



ARCHDIOCESE OF SEATTLE
2014–2015
ANNUAL
REPORT

Dear Friends in Christ,

I present this 2014-2015 Annual Report to you with sincere gratitude for your faithful stewardship. The generosity of people in the Archdiocese of Seattle is truly humbling, and this report reflects my commitment to accountability for the gifts you share.

In this, my fifth year as Archbishop of Seattle, I have come to expect the good and faithful stewardship of our clergy, religious and lay people. Over the years you have consistently demonstrated the depth of your faith by sharing not only your financial gifts, but your gifts of time and talent as well.

I assure you I do not take your generosity for granted. I know that each of you confronts personal challenges in your daily life. Many of you face financial challenges as you raise your families, confront physical illness or perhaps prepare for retirement. And yet you continue to support our church with open hearts and open hands. In fact, your gifts resulted in another record-setting year for the Annual Catholic Appeal.

Like you, the Church has its share of challenges, and the past year was no exception. We continued to reach out with compassion to achieve fair and just resolution with victims of sexual abuse. We also have taken steps to address the skyrocketing cost of employee health insurance while maintaining our commitment to the clergy, religious and lay people who extend the ministry of the church throughout Western Washington. We did all of this in the sure knowledge of your faithful support and the presence of our loving God.

As I present this report, I want to offer a special word of thanks to all who keep the important work of the Church and her ministers in your prayer. Your gift of prayers, like your gifts of time, talent and treasure, give me great encouragement and hope as we dedicate our lives in service to the mission of the Lord Jesus.

Sincerely in Christ,

+ *Peter Sartain*
Archbishop Peter Sartain

STATEMENTS OF ACTIVITIES

ANNUAL REPORT 2014/2015

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

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

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



BLANCHET, Ray Meuse

CHANCERY PROGRAMS & SERVICES

Following is the Statement of Activities for the Chancery for the fiscal years 2014/2015 and 2013/2014. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.

Chancery Programs and Services Statement of Activities For the Fiscal Years ended 2014-2015 and 2013-2014

| | June 30, 2015 Total All Funds | June 30, 2014 Total All Funds |
|--|----------------------------------|----------------------------------|
| UNRESTRICTED NET ASSETS | | |
| Revenue and other support | | |
| Parish Assessments | \$6,044,000 | \$6,040,000 |
| Investment Income / (Loss) on Revolving Funds | 192,000 | 37,000 |
| Investment Income (Losses) on Endowments | 231,000 | 299,000 |
| Investment Income (Losses) on General Reserve | 682,000 | 778,000 |
| Realized Gains (Losses) on Sale of Property | - | (12,000) |
| Program Fees and Advertising | 4,214,000 | 4,188,000 |
| Contributions and Bequests | 2,422,000 | 926,000 |
| Insurance Program Premiums | 10,937,000 | 10,189,000 |
| Other | 1,266,000 | 1,132,000 |
| Subtotal | \$25,988,000.00 | \$23,577,000.00 |
| Net Assets Released From Restrictions | | |
| Annual Catholic Appeal | 11,277,000 | 10,882,000 |
| Restricted and Designated Funds | 1,372,000 | 658,000 |
| Total Revenue and Other Support | \$38,637,000 | \$35,117,000 |
| Expenses | | |
| Catholic Faith Formation | \$941,000 | \$915,000 |
| Catholic Schools | 1,573,000 | 1,350,000 |
| Contributions to CCSWW | 683,000 | 683,000 |
| Land Contributed to Parishes | - | - |
| Donations, Grants and Subsidies (includes OYYAE) | 1,340,000 | 1,412,000 |
| Missions Office | 296,000 | 261,000 |
| Office of the Vicar for Clergy | 3,341,000 | 3,327,000 |
| Communications | 1,646,000 | 1,487,000 |
| Tribunal | 522,000 | 499,000 |
| Priest and Retired Bishop Support | 1,590,000 | 1,668,000 |
| Pension | 656,000 | 1,064,000 |
| General Administration | 12,063,000 | 10,630,000 |
| Insurance Program | 9,945,000 | 15,237,000 |
| Revolving Fund Interest & Bad Debts | 1,027,000 | 920,000 |
| Plant Fund Depreciation & Interest | 1,615,000 | 1,438,000 |
| Total Expenses | \$37,238,000 | \$40,891,000 |
| Change in Unrestricted Net Assets | | |
| Change before Unrealized Gains/(Losses) and Transfers | \$1,399,000 | \$(5,774,000) |
| Unrealized Gains (Losses) on Investments - General | (185,000) | 2,739,000 |
| Unrealized Gains (Losses) on Investments - Endowments | (110,000) | 1,754,000 |
| Change in Minimum Pension Liability | (3,596,000) | 372,000 |
| Change in Minimum Other Benefit Liability | (3,187,000) | (1,032,000) |
| Impairment of Property | (2,746,000) | (965,000) |
| Change in Unrestricted Net Assets | \$(8,425,000) | \$(2,906,000) |

