Dear Friends in Christ,

“Stewardship always starts with the personal experience of the Risen Christ in our midst and in our hearts. It is a vocation to discipleship. The following of Christ as a disciple entails a personal response.” These words from the U.S. bishops’ pastoral letter, “Stewardship: A Disciples Response,” summarize the true source and character of the unique expression of discipleship we call stewardship.

Each year it is my responsibility — and my privilege — to provide an annual report to the Catholic people of Western Washington. It is an accounting not just of numbers and donations, but of the presence of the Lord Jesus in our midst and in our souls. Through the annual report, I am able to fulfill my responsibility to be transparent in reporting the financial status of the Archdiocese of Seattle, its parishes, schools and charities. Publishing this report is also a personal privilege for me, because it gives me the opportunity each year to review and acknowledge with deep gratitude your stewardship of the treasure God shares with you. It is an annual duty that I find both humbling and inspiring.

Because of your generosity, the 2014 Annual Catholic Appeal, which supports more than 60 ministries throughout Western Washington, again set an all-time record raising more than $14 million! I give thanks for your generosity in the past year, not only in support of the many ministries of the Archdiocese, but also for your support of our parishes, Catholic schools and charities. I also thank our Archdiocesan Finance Council and members of Parish Finance Councils for the service they provide to ensure financial accountability for the gifts entrusted to the local Church.

I trust that you will find in this report one indication among many that the Risen Christ is truly at work in our midst. This report is not simply an accounting of finances; it also affirms that disciples in the Archdiocese of Seattle have encountered the Lord Jesus and have made a personal, generous response to him.

I submit this 2013-2014 Financial Report with gratitude and a promise of prayer for you and your loved ones!

Sincerely in Christ,

[Signature]

Archbishop Peter Sartain
Statements of Activities

ANNUAL REPORT 2013/2014
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 (OYAYE), 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.

CHANCERY PROGRAMS & SERVICES
Following is the Statement of Activities for the Chancery for the fiscal years 2013/2014 and 2012/2013. Chancery offices and services assist Archbishop Sartain in his pastoral and administrative responsibilities. Management comments may be found on the following page.

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### Chancery Programs and Services Statement of Activities
For the Fiscal Years ended 2013-2014 and 2012-2013

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2014 Total All Funds</th>
<th>June 30, 2013 Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue and Other Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parish Assessments</td>
<td>$6,040,000</td>
<td>$5,891,000</td>
</tr>
<tr>
<td>Investment Income (Losses) on Revolving Funds</td>
<td>370,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Investment Income (Losses) on Endowments</td>
<td>299,000</td>
<td>122,000</td>
</tr>
<tr>
<td>Investment Income (Losses) on General Reserve</td>
<td>778,000</td>
<td>488,000</td>
</tr>
<tr>
<td>Realized Gains (Losses) on Sale of Property</td>
<td>$(12,000)</td>
<td>.</td>
</tr>
<tr>
<td>Program Fees and Advertising</td>
<td>4,188,000</td>
<td>3,253,000</td>
</tr>
<tr>
<td>Contributions and Bequests</td>
<td>926,000</td>
<td>1,407,000</td>
</tr>
<tr>
<td>Insurance Program Premiums</td>
<td>10,189,000</td>
<td>10,313,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,332,000</td>
<td>1,307,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$33,577,000</td>
<td>$22,800,000</td>
</tr>
<tr>
<td><strong>Net Assets Released From Restrictions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Catholic Appeal (2013 and 2012)</td>
<td>10,882,000</td>
<td>10,726,000</td>
</tr>
<tr>
<td>Restricted and Designated Funds</td>
<td>658,000</td>
<td>1,399,000</td>
</tr>
<tr>
<td><strong>Total Revenue and Other Support</strong></td>
<td>$35,117,000</td>
<td>$34,885,000</td>
</tr>
</tbody>
</table>

| **Expenses** |                               |                               |
| Catholic Faith Formation | 915,000 | 910,000 |
| Catholic Schools     | 1,350,000 | 1,357,000 |
| Contributions to CCSWW | 683,000 | 688,000 |
| Donations, Grants and Subsidies (includes OYAYE) | 1,412,000 | 1,386,000 |
| Missions Office       | 261,000 | 256,000 |
| Office of the Vicar for Clergy | 3,327,000 | 3,454,000 |
| Communications        | 1,487,000 | 886,000 |
| Tribunal              | 499,000 | 521,000 |
| Priest and Retired Bishop Support | 1,668,000 | 2,049,000 |
| Pension               | 1,064,000 | 963,000 |
| General Administration | 10,630,000 | 9,876,000 |
| Insurance Program     | 15,237,000 | 14,353,000 |
| Revolving Fund Interest & Bad Debts | 920,000 | 662,000 |
| Plant Fund Depreciation & Interest | 1,438,000 | 1,376,000 |
| **Total Expenses**    | $40,891,000 | $38,732,000 |

