

Archdiocese of Seattle 2011–2012 Annual Report

Dear Brothers and Sisters in Christ,

All that we have is a gift from God, and sharing those gifts with others is part of the call to stewardship. We contribute to the mission of the Church — the mission Jesus gave to the apostles and to us — by sharing all the gifts God has given us: Time, talent and treasure.



The 2011-2012 Annual Report is an accounting for the financial gifts offered for the benefit of the Church and the world, and I am happy to report that your generosity is truly making a difference by helping meet the spiritual, educational and social needs of those we serve.

In one sense, this report is a celebration of thanksgiving. As disciples we share our gifts out of gratitude for all that God has given us. Those whose human needs are met by the self-giving of Christ's disciples receive these gifts with thanks. Since my installation more than two years ago, I have come to appreciate more and more the generosity of our people and I, too, am deeply grateful.

On behalf of our parishes, schools and all the ministries and people that benefit from

your generosity, I say, "Thank you!"

I am also deeply grateful to the Archdiocesan Finance Council, men and women who give of their time and talent to assist me with the stewardship of your financial gifts. Their invaluable assistance assures effective management of the resources given to support more than 60 ministries that contribute to the well-being of individuals and the common good of our region.

In these pages you will find highlights of our stewardship efforts. One way we exercised stewardship for your gifts this past year was by tightening our belt, just as many of you have had to tighten your belts in these difficult economic times. At the same time, due to your generosity and the continued success of the Annual Catholic Appeal, we also were able to advance the mission and priorities of the Church.

Today I am happy to report that our ministries are a source of life and hope in Western Washington. This simply would not be possible without the disciples of our Lord Jesus — clergy, religious, laity, charities and Catholic organizations — from Lynden to Camas, and from Clallam Bay to Morton, who give so generously of their time, talent and treasure.

On behalf of the entire local Church, I give thanks for you who have heard the words of our Savior and made a disciple's response.

Sincerely in Christ,

+ *J. Peter Sartain*

Archbishop J. Peter Sartain



STATEMENTS OF ACTIVITIES

ANNUAL REPORT 2011/2012

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 Catholic High School).

Archbishop Sartain is also the corporate member of Catholic Community Services of Western Washington (CCSWW), 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 2011/2012 and 2010/2011. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.



STEPHEN BRASHEAR

Chancery Programs and Services Statement of Activities For the Fiscal Years Ended 2011–2012 and 2010–2011

	June 30, 2012 Total All Funds	June 30, 2011* Total All Funds
UNRESTRICTED NET ASSETS		
Revenue and Other Support		
Parish Assessments	\$5,633,000	\$5,685,000
Investment Income (Losses) on Revolving Funds	336,000	420,000
Investment Income (Losses) on Endowments	184,000	337,000
Investment Income (Losses) on General Reserve	386,000	716,000
Realized Gains (Losses) on Sale of Property	139,000	77,000
Subscriptions, Advertising and Program Fees	2,925,000	2,954,000
Contributions and Bequests	1,442,000	585,000
Insurance Program Premiums	10,199,000	10,055,000
Other	1,647,000	1,788,000
Subtotal	\$22,891,000	\$22,617,000
Net Assets Released From Restrictions		
Annual Catholic Appeal	10,642,000	10,525,000
Restricted and Designated Funds	2,407,000	1,594,000
Total Revenue and Other Support	\$35,940,000	\$34,736,000
Expenses		
Catholic Faith Formation	\$899,000	\$879,000
Catholic Schools	1,319,000	1,221,000
Contributions to CCSWW	686,000	688,000
Donations, Grants and Subsidies (includes OYYAM)	1,380,000	1,331,000
Missions Office	247,000	271,000
Office of the Vicar for Clergy	3,220,000	3,391,000
Communications	940,000	935,000
Tribunal	501,000	487,000
Priest and Retired Bishop Support	1,532,000	1,973,000
Pension	1,361,000	1,510,000
General Administration	10,527,000	10,662,000
Insurance Program	9,740,000	10,806,000
Revolving Fund Interest & Bad Debts	1,309,000	580,000
Plant Fund Depreciation & Interest	1,766,000	1,813,000
Total Expenses	\$35,427,000	\$36,547,000
Change in Unrestricted Net Assets		
Change before Unrealized Losses and Transfers	\$513,000	\$(1,811,000)
Unrealized Gains (Losses) on Investments - General	(804,000)	2,812,000
Unrealized Gains (Losses) on Investments - Endowments	(570,000)	1,461,000
Change in Minimum Pension Liability	(3,847,000)	113,000
Change in Minimum Other Benefit Liability	(3,613,000)	(302,000)
Change in Unrestricted Net Assets	\$(8,321,000)	\$2,273,000

