

ARCHDIOCESE  
OF SEATTLE

# 2017-2018 ANNUAL REPORT



M. Laughlin

Dear Friends in Christ,

Thank you for your continued support, generosity, prayers and witness of faith in the Lord Jesus. It has been a turbulent year for the Catholic Church, and we continue to cling to Jesus and his living presence in the Church, especially in his Word and Sacraments. He alone brings the kind of healing and purifying for which we are praying – and working. We constantly pray for the wisdom of the Holy Spirit, who always leads us to Jesus and the will of our heavenly Father.

Here in the Archdiocese of Seattle, while continuing to address head-on the matters that cause all of us deep concern, we also continue to focus on parish health and vitality. We have vibrant, active parishes, pastors, lay ministers, and parishioners who daily live out the mission of the Church. One indicator of that vitality is ordinary income from parishioner stewardship. In the past fiscal year, ordinary income was up 2.6%, with two-thirds of parishes experiencing an increase. This was the ninth straight year of ordinary income increases. Thank you for your support of our parishes!

Your support through the Annual Catholic Appeal also enables us to continue to sustain more than 60 ministries. These are ministries that we administer centrally at the archdiocesan offices in addition to ministries through which we support parishes and schools. This Annual Report highlights some of those ministries and provides a summarized Statement of Activities.

The Mission Statement of the Archdiocese highlights why the ministries we provide are so important:

*“The Ministries of the Archdiocese of Seattle continue the work of Evangelization for encounter with Christ who calls and sends missionary disciples and who himself provides lifelong formation and nourishment in the Church.”*

In this Annual Report, we highlight some of the areas where this mission of evangelization, encounter, and formation are so important, such as: youth and young adult ministries; Catholic schools; and multi-cultural ministries. We also highlight other ministries through which we make a difference both locally (e.g., Catholic Community Services and Catholic Housing Services of Western Washington), and nationally/globally through our Missions Office (where we work with such wonderful agencies as Catholic Relief Services and the Catholic Campaign for Human Development).

In last year’s Annual Report, I announced that we had begun a major capital campaign for our Priests and Women Religious. A separate entity has been established, the Called to Serve as Christ Fund, exclusively for receiving and distributing those funds solely to their intended beneficiaries. Our goal is to raise \$100 million, to be distributed at already determined percentages, among the priest pension fund and senior priest medical plan, retirement funds of religious orders of sisters who serve the archdiocese, and to each parish for the parish’s self-determined needs. The campaign is going well with over \$30 million pledged to date. A more detailed report on this campaign is included in the Annual Report.

Thank you again for your support and prayers. May 2019 bring you and your loved ones many blessings!

Sincerely in Christ,

+ *J. Peter Sartain*

J. Peter Sartain  
Archbishop of Seattle

# PARISHES

## ORDINARY INCOME

Parishes in Western Washington overall saw another increase in collection income. From July 1, 2017 through June 30, 2018, Ordinary Income (Sunday and Holy Day Collections) increased by 2.6% to over \$99 million. Total parish revenue from all sources, including parish schools but excluding intra parish transfers reached almost \$269 million. In 2017/2018, 27 parishes exceeded \$1 million, with another 4 parishes exceeding \$2 million, in Ordinary Income.

## PRF

The PRF serves parishes and parish schools while the ARF provides the same service for other Catholic institutions. The Parish Revolving Fund (PRF) is a separately maintained savings and loan organization within the Archdiocese. Parishes deposit surplus funds in the PRF. A seven member Commission oversees PRF operations, Commission members are listed on page 8.

PRF savings at 6/30/18 totaled \$130 million, a 21% increase from last year's \$108 million. Loans decreased to \$29 million, a 22% decline from last year's \$37 million. The number of loans also decreased from 76 to 70.

## ARF

The Archdiocesan Revolving Fund (ARF) accepts deposits from other institutions in the Archdiocese. These funds are then available as loans to finance operating and capital needs throughout the Archdiocese.

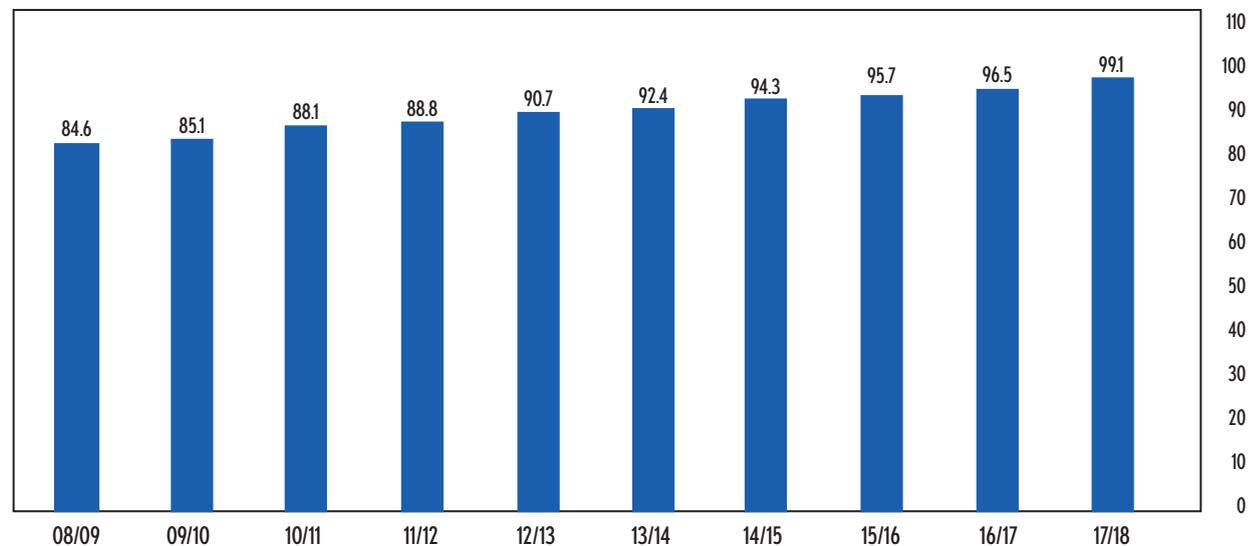
ARF savings increased from \$31 million to \$32 million at year end with loans decreasing to \$5 million.



