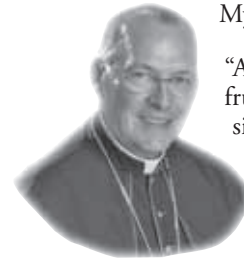


ARCHDIOCESE OF SEATTLE 2008-2009 ANNUAL REPORT



My dear friends in Christ,

“And some seed fell on rich soil and produced fruit. It came up and grew and yielded thirty, sixty, and a hundredfold.” (Mk 4:8)

It has been my privilege to serve as Archbishop of Seattle over the past 12 years. During that time I have been humbled by the spirit of giving so emblematic of our clergy, religious and lay people. This spirit of giving has never been more evident than during the past fiscal year as our state and nation have experienced the effects of the economic recession.

As I present the 2008-2009 Annual Report, I acknowledge with gratitude the stewardship of our people and parishes in the most trying economic period since the Great Depression. Not only have Catholics in the Archdiocese of Seattle continued their generous support for the many ministries sustained by the Annual Catholic Appeal, but they have set a record for financial giving. Contributions to the Appeal increased for the seventh straight time in the last fiscal year, and the number of donors also increased as, for the first time in our history, donations exceeded \$13 million.

This is a sign that the word of God has found fertile soil in the hearts of our people, and the seed God has sown in the Archdiocese of Seattle is yielding its increase.

In 2009, the people and parishes of our archdiocese also demonstrated their pride and zeal for the faith by supporting the Catholics Come Home television advertising campaign. In addition to supporting the ongoing mission of the Church, literally thousands of donations small and large poured in to support this effort to welcome inactive Catholics home. People from virtually every parish in the Archdiocese of Seattle donated more than \$500,000 to this campaign which is just the start of a long-term effort to restore a sense of Catholic identity among our people and to share the good news of Jesus Christ with others.

As I prepared this report for publication each of the past 12 years, I have attempted to express my sincere gratitude to all who contribute to the life of the local Church. I am especially mindful this year that my ministry would be impossible without the commitment and generosity of the thousands of faithful clergy, religious and lay people who demonstrate their faith, hope and love through the sharing of their many gifts.

With the submission of my resignation to Pope Benedict XVI in accord with canon law more than a year ago, the Archdiocese now anticipates a transition as we prepare to welcome a new shepherd. I am happy to report that the new Archbishop will find our Catholic people deeply committed to the Gospel and the current financial status of the local Church sound. As in the past, we continue to address the needs of victims of clergy sexual abuse without using funds donated to our parishes or to the Annual Catholic Appeal.

This annual report is more than a compilation of financial statistics. It is a reflection of the rich soil that exists in the hearts of Catholics living in the Archdiocese of Seattle. The community of Catholic believers here continues to reach out in solidarity to those who hunger and thirst physically and spiritually. I ask that all pray for the continued vibrancy of our mission and that our people will extend to my successor the same generous support that I have been blessed to receive during my years as Archbishop of Seattle.

With sincerest gratitude and warmest wishes, I remain

Your servant in Christ,

+ *Alex J. Brunett*
Most Rev. Alex J. Brunett



ANNUAL REPORT 2008/2009

The information contained in this report provides a financial overview of the Archdiocese of Seattle. Archbishop Alexander J. Brunett 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 and parish elementary schools, which are separate canonical units; the Office of Youth and Young Adult Ministry (OYYAM); the Associated Catholic Cemeteries; and the three Archdiocesan high schools (O'Dea High School, Bishop Blanchet High School and Kennedy High School).

Archbishop Brunett is also the corporate member of Catholic Community Services of Western Washington, Catholic Housing Services, 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 the 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.



PHOTO CREDITS:
 Cover: Cathedral: courtesy photobymike.com
 Cover: Cathedral doors: courtesy Maria Laughlin
 Page 2: Seattle Madonna: courtesy Maria Laughlin
 Page 4: St. Patrick: courtesy St. Patrick, Tacoma
 Page 5: Students: courtesy Fulcrum Foundation
 Page 7: Child: courtesy Catholic Community Services

CHANCERY PROGRAMS & SERVICES

Below is the Statement of Activities for the Chancery for the years ended 2008/2009 and 2007/2008. Chancery offices and services assist Archbishop Brunett in his pastoral and administrative responsibilities. Management comments for the Revenue and Expenses may be found on the following page.