* Prior Year has been restated to conform to current year reporting

STATEMENTS OF ACTIVITIES

ANNUAL REPORT 2011/2012

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 Catholic High School).

Archbishop Sartain is also the corporate member of Catholic Community Services of Western Washington (CCSWW), 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 2011/2012 and 2010/2011. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.



STEPHEN BRASHEAR

Chancery Programs and Services Statement of Activities For the Fiscal Years Ended 2011–2012 and 2010–2011

	June 30, 2012 Total All Funds	June 30, 2011* Total All Funds
UNRESTRICTED NET ASSETS		
Revenue and Other Support		
Parish Assessments	\$5,633,000	\$5,685,000
Investment Income (Losses) on Revolving Funds	336,000	420,000
Investment Income (Losses) on Endowments	184,000	337,000
Investment Income (Losses) on General Reserve	386,000	716,000
Realized Gains (Losses) on Sale of Property	139,000	77,000
Subscriptions, Advertising and Program Fees	2,925,000	2,954,000
Contributions and Bequests	1,442,000	585,000
Insurance Program Premiums	10,199,000	10,055,000
Other	1,647,000	1,788,000
Subtotal	\$22,891,000	\$22,617,000
Net Assets Released From Restrictions		
Annual Catholic Appeal	10,642,000	10,525,000
Restricted and Designated Funds	2,407,000	1,594,000
Total Revenue and Other Support	\$35,940,000	\$34,736,000
Expenses		
Catholic Faith Formation	\$899,000	\$879,000
Catholic Schools	1,319,000	1,221,000
Contributions to CCSWW	686,000	688,000
Donations, Grants and Subsidies (includes OYYAM)	1,380,000	1,331,000
Missions Office	247,000	271,000
Office of the Vicar for Clergy	3,220,000	3,391,000
Communications	940,000	935,000
Tribunal	501,000	487,000
Priest and Retired Bishop Support	1,532,000	1,973,000
Pension	1,361,000	1,510,000
General Administration	10,527,000	10,662,000
Insurance Program	9,740,000	10,806,000
Revolving Fund Interest & Bad Debts	1,309,000	580,000
Plant Fund Depreciation & Interest	1,766,000	1,813,000
Total Expenses	\$35,427,000	\$36,547,000
Change in Unrestricted Net Assets		
Change before Unrealized Losses and Transfers	\$513,000	\$(1,811,000)
Unrealized Gains (Losses) on Investments - General	(804,000)	2,812,000
Unrealized Gains (Losses) on Investments - Endowments	(570,000)	1,461,000
Change in Minimum Pension Liability	(3,847,000)	113,000
Change in Minimum Other Benefit Liability	(3,613,000)	(302,000)
Change in Unrestricted Net Assets	\$(8,321,000)	\$2,273,000

* Prior Year has been restated to conform to current year reporting

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 designated 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 realized gains (losses) on disposal of investments.

REALIZED GAINS (LOSSES) ON SALE OF PROPERTY

During the year ending June 30, 2012 (FY1112), the sale of property resulted in a gain of \$139,000.

SUBSCRIPTIONS, ADVERTISING AND PROGRAM FEES

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

CONTRIBUTIONS AND BEQUESTS

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

INSURANCE PROGRAM PREMIUMS

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

ALL OTHER SOURCES OF OPERATING FUNDS

Includes facility use, donations, contributions and miscellaneous.

ANNUAL APPEAL

Contributions from Catholics throughout Western Washington to the Annual Catholic Appeal. Does not include over \$1,764,000 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.