CHANCERY PROGRAMS & SERVICES



St. Peter's, Rm. MUSE

REVENUE AND OTHER SUPPORT:

PARISH ASSESSMENT AND BILLINGS

Assessment on parishes to support the operation of the Church of Western Washington and billings to parishes for specific needs and services.

INVESTMENT INCOME ON REVOLVING FUND

The Archdiocesan Revolving Fund is a loan and deposit fund operated by the Archdiocese for Catholic organizations (other than parishes). Included is interest, dividends and realized gains (losses) on disposal of investments.

INVESTMENT INCOME ON ENDOWMENTS

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

INVESTMENT INCOME ON GENERAL RESERVE

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

REALIZED GAINS (LOSSES) ON SALE OF PROPERTY

During the year ended June 30, 2014 (FY1314), the sale of property resulted in a loss of \$12,000.

PROGRAM FEES AND ADVERTISING

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

CONTRIBUTIONS AND BEQUESTS

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

INSURANCE PROGRAM PREMIUMS

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

ALL OTHER SOURCES OF OPERATING FUNDS

Includes facility use, donations, and miscellaneous.

ANNUAL APPEAL

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

RESTRICTED AND DESIGNATED FUNDS

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

EXPENSES:

CATHOLIC FAITH FORMATION

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

CATHOLIC SCHOOLS

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

CONTRIBUTIONS TO CATHOLIC COMMUNITY SERVICES OF WESTERN WASHINGTON

Grants to CCSWW to assist in their operations.

DONATIONS, GRANTS AND SUBSIDIES

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

MISSIONS OFFICE

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

OFFICE OF THE VICAR FOR CLERGY

Assists the Archbishop in providing oversight and coordination of services and programs that promote and support the development of priests, seminarians,

deacons, deacon candidates, and vocations to the priesthood and diaconate. Provides comprehensive support to clergy and other pastoral leaders in parishes and faith communities. Also assists the Archbishop in ensuring for the pastoral care of parishes and faith communities by serving pastors, staffs and consultative leadership.

COMMUNICATIONS

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

TRIBUNAL

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

PRIEST AND RETIRED BISHOP SUPPORT

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

PENSION

The Archdiocese contributes to three separate plans for the benefit of its employees: The Archdiocesan Pension Plan for Lay Employees, The Priests' Pension Plan and the Supplemental Retirement Program for Priests.

GENERAL ADMINISTRATION

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

INSURANCE PROGRAM

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

REVOLVING FUND INTEREST AND BAD DEBTS

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

PLANT FUND DEPRECIATION & INTEREST

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- GENERAL

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

UNREALIZED GAINS (LOSSES) ON INVESTMENTS- ENDOWMENTS

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

CHANGE IN MINIMUM PENSION LIABILITY

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

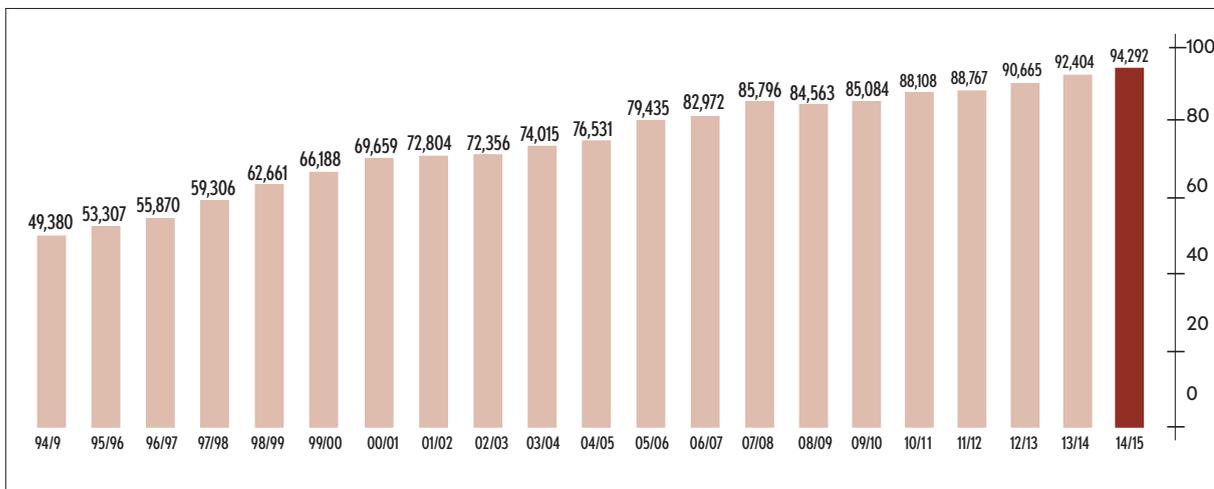
CHANGE IN MINIMUM OTHER BENEFIT LIABILITY