Chancery Programs and Services Statement of Activities For the Fiscal Years Ended 2008-2009 and 2007-2008

	June 30, 2009 Total All Funds	June 30, 2008 Total All Funds
UNRESTRICTED NET ASSETS		
Revenue and Other Support		
Parish Assessments	\$5,502,000	\$5,249,000
Investment Income on Revolving Funds	4,345,000	4,760,000
Investment Income (Losses) on Endowments	(1,771,000)	474,000
Investment Income (Losses) on General Reserve	(5,322,000)	391,000
Realized Gains (Losses) on Sale of Property	(15,000)	1,093,000
Subscriptions, Advertising and Program Fees	2,722,000	2,882,000
Contributions and Bequests	202,000	647,000
Insurance Program Premiums	10,110,000	9,746,000
Other	1,778,000	1,079,000
Subtotal	\$17,551,000	\$26,321,000
Net Assets Released From Restrictions		
Annual Catholic Appeal	9,771,000	9,523,000
Restricted and Designated Funds	2,431,000	2,607,000
Total Revenue and Other Support	\$29,753,000	\$38,451,000
Expenses		
Catholic Faith Formation	\$1,047,000	\$1,005,000
Catholic Schools	932,000	1,180,000
Contributions to CCSWW	696,000	696,000
Donations, Grants and Subsidies (includes OYYAM)	1,772,000	1,747,000
Missions Office	236,000	237,000
Office of the Vicar for Clergy	3,678,000	3,728,000
Communications and NW Progress	1,015,000	897,000
Tribunal	495,000	470,000
Priest and Retired Bishop Support	1,973,000	1,780,000
Pension	1,228,000	1,332,000
General Administration	10,746,000	10,861,000
Insurance Program	12,076,000	16,017,000
Revolving Fund Interest & Bad Debts	4,259,000	4,394,000
Plant Fund Depreciation & Interest	1,657,000	1,604,000
Total Expenses	\$41,810,000	\$45,948,000
Change in Unrestricted Net Assets		
Change before Unrealized Losses and Transfers	\$(12,057,000)	\$(7,497,000)
Unrealized Gains (Losses) on Investments - General	(1,695,000)	(5,511,000)
Unrealized Gains (Losses) on Investments - Revolving Funds	3,000	(47,000)
Unrealized Gains (Losses) on Investments - Endowments	(357,000)	(984,000)
Change in Minimum Pension Liability	(5,100,000)	(940,000)
Change in Minimum Other Benefit Liability	114,000	122,000
Change in Unrestricted Net Assets	\$(19,092,000)	\$(14,857,000)

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 FUNDS

The Parish and Archdiocesan Revolving Funds are loan and deposit funds operated by the Archdiocese for parishes and other Catholic organizations. Included is interest, dividends and realized gains (losses) on disposal of investments.

INVESTMENT INCOME ON ENDOWMENTS

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

INVESTMENT INCOME ON GENERAL RESERVE

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

REALIZED GAINS (LOSSES) ON SALE OF PROPERTY

During the year ended June 30, 2009, the retirement of old mailroom equipment at the net book value of \$10,000 and the cost to retire a lease on copy machine equipment of \$5,000 resulted in a realized loss of \$15,000.

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 and contributions and miscellaneous.

ANNUAL APPEAL

Contributions from Catholics throughout Western Washington to the Annual Catholic Appeal. Does not include over \$2,250,000 in rebates returned to parishes.

RESTRICTED AND DESIGNATED FUNDS

Donations from a variety of sources for a variety of programs and services. Restricted funds are set aside for a particular purpose stated by the donor and not expended until the purpose is satisfied. If the funds are temporarily

restricted, they may be expended fully for the intended purpose. If the funds are permanently restricted, only the earnings on the donation may be used for the intended purpose. Other unrestricted contributions may be designated by the Archbishop for a particular purpose.

EXPENSES:

CATHOLIC FAITH FORMATION

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

CATHOLIC SCHOOLS

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

GRANT TO CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

Subsidies to CCSWW to assist in their operations.

DONATIONS, GRANTS AND SUBSIDIES

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

MISSIONS OFFICE

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

OFFICE OF THE VICAR FOR CLERGY

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

COMMUNICATIONS AND NW PROGRESS

Produces media communications and public information for the Archdiocese. Office functions include media relations, graphic services, Web management, *The Catholic Northwest 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 Archbishop. 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, Facilities and Operations, New Parishes, Interest, and The Department of Administration and Finance including Accounting, Stewardship and Development, Property and Construction and Parish Financial Services.

INSURANCE PROGRAM

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

REVOLVING FUND INTEREST AND BAD DEBTS

These expenses are related to the loans and deposits in the various revolving funds.

PLANT FUND DEPRECIATION & INTEREST

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- GENERAL

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- REVOLVING FUNDS

Represents the difference between market and book value on investments at the fiscal year end on the Revolving Funds.

