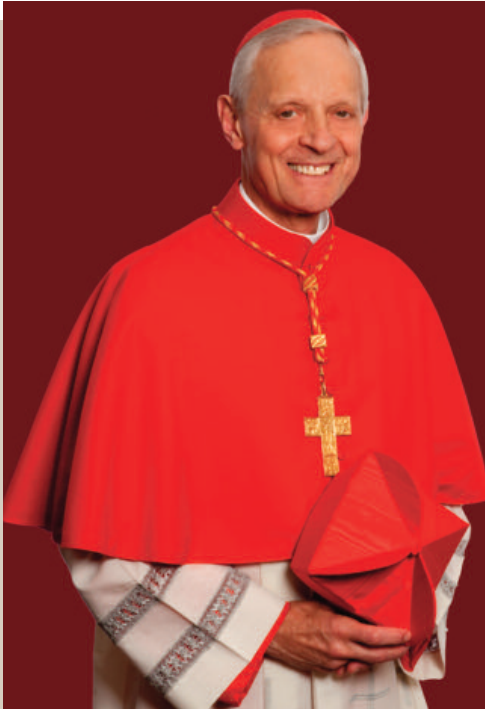


FINANCIAL REPORT



to the People of the Archdiocese of Washington | Fiscal Year 2015-16 | January 12, 2017

Dear Brothers and Sisters in the Lord,



It is with a spirit of profound gratitude that I present to you the Financial Report for the Central Pastoral Administration of the Archdiocese of Washington for fiscal year 2015-16. This overview of the careful stewardship of the funds received by this archdiocesan Church tells the story of God's kingdom of love and peace alive and at work in our community today.

Much of this past financial year coincided with the Jubilee of Mercy, which recalled that "the beating heart of the Gospel" is mercy and the mission of the Church is to manifest this "wellspring of joy" by bringing to others the goodness, tenderness and love of God (*Misericordiae Vultus*, 3, 12). Moreover, added Pope Francis in his apostolic exhortation published during this holy year, "Since we were made for love, we know that there is no greater joy than that of sharing good things" (*Amoris Laetitia*, 129).

We can all rejoice in your own generous sharing, which reverberates throughout the Church of Washington and greater community to touch so many of our sisters and brothers. It is a testament to your merciful concern for others and love of Jesus Christ. As you review the information in this report, I hope you will gain a greater understanding of all the spiritual and material good you make possible thanks to your support, including Catholic education, social services, parish

ministries, family life and youth activities, and many other programs and initiatives.

Accountability is an important part of the faithful stewardship of the monies entrusted to our care and therefore there are many safeguards in place. For example, the financial and budgetary decisions of the archdiocese are carefully reviewed before being approved to ensure that they reflect the mission of the Church and audits of financial operations are conducted regularly. The figures, facts and data published in this report offer transparency with respect to the distribution and use of funds as well, but they also are a reflection of your own faith commitment.

Thank you for everything that you do to support and build up the Church and thereby make visible in the world today the merciful and compassionate love of Jesus Christ.

Asking God's blessings on you and your families, and with every good wish, I am

Faithfully in Christ,

Archbishop of Washington



The financial information included in this report (except the information related to affiliated agencies on pages 4 and 5 and parishes and schools on page 8) is derived from the June 30, 2016 audited financial statements, which are available at adw.org/financial-reports.

REVENUE

ARCHDIOCESAN CENTRAL PASTORAL ADMINISTRATION

Sources of Revenue

Archdiocesan revenue for the 2015-16 fiscal year was \$40.5 million.

The Cardinal's Appeal is the largest source of operating income for the archdiocese, with nearly \$14.2 million received in the 2015-16 fiscal year to support programs and ministries around the archdiocese. Money from the Appeal is used to support children attending Catholic schools, men studying to become priests, pro-life and ethnic ministries and many other pastoral ministries and social concern programs in our local community.



Assessments, which come primarily from parishes, accounted for the second largest source of revenue, contributing \$13.1 million. They are used to fund needed support services for administration, communications, development, religious education and facilities costs, as well as support for education, financially needy parishes, schools, organizations and families. Parish assessments averaged 9 percent of total parish income.

Gifts and grants include current year bequests and other one-time gifts to the archdiocese, including some restricted for specific purposes.