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

IMPAIRMENT OF PROPERTY

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

PARISHES



Catholics in Western Washington continued their strong parish support in 2014/2015 despite continuing economic challenges. Ordinary Income (Sunday and Holyday Collections) increased 2.07% to \$94.3 million. Total parish revenue from all sources, including parish schools but excluding intra parish transfers, was \$249.1 million. Almost 62% of our parishes and missions ended the year with an operating surplus. The economic diversity and variations in community size continue to be reflected in parish collections. In 2014/2015, 25 parishes recorded over \$1 million in collections with three over \$2 million. At the same time, Ordinary Income in 32 parishes, primarily in rural areas, was under \$100,000.

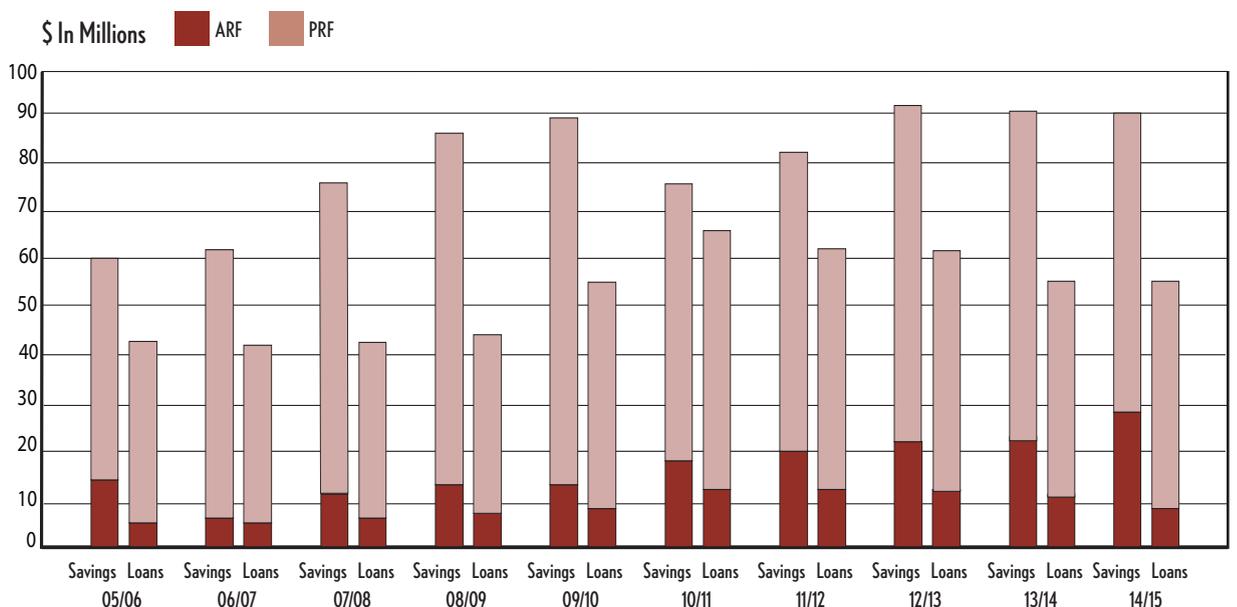
REVOLVING FUNDS

The Parish Revolving Fund (PRF) is a separately maintained savings and loan organization within the Archdiocese. Parishes deposit surplus funds in the PRF. The Archdiocesan Revolving Fund (ARF) accepts deposits from other institutions in the Archdiocese. These funds are then available as loans to finance operating and capital needs throughout the Archdiocese. The PRF serves parishes while the ARF provides the same service for other institutions.