CONTRIBUTIONS 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 expenses 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 change in the difference between market and book value on investments in the General Reserve during the fiscal year.

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- ENDOWMENTS

Represents the change in the difference between market and book value on investments in the Endowments during the fiscal year.

CHANGE IN MINIMUM PENSION LIABILITY

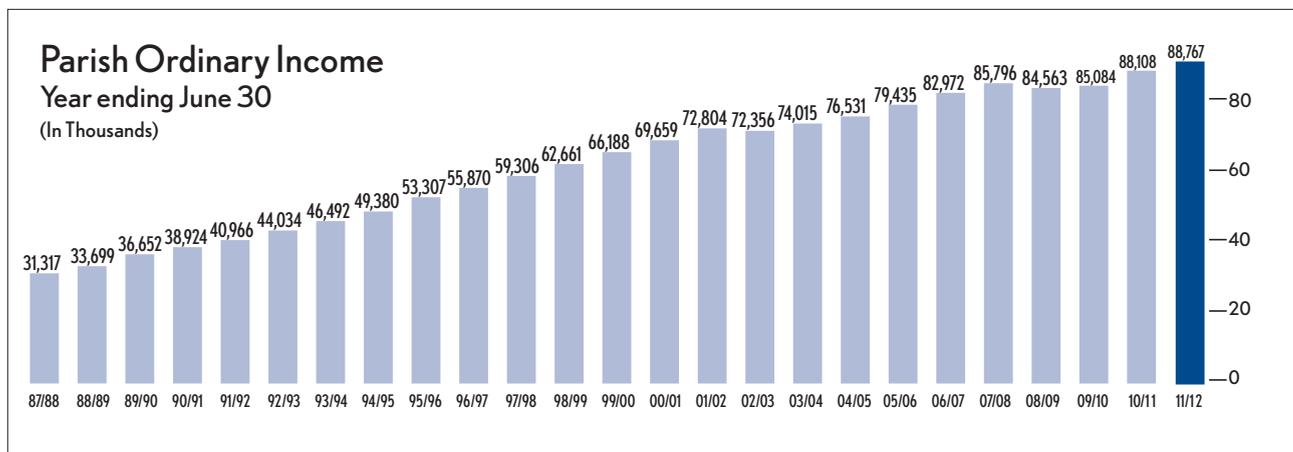
Represents the change in the priest pension liability based on actuarial assumptions.

CHANGE IN MINIMUM OTHER BENEFIT LIABILITY

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



PARISHES



Despite the continuing economic challenges, Catholics in Western Washington continued their strong support of parishes and missions during 2011/2012. Ordinary Income (Sunday and Holyday Collections) increased .74% to \$88.7 million. Total parish revenue from all sources, including parish schools but excluding intra parish transfers, was slightly under \$230.0 million. Over 62% 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 2011/2012, 21 parishes recorded over \$1 million in collections with two over \$2 million. At the same time, Ordinary Income in 11 parishes, primarily in rural areas, was under \$100,000.