St. Barbara, Black Diamond

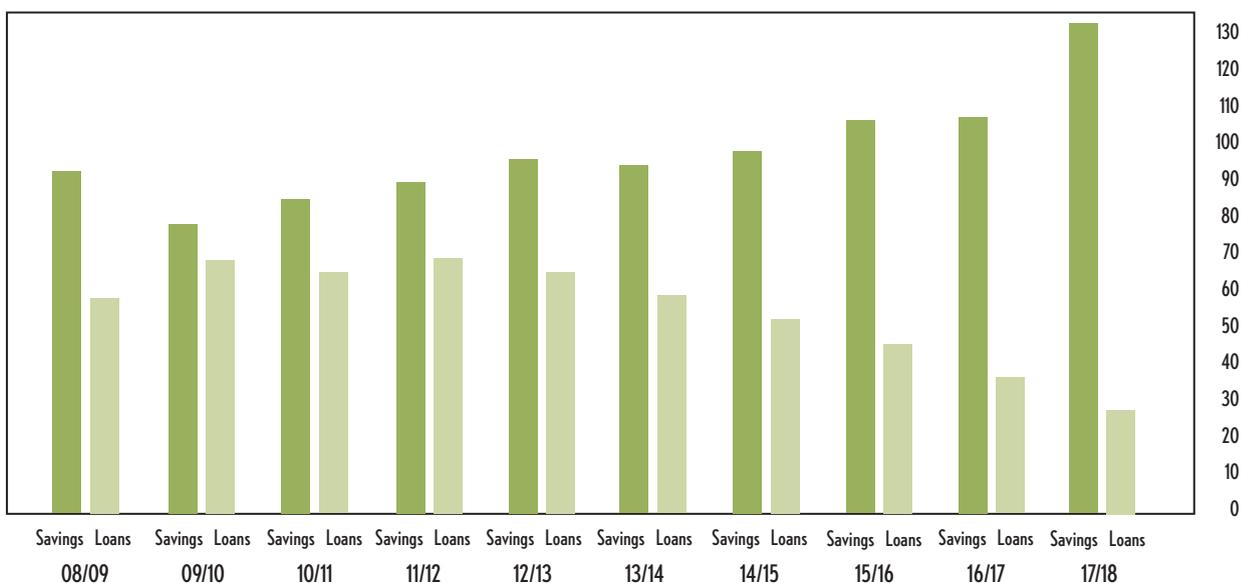
## PARISHES - ORDINARY INCOME

\$ In Millions



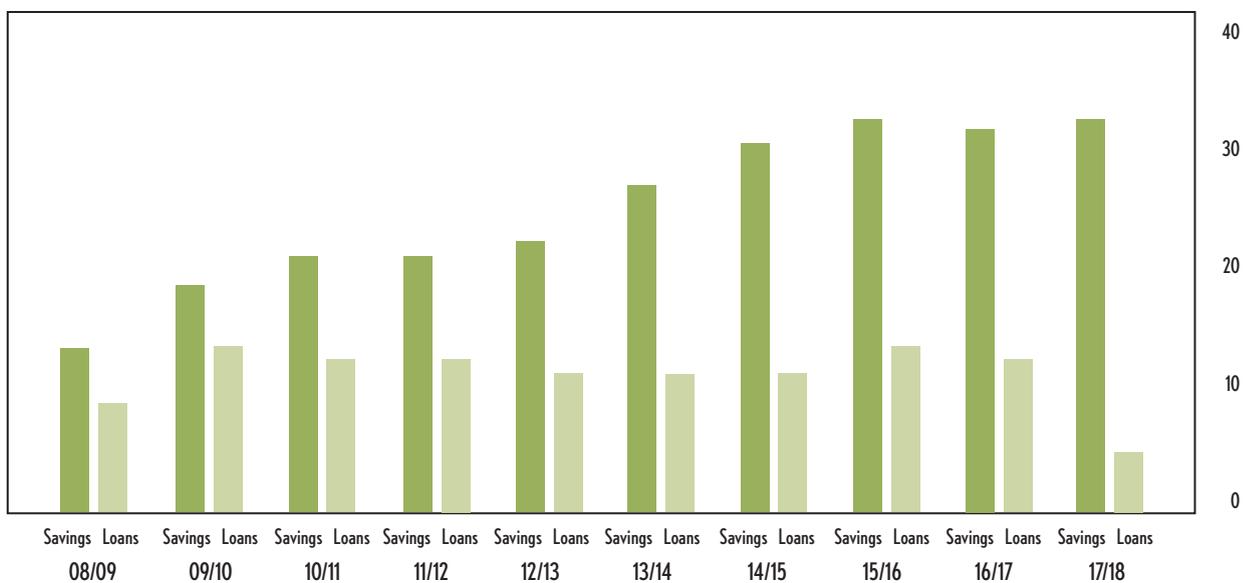
## PARISH REVOLVING FUNDS - PRF

\$ In Millions



## ARCHDIOCESAN REVOLVING FUNDS - ARF

\$ In Millions



# SCHOOLS

The Office for Catholic Schools fosters collaborative communities among all shareholders through high quality professional development to positively impact student learning and develop Christ-like servant-leaders for today's world.

During the 2017-2018 school year, our 63 elementary schools and 11 high schools provided a faith-based, academically excellent Catholic education to 21,653 students. Of these students, 74% are registered as Catholic. We serve 39% ethnic minority students. Our schools employed a total of 1,982 teachers who daily offer their gifts in service of our students and their families.

We continue to make progress on the Strategic Plan for our Catholic schools. We highlight the partnership we have with the Fulcrum Foundation in each of the goal areas:

**1. CATHOLIC IDENTITY:** The Principal Retreat this fall led us all more deeply into the four great mysteries of our faith: Incarnation, Trinity, Paschal Mystery and Eucharist. We reflected on how we see these mysteries come alive in our Catholic schools. We thank Fulcrum for the funding of this retreat opportunity to deepen relationship and our call to ministry in Catholic schools.