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- ENDOWMENTS

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

CHANGE IN MINIMUM PENSION LIABILITY

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

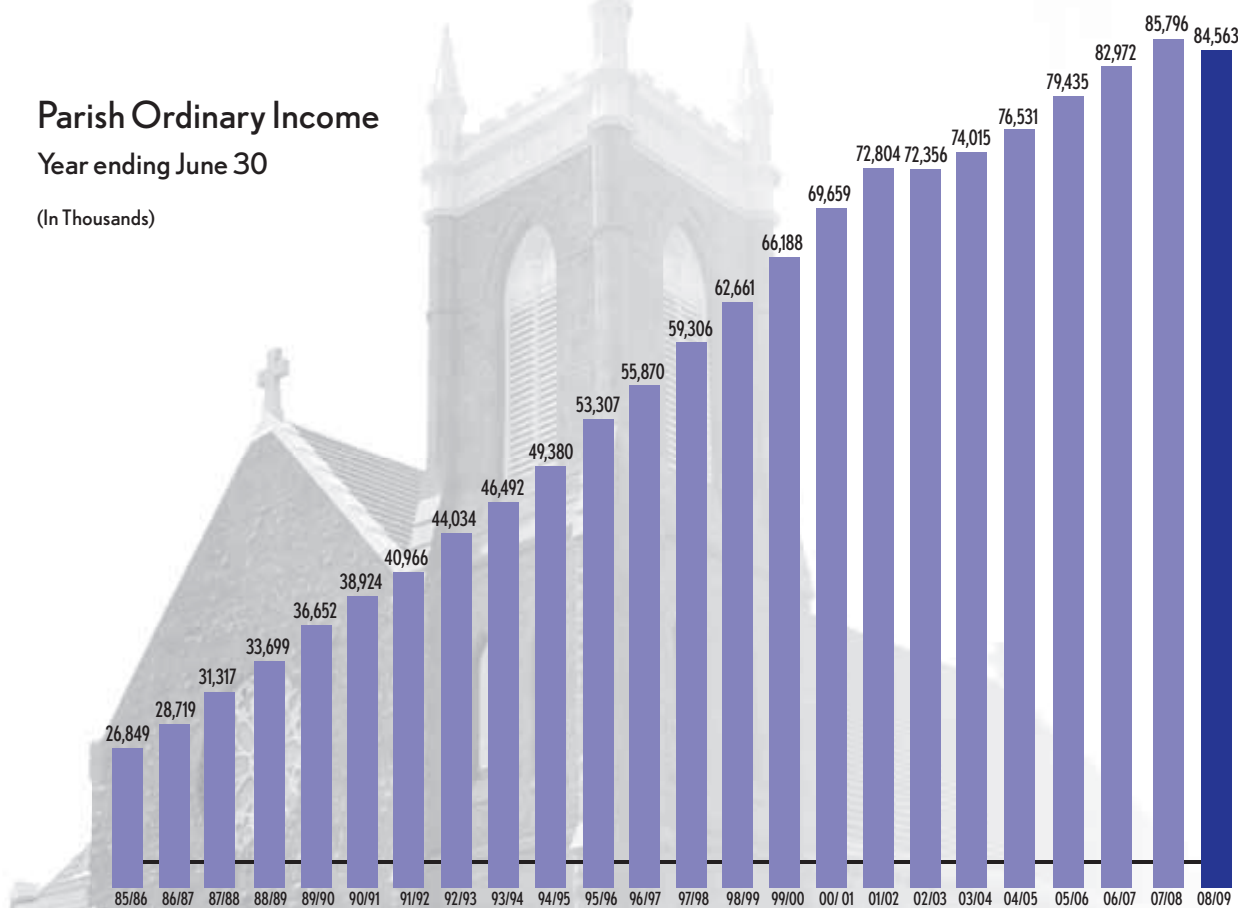
CHANGE IN MINIMUM OTHER BENEFIT LIABILITY

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



Parish Ordinary Income
Year ending June 30

(In Thousands)



Despite the serious economic downturn, Catholics throughout Western Washington continued to support their parishes. The 1.4% decline in Parish Ordinary Income (Sunday and Holy Day Collections) was much smaller than could be anticipated given the economy. Total Ordinary Income in 08/09 was \$84.5 million. Total parish revenue from all sources, including parish schools, was in excess of \$235.7 million. Over 66% of our parishes and missions ended the year with an operating surplus despite the decline in Ordinary Income. The economic diversity and variations in community size continue to be reflected in parish collections. In 2008/2009, 19 parishes recorded over \$1 million in collections with two over \$2 million. At the same time, Ordinary Income in 14 parishes, primarily in rural areas, was under \$100,000.

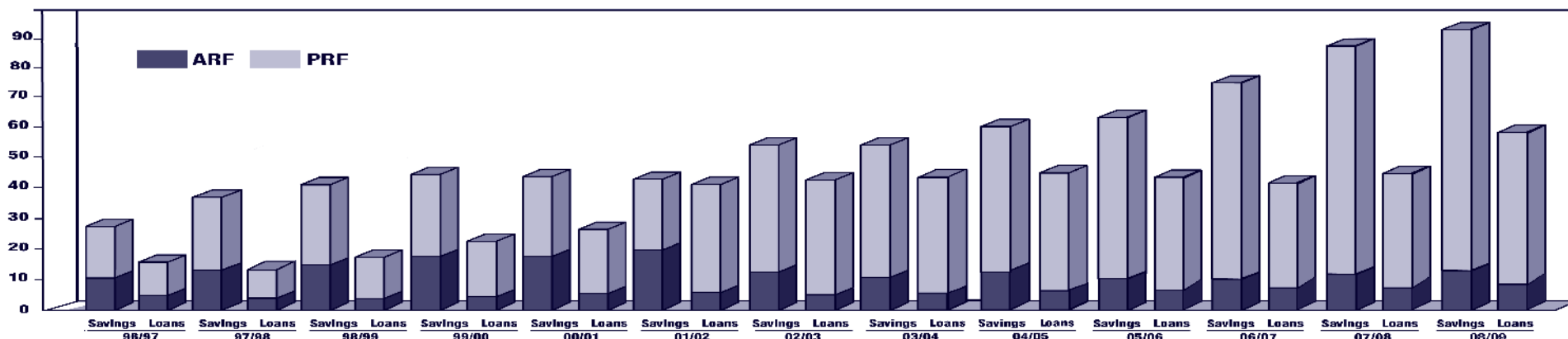
REVOLVING FUNDS

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 6/30/09 totaled \$89.8 million in 654 accounts up from last year's \$87.0 million in 626 accounts. Loans increased sharply to \$57.1 million from last year's \$44.6