Fees and other income of more than \$5.6 million were collected primarily for services provided to others, such as administering insurance billing and claims, investing and monitoring the lay and priest retirement and other investment funds, and fees for programs held throughout the archdiocese.



Rental income of \$2.6 million includes rent from affiliated service providers such as Catholic Charities and St. Ann's Center for Children, Youth and Families that pay rent on archdiocesan buildings used for their programs. The archdiocese then makes equal contributions to these corporations so there is an offsetting expense in Pastoral Ministry and Social Concerns. The balance excludes \$1.1 million of non-cash rental income.

Investment losses totaled \$1.4 million during fiscal year 2015-16. We, like most investors over the period July 1, 2015 to June 30, 2016 experienced investment losses. However, for the calendar year to date through November 30, 2016, we have experienced net investment gains.

In addition to the revenue and expense, the archdiocese has **insurance services** revenue of \$44.3 million and expenses of \$43.8 million primarily representing pass-throughs of amounts received from parishes and agencies and paid out in claims and benefits. The insurance funds also had \$0.8 million in investment losses net of other non-operating income.

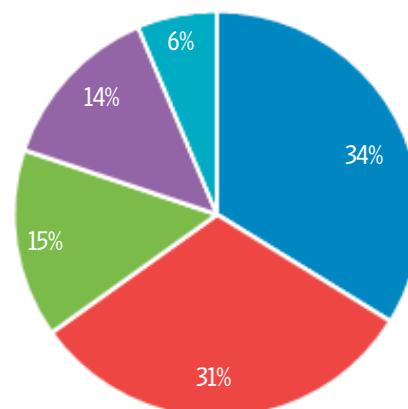


Archdiocese of Washington WHO WE ARE 2015-16 fiscal year

- ▶ 621,000 Catholics
- ▶ District of Columbia and five Maryland counties
- ▶ 139 parishes and 9 missions and communities
- ▶ 95 Catholic schools, including 62 archdiocesan elementary schools and early childhood programs and 2 archdiocesan high schools
- ▶ 26,848 students in Catholic schools
- ▶ 24,639 students in religious education
- ▶ 303 priests, including 208 active and 80 retired archdiocesan priests
- ▶ 65 seminarians
- ▶ 181 active permanent deacons
- ▶ 497 religious women and 562 men religious serving in the archdiocese

Central Pastoral Administration Revenue | Year ended June 30, 2016

Cardinal's Appeal	\$ 14,172,000
Assessments	13,134,000
Gifts and grants	6,295,000
Fees and other income	5,668,000
Rental income	2,658,000
Investment income (loss)	(1,442,000)
Total Revenue	\$ 40,485,000



- Cardinal's Appeal 34%
- Assessments 31%
- Gifts and grants 15%
- Fees and other income 14%
- Rental income 6%

EXPENSES

ARCHDIOCESAN CENTRAL PASTORAL ADMINISTRATION

The Year of Mercy in the Church of Washington

The generous support from the people throughout the archdiocese enables the Church of Washington to carry out its mission and spread the Word of God.

The Archdiocese of Washington ordained 14 permanent deacons in late June 2015. The new deacons for the archdiocese came from a variety of backgrounds, including a commercial airline pilot, a molecular biologist, and several who work in the federal government and IT field. The men completed almost five years of theological study in preparation for ordination, while working in full-time jobs. They will assist parishes throughout the archdiocese.

On November 7, a record number of 800 teachers, catechists, youth ministers and religious leaders from the archdiocese attended Catechetical Day, a one-day event held for teachers of the Catholic faith to pray and reflect about teaching the faith and renew their commitment to serve. Cardinal Wuerl echoed Pope Francis' words from the papal visit when he invited Catholics to be witnesses to the faith by sharing the joyful spirit of God. "Sharing" means to tell others the story of Jesus," Cardinal Wuerl said.

Cardinal Donald Wuerl celebrated a number of special liturgies in honor of the Year of Mercy, beginning December 2015. The pope had asked that Holy Doors be opened at cathedrals and churches around the world, as a sign of God's mercy, inclusive to all. The cardinal marked the start of this special time of grace on December 8 when he opened the Holy Door, "a symbol of God's loving welcome in the Jubilee Year of Mercy" and celebrated Mass at the Basilica of the National Shrine of



Cardinal Wuerl and priests of the archdiocese approach the Holy Door of Mercy at the Cathedral of St. Matthew at the opening of the door on Dec. 7, 2015.

the Immaculate Conception and at the Cathedral of St. Matthew the Apostle, which celebrated its 175th anniversary in November 2015.