**2. ACADEMIC EXCELLENCE:** Through our partnership with Fulcrum, we have been able to train new leaders in our Leadership Academy, and support our principals through an electronic teacher observation tool. We continue to strategically build leadership capacity in all our schools through a teacher leadership program. Teachers assist principals in the important tasks surrounding the on-going quest for academic excellence.

**3. BUSINESS PRACTICES:** We host on-going professional development for our principals at the quarterly all principal meetings. At our meetings, we offer principals many offerings so that each may choose the area of emphasis necessary to that school. Our Fulcrum partners offer training in the area of development and fund raising.

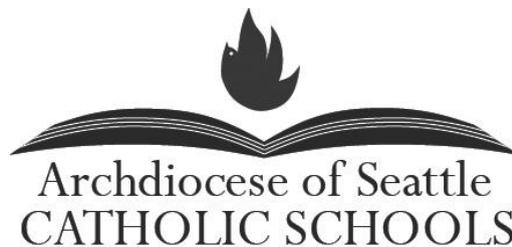


Stephen Brasher

**4. DATA:** Our data manager continues to assist us all in both offices as we truly seek to make data-driven decisions based on evaluations and input from our principals.

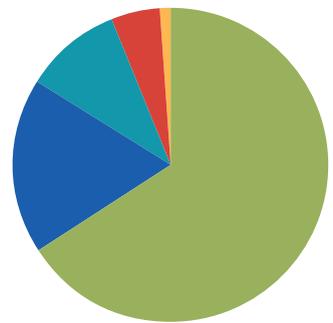
## PARISH SCHOOL OPERATING REVENUES FOR 2017/2018 TOTALED \$134 MILLION.

Parishes with schools gave 15% of ordinary income in support of their schools, on average, which reflects 6% of all school revenue.



[WWW.OCSWW.ORG](http://WWW.OCSWW.ORG)

## REVENUE SOURCES



- Tuition/Fees 64%
- Fundraising/Gift Revenue 15%
- All Other Revenue 14%
- Parish Subsidy 6%
- Neighboring Parishes 1%

# FULCRUM FOUNDATION

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

In fiscal year 2018, Fulcrum distributed more than \$4.3 million to Catholic schools, to Catholic school students and families, and to Catholic school teachers and leaders across the Archdiocese of Seattle. Fulcrum's efforts have strengthened these school communities, schools that provide an excellent and transformational education rooted in the Catholic faith. This report highlights the distribution of funds across our core grant programs in fiscal year 2018—programs that are making a difference in the lives of families, teachers and leaders, and schools across the Archdiocese of Seattle.

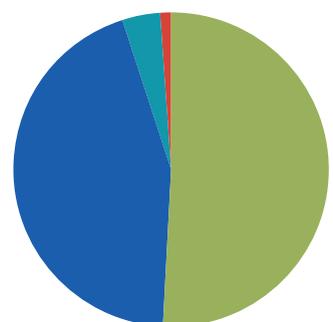
To view Fulcrum's annual report, please visit:

[WWW.FULCRUMFOUNDATION.ORG](http://WWW.FULCRUMFOUNDATION.ORG)



Fulcrum Foundation

## FUNDS DISTRIBUTION



## PROGRAM SERVICES

- Tuition Assistance 54%  
\$2.5 million
- School Partnership Programs 40%  
\$1.8 million
- Program Planning and Management 4%  
\$0.2 million
- Leadership Programs 2%  
\$0.1 million

**Total Program Services 100%  
\$4.6 million**



# YOUTH AND YOUNG ADULT MINISTRIES

## YOUNG ADULT MINISTRY

Young Adult Ministry supports and provides pastoral care to over 2,500 young adults ages 18-39 through leadership development, formation opportunities, fellowship events, and college campus ministry. Young adult ministry has expanded through greater engagement of young adults from all cultural communities, with previous programs ranging from small faith-group-gatherings to weekend retreats and camps. Additionally, this office maintains a weekly newsletter that connects young adults to ministries and activities offered for them by parishes throughout the Archdiocese.

[SEATTLEARCHDIOCESE.ORG](http://SEATTLEARCHDIOCESE.ORG)

## YOUTH MINISTRY

Youth Ministry develops and supports 70 youth ministers and over 200 core team volunteers working with youth through formation gatherings, volunteer trainings and leadership development. It also provides opportunities for youth from all parishes and cultural communities to connect with each other and encounter Christ through archdiocesan events. Over the last year, nearly 2,000 youth participated in archdiocesan programs and events such as the Catholic Youth Convention, the Junior High Rally, Confirmation retreats, summer service projects, and others.

## OUTDOOR MINISTRIES

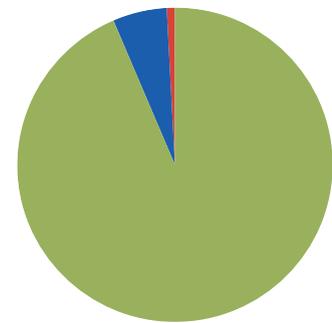
During the 2018 camp season we served 1,653 campers providing \$100,000 in scholarship to 1/3 of those children. This included Day and Resident camp at Camp Don Bosco, resident camp at Camp Hamilton and high school kids in our Nanamakee trip program. During the year we employed over 115 college aged Catholic youth. Our Environmental Education program finished its trial run of the new curriculum and has adopted it moving forward. We served nearly 600 students from 19 different schools across the Archdiocese. During the rest of the year our properties were used by over 5,000 people with 58 different groups, 47 of those groups coming from our Parishes.

## YOUTH ATHLETICS

CYO Athletics coordinated league competition and championships for approximately 50 Catholic parishes/schools and a number of other private schools within King, Pierce and Snohomish counties. The purpose of these programs is to help youth grow in their ability to apply the Gospel values to their everyday life - to develop attitudes of fair play, teamwork, self-discipline and physical fitness based upon Catholic Christian principles. Sports included: soccer, cross country, basketball, volleyball, baseball, track & field and adult softball. The majority of participants were in grades K-8, while high school basketball and volleyball were also offered. There were over 16,000 team members and an estimated 3,000 volunteer coaches, coordinators and commissioners. Over 500 coaches were trained in the "Play Like a Champion Today" coaches training program.