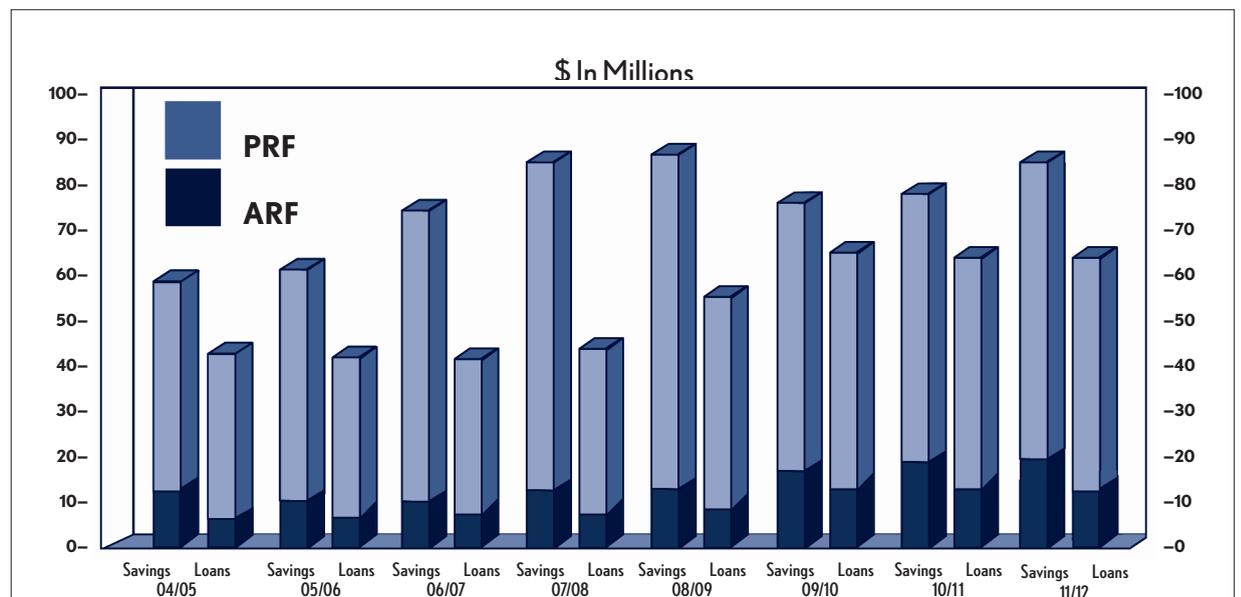
REVOLVING FUNDS

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

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

PRF savings at 6/30/12 totaled \$86.6 million in 695 accounts up 5% from last year's \$82.1 million in 685 accounts. Loans also increased 5% with \$66.4 million outstanding at year-end up from last year's \$62.5 million. The number of loans decreased slightly from 136 to 133.

ARF savings increased from \$20.2 million to \$21.4 million at year end with loans decreasing slightly to \$12.2 million from \$12.3.



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 Catholic Relief Services, the Catholic Campaign for Human Development (CCHD) and the Pontifical Missions Societies. 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 Missionary Childhood Association is dedicated to mission awareness among elementary school-age children – children serving children in need.

In fiscal year 2011/2012, the Missions Office received \$2,135,648 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 responses to the Japan earthquake and tsunami in March 2011, designated gifts and bequests.



CATHOLIC SCHOOLS



COURTESY, FULCRUM FOUNDATION

During 2011-2012, the 57 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided a high-quality Catholic education to 16,548 students. Of these, 80% were registered as Catholics, and 41% 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 911 students of that total.

Eleven Catholic high schools served an additional 6,150 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, which has been administered by the Christian Brothers. Together, these three secondary schools enrolled 2,235 students and had combined budgets of \$27,807,376.

The remaining eight secondary schools offered high school programs of study throughout western Washington. These included Holy Names Academy

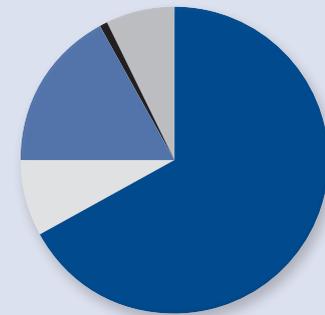
(Seattle); Seattle Preparatory School (Seattle); Bellarmine Preparatory School (Tacoma); Archbishop Thomas J. Murphy High School (Everett); Forest Ridge School of the Sacred Heart (Bellevue); Eastside Catholic High School (Sammamish); Seton Catholic College Preparatory High School (Vancouver); and Pope John Paul II High School (Lacey). Together, these schools enrolled 3,915 students and had combined budgets of \$64,026,282.

A total of 1,436 teachers delivered an educational program to the elementary children, and 619 full and part time secondary teachers instructed the high school students.



Sources of Parish School Revenue

Parish school operating revenues for 2011/2012 totaled over \$111 million. Tuition and Fees accounted for 67% 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 67%
- Fundraising/Gift Revenue 17%
- All Other Revenue 8%
- Parish Subsidy 7%
- Neighboring Parishes 1%

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 2012, nearly \$3,500,000 was distributed by the Fulcrum Foundation to families, schools, and teachers in Catholic schools in Western Washington. This represents the largest year of distributions to

schools in the recorded history of the Archdiocese.