"This is a moment of grace, a year in which we are all called to experience, once again, personally and as a family, God's great love for us even when we fail, even when we sin," Cardinal Wuerl said in his homily during Mass at the Cathedral of St. Matthew the Apostle.

Over 1,370 prepared to enter into full communion with the Catholic Church in February. For some, Pope Francis provided the inspiration RCIA candidates needed to take the necessary steps into the Church. For others, Cardinal Wuerl's welcoming words on ETWN reminded individuals that God is all-forgiving and loving. The new Catholics came from almost every one of the 139 parishes and six universities across the archdiocese. Twenty-one candidates became full members of the universal church at the Easter Vigil at

the Cathedral of St. Matthew the Apostle.

Cardinal Wuerl reminded the eight newly ordained priests in June 2016 that they are reflections of God's love and mercy, living and visible in the ministry.

For newly ordained Father Stephen Wyble, attending daily Mass at The Catholic University of America inspired him to think differently about priesthood. He saw the way priests spend their days getting to know God better and helping others encounter God more deeply. "Walking with people in their lives, being with them in their joys and hopes, in their griefs and anxieties - this is what I hope to do as a priest," he said.

While the Jubilee Year of Mercy symbolically closed on the Solemnity of Christ the King, the people of the Church of Washington will continue to keep their hearts open to the grace of the Lord.

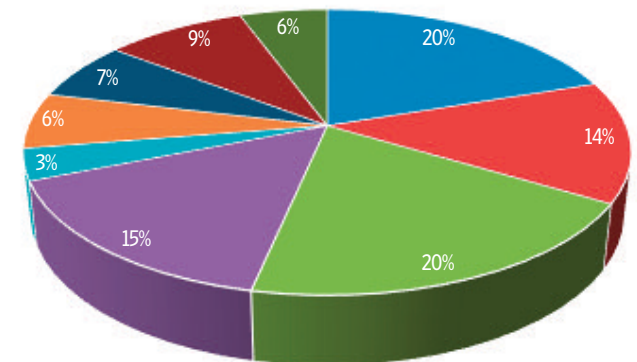
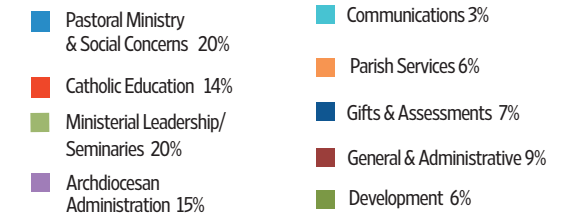
Central Pastoral Administration Expenses

Year ended June 30, 2016

Pastoral Ministry & Social Concerns	\$ 8,009,000
Catholic Education	5,555,000
Ministerial Leadership/Seminaries	7,978,000
Archdiocesan Administration	6,283,000
Communications	1,428,000
Parish Services	2,561,000
Gifts & Assessments	2,705,000
General & Administrative	3,616,000
Development	2,252,000
Total Expenses	\$ 40,387,000

Total Revenue	\$ 40,485,000
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Operating surplus	\$ 98,000
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Operating Expenses

The Secretariat for Pastoral Ministry and Social Concerns expenses totaled \$8 million, assisting pastors and parish leaders in increasing the parishes capacity for evangelization, formation of laity for active participation in the parish and as witnessed in the world. Through its offices, it gives voice to the truth of the Gospel and promotes the dignity of human life at every stage. The offices of the Secretariat serve the cultural diversity of the parish through the lens of families, youth, young adults, social concerns, healing ministry, ministry to those hospitalized and imprisoned.

The Secretariat Catholic of Education expenses were more than \$5.5 million, which included support for students in Catholic elementary and high schools across the archdiocese as well as the Catholic Schools and Religious Education Offices that provide support to Catholic education for children and adults. A portion of this expense enabled the archdiocese's Catholic Education Foundation to award \$5.8 million in tuition assistance, which is covered in more detail on page 7.

The Secretariat for Ministerial leadership and seminaries included the education and training of our seminarians, the largest

expenditure in the nearly \$8 million spent. In 2015-16, 65 seminarians studied to become priests for the Archdiocese of Washington. The archdiocese owns and operates two seminaries: the Redemptoris Mater Archdiocesan Missionary Seminary in Hyattsville and Saint John Paul II Seminary in Washington, DC. Continuing education and special medical care for priests, the Office of Vocations, the Office of the Diaconate and the Office of Consecrated Life are all part of ministerial leadership.