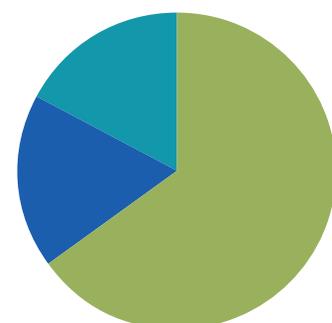
## FISCAL YEAR 2017/2018

(\$ In thousands)



- Fees for Service \$1,628 (94%)
- Released from Restricted funds \$96 (5%)
- Donation Income \$11 (1%)

**Total Income General \$1,735 (100%)**



- Outdoor Ministries \$1,588 (65%)
- Youth Athletics \$433 (18%)
- Youth and Young Adult Ministries \$413 (17%)

**Total Expense General \$2,434 (100%)**

**Net Expenditures in Excess of Revenue (\$ 699) -40%**

# 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**, 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](http://WWW.SEATTLEARCHDIOCESE.ORG/MISSIONS).



Catholic Development Conference, **CATHOLIC RELIEF SERVICES** (CRS) is our U.S. Catholic community's official international relief and development agency, working

An agency of the United States Conference of Catholic Bishops and a member of Caritas Internationalis and the National

in more than **100 countries** and reaching **more than 136 million** of the world's poorest people each year with innovative solutions to tough problems like poverty, hunger, drought, disease and emergencies. CRS continues to be motivated by the Gospel of Jesus Christ to cherish, preserve and uphold the sacredness and dignity of all human life, foster charity and justice, and embody Catholic social and moral teaching. [WWW.CRS.ORG](http://WWW.CRS.ORG)

The **CATHOLIC CAMPAIGN FOR HUMAN DEVELOPMENT** (CCHD) is the domestic anti-poverty



**CATHOLIC CAMPAIGN FOR HUMAN DEVELOPMENT**

program of the U.S. Catholic Bishops working to carry out the mission of Jesus Christ "to bring good news to the poor." CCHD addresses the root causes of poverty in the U.S. through promotion and support of community-controlled, self-help organizations and through transformative education in our parishes and schools. [WWW.SEATTLEARCHDIOCESE.ORG/CCHD](http://WWW.SEATTLEARCHDIOCESE.ORG/CCHD)

Given the title "Pontifical" in 1922, **THE PONTIFICAL MISSION SOCIETIES** have a special responsibility in the Universal Church. They are under the direct canonical



jurisdiction of the Pope, who, together with the entire body of Bishops, remind the faithful of their

Baptismal call to mission, as they gather basic support for more than 1,100 mission dioceses in Asia, Africa, the Pacific Islands and Latin America. The Pontifical Mission Societies include the **Society for the Propagation of the Faith**, the **Missionary Childhood Association**, and the **Society of St. Peter Apostle**. [WWW.MISSIO.ORG](http://WWW.MISSIO.ORG)

## GIVING

In fiscal year 2017-2018, the Missions Office received and distributed \$21 million for evangelization, education, relief and development work of the Church primarily through the Catholic Relief Services Collection, the Rice Bowl Lenten program, the World Mission Sunday collection, the Catholic Campaign for Human Development (CCHD) collection, mission appeals, emergency responses, and designated gifts and bequests. The Missions Office retains some of the revenue to support the above agencies' local work in parishes, schools and the wider community in Western Washington. The distribution figure does not include donations provided directly to the above organizations from people in this archdiocese, such as \$6.0 million to Catholic Relief Services in FY 2018.

# ASSOCIATED CATHOLIC CEMETERIES



Courtesy 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 prearrangement planning, and scheduled opportunities for prayer. ACC also serves as a resource to parishes regarding burial and funeral issues.*

Since 1838 Catholics in the Archdiocese have chosen to be buried in sacred burial ground. Associated Catholic Cemeteries continues this tradition by serving the Puget Sound area and have buried more than 86,000 people. These Archdiocesan cemeteries consist of four cemeteries. 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 1,060 burial services during 2017/2018. 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, 2018 show a Change in Net Assets for Operations of (\$0.6 million). Net sales for the year totaled approximately \$4.8 million. While net sales for the year totaled \$8.9 million, \$4.1 million of those sales were deferred pre need goods, services, and open A/R accounts with burial rights. While

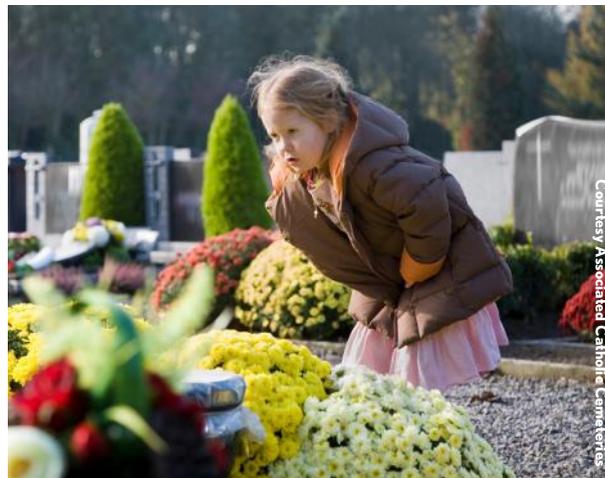


these sales provide current operational cash flow, they are deferred until the goods and services are delivered and/or the open A/R accounts are paid. Therefore, they are not reflected in the revenue. Regular contributions to the Care Fund from Operations as well as positive returns in the Fund's investment portfolio resulted in a net growth of approximately 15% 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](http://WWW.MYCATHOLICCEMETERY.ORG)**

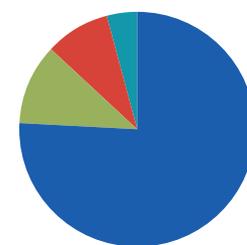


Courtesy Associated Catholic Cemeteries

## SUMMARY OF OPERATIONS 2017/2018

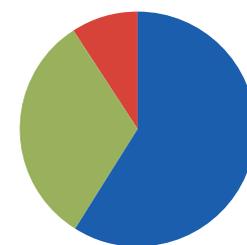
(\$ In millions)