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 2012 that are making a difference in the lives of families, schools, and communities across Western Washington. To view

Fulcrum’s complete 2012 Annual Report, go to www.fulcrumfoundation.org.

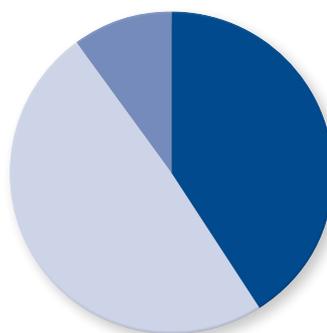


Leveraging Support for Catholic Schools in the Archdiocese of Seattle



COURTESY, FULCRUM FOUNDATION

Funds Distribution



Program Services

- Tuition Assistance 41% (\$1,592,800)
 - Assistance to Schools and Educators 49% (\$1,892,085)
 - Program Management and Operations 10% (\$370,637)
- Total Program Services \$3,855,522**

OFFICE FOR YOUTH AND YOUNG ADULT 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. Through Archdiocesan events, such as Youth Convention and Junior High Rally over 2,400 youth from more than 85 parishes have had a unique opportunity to encounter Christ as they celebrate their faith as part of the Universal Church. Over the last year approximately 1,000 youth participated in other direct programs of the office including Confirmation retreats, parish based retreats, and weeklong service trips, and 150 youth from over 20 parishes gained concrete skills to lead as Catholic disciples in their parish through two leadership camps.

YOUNG ADULT MINISTRY

Through young adult ministry in the form of retreats, leadership development, formation events, and college campus ministry, the Archdiocese has ministered to over 1,200 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 both a parish young adult leadership development program and the Wine and Wisdom social and education series for young adult.

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 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, vol-

leyball, baseball, and track and field. The majority of participants were in grades 4-8. However, programs for K-3, high school basketball, 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 300 coaches were trained in the "Play Like a Champion" coaches' workshop, and an associated parent workshop was also offered as an additional resource for parishes and schools.

CAMPING SERVICES

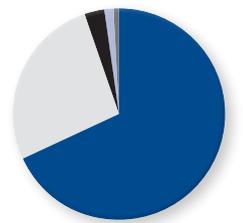
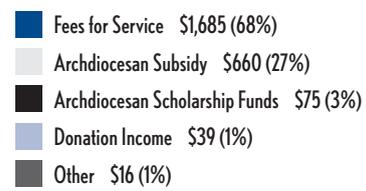
1,050 youth from 33 Catholic schools across the Archdiocese of Seattle and 1 school from the Portland Archdiocese attended Environmental Education at Camp Hamilton during our Fall and Spring programs. CYO offers the only program rooted in Catholic social teaching in the Northwest. The curriculum meets all state and Catholic school requirements while also emphasizing a greater appreciation for creation through stewardship. 1,414 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 \$97,000 in financial aid.

FACILITIES

The facility rental program served over 3,343 guests and community members at Camp Don Bosco and Camp Hamilton. Of the groups using our facilities, 2,333 guests came from over 36 different Archdiocesan groups and 1,010 guests came from 13 non-Archdiocesan groups, with an overall increase of 10% in additional guests during the fiscal year of 2011-2012.

Calculation of Annual Report Figures

Fiscal Year 2011/2012 (\$ In thousands)



Total Revenues – \$2,475 (100%)

Total Expenses – \$2,542 (100%)

Net Expenditures in Excess of Revenue.....(\$67) -3%

During this past year we were able to serve our local Snoqualmie Valley Senior Center during the extensive remodel of their building. For seven months we had the pleasure of working with over 75 local seniors and their families. While they have since moved back into their own building, we have made some amazing friends and memories during our time working with them.

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.

