



The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Financial Statements
Years Ended June 30, 2022 and 2021

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Financial Statements
Years Ended June 30, 2022 and 2021

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

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Independent Auditor's Report

Most Reverend Paul D. Etienne
Roman Catholic Archbishop of Seattle
The Program and Administrative Offices of the
Corporation of the Catholic Archbishop of Seattle
Seattle, Washington

Opinion

We have audited the financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle (the Archdiocese), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Archdiocese as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Archdiocese and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Archdiocese's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Archdiocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Archdiocese's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

December 20, 2022

Financial Statements

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Financial Position

<i>June 30,</i>	2022	2021
Assets		
Current Assets		
Cash	\$ 22,601,000	\$ 15,245,000
Investments	45,563,000	46,977,000
Contributions and other receivables	6,349,000	4,941,000
Notes receivable	6,000	431,000
Insurance reimbursement receivable	237,000	1,407,000
Prepaid expenses and other assets	202,000	378,000
Total Current Assets	74,958,000	69,379,000
Endowment investments	17,859,000	19,895,000
Annuity/trust investments	3,748,000	4,462,000
Notes receivable, less current portion and net of allowances	376,000	7,501,000
Net priests' pension plans asset	5,003,000	278,000
Priests' health plan assets	13,051,000	13,317,000
Property and equipment, net	18,601,000	19,715,000
Total Assets	\$ 133,596,000	\$ 134,547,000
Liabilities and Net Assets		
Current Liabilities		
Revolving fund deposits	\$ 49,239,000	\$ 39,903,000
Notes payable, current portion	-	707,000
Accounts payable and accrued expenses	4,363,000	3,045,000
Deferred revenue	839,000	494,000
Insurance claims payable	14,571,000	11,364,000
Priests' health plan liability	612,000	677,000
Custodial liabilities	6,108,000	4,178,000
Total Current Liabilities	75,732,000	60,368,000
Notes payable, less current portion	-	7,361,000
Net priests' health plan liability, less current portion	11,316,000	16,896,000
Annuity/Trust liabilities	2,608,000	3,047,000
Total Liabilities	89,656,000	87,672,000
Net Assets		
Without donor restrictions		
Undesignated surplus	11,304,000	10,577,000
Designated funds	6,209,000	7,276,000
Total net assets without donor restrictions	17,513,000	17,853,000
With donor restrictions	26,427,000	29,022,000
Total Net Assets	43,940,000	46,875,000
Total Liabilities and Net Assets	\$ 133,596,000	\$ 134,547,000

See accompanying notes to financial statements.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Activities and Changes in Net Assets

Year Ended June 30,	2022	2021
Without Donor Restrictions		
Revenue and other support		
Parish assessments	\$ 7,031,000	\$ 7,780,000
Program fees	5,053,000	3,660,000
Interest, dividends and other income	2,001,000	918,000
Contributions	778,000	1,237,000
	14,863,000	13,595,000
Net assets released from restrictions		
Satisfaction of time restrictions, Annual Catholic Appeal	11,097,000	11,601,000
Satisfaction of program restrictions	1,709,000	1,301,000
Total Revenue and Other Support	27,669,000	26,497,000
Expenses		
Program	14,889,000	14,445,000
Management and general	12,038,000	12,138,000
Stewardship and development	1,435,000	1,401,000
Total Expenses	28,362,000	27,984,000
Change in net assets before insurance, other gains and losses, bequests, and COVID relief related activities	(693,000)	(1,487,000)
Insurance revenue, net of expense	(5,761,000)	2,349,000
Bequests	1,600,000	3,368,000
Gains (losses) on investments	(6,140,000)	7,739,000
Net change in priests' pension plans	4,725,000	13,849,000
Net change in priests' health plan	5,379,000	5,518,000
Realized gains on sale of property	550,000	1,578,000
PPP loan forgiveness	-	2,695,000
Contributions for COVID relief	-	1,000,000
Change in Net Assets without Donor Restrictions	(340,000)	36,609,000
Net Assets with Donor Restrictions		
Contributions	11,496,000	12,087,000
Investment income	103,000	94,000
Gains (losses) on investments	(1,388,000)	2,653,000
Net assets released from restrictions		
Satisfaction of time restrictions from the Annual Catholic Appeal	(11,097,000)	(11,601,000)
Satisfaction of program restrictions	(1,709,000)	(1,301,000)
Change in Net Assets with Donor Restrictions	(2,595,000)	1,932,000
Total Net Assets		
Change in net assets without donor restrictions	(340,000)	36,609,000
Change in net assets with donor restrictions	(2,595,000)	1,932,000
Total Change in Net Assets	(2,935,000)	38,541,000
Net Assets, beginning of year	46,875,000	8,334,000
Net Assets, end of year	\$ 43,940,000	\$ 46,875,000

See accompanying notes to financial statements.

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Statement of Functional Expenses

<i>Year Ended June 30, 2022</i>	Salaries and Benefits	Professional Services	Insurance Premiums	Insurance Claims	Rentals and Leases	Office and Printing	Bad Debt Expense	Taxes and Assessments	Donations and Contributions	Education	Interest	Depreciation	Other	Total	Less: Insurance	Total Without Insurance
Program																
Insurance, premiums, taxes, and claims	\$ 464,000	\$ 1,673,000	\$ 4,703,000	\$ 9,637,000	\$ -	\$ 36,000	\$ -	\$ 2,354,000	\$ -	\$ -	\$ 19,000	\$ 47,000	\$ 4,000	\$ 18,937,000	\$ (18,937,000)	\$ -
Archbishop's office	672,000	55,000	-	-	16,000	52,000	-	1,000	-	13,000	-	69,000	108,000	986,000	-	986,000
Liturgy, mission planning, and Chancellor	946,000	34,000	-	-	18,000	34,000	-	-	-	6,000	-	97,000	26,000	1,161,000	-	1,161,000
Catholic schools	1,252,000	382,000	48,000	-	-	147,000	-	-	3,000	-	-	128,000	111,000	2,071,000	-	2,071,000
Outdoor ministries	512,000	52,000	-	-	25,000	262,000	1,000	25,000	138,000	2,000	-	52,000	118,000	1,187,000	-	1,187,000
Retreat Center	426,000	38,000	-	-	-	153,000	1,000	5,000	-	1,000	-	44,000	152,000	820,000	-	820,000
Pastoral care - Vicar for Clergy	627,000	30,000	-	-	-	9,000	-	-	33,000	1,000	-	65,000	5,000	770,000	-	770,000
Seminarians	147,000	8,000	-	-	2,000	13,000	-	6,000	72,000	839,000	-	15,000	31,000	1,133,000	-	1,133,000
Northwest Catholic	395,000	12,000	-	-	-	395,000	-	2,000	25,000	-	-	40,000	42,000	911,000	-	911,000
Revolving fund	-	-	-	-	-	-	-	-	-	-	719,000	-	-	719,000	-	719,000
Priest support	1,010,000	222,000	-	-	4,000	6,000	-	-	-	-	-	103,000	14,000	1,359,000	-	1,359,000
Tribunal	482,000	17,000	-	-	-	3,000	-	-	-	1,000	-	49,000	5,000	557,000	-	557,000
Evangelization	384,000	3,000	-	-	-	5,000	-	-	-	-	-	40,000	6,000	438,000	-	438,000
Funding to related organizations	-	2,000	-	-	-	-	-	-	879,000	-	-	-	-	881,000	-	881,000
Athletics	194,000	18,000	1,000	-	58,000	53,000	-	-	-	-	-	20,000	1,000	345,000	-	345,000
Pastoral care ministries	128,000	28,000	-	-	2,000	13,000	-	-	346,000	10,000	-	13,000	27,000	567,000	-	567,000
Youth and young adult ministry	205,000	3,000	-	-	16,000	3,000	-	-	3,000	-	-	21,000	18,000	269,000	-	269,000
Multicultural ministries	200,000	29,000	-	-	1,000	3,000	-	-	138,000	10,000	-	21,000	10,000	412,000	-	412,000
Formation	215,000	20,000	-	-	17,000	4,000	-	-	1,000	12,000	-	22,000	12,000	303,000	-	303,000
Total Program Expenses	8,259,000	2,626,000	4,752,000	9,637,000	159,000	1,191,000	2,000	2,393,000	1,638,000	895,000	738,000	846,000	690,000	33,826,000	(18,937,000)	14,889,000
Management and General	6,338,000	2,720,000	9,000	21,000	4,000	1,093,000	37,000	211,000	353,000	114,000	133,000	648,000	357,000	12,038,000	-	12,038,000
Stewardship and Development	782,000	210,000	-	-	1,000	325,000	-	-	-	-	-	80,000	37,000	1,435,000	-	1,435,000
Total Expenses	\$ 15,379,000	\$ 5,556,000	\$ 4,761,000	\$ 9,658,000	\$ 164,000	\$ 2,609,000	\$ 39,000	\$ 2,604,000	\$ 1,991,000	\$ 1,009,000	\$ 871,000	\$ 1,574,000	\$ 1,084,000	\$ 47,299,000	\$ (18,937,000)	\$ 28,362,000

See accompanying notes to financial statements.