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

PRF savings at 6/30/15 totaled \$95.9 million in 666 accounts, a 6% increase from last year's \$90.2 million in 677 accounts. Loans decreased to \$50.9 million, an 8% decline from last year's \$55.6 million. The number of loans also decreased from 105 to 89.

ARF savings increased from \$25.6 million to \$28.8 million at year end with loans decreasing to \$10.0 million.



GOOD NEWS FROM THE MISSIONS OFFICE

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

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



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



CATHOLIC CAMPAIGN FOR HUMAN DEVELOPMENT

The **Catholic Campaign for Human Development (CCHD)** is the domestic anti-poverty program of the U.S.

Catholic Bishops working to carry out the mission of Jesus Christ "to bring good news to the poor." CCHD addresses the root causes of poverty in the U.S. through promotion and support of community-controlled, self-help organizations and through transformative education in our parishes and schools. www.usccb.org/cchd.

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



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

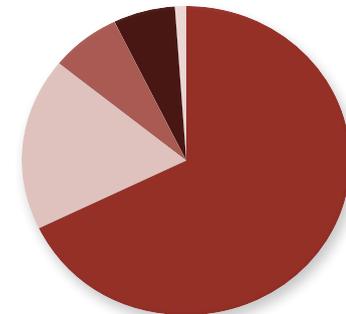
In fiscal year 2014-2015, the Missions Office received and distributed **\$2,020,867.47** for evangelization, education, relief and development work of the Church primarily through the Catholic Relief Services Collection, the Rice Bowl Lenten program, the World Mission Sunday collection, the Catholic Campaign for Human Development collection, emergency responses, and designated gifts and bequests.

CATHOLIC SCHOOLS



Sources of Parish School Revenue

Parish school operating revenues for 2014/2015 totaled \$121.2 million. Tuition and Fees accounted for 69% of the total with the balance made up of a combination of parish subsidy, neighboring parish grants, Archdiocesan grants through the Fulcrum Foundation, and local fund raising and development efforts. Parishes with schools gave 17% of ordinary income in support of their schools.



- Tuition/Fees 69%
- Fundraising/Gift Revenue 18%
- Parish Subsidy 6%
- All Other Revenue 6%
- Neighboring Parishes 1%

During 2014-2015, the 58 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided a high-quality Catholic education to 15,939 students. Of these, 81% were registered as Catholics, and 36% were ethnic minority students. The four non-diocesan elementary schools – Forest Ridge 5-8, Villa Academy, Holy Family (Lacey) and Pacific Crest Academy – and Eastside Catholic Middle School served 1,006 students of that total.

Eleven Catholic high schools served an additional 6,200 students. Of these schools, the Archdiocese operates three in the greater Seattle area – Bishop Blanchet High School, Kennedy Catholic High School, and O’Dea High School, which has been administered by the Christian Brothers. Together, these three secondary schools enrolled 2,179 students, whose budgets totaled \$31,882,001.

The remaining eight secondary schools offered high school programs of study throughout western Washington. These included Holy Names Academy (Seattle); Seattle Preparatory School (Seattle); Bellarmine Preparatory School (Tacoma); Archbishop Thomas J. Murphy High School (Everett); Forest Ridge School of the Sacred Heart (Bellevue); Eastside Catholic High School (Sammamish); Seton Catholic College Preparatory High School (Vancouver); and Pope John Paul II High School (Lacey). Together, these schools enrolled 4,021 students with combined budgets of \$73,739,110.

A total of 1,508 teachers delivered an educational program to the elementary children, and 576 full and part time secondary teachers instructed the high school students.



<http://www.ocsww.org>

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, assistance to schools in need, and school initiatives that promote academic excellence and faith formation.

