director of Administration & Finance*

PRF COMMISSION MEMBERS:

Chairperson: Mr. Pete Shepherd

Vice Chairperson: Rev. Jim Johnson

Rev. Dave Young

Ms. Mary Dorn

Rev. Tom Belleque

Ms. Mary Simpson

Mr. Pat Sursely, CFO, *Director of Administration & Finance*

Staff: Mr. Ed Williams, *Director of Parish Financial Services*

AFC SUBCOMMITTEE FOR INVESTMENTS:

Mr. Dan Brotherton

Dr. Hildegard Hendrickson

Mr. Dick Kennedy

Ms. Mary Jane Patterson

Staff: Ms. Nan Severns, *Controller*

Mr. Pat Sursely, CFO, *Director of Administration & Finance*

ARCHDIOCESAN BUILDING COMMISSION:

Chairperson: Mr. Bill Lehtinen

Mr. Kevin Broderick

Mr. Art Butler

Rev. Dick Hayatsu

Mr. Dennis Lehtinen

Mr. Jim Napolitano

Mr. Bill Rutledge

Mr. Joe Sacquitne

Mr. Don Severide

Mr. Peter Somers

Mr. Richard Tomkins

Rev. Tom Vandenberg

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

Ms. Carolyn Lassek, *Director of Liturgy*

Mr. Pat Sursely, CFO, *Director of Administration & Finance*

Mr. Ed Williams, *Director of Parish Financial Services*