million with the number of loans jumping from 117 to 133. ARF savings also increased slightly from \$12.3 million in FY0708 to \$12.6 million with loans increasing from \$6.6 million to \$7.7 million.



GOOD NEWS FROM THE MISSIONS OFFICE

The Missions Office has as its focus the social mission of the Church, providing educational and funding support for local and international evangelization, relief and development work. The office represents the Pontifical Missions Societies, Catholic Relief Services and the Catholic Campaign for Human Development, integrating their educational and fundraising components. Included in programs are year-around 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.seattlearch.org/missions.

Catholic Relief Services (CRS)

is our U.S. Catholic community's international relief and development agency, working in 100 countries. The fundamental motivating force of CRS is the Gospel of Jesus Christ as it pertains to the development of people, alleviating human suffering and fostering charity and justice world-wide. CRS provides direct aid to the poor and involves people in their own development. And CRS educates the people of the U.S. to fulfill their moral responsibilities toward our brothers and sisters around the world by helping the poor, working to remove the causes of poverty, and promoting social justice.

Propagation of the Faith, one of the four Pontifical Mission Societies, seeks to foster an ever-deeper spirit of universal

mission, to inform Catholics of the life and the needs of the Church in the missions, and to encourage prayer and financial help for the mission churches. The Society provides ongoing support for the pastoral and evangelizing programs in Africa, Asia, the islands of the Pacific and in remote regions of Latin America. This includes aid through Society of St. Peter the Apostle for the education and support of seminarians, Religious novices and lay catechists; for the work of Religious Communities in education, health care and social services; and for communication and transportation needs. The Holy Childhood Association, another Pontifical Mission Society, is dedicated to mission awareness among elementary school-age children —

children serving children in need. The Catholic Campaign for Human Development 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 United States through promotion and support of community-controlled, self-help organizations and through transformative education in parishes, schools and faith communities.

In fiscal year 2008/2009, the Missions Office received \$1,811,600 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, and bequests).



During 2008-2009, the 57 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided the highest quality education emphasizing Catholic values to 17,118 students. Of these, 79% were registered as Catholics. Ethnic minority students comprised 29% of the total elementary population. The four schools – including Forest Ridge, Villa Academy, Holy Family (Lacey) and Pacific Crest Academy – and Eastside Catholic Middle School served 1074 students of that total.

Parish school operating revenues for 2008/2009 totaled \$101.2 million. Tuition and Fees accounted for 66% (up from 64% in 07/08) of the total with the balance made up of a combination of parish grants, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. The parish grant amounted to 22% of the school parishes' collection income up from 20% in 07/08.

In addition to the parish elementary schools, nine outstanding Catholic high schools served an additional 6,206 students. Of these nine

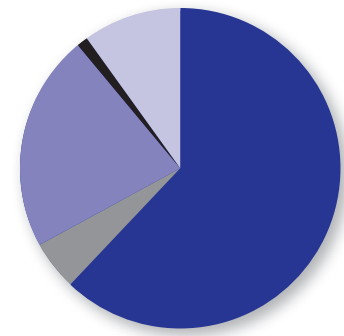
schools, the Archdiocese operates three in the greater Seattle area – Bishop Blanchet High School, J.F. Kennedy Catholic High School, and O'Dea High School, under the direction of the Christian Brothers. Together, these three secondary schools enrolled 2,474 students within the total. Budgets for these three schools totaled \$24,496,083.

The other six secondary schools offered high school programs of study in the Seattle, Tacoma, Everett and Bellevue areas of our state. These include Holy Names Academy, Seattle Preparatory School, Bellarmine Preparatory School, Archbishop Thomas J. Murphy High School, Forest Ridge School of the Sacred Heart and Eastside Catholic High School. Together, these schools enrolled 3,732 students. Their combined budgets totaled \$52,916,714.

A total of 1,295 teachers delivered an educational program to the elementary children. A total of 523 full- and part-time secondary teachers instructed the high school students.

In Fall 2009, St. Elizabeth Ann Seton Catholic College Preparatory High School opened its doors. Located in Vancouver, WA, Seton High serves families in southern Washington State. We are also anticipating the opening of a Pope John Paul II High School in Fall 2010, which will be located on a new campus serving the Lacey/Olympia area.