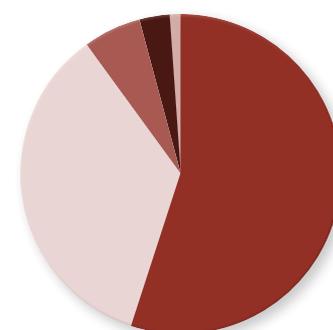
In fiscal year 2015, Fulcrum distributed more than \$3,600,000 to Catholic schools, to Catholic school students and families, and to Catholic school teachers and leaders across the Archdiocese of Seattle. Fulcrum’s efforts have strengthened these school communities, schools that provide an excellent and transformational education rooted in the Catholic faith. This report highlights the distribution of funds across our core grant programs in fiscal year 2015—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



Leveraging Support for Catholic Schools in the Archdiocese of Seattle

Funds Distribution



Program Services

- Tuition Assistance 55% (\$2,000,546)
- Assistance to Schools 35% (\$1,269,553)
- Special Initiatives 6% (\$212,686)
- Program Planning and Management 3% (\$99,661)
- Assistance for Teachers 1% (\$29,985)

Total Program Services 100% (\$3,612,431)

FULCRUM FOUNDATION 2015 Annual Report



OFFICE FOR YOUTH AND YOUNG ADULT EVANGELIZATION

YOUTH MINISTRY SERVICES

In addition to the development of youth ministry and its leaders, we offer direct programming for teens as part of our support to parishes in the Archdiocese. We gathered, formed, and supported over 80 youth ministry leaders through New Youth Ministers Formation Gatherings and quarterly Formation Days. Through events such as Catholic Youth Convention and Junior High Rally, 1500 youth from 82 parishes have had the opportunity to encounter Christ as they celebrate their faith with the Universal Church. Over the last year, 335 youth participated Confirmation retreats and weeklong service trips, and 81 youth from over 30 parishes gained concrete skills to lead as Catholic disciples in their communities through the high school leadership retreat.

YOUNG ADULT MINISTRY

The Archdiocese has ministered to over 1,200 young adults ages 18-39 through leadership development, formation opportunities, fellowship events, and college campus ministry. Young adult ministry has been expanded to include new programs specifically designed for young adults and has improved upon previous programs. We have also reached out to support several parishes that have not engaged in young adult programming.

We hosted a Young Adult Leadership Summit which brought together leaders from twelve parishes and included parishes who participated remotely. We focused on visioning and formation for these parish young adult leaders.

CYO ATHLETICS

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

Sports included: soccer, cross country, basketball, volleyball, baseball, and track and field. The majority of participants were in grades 4-8. However, programs for K-3, high school basketball and volleyball, and adult softball and flag football were also offered. There were over 16,000 team members and an estimated 3,000 volunteer coaches, coordinators and commissioners. Over 300 coaches were trained in the "Play Like a Champion Today" coaches workshop, and a parent workshop was also offered as an additional resource.

CAMPS & GUEST SERVICES

Approximately 950 youth from 20 Catholic schools attended Environmental Education at Camp Hamilton during our Fall and Spring programs. CYO offers the only environmental program rooted in Catholic social teaching in the Northwest. The curriculum meets all state and Catholic school requirements while also emphasizing a greater appreciation for creation through stewardship. 1,336 youth enjoyed sessions of residential summer camp or day camp, while 99 young adult staff members served as ministers and models of faith. Additionally 316 took advantage of our growing weekend family camp programs offered at both Camp Hamilton and Camp Don Bosco. Camp Hamilton was also used in serving our high school resident camps. We distributed over \$84,000 in financial aid.

We served over 4,043 guests, 54 archdiocesan groups and 11 non diocesan groups. The services offered to those groups has expanded and includes food service and challenge-based learning.

Formerly these pieces were served by CYO Camp Services and Facilities and Guest Services, which became one department in October 2015.

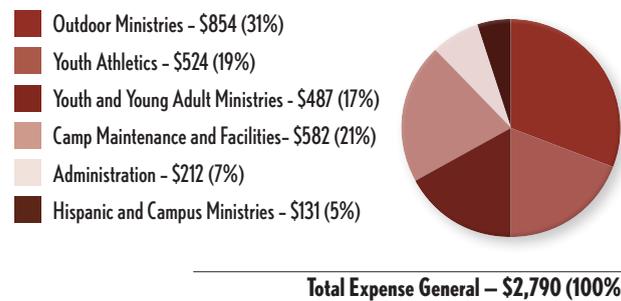
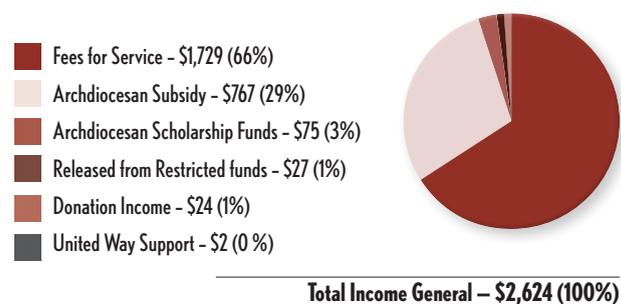
MULTICULTURAL YOUTH AND YOUNG ADULT MINISTRY