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Statement of Functional Expenses

<i>Year Ended June 30, 2021</i>	Salaries and Benefits	Professional Services	Insurance Premiums	Insurance Claims	Rentals and Leases	Office and Printing	Bad Debt Expense	Taxes and Assessments	Donations and Contributions	Education	Interest	Depreciation	Other	Total	Less: Insurance	Total Without Insurance
Program																
Insurance, premiums, taxes, and claims	\$ 457,000	\$ 1,117,000	\$ 4,251,000	\$ 3,422,000	\$ -	\$ 38,000	\$ 1,000	\$ 1,705,000	\$ -	\$ -	\$ 15,000	\$ 44,000	\$ 1,000	\$ 11,051,000	\$ (11,051,000)	\$ -
Archbishop's office	659,000	79,000	-	-	16,000	121,000	-	2,000	-	21,000	-	63,000	69,000	1,030,000	-	1,030,000
Liturgy, mission planning, and Chancellor	994,000	50,000	-	-	14,000	19,000	-	-	-	8,000	-	95,000	11,000	1,191,000	-	1,191,000
Catholic schools	1,079,000	313,000	-	-	5,000	117,000	-	26,000	19,000	6,000	-	103,000	88,000	1,756,000	-	1,756,000
Outdoor ministries	453,000	48,000	-	-	4,000	165,000	2,000	8,000	125,000	-	-	43,000	26,000	874,000	-	874,000
Retreat Center	209,000	6,000	-	-	-	89,000	-	-	-	-	-	20,000	61,000	385,000	-	385,000
Pastoral care - Vicar for Clergy	811,000	52,000	-	-	-	5,000	-	-	45,000	-	-	78,000	8,000	999,000	-	999,000
Seminarians	109,000	25,000	-	-	-	7,000	-	11,000	82,000	879,000	-	10,000	28,000	1,151,000	-	1,151,000
Northwest Catholic	397,000	45,000	-	-	-	433,000	2,000	1,000	28,000	-	-	38,000	53,000	997,000	-	997,000
Revolving fund	-	-	-	-	-	-	(687,000)	-	-	-	764,000	-	-	77,000	-	77,000
Priest support	1,120,000	483,000	-	-	-	6,000	-	-	-	3,000	-	107,000	8,000	1,727,000	-	1,727,000
Tribunal	580,000	20,000	-	-	-	5,000	-	-	-	2,000	-	55,000	16,000	678,000	-	678,000
Evangelization	422,000	2,000	-	-	-	7,000	-	-	1,000	-	-	40,000	5,000	477,000	-	477,000
Funding to related organizations	-	-	-	-	-	-	-	-	1,444,000	-	-	-	-	1,444,000	-	1,444,000
Athletics	153,000	2,000	1,000	-	9,000	29,000	-	-	-	-	-	15,000	1,000	210,000	-	210,000
Pastoral care ministries	115,000	39,000	-	-	1,000	15,000	-	-	361,000	4,000	-	11,000	24,000	570,000	-	570,000
Youth and young adult ministry	204,000	-	-	-	-	3,000	-	-	2,000	2,000	-	20,000	3,000	234,000	-	234,000
Multicultural ministries	193,000	29,000	-	-	-	3,000	-	-	105,000	9,000	-	18,000	8,000	365,000	-	365,000
Formation	213,000	11,000	-	-	14,000	11,000	-	-	1,000	4,000	-	20,000	6,000	280,000	-	280,000
Total Program Expenses	8,168,000	2,321,000	4,252,000	3,422,000	63,000	1,073,000	(682,000)	1,753,000	2,213,000	938,000	779,000	780,000	416,000	25,496,000	(11,051,000)	14,445,000
Management and General	6,803,000	1,940,000	9,000	66,000	14,000	948,000	382,000	222,000	471,000	77,000	256,000	650,000	300,000	12,138,000	-	12,138,000
Stewardship and Development	820,000	164,000	-	-	3,000	329,000	-	-	-	1,000	-	78,000	6,000	1,401,000	-	1,401,000
Total Expenses	\$ 15,791,000	\$ 4,425,000	\$ 4,261,000	\$ 3,488,000	\$ 80,000	\$ 2,350,000	\$ (300,000)	\$ 1,975,000	\$ 2,684,000	\$ 1,016,000	\$ 1,035,000	\$ 1,508,000	\$ 722,000	\$ 39,035,000	\$ (11,051,000)	\$ 27,984,000

See accompanying notes to financial statements.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Cash Flows

Year Ended June 30,	2022	2021
Cash Flows from Operating Activities		
Reconciliation of change in net assets to net cash flows from operating activities:		
Change in net assets	\$ (2,935,000)	\$ 38,541,000
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,574,000	1,508,000
Loss (Gain) on sale of property	(550,000)	(1,578,000)
Endowment contributions	(3,000)	(85,000)
Losses (Gains) on investments	7,528,000	(10,392,000)
PPP loan forgiveness	-	(2,695,000)
Archdiocesan Revolving Fund loan principal receipts	5,258,000	31,000
Archdiocesan Revolving Fund additional loans issued	(19,000)	-
Deposits into the Archdiocesan Revolving Fund	26,909,000	9,761,000
Withdrawal of Archdiocesan Revolving Fund deposits	(17,573,000)	(5,404,000)
Change in accrued priests' pension plans and priests' health plan liability	(10,370,000)	(14,322,000)
Change in operating receivables	(200,000)	3,886,000
Change in prepaid expenses and other assets	176,000	(19,000)
Change in insurance claims payable	3,207,000	(2,556,000)
Change in accounts payable and accrued expenses	1,318,000	191,000
Changes in deferred revenue	345,000	151,000
Annuities and trusts	(439,000)	477,000
Provisions for bad debt	(38,000)	(683,000)
Net Cash Flows from Operating Activities	14,188,000	16,812,000
Cash Flows for Investing Activities		
Net purchases of investments	(3,098,000)	(20,725,000)
Proceeds from sales of property and equipment	761,000	2,086,000
Purchase of property and equipment	(671,000)	(586,000)
Net Cash Flows for Investing Activities	(3,008,000)	(19,225,000)

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Statements of Cash Flows

<i>Year Ended June 30,</i>	2022	2021
Cash Flows from Financing Activities		
Change in custodial liability	\$ 1,930,000	\$ 1,447,000
Proceeds from debt	-	1,000,000
Repayments of note payable	(5,757,000)	(267,000)
Endowment contributions	3,000	85,000
Net Cash Flows from Financing Activities	(3,824,000)	2,265,000
Net Change in Cash	7,356,000	(148,000)
Cash, beginning of year	15,245,000	15,393,000
Cash, end of year	\$ 22,601,000	\$ 15,245,000

See accompanying notes to financial statements.

Supplemental Disclosures

Interest paid on a cash basis was \$871,000 and \$1,035,000 during the years ended June 30, 2022 and 2021, respectively.

Archdiocesan high schools have received term loans from the Knights of Columbus. The Archdiocese is the primary borrower on these loans. Payments are made by the high schools. The high schools repaid \$2,311,000 and \$408,000 directly to the lender during the years ended June 30, 2022 and 2021, respectively. There are no loans outstanding from the Archdiocesan high schools as of June 30, 2022.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

The accompanying financial statements include the assets, liabilities, net assets, and financial activities under direct control of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle (the Archdiocese). The Program and Administrative Offices (the Chancery) are staffed by 151 permanent employees as of June 30, 2022. These employees work on First Hill in Seattle, the Archbishop Brunett Retreat Center in Federal Way, and the Catholic Youth Organization camps in Carnation and Monroe. These locations are owned and managed by the Archdiocese. The parishes of the Archdiocese, and their associated schools, which are separate canonical units, and the Parish Revolving Fund are not included in these financial statements. While these entities are part of the Archdiocesan Corporate Sole, they are managed under local control.

Catholic Community Services of Western Washington, the Archdiocesan Housing Authority, Catholic Charities Foundation of Western Washington, Called to Serve as Christ Campaign (CTSC), the Associated Catholic Cemeteries (ACC), and the Fulcrum Foundation are independent corporations and all are not included in these financial statements. Most Archdiocesan high schools are independent corporations and all high schools are not included in these financial statements. The Archdiocese is affiliated with an overall international religious entity based in Vatican City.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Financial Statement Presentation

The Archdiocese reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Contributions

Contributions received are recorded depending on the existence and/or nature of any donor restrictions. Contributions with purpose or time restrictions are required to be reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions when the restrictions are met.