Sources of school revenue



- Tuition/Fees 66%
- All Other Revenue 4%
- Fundraising/Gift Revenue 19%
- Neighboring Parishes 1%
- Parish Subsidy 10%



FULCRUM FOUNDATION

Although the past year brought many challenges to the schools and families Fulcrum serves, the Fulcrum Foundation was proud to help a record number of students attend Catholic school. Eight years after its founding, Fulcrum is blessed with an annual event that is listed in the "Top 25 Benefit Events" in the region, and giving programs and activities for major donors, young professionals, and the business community. The Fulcrum Foundation Legacy Society includes more than 30 benefactors who will leave a legacy gift for Catholic students and schools.

An outstanding and involved Board of Trustees has overseen the development of the plan. The Foundation is grateful to the Board and its committees for their diligent oversight. The imagination and hard work of the Development, Finance, and Distribution committees are evident in this annual report.

TUITION ASSISTANCE

In fiscal year 2009, the Fulcrum Foundation distributed \$1,045,251 in tuition assistance. Individual grants were increased to \$850 in keeping with the Board of Trustees' plan to increase the amount of tuition assistance and the number of recipients. Targeted tuition assistance was also awarded to raise enrollment at select schools.

ASSISTANCE TO SCHOOLS IN NEED

In fiscal year 2009, the Fulcrum Foundation provided \$1,196,482 in targeted programs and special assistance to schools (listed below) to meet their operating or extraordinary expenses.

Assumption, Bellingham	St. Brendan School
Christ the King School	St. Cecilia School
Holy Family School – Lacey	St. Edward School
Holy Family School – White Center	St. George School
Holy Rosary School – Tacoma	St. Joseph School – Chehalis
Immaculate Conception & Our Lady of Perpetual Help, Everett	St. Mary School
Immaculate Conception Regional School	St. Matthew School
Our Lady of Guadalupe School	St. Michael, Snohomish
Our Lady of Lourdes	St. Nicholas School
Queen of Angels School	St. Paul School
St. Alphonsus School	St. Rose School
St. Bernadette School	St. Therese School
	Kennedy Catholic High School
	Visitation School

STAR GRANTS FOR TEACHER AND STAFF INITIATIVES

During fiscal year 2009, the Fulcrum Foundation awarded Star Grants of up to \$1,500 to 18 Catholic elementary and high school teachers throughout Western Washington. These grants encourage teachers and staff to improve their

course design and lesson plans, through creative thinking, proposals for long-term changes to the curriculum, and projects that can be replicated by others.

This year, the Fulcrum Foundation distributed \$30,380 in Star Grants, Fulcrum Pierce County teacher enrichment grants, and Notre Dame continuing-education grants. Many exciting applications were received, including several proposals to implement garden and composting programs as a way to teach sustainability to their students, and provide food and funds to those in need.

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 2009 that are making a difference in the lives of families, schools, and communities across Western Washington.



Well over 20,000 individual youth and young adults participated in OYYAM programs in Archdiocesan Events, Catholic Scouting, CYO Athletics, CYO Outdoor Ministry, Leadership and Ministry Development, Retreat Ministry, Service and Mission in 2008-2009. Youth participants ranged in age between six and eighteen; young adult participants from eighteen to thirty-five.

CYO ATHLETICS

School year 2008-2009: CYO Athletics coordinated league competition for over 40 Catholic parishes with schools and several other private elementary schools within King, Pierce and Snohomish counties. The purpose of these programs was 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 and track and field. The majority of participants were in grades 4 through 8. There were approximately 15,000 youth athletes involved and an estimated 3,000 adult volunteer coaches, coordinators and commissioners.

CYO OUTDOOR MINISTRY

Summer 2008: CYO Outdoor Ministries operated three resident camps, Don Bosco, Hamilton and Gallagher, in addition to the Nanamakee wilderness expedition program that served just over 1600 youth summer campers in a wide variety of programs foster-

ing personal, social and spiritual development within an intentional framework of enhanced Catholic identity.

Campers came from all over Western Washington. CYO's campership programs and discounts provided over \$72,000 in financial aid to participants.

Spring 2009: CYO Outdoor Ministries offered an environmental education program at Camp Hamilton emphasizing Christian stewardship of the earth. This program served 932 fifth and sixth graders from 30 area Catholic schools.