<b>REVENUE</b>	
Burial Rights & Other Sales less Adjustments	4.8
Cemetery & Mausoleum Care	0.7
Interest Income	0.6
Other Income	0.2
<b>NET REVENUE</b>	<b>6.3</b>
<b>COST OF SALES</b>	<b>(2.2)</b>
<b>GROSS MARGIN</b>	<b>4.1</b>
<b>OPERATING EXPENSES</b>	
Cemetery Operating Expenses	(4.1)
Grounds Maintenance	(0.6)
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>(0.6)</b>



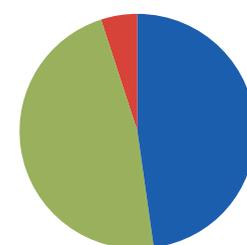
### REVENUE

- Burial Rts/Products/Svcs 76%
- Care 11%
- Investment Income 9%
- Other Income 4%



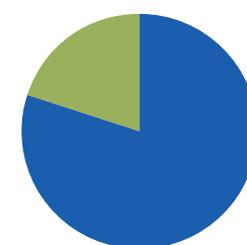
### EXPENSES

- Operating Expenses – 59%
- Cost of Sales – 32%
- Grounds Maintenance – 9%



### TOTAL BURIAL SERVICES

- 505 Ground Burials – 48%
- 503 Cremation Burials – 47%
- 52 Mausoleum Burials – 5%



### BURIAL RITES SOLD

- Pre-Need 1201 Spaces – 80%
- At Need 306 Spaces – 20%

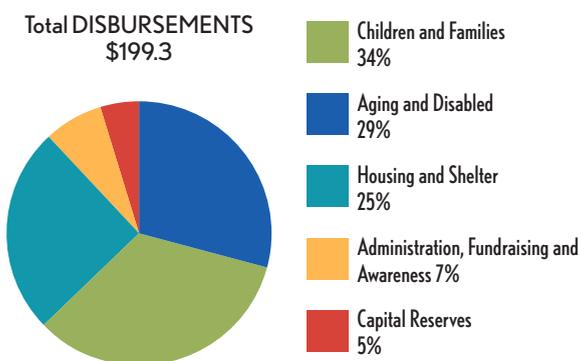
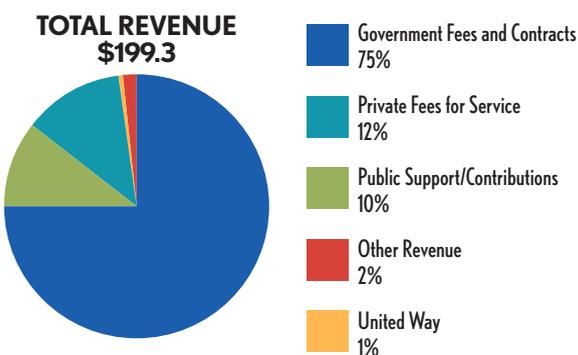


**OUR MISSION**

Catholic Community Services and Catholic Housing Services provide social services and housing to poor and vulnerable individuals, families and communities in Western Washington, regardless of beliefs.

**CCS/CHS OPERATING RESULTS (UNAUDITED)**

Fiscal Year 2017/2018 (IN MILLIONS)



In addition to the 2018 Operating Results, CCS and CHS are the managing general partners or program managers for 26 affordable housing projects with a combined operating budget of \$10.9 million.

The Catholic Charities Foundation of Western Washington reported total assets of \$14 million, as of June 30, 2018, that were invested for the benefit of CCS and CHS. For the year ending June 30, 2018 the Foundation made distributions of \$0.6 million to CCS and CHS.



# CATHOLIC COMMUNITY SERVICES AND CATHOLIC HOUSING SERVICES OF WESTERN WASHINGTON

**ABOUT US: FOR 100 YEARS,** Catholic Community Services and Catholic Housing Services have served the poorest and most vulnerable men, women and children of Western Washington. As the largest private social service provider in the state, our employees and volunteers serve nearly 100,000 homeless, hungry and hurting people each year.

As the agency begins its second century of care, a new initiative has been launched to build stronger parish partnerships that will increase missionary discipleship through outreach and advocacy on behalf of poor families and communities.

**HIGHLIGHTS**

- Our 12 regional Family Centers offer a number of services located throughout Western Washington.
- Our Long Term Care program has provided over 2 million hours of in-home care services.
- Our unique Family Behavioral Health services have assisted 22,175 families.
- Catholic Housing Services has provided permanent housing for 4,598 clients.



A CENTURY of  
**HOPE**  
CATHOLIC COMMUNITY SERVICES  
CATHOLIC HOUSING SERVICES  
SERVING PEOPLE OF ALL BELIEFS

**175 Programs**  
**One Mission**  
**A Mission of Mercy**

**OUR IMPACT**

**With 175 programs we offer an array of services including:** adoption, pregnancy support, children's mental health, case management, information and referral, emergency services, shelters, transitional and permanent housing, mental health and chemical dependency counseling and volunteer services.

## MISSION ENGAGEMENT

**VOLUNTEER OPPORTUNITIES**

Make a positive impact in our community and join the more than 9,000 volunteers who help the elderly and disabled remain in their own homes, serve food to the hungry or tutor youth struggling in school. [ccsww.org/volunteer](http://ccsww.org/volunteer)

**DONATE**

We are ever grateful for the support we receive from individuals, foundations and corporations. As good stewards of these gifts, 92¢ of every dollar spent goes directly to benefit those in need. [ccsww.org/donate](http://ccsww.org/donate)

**ADVOCATE**

Become a champion for those in need and talk with your colleagues, friends and legislators about the important work our organization is doing to reduce poverty in Washington State. [ccsww.org/advocacy](http://ccsww.org/advocacy)

**ENGAGE**

Join our online community and receive monthly updates about the work and services CCS/CHS provides in your community. [ccsww.org/join-our-online-community/](http://ccsww.org/join-our-online-community/)

**CONTACT**

For more information or to donate online please visit us at [ccsww.org](http://ccsww.org), by email at [development@ccsww.org](mailto:development@ccsww.org), or give us a call at 206-328-5707 or 1-800-499-5979 ext. 5707. 100 23rd Avenue South, Seattle WA 98144.

Father Jim Dalton remains busy as a senior priest, filling in at a variety of parishes, including St. Hubert in Langley.