Net Assets without Donor Restrictions

Net assets without donor restrictions consist of undesignated amounts and amounts designated to be utilized for specific purposes in subsequent fiscal years within the Archdiocese.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of unexpended contributions restricted for particular purposes or time periods and contributions restricted in perpetuity. The income from contributions restricted in perpetuity is utilized for the purpose specified by the donor. Net assets with donor restrictions that are temporary in nature are transferred to net assets without donor restrictions as restrictions are met or as time restrictions expire. Net assets with donor restrictions consist of the following at June 30:

	2022	2021
Net Assets with Donor Restrictions for Time and Purpose		
Annual Appeal Pledges restricted for the next year	\$ 10,377,000	\$ 10,610,000
Contributions restricted for various purposes	4,792,000	5,155,000
Accumulated endowment earnings		
Priest support and education endowments	2,572,000	4,312,000
Religious education endowments	90,000	203,000
Poor and needy endowments	84,000	193,000
Camp maintenance and development	38,000	78,000
Total Net Assets with Donor Restrictions for Time and Purpose	17,953,000	20,551,000
Net Assets with Perpetual Donor Restrictions		
Priest support and education endowments	7,286,000	7,283,000
Religious education endowments	512,000	512,000
Poor and needy endowments	501,000	501,000
Camp maintenance and development	175,000	175,000
Total Net Assets with Perpetual Donor Restrictions	8,474,000	8,471,000
Total Donor Restricted Net Assets	\$ 26,427,000	\$ 29,022,000

Fund Accounting

The Archdiocese uses the following fund groups:

- *Operating Fund* - all unrestricted and restricted resources available for support of Archdiocesan operations. The operating fund also includes non-endowment custodial liabilities, which represent funds to be paid to other Catholic organizations.
- *Archdiocesan Revolving Fund (ARF) (a segregated portion of the operating fund)* - a deposit and loan fund representing resources arising from cooperative investment and lending programs established for the mutual benefit of Catholic organizations within the Archdiocese. Parishes participate in the PRF, a separate revolving fund not included in these financial statements. The Associated Catholic Cemeteries holds a significant portion of their investment funds in the ARF.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

- *Plant Fund* - all expendable resources restricted for property and equipment acquisitions, amounts invested in property and equipment, and related debt.
- *Endowment and Similar Funds* - contributions to the Archdiocese and other amounts set aside to generate investment income for restricted and unrestricted purposes. Included within the endowment and similar funds are the following:
 - Permanent endowments: The principal of true endowments is expected to be invested for perpetuity.
 - Other donor restricted endowments: Funds temporarily restricted by donors but included in this fund, as they are treated by the Archdiocese as long-term.
 - Unrestricted designated endowments: Funds designated to be treated as endowments by the Archbishop. Any portion may be expended with the Archbishop's approval.
 - Custodial liabilities: Funds that will eventually revert to Catholic organizations outside the reporting entity. Interest, dividends, and realized and unrealized gains and losses are allocated directly to the custodial liabilities.

All significant transactions among funds included in the reporting entity have been eliminated in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Most expenses are charged directly to the function served at the time they are recorded. Depreciation is allocated according to salaries and benefits expense.

Donated Services

In-kind contributions of goods and services are recognized at estimated fair values if they (a) create or enhance nonfinancial assets or (b) require specialized technical skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. A number of people have donated time to the activities of the Archdiocese. The donated services do not meet the requirements for recognition in the financial statements and have not been recorded.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;

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Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Cash

For purposes of the statements of cash flows, the Archdiocese considers cash in checking, savings, and certain money market accounts to be cash. Other money market accounts and short-term, highly liquid investments are classified as investments in the statements of financial position.

The Archdiocese maintains a significant portion of its cash and investments in accounts that are not insured.

Investments

Investments are reported at fair value or net asset value (NAV).

- Stocks, bonds, and publicly traded mutual funds are valued using Level 1 inputs such as market prices on national exchanges.
- Non-publicly-traded mutual funds are valued using the NAV per unit. The NAV is determined each business day by the administrator of each fund. The funds invest in securities that have observable Level 1 inputs, including quoted prices for similar assets in active markets. There are no unfunded commitments, and the investments can be redeemed on a daily basis. This practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different from the reported NAV.

Pension-Related Investments

- The investments in common stocks listed on securities exchanges are valued at their closing price on the valuation date. Quoted market prices are used to value investments, which are Level 1 observable inputs.
- The life insurance policies are valued at the cash surrender value based on contractual terms as supplied by the insurance company, which is considered a Level 3 input.
- The investments in the master trusts are valued at fair value using the NAV, which is determined by the administrators of the funds and is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets held by the master trusts, less any liabilities, and then divided by the number of units outstanding. This practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different from the reported NAV. The financial statements of these master trusts are audited; therefore, those financial statements are not included in the notes to the financial statements. As of June 30, 2022 and 2021, there are no unfunded commitments or redemption restrictions on these investments.
- Non-publicly-traded mutual funds are valued at fair value using NAV, which is determined by the administrators of the funds and is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets held by the mutual funds, less any liabilities,

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and then divided by the number of units outstanding. This practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different from the reported NAV. As of June 30, 2022 and 2021, there are no unfunded commitments or redemption restrictions on these investments.

Contributions and Other Receivables

Contributions and other receivables are recorded at cost and adjusted for any bad debt allowance. Management estimates allowances for bad debts based primarily on historical bad debt experience. The allowance is adjusted annually, and bad debts are written off against the allowance when management determines a balance is uncollectible. Receivables that are expected to be collected within one year are recorded at net realizable value.

Notes Receivable

Notes receivable are recorded at cost (adjusted for any bad debt allowance or impairment), and interest is recorded as earned. The Archdiocese does not charge fees for its loan programs. Management uses various factors, including the borrower's location, and the local economy, and population where the borrower is located to determine the amount of the allowance for bad debts. The allowance is adjusted annually. A note is written off against the allowance when management determines that the balance is uncollectible. Due to the close working relationship between the Archdiocese and the borrowers, management has not established past due categories for loans. Accordingly, loans continually accrue interest while they are outstanding.

Revenue Recognition

The Archdiocese recognized revenue in accordance with FASB ASC Topic 606 (Topic 606). The core principle of Topic 606 is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the Archdiocese satisfies a performance obligation

Parish assessment and special parish billings are billed and recognized as revenue during each fiscal year. Assessments and special parish billings are involuntary payments collected from parishes based on a percentage of parish ordinary income, and as such, are not subject to Topic 606 as they do not represent exchange transactions. The assessment period is in line with the Archdiocese's fiscal year.

Program fees consist of athletics, summer camps, fall programs, administration fees, and advertising. Program fees are subject to Topic 606 as they represent exchange transactions, however there was no change in the timing or amount of recognition of program revenue as all revenues are recognized at a point in time when the related program takes place. Amounts received prior to the program taking place are recorded as deferred revenue. Furthermore, there are no other contract assets or liabilities associated with program fees.

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Contributions (including the Annual Catholic Appeal) are recognized in accordance with ASC 958-505 and are recorded when the unconditional promise to give is made.

Insurance program premiums are recognized as revenue, net of any associated expenses or discounts, in the period in which the coverage is provided. The Archdiocese acts as an agent and buys insurance for all parishes, schools, and other entities in the Archdiocese. Insurance revenue is subject to Topic 606 due to the Archdiocese being an agent for participating entities

Deferred Revenue

Deferred revenue primarily consists of program fees received in advance. Revenue from program fees is recognized as the programs take place. Deferred revenue consists of the following at June 30:

	2022	2021
Summer camp programs	\$ 497,000	\$ 188,000
Other	342,000	306,000
	\$ 839,000	\$ 494,000

Split-Interest Agreements

The Archdiocese receives contributions in the form of irrevocable split-interest agreements. These agreements include charitable annuities and charitable remainder trusts.

As the Archdiocese is the trustee, the assets are recorded at fair value and are included as part of annuity and trust investments; the estimated present value of the distributions expected to be paid to the beneficiaries over the term of the trust is recorded as a liability along with any amounts to be paid to other organizations at the termination of the agreement. The difference is recorded as contribution revenue. The discount rate used to compute the present value of the liabilities was 6.5% - 7.0%, and the discount periods are based on Internal Revenue Service actuarial tables and state of Washington required annuity calculations.