Archdiocesan administration expenses included the Office of the Archbishop and three auxiliary bishops, the Office of the Chancery, the Office of Government Affairs and the Office of General Counsel.

The Secretariat for Communications was created as part of a focus in the archdiocese on the "New Evangelization," encouraging Catholics who participate in the Church to reinvigorate their own faith and invite others whose faith has grown stale to reconnect and rediscover Christ. It includes the Office of Media and Public Relations, Office of Digital Media and Office of Multimedia Production. The Catholic Standard and El Pregonero newspapers are also part of the Secretariat but are primarily funded by Carroll

Media Company, which is an archdiocesan agency whose financial results are reported on page 4.

Parish services included the Office of Parish and School Financial Operations and portions of the Office of Facilities Management and the Office of Human Resources.

Gifts and assessments represented required membership assessments from the Holy See and organizations such as the United States Conference of Catholic Bishops and Maryland Catholic Conference, as well as modest gifts the archdiocese made to other Catholic organizations.

General and administrative expenses included the archdiocesan Offices of Finance, Information Technology, Facilities Management and Human Resources.

The Secretariat for Development serves the archdiocese through running the Cardinal's Appeal, the Catholic Education Foundation, the Forward in Faith foundation, planned giving and other financial outreach.

ARCHDIOCESAN AGENCIES



Cardinal Wuerl serves hot meals to those in need at St. Maria's Meals outside Catholic Charities headquarters in downtown Washington. The St. Maria's Meals Program serves dinner each week in Camp Springs and Washington and breakfast in Silver Spring.

The Gospel comes alive in the work of Catholic Charities in the Archdiocese of Washington. "Jesus teaches us how we are to show that mercy to others: we are challenged to envision a world where the hungry are fed, the thirsty are given drink, the stranger is welcomed, and the naked are clothed," Cardinal Wuerl said.

At a cost of nearly \$147 million last year, the archdiocese's charitable and social concern agencies care for the poor, shelter the homeless, and protect the vulnerable. More than \$24 million was spent by education corporations, which include the two archdiocesan high schools: Archbishop Carroll High School in Washington, D.C., and Don Bosco Cristo High school in Takoma Park.

This financial summary does not replace those produced by these agencies, which are separately incorporated with various sources of revenue, but is included to provide an understanding of the profound impact they have across the archdiocese.

Catholic Charities

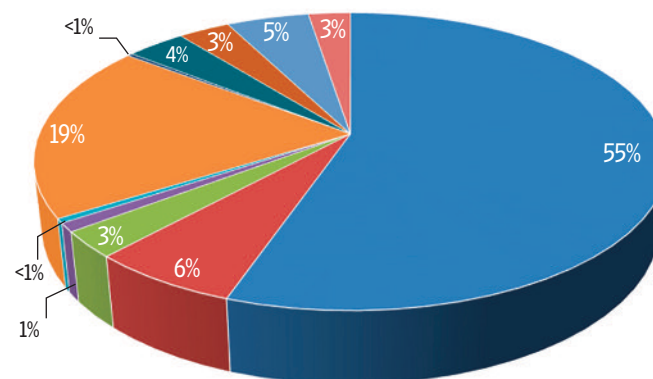
Guided by Catholic teaching and inspired by Christ's call to serve, Catholic Charities strengthens the lives of all in need by giving help that empowers and hope that lasts. Catholic Charities works to create a world in which every person is cherished, regardless of individual limitations, and strengthened in the use of personal gifts in order to reach his or her full potential as a valued member of the community. During the last fiscal year, Catholic Charities reached more than 127,000 people in the DC and Maryland region alone, assisted by more than 7,400 volunteers.

Together, family centers and Parish Partners programs connected more than 25,000 individuals with valuable resources: emergency financial assistance, financial planning courses, clothes and food, employment training, and referrals to additional local resources. Behavioral Health Services helped more than 1,000 individuals dealing with mental illnesses and received their second 5-star rating from the DC Department of Behavioral Health. The Legal Network and Immigration Legal Services teams provided more than 5,800 people with civil or immigration legal advice and / or representation last year. Each night, Catholic Charities provides more than 1,500 beds for men, women, and children with nowhere else to go, and when

temperatures drop below freezing, Catholic Charities provides 250 extra beds.