Stephen Brashers

Sister Lorene Heck isn't slowing down after 55 years in ministry



Jared Seger Photography/obvvision

# CALLED TO SERVE AS CHRIST CAMPAIGN 2018 - 2020

This landmark \$100 million campaign is an opportunity for the Archdiocese of Seattle to renew our commitment to care for our senior priests, strengthen the retirement plans of women religious serving in western Washington and invigorate parish life through locally identified projects.

The campaign is coming to the end of its first year of formal communication and fundraising activities.

At this time, 52 of our 170 parishes have participated in the campaign. Twenty-two (22) of these parishes will wrap up their solicitation phase early in 2019. Over 7,500 Catholic families have generously responded so far, helping the campaign raise \$31.8 million in pledges and gifts. Our active and retired priests have demonstrated their commitment by pledging \$1.4 million to the campaign. In addition, parishioners and priests have informed us of over \$2 million in planned gifts to the campaign.

These results have allowed us to begin to distribute monies received through one-time gifts and pledge payments to the stated campaign goals. In addition, we are paying campaign expenses through funds raised.

The campaign is off to a good start, but there is still much to do. In August and September of 2019, 53 parishes in the Northern, Snohomish, and Eastside deaneries will begin inviting their parishioners (over 47,000 registered families) to join this effort to care for our priests, sisters, and family of faith. In the late summer of 2020, the final 64 parishes of the archdiocese (over 38,000 registered families) in the Southern, Olympic, and South Sound deaneries will do the same. The parishes in our 2019 and 2020 waves represent 69% of all Catholic households in the archdiocese. With the help of God and the continued generosity of the people of western Washington, we will be able to reach our goals.

## HIGHLIGHTS BY THE NUMBERS (as of 1/24/2019 unless otherwise noted)

- **\$31.8 million in pledges**
  - \$1.4 million of the total pledged from active and retired priests
  - An additional \$2.1 million in planned gifts identified
- **7,664 families/individuals** have made a gift/pledge
- **8 regional parish dinners and 6 regional receptions** hosted by Archbishop Sartain and campaign leaders to educate parishioners about the goals
- **52 of the 170 parishes** are in the midst of the campaign
- **Over 430 volunteers** helping spread the news about the campaign and answer questions
- **117 parishes will begin campaign** in 2019 and 2020
- **Over \$9 million in payments received** and already paid/accrued the following distributions:
 

• Priest Pension:	\$2.4
• Priest Medical:	\$0.9
• Parish Share:	\$1.0
• Women Religious:	\$1.5
• Legacy Order of Priests:	\$0.1
• Campaign Expenses:	\$3.1

Campaign expenses are more frontloaded due to the amount of work to create the campaign. The total budget is \$6 million (6% of the \$100 million goal).

To learn more about the archdiocesan goals, when the campaign is scheduled to launch at your parish, or to answer any general campaign questions, please visit: [WWW.CALLEDTOSERVEASCHRIST.ORG](http://WWW.CALLEDTOSERVEASCHRIST.ORG)



Karrie Hamilton

A priest for more than six decades, 'retired' Father Steve Roman maintains active in ministry to Grays Harbor parishes



Courtesy Holy Rosary School

Called to Serve as Christ campaign will help Holy Rosary renovate its aging playground

## ONLINE FORMS AND INFORMATION

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

- CYO Summer Camp** Information
- Associated Catholic Cemeteries**
- Crozier Society Information** Brochure
- Fulcrum Foundation** Community Report

**Audited Financial Statements of the Centrally Managed Ministries** of the Corporation of the Catholic Archbishop of Seattle as of 06/30/18

**Audited Financial Statement of the Fulcrum Foundation** as of 06/30/18

# FROM THE FINANCE COUNCIL



Dear Members of the Church of Western Washington:

I have had the privilege of being on the Archdiocesan Finance Council for the past three years, serving as Vice-Chair and now succeeding our outgoing Chair to Kevin Hylton, who will remain on the Finance Council, and I am now following in his footsteps as the new Chair. Like Kevin, I am also a CPA who started his career in public accounting. Currently I am part of the senior leadership for a large S&P 500 real estate investment trust and am excited to lead my fellow colleagues on the Finance Council.

## PARISHES

As Archbishop mentioned on the front page, parish ordinary income was up for the ninth straight year. We have 10 geographic deaneries within the Archdiocese and all 10 were up year-over-year, so we are seeing growth in giving throughout the Archdiocese. Parishes also continue to grow the amount of their aggregate savings in the PRF, as highlighted on page two of this report, while at the same time PRF loan balances continue to decrease. With savings at over four times the amount of loans, the balance sheets at the parishes, in general, are very strong.

## ANNUAL CATHOLIC APPEAL

The amounts reported in the Statement of Activities are reported in arrears, so the 2017-18 numbers are from the campaign that ran from April-June 2017, with most collections occurring throughout the fiscal year of July 2017 to June 2018. The amounts reported in the Statement reflect only the share retained by the Archdiocese, as parishes get to keep amounts raised above their goal. The total amount raised by the Annual Catholic Appeal was \$15 million, marking our fifth straight year of growth. Thank you for your generosity.

## CENTRAL OFFICE FINANCIAL STATEMENTS

The three primary areas from which we generate revenue to support our ministries are the Annual Catholic Appeal, Parish Assessments, and Program Fees generated from various Archdiocesan programs like Camps and CYO Athletics. The total revenue for the Chancery Central Offices was up 1% to \$29.8 million. Our operating expenses were down over 5%. As a result, we were able to reduce our operating loss from \$4.8 million last year to a loss of \$2.6 million for 2017-18, with our projected financial plan at operating break-even for the 2018-19 fiscal year.

The Archdiocese also runs an insurance program whereby we cover parishes, schools, Catholic Community Services, and Catholic Housing Services for workers' compensation, property, and liability insurance, which also includes sexual abuse claims. Losses incurred by the program continue to outpace the revenue collected, primarily due to decades-old sexual abuse cases requiring significant current payouts and accruals. For this past fiscal year, the net loss in our insurance program was \$8.4 million compared to \$5.3 million in the previous fiscal year. We have funded these losses from our property and investment reserves.