| **Change in Unrestricted Net Assets** |                               |                               |
| Change before Unrealized Gains (Losses) and Transfers | $(5,774,000) | $(3,847,000) |
| Unrealized Gains (Losses) on Investments - General | 2,279,000 | 1,753,000 |
| Unrealized Gains (Losses) on Investments - Endowments | 1,754,000 | 893,000 |
| Change in Minimum Pension Liability | 372,000 | 1,691,000 |
| Change in Minimum Other Benefit Liability | (1,032,000) | 4,638,000 |
| Impairment of Property | (965,000) | . |
| **Change in Unrestricted Net Assets** | $(2,906,000) | $5,128,000 |

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

Given the title 'Pontifical' in 1922, 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 the faithful of their Baptismal call to mission, as they gather basic support for more than 1,150 mission dioceses in Asia, Africa, the Pacific Islands and Latin America. The Pontifical Mission Societies include the Society for the Propagation of the Faith, the Missionary Childhood Association, and the Society of St. Peter Apostle. www.onefamilyinmission.org

In fiscal year 2013-2014, the Missions Office received and distributed $2,544,181.03 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 Build Hope (now called the Catholic Campaign for Human Development - CCHD) collection, emergency responses, and designated gifts and bequests. www.seattlearchdiocese.org/missions
During 2013-2014, the 58 diocesan elementary schools, four additional Catholic elementary schools and Eastside Catholic Middle School provided a high-quality Catholic education to 16,138 students. Of these, 80% 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 1041 students of that total.

Eleven Catholic high schools served an additional 6,237 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 2,226 students, whose budgets totaled $30,505,699.

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 4,011 students with combined budgets of $69,966,240.

A total of 1,463 teachers delivered an educational program to the elementary children, and 641 full and part time secondary teachers instructed the high school students.

Sources of Parish School Revenue

Parish school operating revenues for 2013/2014 totaled $166.8 million. Tuition and Fees accounted for almost 70% 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 16% of ordinary income in support of their schools.

Funds Distribution

- Tuition Assistance 58% ($2,234,587)
- Assistance to Schools 33% ($1,256,324)
- Special Initiatives 6% ($220,127)
- Program Planning and Management 2% ($97,889)
- Assistance for Teachers 1% ($32,010)

Total Program Services 100% ($3,840,937)

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 2014, more than $1,800,000 was distributed by the Fulcrum Foundation to families, schools, and teachers in Catholic schools in Western Washington. Fulcrum’s success has meant a sounder financial footing for our Catholic schools, which continue to make excellent academic, religious, and co-curricular programs accessible to more students. This report highlights the distributions of tuition assistance, assistance to schools in need, and grants for teacher and staff initiatives for fiscal year 2014 that are making a difference in the lives of families, schools, and communities across Western Washington.

To view Fulcrum’s complete 2014 Annual Report, go to www.fulcrumfoundation.org.
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. Through Archdiocesan events, such as the Catholic Youth Convention and Junior High Rally, 1,530 youth from 82 parishes have had a unique opportunity to encounter Christ as they celebrate their faith as part of the Universal Church. Over the last year 384 youth participated in other direct programs of the office including Confirmation retreats, and weeklong service trips, and 100 youth from over 30 parishes gained concrete skills to lead as Catholic disciples in their parish through two leadership camps.

YOUNG ADULT MINISTRY

Through young adult ministry in the form of leadership development, formation events, and college campus ministry, the Archdiocese has ministered to over 1,200 participants ages 18-39 in Western Washington. In the past year we have expanded young adult ministry to include new programs specifically designed for young adults as well as improved on previous programs.

CYO ATHLETICS

CYO Athletics coordinated league competition and championships for approximately 50 Catholic parish/ school 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, 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 youth team members and an estimated 3,000 adult volunteer coaches, coordinators and commissioners. Over 300 coaches were trained in the “Play Like a Champion Today” coaches workshop, and an associated parent workshop was also offered as an additional resource for parishes and schools.