Property and Equipment

Property and equipment are recorded at cost when purchased and at fair value when contributed. The Archdiocese's policy is to capitalize assets with a cost greater than \$5,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, ranging from 3 to 45 years. Donated property and equipment are considered unrestricted property unless specifically restricted by the donor. Restricted donated property and equipment are reclassified to net assets without donor restrictions when the restrictions are met.

Income Taxes

The Archdiocese is a nonprofit organization and is exempt from federal income taxes.

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Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current-year presentation.

New Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes the current lease guidance under Leases (Topic 840) and makes several changes, such as requiring an entity establishes a right-of use (ROU) model that requires a lessee to record a ROU asset and liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The update was originally effective for private companies for annual and interim reporting periods beginning after December 15, 2019. In July 2018, the FASB issued ASU 2018-10 Codification Improvements to Topic 842, Leases, to add clarity to certain areas within ASU 2016-02, to add an additional and optional transition method to adopt the new leases standard by allowing recognition of a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The revised effective date is for annual periods beginning after December 15, 2021. Management is currently evaluating the effect that adoption of this new standard will have on the Archdiocese financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, which changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans and certain other instruments, entities will be required to use a new forward looking “expected loss” model that generally will result in earlier recognition of credit losses than under today’s incurred loss model. The revised effective date is for annual periods beginning after December 15, 2022, and should be adopted using a modified retrospective approach, which applies a cumulative-effect adjustment to members equity as of the beginning of the first reporting period in which the guidance is effective. A prospective approach is required for debt securities for which another-than-temporary impairment had been recognized before the effective date and loans and debt securities acquired with deteriorated credit quality. Early adoption is permitted. Management is currently evaluating the effect that adoption of this new standard will have on the Archdiocese financial statements.

The Archdiocese have assessed other accounting pronouncements issued or effective during the year ended June 30, 2022, and deemed they were not applicable to the Archdiocese or are not anticipated to have a material effect on the financial statements.

Subsequent Events

Management of the Archdiocese has evaluated subsequent events through the date these financial statements were available to be issued, which was December 20, 2022.

On November 2, 2022, the Archdiocese purchased \$2.4 million of property to use as a residence for the Archbishop.

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2. Liquidity and Availability of Resources

The Archdiocese strives to maintain liquid financial assets sufficient to cover 180 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Archdiocese financial assets as of June 30, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include custodial liabilities as more fully described in Note 8. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

A summary of the Archdiocese financial assets available for general expenditures within one year as of June 30, 2022 and 2021, is as follows:

	2022	2021
Cash	\$ 22,601,000	\$ 15,245,000
Investments	45,563,000	46,977,000
Contributions and other receivables	6,349,000	4,941,000
Notes receivable	6,000	431,000
Insurance reimbursement receivable	237,000	1,407,000
Total Financial Assets	74,756,000	69,001,000
Less: Financial assets not available for general expenditure		
Custodial liabilities not available within one year	6,108,000	4,178,000
Revolving fund deposits not available within one year	17,532,000	10,502,000
Net assets with donor restrictions for certain purposes	4,792,000	5,155,000
	\$ 46,324,000	\$ 49,166,000

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3. Investments

The following tables represent a summary of the investments presented on the statement of financial position and information about the Archdiocese's assets that have been measured at fair value on a recurring basis and indicates classification by level of inputs within the fair value hierarchy described in Note 1 as of June 30, 2022 and 2021.

These investments are presented on the statements of financial position as follows:

	2022	2021
Investments	\$ 45,563,000	\$ 46,977,000
Endowment investments	17,859,000	19,895,000
Annuity/trust investments	3,748,000	4,462,000
Priests' health plan assets	13,051,000	13,317,000
	\$ 80,221,000	\$ 84,651,000

The annuity and trust investments are restricted as follows:

	2022	2021
Annuity assets	\$ 2,410,000	\$ 2,836,000
Unitrust assets	1,338,000	1,626,000
	\$ 3,748,000	\$ 4,462,000

The following tables set forth by level, within the fair value hierarchy, the Archdioceses investments measured at fair value at June 30:

<i>June 30, 2022</i>	Investments Measured Using Level 1 Inputs	Investments Measured at Net Asset Value*	Total Fair Value
Money market accounts	\$ 21,951,000	\$ -	\$ 21,951,000
Bond mutual funds	-	21,046,000	21,046,000
Value equity mutual fund	1,426,000	16,892,000	18,318,000
International equity mutual funds	-	10,383,000	10,383,000
Developed market equities	2,931,000	-	2,931,000
Small cap equity mutual fund	-	2,118,000	2,118,000
Inflation-protected bond fund	2,162,000	-	2,162,000
U.S. corporate stocks	644,000	-	644,000
Growth mutual funds	394,000	-	394,000
Corporate bonds	-	153,000	153,000
Real estate	121,000	-	121,000
	\$ 29,629,000	\$ 50,592,000	\$ 80,221,000

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<i>June 30, 2021</i>	Investments Measured Using Level 1 Inputs	Investments Measured at Net Asset Value*	Total Fair Value
Money market accounts	\$ 22,307,000	\$ -	\$ 22,307,000
Bond mutual funds	-	20,479,000	20,479,000
Value equity mutual fund	1,804,000	17,941,000	19,745,000
International equity mutual funds	-	11,018,000	11,018,000
Developed market equities	3,022,000	-	3,022,000
Small cap equity mutual fund	-	2,204,000	2,204,000
Inflation-protected bond fund	2,185,000	-	2,185,000
Ultrashort bond	2,076,000	-	2,076,000
U.S. corporate stocks	770,000	-	770,000
Growth mutual funds	506,000	-	506,000
Corporate bonds	-	180,000	180,000
Real estate	134,000	-	134,000
Fixed rate securities	-	25,000	25,000
	\$ 32,804,000	\$ 51,847,000	\$ 84,651,000

The Priests' Pension Plan is discussed in Note 10. This plan has certain benefit obligations and holds investments to meet these obligations. The investments held by this plan are netted against the benefit obligation in the statements of financial position and are categorized in the fair value hierarchy as follows:

<i>June 30, 2022</i>	Level 1	Level 2	Level 3	Total
Money market accounts	\$ 150,000	\$ -	\$ -	\$ 150,000
Common stocks	8,544,000	-	-	8,544,000
Cash surrender value of life insurance policies	-	-	1,227,000	1,227,000
Total Assets in the Fair Value Hierarchy	\$ 8,694,000	\$ -	\$ 1,227,000	9,921,000
Investments measured at net asset value*				
Master trusts				5,957,000
Mutual funds				14,187,000
Total Investments, at fair value				\$ 30,065,000

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<i>June 30, 2021</i>	Level 1	Level 2	Level 3	Total
Money market accounts	\$ 1,874,000	\$ -	\$ -	\$ 1,874,000
Common stocks	3,440,000	-	-	3,440,000
Cash surrender value of life insurance policies	-	-	1,234,000	1,234,000
Total Assets in the Fair Value Hierarchy	\$ 5,314,000	\$ -	\$ 1,234,000	6,548,000
Investments measured at net asset value*				
Master trusts				6,382,000
Mutual funds				17,528,000
Total Investments, at fair value				\$ 30,458,000

* In accordance with FASB Subtopic 820-10, certain investments that were measured at NAV per unit (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

4. Notes Receivable and Revolving Fund Deposits

Archdiocesan Revolving Fund

The ARF is a deposit and loan fund operated by the Archdiocese for non-parish Catholic organizations. The resulting balances are included in the operating fund. Deposits are generally available for withdrawal on demand. Organizations with excess funds may deposit them and earn interest. The current savings rate is 1.5%. Loans are made based on financial status, an approved repayment plan, and the availability of funds. Payments are received monthly, quarterly, or annually over an agreed-upon payback period. Interest on loans is charged at agreed-upon rates, normally between 0% and 5%.

At June 30, 2022 and 2021, accrued interest receivable was nil and \$129,000, respectively. There was no accrued interest payable at June 30, 2022 or 2021. The allowance for doubtful accounts is the estimated uncollectible amount of notes receivable. All notes in this fund are due on various payment schedules and are unsecured.

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Notes receivable and deposits payable for the ARF are summarized as follows as of June 30:

	2022	2021
Receivables		
Notes receivable	\$ 382,000	\$ 5,621,000
Less: Allowance for doubtful notes	-	-
	382,000	5,621,000
Less: Current portion	(6,000)	(4,000)
	376,000	5,617,000
Liabilities - Deposits	\$ 49,239,000	\$ 39,903,000

Of the total deposits payable as of June 30, 2022 and 2021, \$31,707,000 and \$29,401,000, was due to ACC, respectively. ACC is separately incorporated from the Archdiocese, and the Archbishop of Seattle is the corporate sole of ACC. During the years ended June 30, 2022 and 2021, \$455,000 and \$558,000 of interest was paid to ACC, respectively.