The Rapid Re-Housing Program quickly moves homeless families into their own apartment and provides ongoing case management support, knowing that some people will need more time to recover and regain their ability to thrive on their own. In 2015-2016, 26 families moved into their own permanent and stable housing while paying their own rent. Transitional housing programs helped 495 men, women, and children find employment, feed their children, and take the next step to independent living.

For one client, LaVonda, the Tenants Empowerment Network, a supportive housing program for homeless families, saved her life. When she decided to become sober and heal addiction wounds 10 years ago, a case manager provided one-on-one guidance for finding a safe, permanent place to live and stable employment. Counseling sessions helped her stay on the path of sobriety. The loving environment was a safe haven for her daughter. But most importantly for LaVonda, the staff at TEN gave her the strength she needed to pursue her goals. Now, a decade later, LaVonda is a testament to how people can change — and fully rebuild their lives in recovery. Working two jobs, she saved enough money to move with her children into their own market-rent apartment, and celebrated 10 years of sobriety. "Now I want to give back to others who are struggling. I love helping people and I want to show them they are capable just like me."



Archdiocesan Service and Educational Agency Expenses

Year ended June 30, 2016

Charity and Social Concern Corporations

Catholic Charities	\$ 94,879,000
Catholic Cemeteries	11,146,000
St. Ann's Center for Children, Youth and Families	4,868,000
Carroll Media Company	1,619,000
Catholic Youth Organization	811,000
Victory Housing	33,086,000
Victory Youth Center	523,000

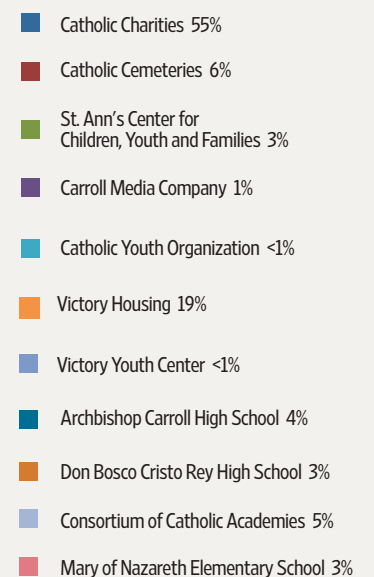
Total Charity and Social Concern Corporations \$ 146,932,000

Educational Corporations (excludes parish-based schools)

Archbishop Carroll High School	\$ 6,163,000
Don Bosco Cristo Rey High School	5,391,000
Consortium of Catholic Academies	8,619,000
Mary of Nazareth Elementary School	4,404,000

Total Educational Corporations \$ 24,577,000

Total Agency Expenses \$ 171,509,000





Students from Archbishop Carroll High School carry food they collected for their annual Thanksgiving Food Drive. The effort collects more than 35,000 pounds of food and nearly \$2,500 in financial contributions, enabling the Carroll students to provide Thanksgiving dinners to families in need. For 35 years, students from Archbishop Carroll have also been serving at a soup kitchen. The school places a large emphasis on solidarity with the clients of the soup kitchen and makes time for prayer and reflection after the students return from serving there, so they can talk about what it means to see the face of Christ in those whom they are serving.

Archbishop Carroll High School

The importance of serving others and being a leader has been woven into the fabric of the life of William Clark by his family, his school and his own community involvement. The member of the class of 2016 at Archbishop Carroll High School in Washington said his education there made him “a well rounded and well informed student... I have a newfound love for social justice and service in many forms.”

He has handed out boxes of food to neighborhood families in Archbishop Carroll’s Thanksgiving Food Drive, one of the largest school-sponsored drives in the country. Outside of school, he serves as a youth leader in the Edgewood Civic Association. “Will is absolutely community minded. That willingness to roll up his sleeves and help, and his curiosity about so many things, really exemplifies what we want our kids to aspire to,” said Beth Blaufuss, Archbishop Carroll’s president.



Archbishop Carroll High School is a Catholic, co-educational school that provides college preparatory academics including IB honors courses and remediation for students with learning difficulties; a wide range of sports and activities; a revived theatre program and a significant Christian Service program that includes holding one of the largest high school food drives in the nation. The school has hosted the annual Thanksgiving drive, for more than 27 years.