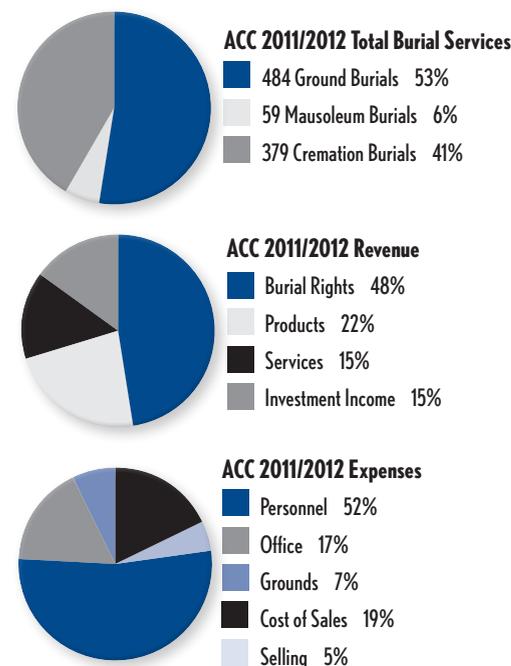


Associated Catholic Cemeteries is comprised of four cemeteries and has buried nearly 81,000 people over 124 years. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyhood, serving North Seattle, King, and Snohomish Counties, was dedicated in 1953. Gethsemane, dedicated 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 922 burial services during 2011/2012. 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, 2012 show a Net Loss from Operations of \$612,050. While sales for the year totaled approximately \$5.7 million, \$1.278 million of those sales were of pre-need goods and services. While these sales provide a portion of current operational cash flow, they are deferred until the goods and services are delivered. Therefore, they are not reflected in the revenue. Even with market uncertainty, regular contributions to the Care Fund as well as some positive returns in the Fund's investment portfolio resulted in a net growth of approximately 2% in the Fund's investment portfolio.

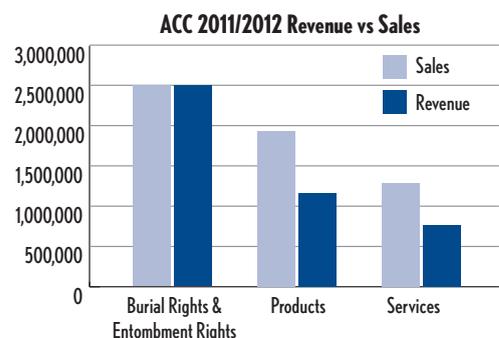
In addition to the four Archdiocesan Cemeteries, there are 20 active parish cemeteries throughout the Archdiocese. The financial results of these cemeteries are included in parish operations.

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.



Summary of Operations 2011/2012

Revenue		
Burial/Entombment Rights	2,487,279	
Products	1,165,366	
Services	761,768	
Revenue from Care/Pre Need/Other	760,751	
	5,175,164	
	Surrenders/Discounts	(600,509)
	Net Revenue	4,574,655
	Cost of Sales	1,729,691
	Gross Profit	2,844,964
Operating Expenses		
Personnel	1,731,503	
Depreciation	319,118	
All Other Operation & Care Expense	1,406,393	
	3,457,014	
Net Income/(Loss) from Operations		(612,050)



CATHOLIC COMMUNITY SERVICES AND CATHOLIC HOUSING 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 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 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. 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 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



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 16 local offices throughout the community, the Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in Western Washington. Services include home care to over 2,500 seniors daily, the African-American Elders Program in King County, 35 senior meal sites, "meals-on-wheels" for homebound seniors, senior transportation, and caregiver training at many sites, training thousands of caregivers during the year.

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

CHEMICAL DEPENDENCY SYSTEM NORTHWEST

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

CD System Northwest Locations: Whatcom County and Snohomish County.

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. Services are provided to children/youth and families in their own homes.