At June 30, 2022, there were six notes receivable from six outstanding borrowers. At June 30, 2021, there were eight notes receivable from eight outstanding borrowers. These notes had the following characteristics at June 30:

	2022	2021
Largest note outstanding	\$ 366,000	\$ 5,244,000
Largest note as a percentage of total	96.0%	93.3%
Number of past due notes	None	None
Amount of past due notes	\$ -	-
Past Due Notes as a Percentage of Total	0.0%	0.0%

At June 30, 2022, the note portfolio consisted of maturities between 17 months and 30 years.

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The following is a summary of the ARF's allowance for doubtful notes for the years ended June 30:

	2022	2021
Beginning Balance	\$ -	\$ 687,000
Provision (adjustment)	-	(687,000)
Ending Balance	\$ -	\$ -

Other Notes Receivable

Other notes receivable consist of the following at June 30:

	2022	2021
Note receivable from Kennedy High School (see Note 7)	\$ -	\$ 923,000
Note receivable from Bishop Blanchet High School (see Note 7)	-	1,388,000
	\$ -	\$ 2,311,000

The above notes receivable balances were paid off by the respective high schools during the year ended June 30, 2022.

Notes receivable are presented in the statement of financial position as follows as of June 30, 2022:

	ARF	Other	Total
Notes receivable, current portion	\$ 6,000	\$ -	\$ 6,000
Notes receivable, non-current portion	376,000	-	376,000
Total Notes Receivable	\$ 382,000	\$ -	\$ 382,000

Notes receivable are presented in the statement of financial position as follows as of June 30, 2021:

	ARF	Other	Total
Notes receivable, current portion	\$ 4,000	\$ 427,000	\$ 431,000
Notes receivable, non-current portion	5,617,000	1,884,000	7,501,000
Total Notes Receivable	\$ 5,621,000	\$ 2,311,000	\$ 7,932,000

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5. Contributions and Other Receivables

Contributions and other receivables are as follows at June 30:

	2022	2021
Annual Catholic Appeal pledges	\$ 2,833,000	\$ 2,934,000
Insurance premiums receivable	1,769,000	1,278,000
Parish assessments	875,000	834,000
Accrued interest and dividends	-	129,000
Other	2,062,000	994,000
	7,539,000	6,169,000
Less: Allowance for doubtful accounts	(1,190,000)	(1,228,000)
	\$ 6,349,000	\$ 4,941,000

6. Property and Equipment

Property and equipment are as follows at June 30:

	2022	2021
Land and improvements	\$ 8,355,000	\$ 8,367,000
Buildings	41,064,000	41,211,000
Furniture and equipment	5,945,000	5,530,000
	55,364,000	55,108,000
Less: Accumulated depreciation	(36,763,000)	(35,393,000)
	\$ 18,601,000	\$ 19,715,000

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7. Notes Payable/Guarantees

Long-Term Notes Payable

Long-term notes payable are as follows at June 30:

	2022	2021
Note payable to the Knights of Columbus in monthly installments of \$32,750, including interest at 4.91%. The note is collateralized by real property. Monthly payments started on July 1, 2017. The note is due in June 2037 and is secured by real property with a net book value of \$5,105,000. Loan was fully paid off in December 2021.	\$ -	\$ 4,350,000
Note payable to the Knights of Columbus in monthly installments of \$22,811, including interest at 4.51%. The proceeds were passed through to Kennedy High School (see Note 4). The note is due in February 2025 and is collateralized by real property of the school. The school is expected to make debt service payments. Loan was fully paid off in December 2021.	-	923,000
Note payable to the Knights of Columbus in monthly installments of \$20,882, including interest at 4.66%. The proceeds were passed through to Bishop Blanchet High School (see Note 4). The note is due in November 2027 and is collateralized by real property of the school. The school is expected to make debt service payments. Loan was fully paid off in October 2021.	-	1,387,000
Note payable to the Knights of Columbus in monthly installments of \$9,208 beginning on July 1, 2020, including interest at 4%. The note is due in June 2025, and is unsecured. Loan was fully paid off in December 2021.	-	408,000
Note payable to the Knights of Columbus in monthly installments of \$1,975 beginning on October 1, 2020 and through September 1, 2022, representing interest payments at 2.37%. Beginning October 1, 2022 through the maturity date, monthly installments are \$5,236, representing principal and interest at 2.37%. The note is due in September 2040, and is secured by investments. Loan was fully paid off in December 2021.	-	1,000,000
Total Notes Payable	\$ -	\$ 8,068,000
Less: Current portion	-	(707,000)
Total Long-Term Notes Payable	\$ -	\$ 7,361,000

Guarantees

The Archdiocese has guaranteed a loan on behalf of Seton High School. As of June 30, 2022, the balance on the loan was \$6,164,000. The Archdiocese guaranteed the entire \$6,164,000 balance. Subsequent to year-end the loan was refinanced through to the Parish Revolving Fund and is no longer guaranteed by the Archdiocese.

The Pope John Paul II High School has leased property under a lease ending in June 2025. The Archdiocese has guaranteed the payments on the lease through June 2024. The estimate of the

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guarantee is approximately \$675,000. In addition, there is one outstanding ARF loan to Pope John Paul II High School for \$366,000 as of June 30, 2022.

8. Custodial Liabilities

The Archdiocese serves a custodial function for money due to other Catholic organizations. All custodial accounts are recorded as liabilities until remitted to the intended recipients. The custodial liabilities balances are as follows at June 30:

	2022	2021
Other amounts held for local and national Archdiocesan organizations	\$ 2,643,000	\$ 2,206,000
Archdiocesan parish and other Archdiocesan organization endowment funds	3,465,000	1,972,000
	\$ 6,108,000	\$ 4,178,000

9. Related Parties

As discussed in Note 1 of these financials, the Archdiocesan Revolving Fund (ARF) is a deposit and loan fund representing resources arising from cooperative investment and lending programs established for the mutual benefit of Catholic organizations within the Archdiocese. The ARF is a segregated portion of the Operating Fund within the Archdiocese. Parishes participate in the PRF, a separate revolving fund not included in these financial statements. The Associated Catholic Cemeteries holds a significant portion of their investment funds in the ARF (see further discussion below). See also Note 4 for further discussion of ARF activities. In year ended June 30, 2022, the notes receivable and deposits for the Archdiocesan High Schools were moved from the ARF to the PRF.

Funds held by the ARF attributable to ACC amounted to \$31,707,000 and \$29,401,000 as of June 30, 2022 and 2021, respectively. Funds held by the ARF attributable to ACC that are classified as cash in ACC's statement of financial position are \$1,766,000 and \$1,848,000 as of June 30, 2022 and 2021, respectively. The Archdiocese incurred \$455,000 and \$558,000 in interest expense for the years ended June 30, 2022 and 2021, respectively, on the aforementioned revolving fund deposits.

Various high schools, which are mostly separate entities from the Archdiocese, participate in the ARF program. For the years ended June 30, 2022 and 2021, total loans receivable attributable to the high schools amounted to \$366,000 and \$5,610,000, respectively. For the years ended June 30, 2022 and 2021, total revolving fund deposits attributable to the high schools amounted to \$4,297,000 and \$6,032,000, respectively.

Two high schools, Kennedy Catholic High School and Bishop Blanchet High School, had loans with the Knights of Columbus for which the Archdiocese was the borrower. The two high schools serviced debt and had a payable for the loan amount to the Archdiocese and the Archdiocese had a payable to the Knights of Columbus and a corresponding receivable from each of the high schools. As of June 30, 2022 and 2021, the notes receivable and associated notes payable balances for the high schools are nil and \$2,311,000, respectively. Both loans have been paid off as of June 30, 2022.

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The Fulcrum Foundation is an independent corporation from the Archdiocese that supports catholic schools in the Archdiocese of Seattle. During the year ended June 30, 2021, the Archdiocese passed through \$2,084,000 of COVID-19 relief funds to the Fulcrum Foundation. The Archdiocese also awarded \$13,000 and \$222,000 in contributions to the Foundation during the years ended June 30, 2022 and 2021, respectively. The Archdiocese owes the Foundation for cash receipts amounting to \$32,000 and nil at June 30, 2022 and 2021, respectively.

The Archdiocese received grants from the Foundation for the benefit of catholic schools of \$418,000 and \$371,000 for the years ended June 30, 2022 and 2021, respectively. In addition, the Foundation pays the Archdiocese for accounting services of \$112,000 and \$100,000 and for space leased for offices of \$49,000 and \$45,000 for the years ended June 30, 2022 and 2021, respectively. Total amounts due from the Foundation at year end were \$58,000 at June 30, 2022, and \$144,000 at June 30, 2021.