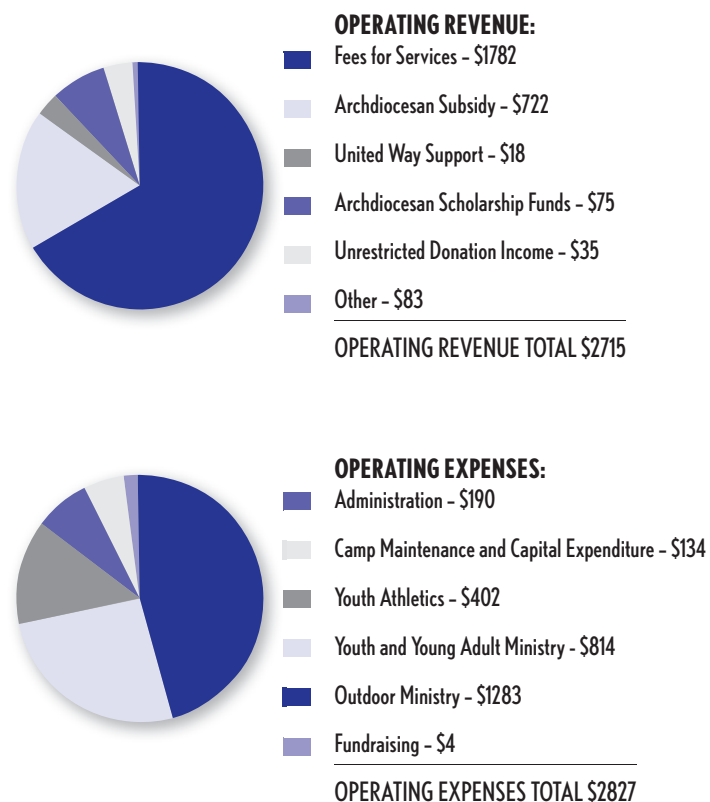
RETREAT MINISTRY

This program hosted fall, winter and spring group retreats and conferences for youth and adults at Camps Don Bosco, Hamilton and Gallagher. There were 77 different groups and almost 4,000 participants that utilized CYO camp facilities in 2008-2009. Catholic parish and school groups accounted for almost 75% of the groups. In addition, the Office for Youth and Young Adult Ministry facilitated numerous retreats at these facilities, including six confirmation retreats for almost 400 youth participants from 19 parishes and two marriage prep retreats for over 60 participants.

This is just a snapshot of several programs of OYYAM. For more information on all our programs, please visit the OYYAM website at www.seattleoyyam.org.

SUMMARY OF OPERATIONS

Fiscal Year 2008/2009
(\$ In thousands)

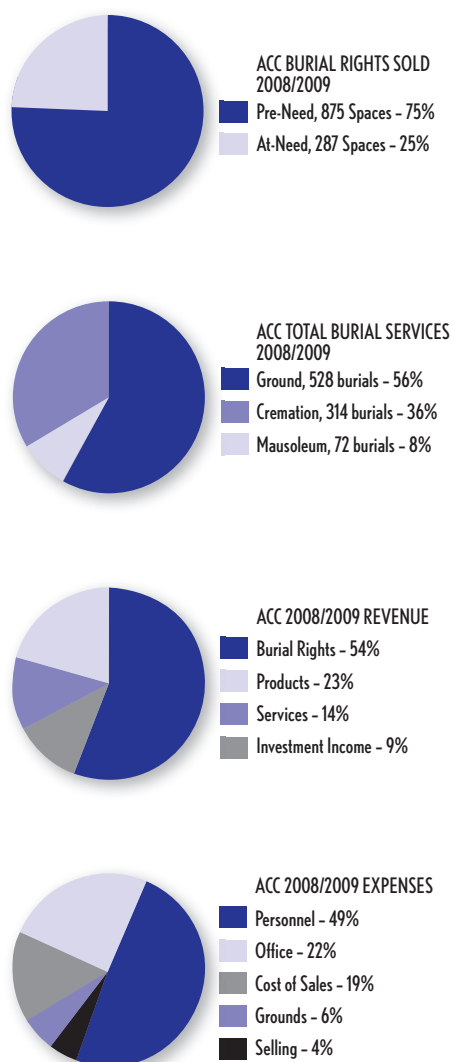


Operations:	
Expenditures in excess of revenue	\$(112)
Other Revenue:	
Timber Harvesting	103
Total Expenditures in excess of revenue	\$(9)

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 approximately 78,000 people over 120 years. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyhood, serving North Seattle, King, and Snohomish Counties, was blessed in 1953. Gethsemane, dedicated in 1975, serves South Seattle, King and Pierce Counties. St. Patrick, begun in 1890 as the parish cemetery for St. Anthony (now Holy Spirit) Parish in Kent, was transferred to ACC in 1989. These four cemeteries provided 979 burial services during 2008/2009. 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, 2009 show a loss in Net Income from Operations. This is attributed to two factors: 1) Despite regular contributions to the Care Fund, the economic conditions and the stock market declines resulted in a net loss in the Care Fund during the year of approximately -21.5%. As a result, a much lower amount from the Care Fund was used for cemetery operations than has historically been the case. (Note: At this writing nearly all the losses during 2008/2009 in the Care Fund have been regained.) 2) There was a decline in pre-need sales which can be attributed to the year's economic uncertainty.

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.acc-seattle.org.