Multicultural Youth and Young Adult Ministry supports the development of said ministries through leadership development opportunities, assisting existing programs/

ministries to become more responsive and accessible to culturally diverse communities, and assisting in strengthening faith-based avenues that are culturally sensitive to help individuals grow closer to Christ. In the last year this department has served over 450 people ranging in age from the children in families, through the adolescents and young adults attending retreats, as well as those of all ages serving in leadership. Indirectly, we have served countless more as those who participated in our programs have returned to serve their families and faith communities.

Calculation of Annual Report Figures

Fiscal Year 2014/2015 (\$ In thousands)



Net Expenditures in Excess of Revenue.....(\$166) 6%

<http://www.seattlearchdiocese.org/oyyae>

ASSOCIATED CATHOLIC CEMETERIES

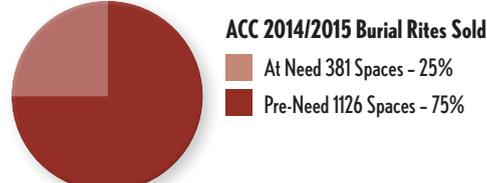
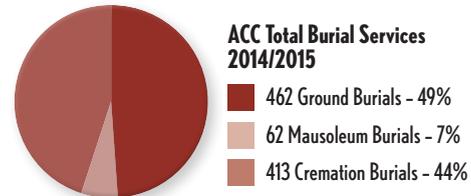
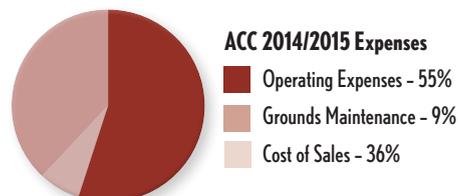
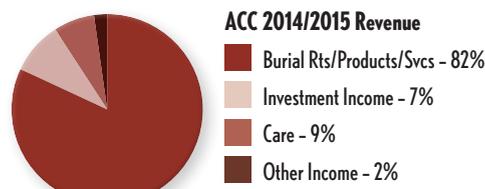
MISSION STATEMENT

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



Summary of Operations 2014/2015

| | |
|--|------------------|
| Revenue | |
| Burial Rights & Other Sales less Adjustments | 5,141,000 |
| Cemetery & Mausoleum Care | 580,000 |
| Interest Income | 432,000 |
| Other Income | 99,000 |
| Net Revenue | 6,252,000 |
| Cost of Sales | (2,039,000) |
| Gross Profit | 4,213,000 |
| Operating Expenses | |
| Cemetery Operating Expenses | (3,154,000) |
| Grounds Maintenance | (486,000) |
| | (3,640,000) |
| Change in Unrestricted Net Assets | 573,000 |



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 83,000 people. These Archdiocesan cemeteries consist of four cemeteries. Calvary, located near the University of Washington in Seattle, was dedicated in 1889. Holyrood, serving North Seattle, King, and Snohomish Counties, was dedicated in 1953. Gethsemane, dedicated in 1975, serves South Seattle, King and Pierce Counties. St. Patrick, begun in 1890 as the parish cemetery for St. Anthony (now Holy Spirit) Parish in Kent, was transferred to ACC in 1989. These four cemeteries provided 937 burial services during 2014/2015. 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, 2015 show a Change in Net Assets of \$573,000. While sales for the year totaled approximately \$8.54 million, \$3.02 million of those sales were of pre-need goods and services. While these sales provide a portion of current operational cash flow, they are deferred until the goods and services are delivered. Therefore, they are not reflected in the revenue. 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 6.5% in the Fund's investment portfolio.

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

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

CATHOLIC COMMUNITY SERVICES

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

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

In each area of the Archdiocese, services are based on local needs and funding. Services are provided through a variety of sources, including contracts with cities and counties; contracts with state and federal government; fees for services; private donations and foundations; and United Way. Archdiocesan funding is provided through the Annual Catholic Appeal, CCS Appeal for the Poor, and a variety of specific family center and program appeals throughout the year. The Catholic Charities Foundation also provides funding.