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,

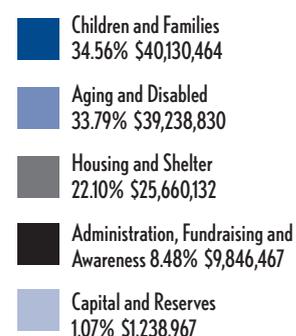
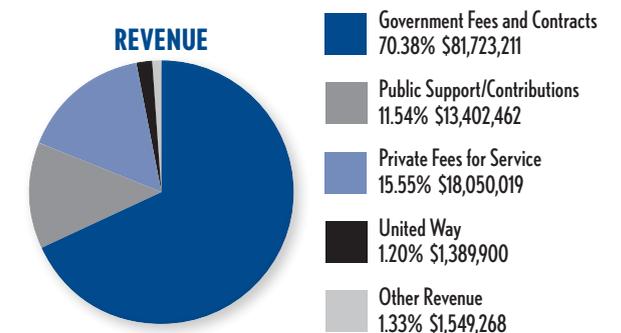
seniors, and persons with special physical and mental needs. Most CHS housing includes resident support services in addition to a clean and safe place to live. CHS provides a continuum of care for some of the most vulnerable populations, in partnership with local, state, and federal government agencies; 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 2012 Operating Budgets, CCS and CHS are the managing general partners or program managers for 24 affordable housing projects with a combined operating budget of \$8,064,712.

The Catholic Charities Foundation of Western Washington reported assets as of June 30, 2012, of \$13.9 million that were invested for the benefit of CCS and CHS. For the year ending June 30, 2012, the Foundation distributed \$540,000 to CCS and CHS.

COMBINED CCS/CHS OPERATING BUDGETS – \$116,114,860

Fiscal Year 2011/2012 (in thousands)



ORDER FORM

Additional information is available upon request for the following:

- 2013 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, 2012.
- Audited Financial Statements of the Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of June 30, 2012.
- Audited Financial Statements of the Fulcrum Foundation as of June 30, 2012.
- Audited Financial Statements of the Parish Revolving Fund as of June 30, 2012.

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 information on other significant ministries of the Church in Western Washington.

The ongoing slow economic recovery continues to impact the finances of the Archdiocese. Parish ordinary income increased slightly by .74% last year. However, forty-five percent of our parishes experienced a decline in income. Total expenses declined by 3% or \$1.1 million. Invested

funds of the Archdiocese showed modest losses through June 30, 2012. Consequently, no operating support to the Archdiocesan budget (July 1, 2011 to June 30, 2012) was provided from invested funds. Consistent with the performance of the overall market, subsequent to June 30, investment results improved over the remainder of 2012. Whether or not this improvement will be sufficient for investment results to help support next year's budget (July 1, 2013 to June 30, 2014) remains to be seen.

Contributions to the Annual Catholic Appeal totaled \$13.3 million, a slight decrease from 2011. Total rebates to Parishes were \$2.7 million down from the \$3 million rebated in 2011. There was also generous support of Catholic Charities, the Fulcrum Foundation, and other ministries of our Church.

Other changes in unrestricted net assets include significant charges resulting from the impact of declining interest rates on the Archdiocese's obligations for Priests' Pension and Post Retirement benefits.

The Archdiocese continues to settle sexual abuse claims from victims. While the number of new claims has been diminishing and the overall case load is declining, it is not yet possible to determine when these claims will cease. During the past year six cases were settled at a cost of \$2.8 million. 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.

Prior to this year, 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. This year's settlements were funded by the Archdiocesan Self Insurance Program and proceeds from outside insurance providers. The special committee of clergy and lay members formed by the Archbishop continues its work to develop a long term plan to fund future settlements without significantly impacting parish ministries and to insure the financial stability of the Archdiocese.

The Archdiocese is also participating in the bankruptcy process for the Christian Brothers in New York. The Archdiocese's objective in the bankruptcy process is to achieve a complete resolution of the cases using available insurance with a bankruptcy plan injunction to eliminate future lawsuits for Christian Brothers' claims. However, it is not possible to predict the final resolution of these cases because of the complexities of the bankruptcy process.

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'Oso, Jr., Chair
Archdiocesan Finance Council

ARCHDIOCESAN FINANCE COUNCIL

Chairperson: Mr. Lou Dell'Oso, Jr.

Vice-Chairperson: Mr. Pat Welch

Ms. Mary Almonte

Mr. Dan Brotherton

Rev. Patrick Freitag

Mr. Mel Kelso

Ms. Mary Jane Patterson

Mr. Tom Rainville

Mr. Jack Sullivan

Staff:

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

Mr. Frank Feeman, *Interim Chief Financial Officer*

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

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

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*

Rev. Steve Sallis, *Interim Director of Liturgy*

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

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