CYO CAMP SERVICES

This past year approximately 950 youth from 20 Catholic schools across the Archdiocese of Seattle 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. 1,347 youth enjoyed a session of residential summer camp or day camp, while 99 young adult staff members served as ministers and models of faith to them. Together, they grew and created a vibrant Catholic community of service and discipleship. Additionally 185 took advantage of our growing weekend family camp programs offered at both Camp Hamilton and Camp Don Bosco. Our high school resident camps were located at Camp Hamilton. We distributed over $75,000 in financial aid.

Mission Statement

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

Summary of Operations 2013/2014

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burial Rights &amp; Other Sales less Adjustments</td>
<td>3,665,000</td>
</tr>
<tr>
<td>Cemetery &amp; Mausoleum Care</td>
<td>570,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>440,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>15,000</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>4,690,000</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>6,814,000</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>2,924,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>3,821,000</td>
</tr>
<tr>
<td>Grounds Maintenance</td>
<td>(402,000)</td>
</tr>
<tr>
<td></td>
<td>(3,323,000)</td>
</tr>
</tbody>
</table>

| Change in Unrestricted Net Assets       | (348,000) |

Calculation of Annual Report Figures

Fiscal Year 2012/2013 ($ in thousands)

- Fees for Service - $1,064 (67%)
- Archdiocesan Subsidy - $716 (27%)
- Archdiocesan Scholarship Funds - $75 (3%)
- Released from Restricted funds - $56 (2%)
- Donation Income - $56 (1%)
- Linked Way Support - $2 (0%)

Total Income General - $2,828 (100%)

Net Expenditures in Excess of Revenue - ($38) 1%

http://www.seattlearchdiocese.org/oyyae

Associated Catholic Cemeteries

Associated Catholic Cemeteries is comprised of four cemeteries and has buried more than 82,500 people over 125 years. 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 929 burial services during 2013/2014. 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, 2014 show a Net Loss from Operations of $348,000. While sales for the year totaled approximately $5.95 million, $1.17 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 20% 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.
As the Catholic Charities arm in Western Washington—a faith-based and values-driven outreach of the Catholic Church—Catholic Community Services (CCS) and Catholic Housing Services (CHS) of Western Washington have provided safety, stability and supportive connections in the lives of men, women and children in need for more than 95 years. CCS/CHS is the largest local private provider of assistance to poor and vulnerable people in the State of Washington. Under the leadership of Archbishop J. Peter Sartain, and at the direction of the Boards of Trustees and Michael L. Reichert, President, the staff of CCS and CHS provide loving and compassionate service to persons in need throughout Western Washington.

Together with parish communities, CCS and CHS provide an array of services to those in need through more than 170 programs. CCS has 12 family centers which are multi-service centers providing a variety of programs based on the needs of the particular communities in which they are located. The Long Term Care System provides home care services for seniors and people with disabilities of all economic backgrounds, as well as community based services at 29 sites 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 at 50 properties throughout the region. In each area of the Archdiocese, services are based on local needs and funding. Services are provided through a variety of sources, including contracts with cities and counties, contracts with state and federal governments, fees for services, private donations and foundations, and United Way. Archdiocesan funding is provided through the Annual Catholic Appeal, CCS Week, and a variety of specific family center and program appeals throughout the year. The Catholic Charities Foundation also provides funding.

CCS FAMILY CENTERS

CCS has 12 family centers located throughout Western Washington. CCS family centers reflect the needs and resources in each community where they are located. Wherever possible, family centers tailor a unique approach to each family that comes to them in need. Family center staff work to integrate all the services available in a community to nourish self-sufficiency and achieve wholeness and 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 18,600 people were served by Catholic Community Services’ Long Term Care System. With more than 2,200 staff and 200 volunteers at 15 local offices throughout the community, the Long Term Care System serves seniors and people with disabilities of all economic backgrounds in all counties in Western Washington. Services include home care to over 5,000 individuals, the African-American Elders Program in King County, 28 senior meal sites in King and Pierce Counties that offer “more than a meal” to low income seniors, nail care at 28 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.

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

THE FAMILY PRESERVATION SYSTEM

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


CATHOLIC HOUSING SERVICES

Catholic Housing Services (CHS) believes in every person having the right to a safe, affordable place to call home. CHS provides 2,090 affordable permanent housing units at 50 properties throughout Western Washington, serving single persons, families, seniors, and persons with special physical and mental needs. Most CHS housing includes resident support services in addition to a clean and safe place to live. CHS provides a continuum of care for some of the most vulnerable populations, in partnership with local, state and federal government agencies, public funders and private lenders, and dedicated staff and volunteers.