SUMMARY OF OPERATIONS

Fiscal Year 2008/2009

REVENUE	
Burial/Entombment Rights	2,758,640
Products	1,155,710
Services	735,175
Revenue from Care/Pre-Need/Other	456,976
	5,106,501
SURRENDERS/DISCOUNTS	(503,025)
NET REVENUE	4,603,476
COST OF SALES	1,610,735
GROSS MARGIN	2,992,741
OPERATING EXPENSES	
Personnel	1,543,924
Depreciation	186,362
All Other Operation & Care Expense	1,444,298
	3,174,584
NET INCOME FROM OPERATIONS	(181,843)

CATHOLIC COMMUNITY SERVICES



CATHOLIC COMMUNITY SERVICES CATHOLIC HOUSING SERVICES OF WESTERN WASHINGTON

As a faith-based and values-driven outreach of the Catholic Church in Western Washington, Catholic Community Services has provided safety, stability and supportive connections in the lives of men, women and children in need for more than 90 years. It is the largest local private provider of assistance to poor and vulnerable people in the State of Washington. Under the leadership of Archbishop Alex J. Brunett, the direction of the Boards of Trustees, and Michael L. Reichert, President, the staff of Catholic Community Services (CCS) and Catholic Housing Services (CHS) provide loving and compassionate service to persons in need throughout Western Washington.

CCS and CHS together have more than 120 programs. The 12 CCS family centers provide an array of services. Long Term Care services are provided in the homes of seniors and people with disabilities of all economic backgrounds. Chemical Dependency System Northwest provides a full continuum of outpatient chemical dependency treatment services for youth, adults and their families. The Family Preservation System assists children/youth and families with multiple and complex needs. Catholic Housing Services pro-

vides affordable housing, case management and other valuable services.

In each area of the Archdiocese, services are based on local needs and funding. They are provided through a variety of sources, including contracts with cities and counties; the 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 during the year. The Catholic Charities Foundation also provides funding.

CCS FAMILY CENTERS

CCS family centers reflect the needs and resources in each community where they are located. Where possible, family centers tailor a unique approach to each family that comes to them in need. Family center staff work to integrate all the services available in a community to nourish self-sufficiency and achieve wholeness and well-being for every member of the family. Family center services vary by site and may include counseling, case management, information and referral, emergency services, shelters and transitional housing, permanent housing, mental health services, chemical dependency services, foster care, adoption, pregnancy support, Volunteer Chore Services, the Foster Grandparent Program, and others.

LONG TERM CARE SERVICES

More than 3,500 people are served every day by Catholic Community Services' Long Term Care System. With more than 2,200 staff and 200 volunteers, the Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in Western Washington. Services include in-home personal care, two African-American outreach/case management programs, 29 senior meal sites, "meals-on-wheels" for homebound seniors, adult day services, and training.

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 services and social supports to children/youth and families with multiple and complex needs, serious family conflict, risk of or history of separation from the family, as well as difficulties in other areas of life.

Family Preservation System: Serving Pierce, Kitsap, Thurston, Mason and Clark counties in Western Washington.

CATHOLIC HOUSING SERVICES

Catholic Housing Services (CHS) believes in every person having the right to a safe, affordable place to call home. Throughout Western Washington, CHS provides more than 1,900 affordable

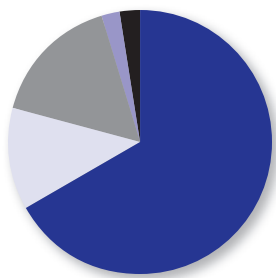
permanent housing units in 44 programs, serving single persons, families, seniors, and persons with special physical and mental needs. Most CHS housing includes resident support services in addition to a clean and safe place to live. CHS provides a continuum of care for some of the most vulnerable populations, in

partnership with local, state and federal government agencies, public funders and private lenders, and dedicated staff and volunteers. Affordable housing facilities are located in Bellevue, Bellingham, Bremerton, Burien, Centralia, Everett, Lakewood, Kelso, Mount Vernon, Puyallup, Redmond, Renton, Seattle, Sedro Woolley, Sumner, Tacoma, Tumwater and Woodland.

OPERATING BUDGET - \$107,926,922

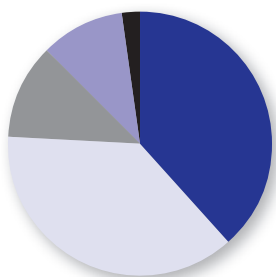
Fiscal Year 2008/2009
(In thousands)

REVENUE



- Government Fees and Contracts
70.37% - \$75,945,968
- Public Support/Contributions
10.76% - \$11,610,842
- Private Fees for Service
14.13% - \$15,253,014
- United Way
1.85% - \$1,994,698
- Other Revenue
2.89% - \$3,122,400

EXPENSES



- Children and Families
34.34% - \$37,068,414
- Aging and Disabled
37.14% - \$40,088,747
- Housing and Shelter
16.51% - \$17,813,927
- Administration, Fund Raising and Awareness
8.27% - \$8,921,424
- Capital Reserves
3.74% - \$4,034,410

In addition to the 2009 Operating Budgets, CCS and CHS are the managing general partners or program managers for 30 affordable housing projects with a combined operating budget of \$13,317,223.

The Catholic Charities Foundation of Western Washington reported assets as of June 30, 2009, of \$13.9 million that were invested for the benefit of CCS and CHS. For the year ending June 30, 2009, the Foundation distributed \$675,000 to CCS and CHS.

CCS FAMILY CENTERS

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

ORDER FORM

Additional information is available upon request for the following:

- 2010 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 Planner**, 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, 2009.
- Audited Financial Statements of the Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of June 30, 2009.
- Audited Financial Statements of the Fulcrum Foundation as of June 30, 2009.