The Called to Serve as Christ Capital Campaign is a separate entity from the Archdiocese. The campaign's goal was to provide long-term funding for the retirement and medical needs of priests and women's religions that serve the Archdiocese of Seattle, as well as to support the individual parishes. During the years ended June 30, 2022 and 2021, the campaign disbursed \$3,278,000 and \$7,344,000, respectively, to the Priest Pension Plan and \$1,231,000 and \$2,757,000, respectively, to the Priest Health Plans.

The Archdiocese maintains a joint venture with the Diocese of Spokane and Yakima through the Washington State Catholic Conference. The venture is a lobbying activity in which each diocese makes payments to WSCC to cover operational costs. The Archdiocese paid the venture \$214,000 and \$286,000 for the years ended June 30, 2022 and 2021, respectively. The Archdiocese also receives lease income from the venture. For the years ended June 30, 2022 and 2021, lease income amounted to \$15,000 for both years.

The Archdiocese maintains a service agreement with the Associated Catholic Cemeteries (ACC), a separate entity from the Archdiocese. The Archdiocese provides services including payroll, benefits, and related costs, which ACC reimburses the Archdiocese for. ACC reimbursed the Archdiocese \$2,665,000 and \$2,714,000 during the years ended June 30, 2022 and 2021, respectively. ACC also participates in the Archdiocesan insurance program, of which insurance revenues totaled \$135,000 and \$139,000 for the years ended June 30, 2022 and 2021, respectively.

The Archdiocese process payroll for all the parishes, schools, and other related entities that are not separately incorporated. For the years ended June 30, 2022 and 2021, total payroll was \$151,074,000 and \$152,663,000, respectively. Total employee and employer paid benefits were \$35,345,000 and \$36,897,000 for the years ended June 30 2022, and 2021, respectively. These amounts include the payroll and benefits included on the statement of functional expenses for CCAS. All remaining amounts are reimbursed by the other entities.

The insurance program covers all of the entities referenced in this footnote. Refer to Note 11.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

10. Pension and Health Plan Benefits

The Archdiocese maintains the following separate plans, which provide retirement benefits to all lay employees and Archdiocesan priests who meet eligibility requirements:

- The Archdiocesan Pension Plan for Lay Employees (a defined contribution plan)
- Archdiocesan 403(b) Savings Plan (a defined contribution plan)
- Pension Plan and Trust for the Priests of the Archdiocese of Seattle (a defined benefit plan)
- Priests' Health Plan (a defined benefit plan)

In addition, the Archdiocese contributed to retirement plans maintained by the various religious orders of women. The assets and liabilities of these pension plans are separately managed and are not included in these financial statements.

The pension plans are not subject to the requirements of Title I of the Employee Retirement Income Security Act of 1974. A summary of each of the four plans sponsored by the Archdiocese is as follows:

The Archdiocesan Pension Plan for Lay Employees is a noncontributory defined contribution plan. The plan covers all eligible employees of the Archdiocese who are not ordained priests or members of a religious order. The costs of the plan are paid by the employing parishes, schools, and agencies. Annual contributions to the plan are made on the basis of 6% of gross annual earnings of each eligible employee.

Pension expense for the years ended June 30, 2022 and 2021, was \$581,000 and \$566,000, respectively. This represents the contribution by the Archdiocese on behalf of lay employees working in the Chancery.

The Archdiocesan 403(b) Savings Plan is a tax deferred savings plan covering substantially all employees of the Archdiocese. There are no matching contributions for employees at the Chancery except for eligible priests. Archdiocesan contributions to this plan were not material during the years ended June 30, 2022 and 2021.

Pension Plan and Trust for the Priests of the Archdiocese of Seattle is a noncontributory defined benefit plan covering all eligible Archdiocesan priests. Contributions from parishes, schools, and agencies employing priests outside the Archdiocese, along with contributions from the Called to Serve as Christ Campaign, are recognized as a reduction to pension expense by the Archdiocese.

On January 1, 2018, a new plan, the Frozen Pension Benefit Plan for Priests, was created for priests who are on permanent prayer and penance or have been reduced to the lay state under the Norms accompanying the charter for the Protection of Children and Youth. These Priests were removed from the Priests' Pension Plan and all related assets and liabilities were transferred into the new plan. The assets and liabilities related to the Frozen Pension Benefit Plan for Priests are included with the Pension Plan and Trust for the Priests of the Archdiocese of Seattle on the statements of financial position (collectively, the Priests' Pension Plans).

Priests' Health Plan is a plan used by the Archdiocese to provide health benefits including medical, dental, vision, and other benefits to its active, retired, and inactive priests ordained or incardinated in the Archdiocese of Seattle. Contributions from parishes, schools, and agencies employing priests outside the Archdiocese, along with contributions from the Called to Serve as Christ Campaign, are recognized as a reduction to health plan expense by the Archdiocese.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

The post-retirement benefits described above are provided at the discretion of the Archbishop and may be changed in the future.

Obligations, Funded Status, and Assumptions

The following tables summarize the funded status of the Priests' pension plans and health benefits plan, as well as significant actuarial assumptions based on a June 30 measurement date:

	2022		2021	
	Priests' Pension Plans	Priests' Health Plan	Priests' Pension Plans	Priests' Health Plan
Benefit obligation	\$ 24,944,000	\$ 11,928,000	\$ 30,293,000	\$ 17,573,000
Fair value of plan assets	29,947,000	*	30,571,000	*

Accrued Asset (Liability) in the Statements

of Financial Position (Funded Status)	\$ 5,003,000	\$(11,928,000)	\$ 278,000	\$ (17,573,000)
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Weighted-average assumptions to determine

benefit obligations:

Discount rate	4.32%	4.42%	2.49%	2.70%
Expected rate of return on plan assets	6.50%	N/A	5.50%	N/A

* As of June 30, 2022 and 2021, the Priest Health Plan held investment assets of \$13,051,000 and \$13,317,000, respectively. However, these assets are not netted against the liability, as the plan covers both active and retired priests.

Benefits payable under the Priest Health Plan are established at certain amounts without regard to levels of compensation paid to priests during employment. Consequently, changes in priests' compensation levels have no effect on the amount of projected or accumulated benefit obligation.

The computations assume annual rates of increase in the per-capita cost of covered health care benefits to be 4.9%, grading down to 3.7% in later years.

Changes in Actuarial Assumptions

During the year ended June 30, 2022, accrued Priests' pension and health benefit costs decreased by a total of \$5,010,000 and \$3,484,000, respectively, due to changes in the discount rate from 2.49% to 4.32% for the pension plan and from 2.70% to 4.42% for health benefits, and an update on the mortality assumptions to reflect the MP-2021 mortality improvement scale recently released by the Society of Actuaries' Retirement Plans Experience Committee.

During the year ended June 30, 2021, accrued Priests' pension and health benefit costs decreased by a total of \$1,006,000 and \$867,000, respectively, due to changes in the discount rate from 2.30% to 2.49% for the pension plan and from 2.56% to 2.70% for health benefits, and an update on the mortality assumptions to reflect the MP-2020 mortality improvement scale recently released by the Society of Actuaries' Retirement Plans Experience Committee.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Contributions

The CTSC contributed \$3,278,000 and \$7,344,000 to the Priests' Pension Plan and Trust for the Priests of the Archdiocese of Seattle and \$1,231,000 and \$2,757,000 to the Health Benefits Plan during the years ended June 30, 2022 and 2021, respectively. In addition, donations from the Annual Catholic Appeal were used to contribute \$600,000 and \$800,000 to the Priests' Pension Plan and Trust for the Priests of the Archdiocese of Seattle and Priests' Health Benefit Plan, respectively, for the year ended June 30, 2022. Donations from the Annual Catholic Appeal were used to contribute \$800,000 to both the Priests' Pension Plan and Trust for the Priests of the Archdiocese of Seattle and Priests' Health Benefit Plan for the year ended June 30, 2021.

Amounts to be paid into the plans from the CTSC for future years are dependent on cash collected against the CTSC pledges. The Archdiocese expects to contribute approximately \$400,000 to its Priests' Pension Plan and \$800,000 to its Priests' Health Plan in the year ending June 30, 2022. The contributions to the Frozen Pension Benefit Plan for Priests is not funded by the Annual Catholic Appeal or the CTSC Campaign. Expected contributions are made as needed and range from approximately \$50,000 to \$100,000.