In addition to the 2014 Operating Budgets, CCS and CHS are the managing general partners or program managers for 29 affordable housing projects with a combined operating budget of $9,545,485.

The Catholic Charities Foundation of Western Washington reported assets of $14 million, as of June 30, 2014, that were invested for the benefit of CCS and CHS. For the year ending June 30, 2014, the Foundation distributed $675,000 to CCS and CHS.

COMBINED CCS/CHS OPERATING BUDGETS – $140,279,724
Fiscal Year 2013/2014 (In thousands)

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>DISBURSEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Fees and Contracts</td>
<td>71.84% – $100,782,506</td>
</tr>
<tr>
<td>Private Support/Contributions</td>
<td>12.03% – $16,874,873</td>
</tr>
<tr>
<td>Private Fees for Service</td>
<td>13.87% – $19,446,298</td>
</tr>
<tr>
<td>United Way</td>
<td>0.39% – $562,964</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>1.56% – $1,663,063</td>
</tr>
</tbody>
</table>

Catholic Community Services
Catholic Housing Services
of Western Washington

Significant Savings

FREE Pre-Need Planning Guide filled with useful information.

Information about Planned Giving (Wills and Basic Estate Planning).

Catholic Community Services’ Audit.

Audited Financial Statements of the Centrally Managed Ministries of the Corporation of the Catholic Archbishop of Seattle as of 6/30/14.

Audited Financial Statements of the Fulcrum Foundation as of 6/30/14.
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 1.9% last year, a slight decline from the prior year's rate of 2.14%. The 1.9% increase is close to the average increase we have experienced in the last 10 years. One hundred sixty (61%) of our parishes experienced increases in ordinary income and sixty seven (39%) of our parishes experienced declines in ordinary income. As we know, our Parishes vary significantly in size and economic circumstances.

Annual Appeal
For the first time, contributions to the Annual Catholic Appeal actually exceeded $14.0 million, an increase of 1.7% over 2013. Total rebates to Parishes were $3 million, an increase from the $2.8 million rebated in 2012. There was also generous support of Catholic Charities, the Fulcrum Foundation, and other ministries of our Church.

The Chancery
Program fees increased by $935,000 due to revenues related to new Payroll and Benefits systems. Restricted and designated funds revenues declined by $701,000 resulting in total revenues and other support of $35.1 million up slightly from $34.9 million in the prior year.

Total expenses increased to $40.9 million. Communications costs increases resulted from publication of NW Catholic Magazine. General and administration costs increased primarily as a result of new benefits and payroll system expenses and costs related to the tax identity theft issue. Finally, insurance program costs increased because of additional sexual abuse settlement costs.

The final settlements for the Christian Brothers 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.

The Archdiocese's portion of the Christian Brothers' settlement was funded by our Archdiocesan Insurance Program and deposits to our Archdiocesan Revolving Fund. We expect that, over time, the deposits utilized to fund the settlement will be replenished from revenues of the Archdiocesan insurance program.

Investment results continued to improve through June of 2014. Investment gains for 2014 reflect a significant increase to $4.5 million compared with $2.6 million in 2013. Investment performance declined in the latter half of calendar 2014. Limited distributions of approximately 2% of General Reserve investments were made in 2014. Similar distributions are planned in 2015.

The effects of changing interest rates and other underlying assumptions continued to impact the adjustments to pension and other benefit liabilities. A loss of $660,000 was recorded in 2014. Large gains were recorded in 2013. As interest rates fluctuate, we will continue to see changes in the amounts reflected in our Statement of Activities for adjustments to minimum Pension and Other Benefits liabilities. It is important that we increase the funding of our obligations for Priests' pension and other post retirement benefits.

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
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Mr. Scott Burns
Rev. Patrick Freitag
Mr. Mel Kelso
Mr. Kevin Hylton
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Mr. Fred Weiss
Mr. Bob McLaughlin
Staff: Mr. Frank Feeman, CFO, Archdiocese of Seattle

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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 (ABC) guides and assists parishes, agencies, and other archdiocesan entities in the planning, building, and remodeling of their facilities.

Executive Director of the Chancery: Dennis J. O'Leary
Chairperson: Bill Rutledge
Frank Feeman
Rev. Richard K. Hayatsu
Dennis Lehtinen, Dan Miles
Jim Napolitano, Joe Sacquinte
Don Severide, Peter Somers
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