Helping offset the losses from the insurance program was a gain on our investments of \$1.7 million, as our portfolio which is allocated 75% to stocks, continued to benefit from the bull market. With interest rates increasing, our actuarially-determined minimum priest pension and health liability amounts declined by a combined \$6.2 million, which also helped offset the operating and insurance losses. Taken together, our overall change in unrestricted net assets was a decline of \$2.8 million versus a decline of \$4.0 million in the prior year.

## FINANCIAL POSITION

This is the fifth straight year our unrestricted net assets have declined. As a Finance Council, we are working diligently with the Archbishop, the bishops, and the Finance team to reverse this trend and ensure long-term financial health.

On the previous page, we include a link where you can request the full audited financial statements. We encourage you to take a look.

Sincerely,

David Boitano, Chair  
Archdiocesan Finance Council

## ARCHDIOCESAN FINANCE COUNCIL:

Chairperson: David Boitano

Vice-Chairperson: Bob McLaughlin

Scott Burns

Mary Dorn

Jason Heinz

Kevin Hylton

Adam Janicki

Rev. Matthew Oakland

Terry Walter

Fred Weiss

STAFF: Joe Schick, CFO, Archdiocese of Seattle

## PRF COMMISSION MEMBERS:

Chief Financial Officer: Joe Schick

Rev. Martin Bourke

Carol Durbin

Tom Knollman

Marti Lundberg

Jim Potter

Rev. Jack Shrum,

Non-voting: Bob McLaughlin, AFC Liaison,

Dennis O'Leary, Executive Director of the Chancery

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

## AFC SUBCOMMITTEE FOR INVESTMENTS:

Dan Brotherton

Scott Burns

Bob McLaughlin

Michele Tiesse

Fred Weiss

STAFF: Mary Jo Gillis

Joe Schick

## ARCHDIOCESAN BUILDING COMMISSION:

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

Chairperson: Dennis Lehtinen

Chief Financial Officer: Joe Schick

Executive Directory of the Chancery: Dennis O'Leary

Secretary: Michelle Marquardt-Chia

Michelle Clinton

Janice George

Rev. Chad Green

Rev. Richard K. Hayatsu

Bill Maibusch

Dan Miles

Jim Napolitano

Bill Rutledge

Joe Sacquitne

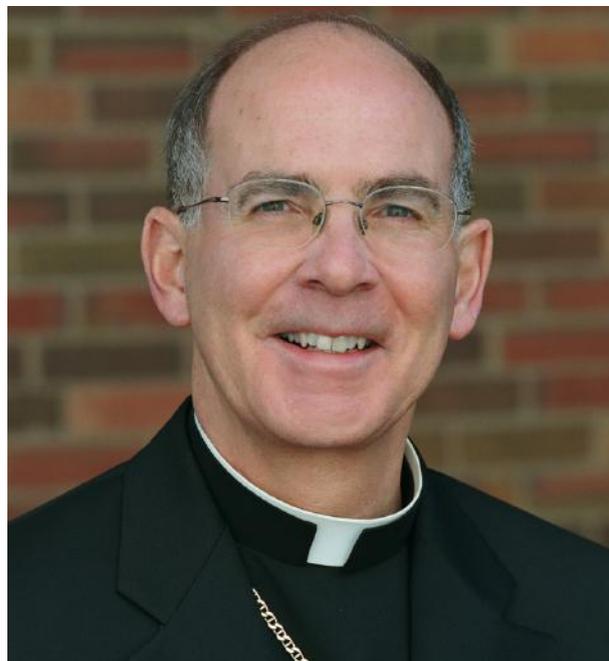
Don Severide

Peter Somers

Rick Tomkins

STAFF: Scott Bader, Ed Foster, Mary Jo Gillis

# STATEMENTS OF ACTIVITIES



## ANNUAL REPORT 2017/2018

The information contained in this report provides a financial overview of the Archdiocese of Seattle. Archbishop J. Peter Sartain is the spiritual leader of the

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

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

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



ARCHDIOCESE  
OF SEATTLE

## CHANCERY PROGRAMS & SERVICES

Following is the Statement of Activities for the Chancery for the fiscal years 2017/2018 and 2016/2017. Chancery offices and services assist

Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.

## CENTRAL OFFICE PROGRAMS AND SERVICES STATEMENT OF ACTIVITIES

For the Fiscal Years ended 2017-2018 and 2016-2017

Amounts in millions	June 30, 2018	June 30, 2017* (Restated)
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUE AND OTHER SUPPORT</b>		
Annual Catholic Appeal	\$11.6	\$11.6
Parish Assessments and Billings	7.2	7.3
Program Fees and Advertising	6.8	6.6
Restricted and Designated Funds	1.8	1.7
Investment Income	1.7	0.8
Contributions and Bequests	0.8	1.0
Other	(0.1)	0.5
<b>Total Revenue and Other Support</b>	<b>\$29.8</b>	<b>\$29.5</b>
<b>EXPENSES</b>		
<b>Program</b>		
Catholic Schools	\$19	\$1.8
Priest and Retired Bishop Support	1.6	2.6
Pension	1.6	1.9
Outdoor Ministries	1.6	1.7
Donations	1.5	1.6
Pastoral Ministries	1.4	1.4
Northwest Catholic	1.2	1.2
Archbishop Brunett Retreat Center	1.1	1.1
Seminarians	1.0	1.2
Evangelization	0.8	0.3
Tribunal	0.6	0.5
Athletics	0.4	0.5
Youth and Young Adult Ministry	0.4	0.5
Catholic Faith Formation	0.3	0.6
Multicultural Ministries	0.3	0.5
Missions Office	0.3	0.3
Interest	0.8	0.8
Bad debts	0.1	(0.1)
<b>Management and general</b>		
Business, finance, and support services	3.8	3.9
Human Resources	3.4	3.4
General Administration and depreciation	2.0	2.3
Archbishop office	1.7	1.3
Chancery management	1.4	1.5
State and national responsibilities	0.5	0.5
Office of the Vicar for Clergy	0.4	0.5
Communications	0.4	0.5
Interest and finance charges	0.4	0.5
<b>Fundraising</b>		
Development	1.5	1.5
<b>Total Expenses</b>	<b>\$32.4</b>	<b>\$34.3</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>		
<b>Operating Loss</b>	<b>\$(2.6)</b>	<b>\$(4.8)</b>
Insurance Program Loss, net	(8.4)	(5.3)
Unrealized Gains on Investments	1.7	3.7
Change in Minimum Priest Pension Liability	2.6	3.1
Change in Minimum Other Benefit Liability	3.6	1.7
Realized gains (Losses) on sale of property	0.3	(2.4)
<b>Change in Unrestricted Net Assets</b>	<b>\$(2.8)</b>	<b>\$(4.0)</b>

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

# CENTRAL OFFICE PROGRAMS & SERVICES

## REVENUE AND OTHER SUPPORT:

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

**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.

**PROGRAM FEES AND ADVERTISING** User fees for specific programs and services. Revenue from Northwest Catholic Magazine, the official Archdiocesan magazine.