For Clark, his education at Archbishop Carroll has prepared him to make a difference. “It’s given me the tools and handed me the responsibility to make the world a better place,” he said.

Victory Housing

Victory Housing, Inc., the non-profit housing development arm of the archdiocese, provides affordable housing and related social services to 2,175 low-and moderate-income senior

citizens and families in Washington, D.C., and Montgomery, Prince George’s, Charles, Calvert and St. Mary’s counties in Maryland.

During the year, development continued on a new 105-unit community for mixed-income seniors in Montgomery County near the intersection of New Hampshire Avenue and Colesville Road in Silver Spring.

Victory Housing operates six affordable assisted living residences for senior citizens in Maryland. Two-thirds of the residents have annual incomes of 60 percent of area median income or less and their average age is 88. Each residence provides three daily meals, assistance with activities and daily living such as bathing, dressing, laundry and planned social and recreational activities. These communities enable residents to remain in a home-like setting at an average cost of less than one-half of a nursing home.

Many of the apartment communities, have been updated with energy-saving features. Each assisted living residence has been updated with new furnishings and systems in order to continue to provide the best environment and care for frail seniors.

In addition, working with local area hospitals and non-profit providers, Victory Housing has added more free or low-cost health services to its aging-in-place seniors.

Catholic Cemeteries

During the Jubilee Year of Mercy, Catholic Cemeteries of the Archdiocese of Washington made an extra effort to extend the corporal work of mercy of burying the dead to the most vulnerable. Each of the five cemeteries dedicated parcels of ground where they offer free burial for babies lost in the first or second trimester of a pregnancy.

“All the dignity and respect we offer to an adult, we will offer to a child lost in the first part of a pregnancy,” said John Spalding, the agency’s president. “... We want to be there as a ministry of the Church to witness to them the validity of that child and that life.”

Catholic Cemeteries also witnesses to the Church’s belief in the resurrection of the dead and the dignity of the human body by making burials accessible to people regardless of socioeconomic status. If someone’s pastor learns that they are unable to afford a burial for their loved one, the pastor can refer them to Catholic Cemeteries, and they will offer a burial free of charge.

“We feel one of the core tenets of our mission is to bury all of our dead regardless of financial abilities of people,” Spalding said.

The burial of a loved one’s remains in a cemetery ensures that the person’s resting place will continue to be respected even after the deceased’s family and friends have passed away. This may not occur if the family chooses to have a loved one’s cremated remains scattered or kept at home, so Catholic Cemeteries offers services to encourage the respect of each person’s remains.

If a pastor contacts Catholic Cemeteries to say that he has talked to a family that was not planning to bury the remains of their loved one, they will offer to place the cremated remains in a communal crypt free of charge. They will attach an identifying tag to the urn and place it in the crypt, and the family is then free to take the urn back or eventually bury their loved one if they change their mind.

“The cemetery is a part of the living Church,” Spalding said, so while they perform the corporal work of mercy of burying the dead, they encourage the loved ones of the deceased to perform the spiritual work of mercy of praying for the dead.

Consortium of Catholic Academies

The Consortium helps sustain the long tradition of affordable, yet excellent Catholic schools that reach out to those in underserved communities where students embrace their faith and develop a love of learning. It provides academic, administrative and financial support to four inner-city Catholic schools in Washington, DC: St. Anthony School, Sacred Heart School, St. Thomas More Academy and St. Francis Xavier Academy.

Consortium schools are more than just places to learn. Students are members of a loving and supportive community bound together by a community, faith and respect. Consortium students have strong test scores and a 100 percent on-time graduation rate of eighth graders, 90 percent of whom are accepted to leading Catholic, private and charter schools. Many of these students are the first in their families to receive a high school diploma and graduate from college.

“I have a newfound love for social justice and service in many forms.”

- William Clark, member of the Archbishop Carroll High School class of 2016.

Gate of Heaven Cemetery in Silver Spring is part of Catholic Cemeteries of the Archdiocese of Washington. Formed around the shape of a cross, Gate of Heaven features a variety of sections dedicated to the Holy Family, the Holy Innocents and the Saints, reminding families of a life with Christ beyond death.