CCS FAMILY CENTERS

CCS has 12 family centers located throughout western Washington. CCS family centers reflect the needs and resources in each community where they are located. Wherever possible, family centers tailor a unique approach to each family that comes to them in need. Family center staff work to integrate all the services available in a community to nourish self-sufficiency and achieve wholeness and well-being for every member of the family. Family center services vary by site and may include counseling, case management, information and referral, emergency services, shelters and transitional housing, permanent housing, mental health services, family support services, child care, youth services, addiction recovery services, foster care, adoption, pregnancy support, Volunteer Chore Services, Foster Grandparent Program, and others.

THE LONG TERM CARE SYSTEM

More than 25,000 people were served by Catholic Community Services' Long Term Care System. The Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in western Washington. Services include home care, the African-American Elders Program in King County; senior meal sites in King and Pierce Counties that offer "more than a meal" to low income seniors; nail care sites in Pierce and Skagit Counties; "meals-on-wheels" for homebound seniors; senior transportation; and Caregiver Training at many sites for thousands of people yearly.

THE FAMILY PRESERVATION SYSTEM

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



COURTESY CATHOLIC COMMUNITY SERVICES

CATHOLIC HOUSING SERVICES

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

CCS FAMILY CENTERS LOCATIONS:

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

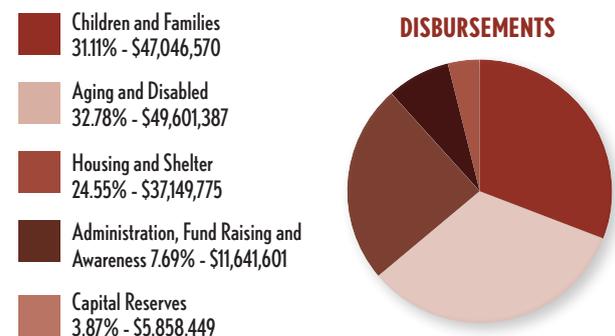
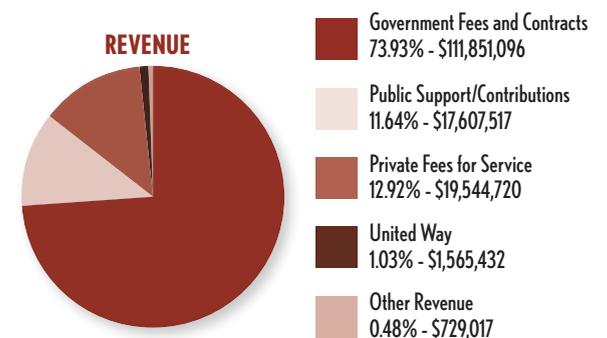
<http://www.ccsww.org>

In addition to the 2015 Operating Budgets, CCS and CHS are the managing general partners or program managers for 27 affordable housing projects with a combined operating budget of \$9,483,787.

The Catholic Charities Foundation of Western Washington reported total assets of \$14 million, as of June 30, 2015, that were invested for the benefit of CCS and CHS. For the year ending June 30, 2015, the Foundation distributed \$675,000 to CCS and CHS.

COMBINED CCS/CHS OPERATING BUDGETS – \$151,297,782

Fiscal Year 2014/2015 (In thousands)



ONLINE FORMS AND INFORMATION

Follow this form to visit a website or order more information.

[2015 CYO Summer Camping Brochure for youth ages 6-18.](#)

[Significant Savings](#) are available to those who pre-plan their cemetery arrangements. Return this order form for a

[FREE Pre-Need Planning Guide](#) filled with useful information.

[Information about Planned Giving \(Wills and Basic Estate Planning\).](#)

[Crozier Society Information Brochure.](#)

[Fulcrum Foundation Annual Report.](#)

[Audited Financial Statements of the Centrally Managed Ministries of the Corporation of the Catholic Archbishop of Seattle as of 6/30/15.](#)

[Audited Financial Statements of the Fulcrum Foundation as of 6/30/15.](#)

FROM THE FINANCE COUNCIL



Dear Members of the Church of Western Washington:

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

Parishes

Parish ordinary income increased by 2.07% last year, a slight increase from the prior year's rate of 1.9%. These increases are consistent with the average increase we have experienced in the last 10 years. Ninety eight (57%) of our parishes experienced increases in ordinary income and seventy five (43%) of our parishes experienced declines in ordinary income. As we know, our Parishes vary significantly in size and economic circumstances.