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The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Benefit Cost and Contributions

Priest pension and health benefit expenses and related contribution information is summarized as follows for the years ended June 30:

	2022		2021	
	Priests' Pension Plans	Priests' Health Plan	Priests' Pension Plans	Priests' Health Plan
Benefit Cost	\$ 549,000	\$ 1,019,000	\$ 1,519,000	\$ 1,054,000
Less:				
Contributions paid by CTSC	(3,278,000)	-	(7,344,000)	-
Contributions and bequests	(1,867,000)	-	(1,806,000)	-
Net (Benefit) Cost	(4,596,000)	1,019,000	(7,631,000)	1,054,000
Change in expense resulting from a change in the minimum liability	(129,000)	(5,987,000)	(6,218,000)	(870,000)
Total (Benefit) Expense	(4,725,000)	(4,968,000)	(13,849,000)	184,000
Archdiocesan Contribution to the Plan	600,000	682,000	800,000	735,000
Total Benefits Paid by the Plan	1,901,000	2,319,000	2,017,000	1,977,000
Items not yet recognized as a component of net periodic benefit cost				
Net loss	10,093,000	16,943,000	11,076,000	16,601,000
Prior service cost	3,496,000	(5,015,000)	2,641,000	972,000
	13,589,000	11,928,000	13,717,000	17,573,000
Reclassification of amounts to net periodic benefit cost				
Net benefit	(984,000)	(5,985,000)	(5,919,000)	(867,000)
Prior service cost	855,000	(2,000)	(299,000)	2,000
	(129,000)	(5,987,000)	(6,218,000)	(865,000)
Amounts expected to be recognized in net periodic benefit cost for the year ending June 30, 2023				
Net gain (loss)*	419,000	N/A	493,000	(1,000)
Prior service cost	371,000	(2,000)	299,000	(2,000)
	\$ 790,000	\$ (2,000)	\$ 792,000	\$ (3,000)

* Amount to be determined for net gain/loss for pension plan.

These plans do not allow participant contributions.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Pension Plan Assets

The Archdiocese's overall strategy is to invest in a diversified portfolio of high-grade securities and other assets to provide long-term growth through income and appreciation in excess of customized indexes and at a lower relative risk. However, market fluctuations may result in capital losses. In general, the Archdiocese's goal is to maintain the following allocation ranges:

Domestic equity securities	33.6% - 50.4%
International equity securities	14.4% - 21.6%
Fixed income and cash surrender value of life insurance	16% - 24%
Real estate and mortgage-backed fixed income funds	16% - 24%

The Archdiocese's Priests' Pension Plan weighted-average asset allocations by asset category are as follows at June 30:

	2022	2021
Cash and cash equivalents	0%	6%
Accounts receivables	1%	2%
Domestic equity securities and mutual funds	55%	48%
International equity securities and mutual funds	20%	19%
Fixed income and cash surrender value of life insurance	9%	9%
Real estate funds	9%	10%
Mortgage-backed fixed income funds	6%	6%
Total	100%	100%

The overall expected long-term rate-of-return on plan assets represents a weighted-average composite rate based on expected rates-of-return for the following individual asset categories:

	2022	2021
Cash and cash equivalents	2.56%	1.97%
Domestic equity securities and mutual funds	6.54%	6.09%
International equity securities and mutual funds	8.33%	7.31%
Fixed income and cash surrender value of life insurance	4.23%	3.59%
Real estate funds	6.56%	5.95%
Mortgage-backed fixed income funds	4.85%	4.23%

Such rates are estimated by adjusting historical results for each category of investment for anticipated market movement.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service for the current population of priests, are expected to be paid for the years ending June 30:

	Priests' Pension Plans	Priests' Health Plan
2023	\$ 2,218,000	\$ 612,000
2024	2,125,000	624,000
2025	1,988,000	626,000
2026	1,932,000	634,000
2027	1,889,000	646,000
2028 - 2031	8,115,000	3,354,000
	\$ 18,267,000	\$ 6,496,000

11. Insurance Program

Property, liability, and workers' compensation insurance coverage is purchased by the Archdiocese on behalf of all parts of the Archdiocese including the parishes, schools, ACC, CCS, Archdiocesan Housing Authority, and Catholic Charities Foundation of Western Washington. Because the Archdiocese acts as an agent for the insurance program, revenue and expenses are presented net in the statement of activities and changes in net assets. The liability insurance includes coverage for sexual misconduct liabilities. The Archdiocese administers the insurance program for the administrative offices, parishes, and other Archdiocesan organizations. It collects premiums from the affected organizations and pays insurance policy premiums and certain claim costs.

Insurance revenue and related expense are the following for the years ended June 30:

	2022	2021
Insurance revenue	\$ 13,176,000	\$ 13,400,000
Insurance expense	(18,937,000)	(11,051,000)
Net Insurance Revenue (Expense)	\$ (5,761,000)	\$ 2,349,000

Further details on insurance program expenses are presented in the statement of functional expenses.

The Archdiocese is self-insured for specific amounts. Coverage for losses in excess of the self-insured limits of liabilities is also purchased. Estimated unpaid claim costs that are self-insured have been recorded as a liability in these financial statements.

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

12. Insurance Claims Payable and Contingencies

Insurance claims payable include the following as of June 30:

	2022	2021
Workers' compensation	\$ 3,900,000	\$ 6,754,000
Property and liability	3,723,000	457,000
Sexual abuse	6,898,000	4,103,000
Employment	50,000	50,000
	\$ 14,571,000	\$ 11,364,000

Property and liability and workers' compensation liabilities represent exposure based on actuarially determined case reserves and incurred but not reported claims for losses up to the Archdiocese's self-insurance level. The Archdiocese is self-insured up to \$500,000 for workers' compensation claims and \$250,000 for property and liability claims.

The Archdiocese is defending claims for damages involving allegations of sexual abuse of minors. These cases date back to abuse that happened between the 1960's and early 1990's. The Archdiocese's policy is to provide counseling assistance to all victims regardless of fault. However, it is also the Archdiocese's policy to ensure that it has competent legal representation in every claim made against it. Liabilities are assessed at the time a claim is reported.

During the year ended June 30, 2022, the Archdiocese settled 11 sexual abuse cases for approximately \$3,713,000, net of insurance. During the year ended June 30, 2021, the Archdiocese settled 14 sexual abuse cases for approximately \$3,069,000, net of insurance.

As of June 30, 2022, there were 24 sexual abuse cases outstanding and in litigation, 9 have settled subsequent to year-end. Management has concluded that reasonable estimates for settlements of these cases would be \$6,898,000, which is recorded as a liability as of June 30, 2022. Additionally, management reviewed the Archdiocese's insurance coverage for each case and has estimated that approximately \$238,000 of the estimated settlement liability will be covered by insurance carriers; this amount has been recorded in accounts receivable. Subsequent to year-end, an additional 9 cases were settled that are included in the liability as of June 30, 2022.

Management considers estimates of settlements of sexual abuse claims and related insurance recoveries to be significant estimates, and it is reasonably possible that the amounts will change in the near term based on further settlements and claims activity. The changes could have a material effect on the financial statements.

13. Endowment

Archdiocesan Endowment

The Archdiocesan endowments consist of 12 individual funds established for a variety of purposes. The endowments include eight donor-restricted endowment funds and four funds designated by the Archbishop to function as endowments (quasi-endowments). Five of the 12 individual funds, or 78%

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

of the endowment fund balance, are restricted for seminarian support. Designated endowments may be re-designated as non-endowed funds at the discretion of the Archbishop. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Management interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Archdiocese classifies (a) the original value of gifts donated to the permanent endowment plus (b) the original value of subsequent gifts to the permanent endowment as net assets with donor restrictions to be held in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets to be held in perpetuity is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Archdiocese in a manner consistent with the standard of prudence described by UPMIFA. In accordance with UPMIFA, the Archdiocese considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Archdiocese
- The investment policies of the Archdiocese

Endowment net assets consist of the following at June 30:

<i>Year Ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual Restrictions	
Donor-restricted endowment funds	\$ -	\$ 2,784,000	\$ 8,474,000	\$ 11,258,000
Quasi-endowment funds	3,129,000	-	-	3,129,000
Total	\$ 3,129,000	\$ 2,784,000	\$ 8,474,000	\$ 14,387,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

<i>Year Ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual Restrictions	
Donor-restricted endowment funds	\$ -	\$ 4,786,000	\$ 8,471,000	\$ 13,257,000
Quasi-endowment funds	4,659,000	-	-	4,659,000
Total	\$ 4,659,000	\$ 4,786,000	\$ 8,471,000	\$ 17,916,000