### 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.

**INVESTMENT INCOME** The investments of the Archdiocese include Restricted, Unrestricted, Designated Funds, and Endowment. 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. Also included is the Archdiocesan Revolving Fund operated by the Archdiocese for Catholic organizations (other than parishes).

**CONTRIBUTIONS AND BEQUESTS** Represents various gifts both Restricted and Unrestricted received by the Archdiocese in the past year.

### ALL OTHER SOURCES OF OPERATING FUNDS

Includes facility use, donations, and miscellaneous.

## EXPENSES: PROGRAM:

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

**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.

**OUTDOOR MINISTRIES** Offers CYO Camps which are the only summer camps in Washington that inspire campers to learn respect and dignity for themselves, others and the environment, all through Catholic teachings.

**PASTORAL MINISTRIES** A series of pastoral ministries that provide spiritual care and resources while developing mutuality and kinship with people on the margins. Our ministries include:

Criminal Justice Ministry, Hospital & Healthcare Ministry, Immigrant & Refugee Ministry, Seafarer's Ministry, Inclusion Ministry, Mental Health Ministry, Grief Ministry, and Ministry to the Deaf.

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

**NORTHWEST CATHOLIC** A magazine, website, social media, email newsletter and app proclaiming the good news of Jesus Christ to Catholics in Western Washington to teach, inspire, and form disciples who know the Lord and live their faith to the full.

**SEMINARIANS** A service of the Office of the Vicar for Clergy assisting the Archbishop in promotion, discernment, assessment, placement and support for men preparing for the priesthood for the Archdiocese.

**EVANGELIZATION** Seeks to help more people to come to know the Lord and live their faith to the full by sharing in the Archbishop's apostolic mission, through service of our parishes, schools, and faith communities.

### DONATIONS

Donations to provide assistance to various schools and other Catholic Charities.

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

**ATHLETICS** CYO Athletics coordinate league competition and championships for Catholic parishes/schools within King, Pierce and Snohomish counties. The sports include soccer, cross country, basketball, volleyball, baseball, track & field, and adult softball.

**YOUTH AND YOUNG ADULT MINISTRY** Collaborates with the leaders of parish and faith communities to complement their ministry to youth and young adults by: facilitating formation and training, providing ministry resources, fostering a network of community and support and offering large-scale direct ministry for youth and young adults.

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

**MULTICULTURAL MINISTRIES** A service to provide support to pastors and other pastoral leaders in their pastoral care of cultural and ethnic communities. Cultural and ethnic communities served include: African, African American, Black, Asian Pacific American, Native American, and others.

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

**INTEREST** This expense is interest paid on deposits in the Archdiocesan Revolving Fund.

**BAD DEBTS** Provision for uncollectible accounts receivable.

## MANAGEMENT AND GENERAL:

### BUSINESS, FINANCE, AND SUPPORT SERVICES

Assists the Archbishop in managing the business, legal, and financial affairs of the Archdiocese, overseeing Accounting Services, Property Asset Management, Parish Financial Services, Insurance-Property/Liability and the Workers' Compensation Program.

**HUMAN RESOURCES** Assists the Archbishop in supporting ordained, religious, and lay ministers and employees. Implements and administers lay personnel policies

and compensation plans for ordained ministers and religious and lay employees. Oversees the safe environment program.

### GENERAL ADMINISTRATION AND DEPRECIATION

Includes Chancellor's office, Archives, Liturgy, Planning & Research. Depreciation is taken on the Fixed Assets of the Archdiocese.

**ARCHBISHOP OFFICE** The Archbishop exercises pastoral responsibility and spiritual leadership for the entire Church of Western Washington by preaching, teaching, and overseeing celebration of the liturgy and sacraments, and by administering the temporal affairs of the Archdiocese.

### CHANCERY MANAGEMENT

Expenses for computer and Support Services, Facilities, and Operations.

### STATE AND NATIONAL RESPONSIBILITIES

Assessment payments to USCCB and various subsidies and donations contributions.

**OFFICE OF THE VICAR FOR CLERGY** Administrative expense to support the office in their 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 - and to clergy and other pastoral leaders in parishes and faith communities.

**INTEREST AND FINANCE CHARGES** The interest and finance charges from operations and to acquire Archdiocesan assets.

**COMMUNICATIONS** Produces media communications and public information for the Archdiocese. Office functions include media relations, graphic services, and web management.

## Fundraising:

**DEVELOPMENT** Expenses for fundraising including the annual Catholic appeal, Stewardship, the Crozier Society, and other various fundraising activities.

## CHANGE IN UNRESTRICTED NET ASSETS:

### INSURANCE PROGRAM LOSS, NET

The net of premiums collected and claims expenses for property, liability, automobile and worker's compensation insurance programs on behalf of parishes, schools, agencies, including CCSWW, and employees of the Archdiocese. It also includes settlement costs for settlement of abuse claims, net of insurance.

### UNREALIZED GAINS (LOSSES) ON INVESTMENTS

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

### UNREALIZED GAINS (LOSSES) ON INVESTMENTS-ENDOWMENTS

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

### CHANGE IN MINIMUM PRIEST 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 priest healthcare benefits based on actuarial assumptions.

### REALIZED GAIN ON SALE OF PROPERTY

Gain from the sale of Bonney Lake property (FY1718) and loss from the sale of Hawk's Prairie property (FY1617).