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 in Western Washington:



As members of the Archdiocesan Finance Council, it is our responsibility to assist Archbishop Brunett and his staff in the oversight of the financial matters of the Archdiocese of Seattle. Only through your generosity is the Archdiocese of Seattle able to carry out its mission in Western Washington. Therefore, it is important for us to provide you this annual report to keep you apprised of the financial condition of our Church and to inform you about any issues that we are addressing.

The economic downturn has affected our Church as it has so many in our society. A number of our parishes have experienced declines in their ordinary income. Many of our Catholic schools have endowment funds and the losses in the stock market have negatively impacted these funds. Thus, they are not able to provide the support to elementary and high schools that they have in the past. In the midst of these challenges, Catholics of this Archdiocese remain very generous, even in the parishes that show a decline in their regular income. Many parishioners, whose employment has not been affected by the economy, have stepped up and made contributions to make up for those that have been more severally impacted by the economic downturn. This is very evident in this year's Annual Catholic Appeal in which the number of donors increased and the Appeal raised a record high of 13 million dollars. This is significant because the Annual Appeal goals were increased by \$500,000 to help fund our Priest Pension Fund.

Our Catholic Community Services (CCS) and Catholic Housing Services (CHS) continue to provide services to needy families and individuals in our community. These needs increased last year because of the downturn in the economy. In addition, the State of Washington, because of budget shortfalls, will be cutting back on the funding of many services to the needy. This means that the Church's charitable organizations will need to fill the gap and we as Catholics will be their support to ensure that CCS and CHS can meet this challenge.

Last year, as a result of the losses in the stock market, the Archdiocesan Finance Council projected a significant decrease in funds available for the operating budget of the Archdiocese. Because of this, Archbishop Brunett cut the operating budget by approximately 1.8 million dollars. With this reduction the Archdiocesan central budget continues to meet the Archdiocesan Finance Council's goal of a balanced budget. Based on the projections for the upcoming fiscal year 2010-2011, there will need to be further cuts. The Archbishop's goal, as it was last year, is to make these cuts in the most judicial way; attempting to avoid any cuts that will dramatically impact the essential services to our parishes and the people of the Archdiocese.

The Archdiocese continues to settle sexual abuse claims from victims. These cases date back over 30 years. Currently three cases of abuse by Archdiocesan clergy have not yet been settled. It is our hope that in the next eighteen months these cases will be settled. In addition, the Archdiocese has been named in over a dozen lawsuits regarding sexual abuse by Christian Brothers who served at O'Dea High School and at Briscoe School, a boys boarding school that closed in 1971.

During the past twenty years, the Archdiocese has provided pastoral care and settlements to approximately 300 victims. The costs of the settlements, counseling and attorney's fees have totaled approximately 42 million dollars. These costs were primarily paid by the insurance companies that were providing coverage at the time of the abuse. Over 90% of all our current cases are pre-1980 and all are prior to 1985. Some cases go back as far as 1940. During those years, the Archdiocese had more than ten different insurance companies. Prior to 1973, however, our insurance coverage was not centralized and each parish carried its own insurance. Fortunately, we have been able to find some of these insurance policies but there are also gaps in coverage due to missing policies and policies with very low liability limits.

In cases where there were gaps or low limits, we funded the settlements through the Archdiocesan Self-Insurance Reserve. This fund was depleted three years ago. Now, when there is a lack of insurance coverage, we are funding the settlements from the Archdiocesan General Reserve. The General Reserve was funded in the late 70's and mid-80's from the sale of properties that were not being used by the Archdiocese. It is our hope we will be able to settle the remaining cases with funds from this reserve.

This means that no funds donated to the Annual Catholic Appeal or any funds from parish assessments have been used to fund the sexual abuse settlement cases. If the Archdiocese continues to settle cases for fair and reasonable amounts, as it has for the last twenty years, and if our insurance carriers remain cooperative, the Archdiocese will not be forced to seek relief from bankruptcy as some of our neighboring dioceses have done.

We continue to reach out to victims and to provide pastoral care and assistance toward their healing. The Archdiocese also continues to expand its efforts to address the tragedy of child sexual abuse. There is required screening for all those in our Church who work with children. There is also required training for all parish staff and applicable volunteers to ensure that our parishes and schools provide a safe environment for our children.

We hope this report provides insights into the financial affairs of the Archdiocese. As we continue to move forward, the Archdiocesan Finance Council is committed to providing good stewardship and assistance to Archbishop Brunett and his staff in the financial management of the Church of Western Washington.

Sincerely,

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

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Rev. Patrick Freitag
Mr. Mel Kelso
Mr. Kevin Mest
Mrs. Ruth-Marie Nizolak
Ms. Mary Jane Patterson
Mr. Tom Rainville
Mr. Jack Sullivan

Staff: Mr. Pat Sursely
*Archbishop's Delegate for
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Director of Parish Financial Services

ARCHDIOCESE OF SEATTLE

OFFICE OF THE ARCHBISHOP

710 9TH AVENUE

Seattle, Washington 98104-2017