Changes in endowment net assets are as follows for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual Restrictions	
Endowment Net Assets, June 30, 2020	\$ 2,895,000	\$ 2,853,000	\$ 8,386,000	\$ 14,134,000
Investment return				
Investment income	65,000	94,000	-	159,000
Net appreciation (realized and unrealized)	1,816,000	2,653,000	-	4,469,000
Total investment return	1,881,000	2,747,000	-	4,628,000
Contributions	-	-	85,000	85,000
Appropriation of endowment net assets for expenditure	(117,000)	(814,000)	-	(931,000)
Endowment Net Assets, June 30, 2021	4,659,000	4,786,000	8,471,000	17,916,000
Investment return				
Investment income	113,000	103,000	-	216,000
Net appreciation (realized and unrealized)	(1,543,000)	(1,388,000)	-	(2,931,000)
Total investment return	(1,430,000)	(1,285,000)	-	(2,715,000)
Contributions	-	-	3,000	3,000
Appropriation of endowment net assets for expenditure	(100,000)	(717,000)	-	(817,000)
Endowment Net Assets, June 30, 2022	\$ 3,129,000	\$ 2,784,000	\$ 8,474,000	\$ 14,387,000

The Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle

Notes to Financial Statements

Return Objectives and Risk Parameters

The Archdiocese has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and maintaining compliance with socially responsible investment guidelines of the Church. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s), as well as quasi-endowment funds. Under this policy, as approved by the Archbishop, the endowment investment objectives will be for the asset value, exclusive of contributions or withdrawals, to grow over time and earn, through a combination of investment income and capital appreciation, a rate-of-return (time-weighted total return) in excess of inflation, as measured by the Consumer Price Index and defined benchmarks. Allocations of endowment investments will change over time as circumstances, investment performance, economic, and other conditions change.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Archdiocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Archdiocese targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Archdiocese has a policy of appropriating for distribution each year no more than 5% of its endowment fund's fair value at June 30. This is consistent with the Archdiocese's objective to maintain the purchasing power of the endowment assets held in perpetuity for a specified term, as well as to provide additional real growth through new gifts and investment return. Investment returns depend on many factors, and there can be no assurance that the planned returns will be achieved.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires. As of June 30, 2022 and 2021, there were no funds with deficiencies.

Supplemental Information



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Independent Auditor's Report on Supplemental Information

Most Reverend Paul D. Etienne
Roman Catholic Archbishop of Seattle
The Program and Administrative Offices of the
Corporation of the Catholic Archbishop of Seattle
Seattle, Washington

We have audited the financial statements of the Program and Administrative Offices of the Corporation of the Catholic Archbishop of Seattle as of and for the year ended June 30, 2022, and our report thereon dated December 20, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 3 and 4. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2022 fund information in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

December 20, 2022

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule I - Statement of Financial Position by Fund

<i>June 30, 2022</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Assets					
Cash	\$ 22,601,000	\$ -	\$ -	\$ -	\$ 22,601,000
Investments	45,563,000	-	-	-	45,563,000
Contributions and other receivables	6,349,000	-	-	-	6,349,000
Notes receivable	-	6,000	-	-	6,000
Insurance reimbursement receivable	237,000	-	-	-	237,000
Prepaid expenses and other assets	202,000	-	-	-	202,000
Total Current Assets	74,952,000	6,000	-	-	74,958,000
Endowment investments	-	-	-	17,859,000	17,859,000
Annuity/trust investments	3,748,000	-	-	-	3,748,000
Notes receivable, less current portion and allowance	-	376,000	-	-	376,000
Net priests' pension plan asset	5,003,000	-	-	-	5,003,000
Priests' health plan assets	13,051,000	-	-	-	13,051,000
Property and equipment, net	-	-	18,601,000	-	18,601,000
Other interfund balance	(48,850,000)	48,857,000	-	(7,000)	-
Total Assets	\$ 47,904,000	\$ 49,239,000	\$ 18,601,000	\$ 17,852,000	\$ 133,596,000

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule I - Statement of Financial Position by Fund

<i>June 30, 2022</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Liabilities and Net Assets					
Revolving fund deposits	\$ -	\$ 49,239,000	\$ -	\$ -	\$ 49,239,000
Accounts payable and accrued expenses	4,363,000	-	-	-	4,363,000
Deferred revenue	839,000	-	-	-	839,000
Insurance claims payable	14,571,000	-	-	-	14,571,000
Priests' health plan liability	612,000	-	-	-	612,000
Custodial liabilities	2,643,000	-	-	3,465,000	6,108,000
Total Current Liabilities	23,028,000	49,239,000	-	3,465,000	75,732,000
Net priests' health plan liability, less current portion	11,316,000	-	-	-	11,316,000
Annuity/trust liabilities	2,608,000	-	-	-	2,608,000
Total Liabilities	36,952,000	49,239,000	-	3,465,000	89,656,000
Net Assets					
Without donor restrictions					
Undesignated funds surplus (deficit)	(8,841,000)	-	18,354,000	1,791,000	11,304,000
Designated funds	4,624,000	-	247,000	1,338,000	6,209,000
Total net assets without donor restrictions	(4,217,000)	-	18,601,000	3,129,000	17,513,000
With donor restrictions	15,169,000	-	-	11,258,000	26,427,000
Total Net Assets	10,952,000	-	18,601,000	14,387,000	43,940,000
Total Liabilities and Net Assets	\$ 47,904,000	\$ 49,239,000	\$ 18,601,000	\$ 17,852,000	\$ 133,596,000

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule II - Statement of Activities and Changes in Net Assets by Fund

<i>Year Ended June 30, 2022</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Net Assets without Donor Restrictions					
Revenue and other support					
Parish assessments	\$ 7,031,000	\$ -	\$ -	\$ -	\$ 7,031,000
Program fees	5,053,000	-	-	-	5,053,000
Interest, dividends, and other income	1,822,000	66,000	-	113,000	2,001,000
Contributions	778,000	-	-	-	778,000
	14,684,000	66,000	-	113,000	14,863,000
Net assets released from restrictions					
Satisfaction of time restrictions from the Annual Catholic Appeal	11,097,000	-	-	-	11,097,000
Satisfaction of program restrictions	992,000	-	-	717,000	1,709,000
Total Revenue and Other Support	26,773,000	66,000	-	830,000	27,669,000
Expenses					
Program	14,043,000	-	846,000	-	14,889,000
Management and general	11,390,000	-	648,000	-	12,038,000
Stewardship and development	1,355,000	-	80,000	-	1,435,000
Total Expenses	26,788,000	-	1,574,000	-	28,362,000
Change in net assets before insurance, other gains and losses, and bequests	(15,000)	66,000	(1,574,000)	830,000	(693,000)

**The Program and Administrative Offices of the Corporation of
the Catholic Archbishop of Seattle**

Schedule II - Statement of Activities and Changes in Net Assets by Fund

<i>Year Ended June 30, 2022</i>	Operating Fund	Archdiocesan Revolving Fund	Plant Fund	Endowment and Similar Funds	Total
Insurance revenue and expense, net	\$ (5,761,000)	\$ -	\$ -	\$ -	\$ (5,761,000)
Bequests	1,600,000	-	-	-	1,600,000
Losses on investments	(4,597,000)	-	-	(1,543,000)	(6,140,000)
Net change in priests' pension plans	4,725,000	-	-	-	4,725,000
Net change in priests' health plan	5,379,000	-	-	-	5,379,000
Realized gains on sale of property	550,000	-	-	-	550,000
Internal transfers of net assets without donor restrictions	419,000	(66,000)	464,000	(817,000)	-
Change in Net Assets without Donor Restrictions	2,300,000	-	(1,110,000)	(1,530,000)	(340,000)
Net Assets with Donor Restrictions					
Contributions	11,493,000	-	-	3,000	11,496,000
Investment income	-	-	-	103,000	103,000
Losses on investments	-	-	-	(1,388,000)	(1,388,000)
Net assets released from restrictions					
Satisfaction of time restrictions from the Annual Catholic Appeal	(11,097,000)	-	-	-	(11,097,000)
Satisfaction of program restrictions	(992,000)	-	-	(717,000)	(1,709,000)
Change in Net Assets with Donor Restrictions	(596,000)	-	-	(1,999,000)	(2,595,000)
Total Net Assets					
Change in net assets without donor restrictions	2,300,000	-	(1,110,000)	(1,530,000)	(340,000)
Change in net assets with donor restrictions	(596,000)	-	-	(1,999,000)	(2,595,000)
Total Change in Net Assets	1,704,000	-	(1,110,000)	(3,529,000)	(2,935,000)
Net Assets, beginning of year	9,248,000	-	19,711,000	17,916,000	46,875,000
Net Assets, end of year	\$ 10,952,000	\$ -	\$ 18,601,000	\$ 14,387,000	\$ 43,940,000