Annual Appeal

Once again, contributions to the Annual Catholic Appeal actually exceeded the prior year and at \$13.7 million, net of write-offs, represent an increase of 1.8% over 2014. Total rebates to Parishes were almost \$2.4 million, which are slightly lower than the previous year. There was also generous support of Catholic Charities, the Fulcrum Foundation, and other ministries of our Church.

The Chancery

In 2015, the Chancery received an unusually high amount of bequests resulting in an increase of \$1.5 million. Insurance program premiums increased by \$850,000 primarily because of increased values in property replacement costs and increased number of employees and covered volunteers. Annual Catholic Appeal revenues to the Chancery increased by nearly \$400,000. Restricted and designated funds revenues increase by \$695,000. Total revenues and other support of \$38.6 million represents an increase of \$3.5 million over 2014.

Total expenses decreased to \$37.2 million. General and administration costs increased \$2 million primarily as a result of new benefits and payroll system expenses. Insurance program costs decreased because of additional sexual abuse settlement costs related to the final settlements for the Christian Brothers which were recorded in 2014.

The overall sexual abuse case load is declining. However, it is not yet possible to determine when these claims will cease. The Archdiocese continues to expand its efforts to reach out to victims, screen those who work with children and provide training for all parish staff and volunteers that interact with our children. In addition, in January of 2016, The Archdiocese published a list of Priests and religious against whom an allegation of sexual abuse had been admitted, established or determined to be credible.

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

Investment results in 2015 reflected modest gains. These results are significantly less than the gains recorded in 2014. Investment results for 2015 reflect a gain of \$600,000 compared to gains of \$4.5 million in 2014. Consistent with the markets, investment performance declined in early calendar year 2015. Limited distributions of approximately 2% of General Reserve investments were made in 2015. Similar distributions are planned in 2016.

The effects of underlying assumptions continued to impact the adjustments to pension and other benefit liabilities. A loss of \$6.8 million was recorded in 2015 due to changes in mortality assumptions utilized in estimating pension and post retirement liabilities. As interest rates fluctuate, and actuarial principles require other changes to assumptions, we will continue to see changes in the amounts reflected in our Statement of Activities for adjustments to minimum Pension and Other Benefits liabilities. In the coming year, the Archdiocesan Finance Council will be recommending steps to Archbishop Sartain that should be taken to increase the funding of our obligations for Priests' pension and other post retirement benefits.

A loss of \$2.7 million was recorded to reflect an adjustment in the carrying value of surplus property.

Other significant financial challenges facing our Archdiocese include recovery of deposits used in settlements through insurance program revenues and securing capital necessary to maintain existing Parishes and schools and to fund expansions needed to serve new areas.

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

Mary Jane Patterson, Chair
Archdiocesan Finance Council

ARCHDIOCESAN FINANCE COUNCIL

Chairperson: Ms. Mary Jane Patterson.

Vice-Chairperson: Mr. Jack Sullivan

Mr. Scott Burns

Rev. Patrick Freitag

Mr. Mel Kelso

Mr. Kevin Hylton

Ms. Darlene Robertson

Mr. Fred Weiss

Mr. Bob McLaughlin

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

PRF COMMISSION MEMBERS:

Chairperson: Ms. Mary Dorn

Vice Chairperson: Rev. David Young

Mr. Joe Schick

Rev. James Coyne

Rev. Jack Shrum

Ms. Mary Simpson (retired July 17, 2015)

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

Mr. Bob McLaughlin, *AFC Liaison*

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

Mr. Scott Bader, *Director of Parish Financial Services*

Mr. Edward Foster, *Director of Property and Construction*

Ms. Mary Jo Gillis, *Controller*

AFC SUBCOMMITTEE FOR INVESTMENTS:

Mr. Dan Brotherton

Mr. Scott Burns

Mr. Dick Kennedy

Ms. Mary Jane Patterson

Mr. Fred Weiss

Staff: Ms. Mary Jo Gillis, *Controller*

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

ARCHDIOCESAN BUILDING COMMISSION:

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

Chairperson: Bill Rutledge

Frank Feeman

Rev. Richard K. Hayatsu

Dennis Lehtinen; Dan Miles;

Jim Napolitano; Joe Sacquitne;

Don Severide; Peter Somers;

Rick Tomkins;

Rev. Thomas L. Vandenberg

Staff: Scott Bader; Andrew Casad; Ed Foster; Dennis J. O'Leary