ARCHDIOCESAN RETIREMENT PLANS

Caring for our retired clergy

In the fall of 2015, Msgr. Thomas Kane – now in his 64th year as a priest of the Archdiocese of Washington – had another special experience in his life as a priest, as he participated in Pope Francis’s Canonization Mass for St. Junipero Serra outside the Basilica of the National Shrine of the Immaculate Conception.

“That’s the pinnacle of the priesthood in a way. He’s the high priest of us all,” said Msgr. Kane, who turned 89 on June 13, 2016. “The oneness of the priesthood is a bond we all feel, young and old, retired and just ordained.”

Now he lives at the archdiocese’s Cardinal O’Boyle Residence for retired priests in Washington, and the focal point for his life as a priest remains the Mass, which he celebrates in the chapel for the Carroll Manor Nursing Home and retired priests’ residence. On a recent day, he celebrated Mass there, reading the Gospel, preaching the homily and saying the prayers of the Mass in a strong, yet gentle voice. While he now steps to the altar with a cane, he elevates the Eucharist with as much faithfulness and devotion as he has in his more than six decades as a priest.

“It’s been a good run,” said the priest, who said with a smile he’s had about a dozen different assignments over the years, but who’s counting? He served in parishes throughout the archdiocese, in the city of Washington and in the surrounding Maryland counties, and helped start a parish and build two schools.

“You don’t know what you’re signing up for in the beginning, but you’re open to it,” said the priest, who praised the diversity of the people of the archdiocese whom he’s gotten to know, serve, and make friends with at each assignment along the way. “It’s a miniature of the whole world,” he said.

Monsignor Kane is one of 80 retired archdiocesan priests who have given their lives to serving the people of the archdiocese. Many of them continue to work in parishes and ministries long after they are eligible to retire at age 70. The archdiocese provides a monthly retirement benefit for them through the Priests’ Retirement Benefit Trust, with their healthcare, special needs and funeral



Msgr. Thomas Kane celebrates Mass at the chapel for the Cardinal O’Boyle Residence for retired priests, where he now lives.

expenses provided from a separate fund - the Priests Medical and Care Fund. Money from the Trust and the Fund is restricted solely for caring for retired archdiocesan priests. However, both funds remain severely underfunded - at the end of the fiscal year, an additional \$30.1 million was needed to fully fund the care for the retired clergy who have dedicated their lives to serving others. Since 2010 the archdiocese has held a special second collection to ensure funding of this obligation.

Summarizing his life as a priest, Msgr. Kane said, “The whole thing has been a privilege... You make yourself available to the Church.”

Caring for our retired employees

More than 6,000 people serve the Archdiocese of Washington working for its parishes, schools, agencies and Central Pastoral Administration.

Some of these dedicated employees have given decades of their lives serving the Church in Washington, like Jean Allen who has served as the parish secretary at Immaculate Conception Church in Washington, DC’s Shaw

neighborhood for more than 50 years. Jean was married and baptized her three children at the church that she has dedicated more than half a century to serving. “The people are like family, we look out for each other,” she said. She was awarded the Archdiocese of Washington’s 75th Anniversary Medal in 2014 for her service to the parish.

To meet the long-term retirement needs of its employees, the archdiocese offers a 403(b) retirement plan that matches half of the employees’ contribution up to four percent of their pay. The Lay Employee Defined Benefit Pension Plan, which was frozen effective Dec. 31, 2012, is underfunded by more than \$53 million at June 30, 2016.

The archdiocese has initiated a voluntary buyout of the pension benefit for terminated and vested employees. It is hoped that successful implementation of this program will result in a savings of \$17 million and a three-year reduction toward fully funding the liability.

Priests’ Retirement Benefit Trust and Priests’ Medical and Care Fund

Statements of Activities and Changes in Unfunded Obligation

For the year ended June 30, 2016

Inflows:	
Employer contributions	\$ 4,125,000
Second collection and other gifts	924,000
Investment income (loss)	(1,335,000)
	3,714,000
Outflows:	
Retirement benefits paid	1,505,000
Medical and care benefits paid	985,000
Administrative and other fees	493,000
	2,983,000
Increase in cash position	731,000
Actuarial changes	(7,348,000)
Change in unfunded liability	(6,617,000)
Unfunded liability as of July 1, 2015	(23,512,000)
Unfunded liability as of June 30, 2016	\$ (30,129,000)

Jean Allen has worked at Immaculate Conception Parish in Washington’s Shaw neighborhood for more than 50 years.

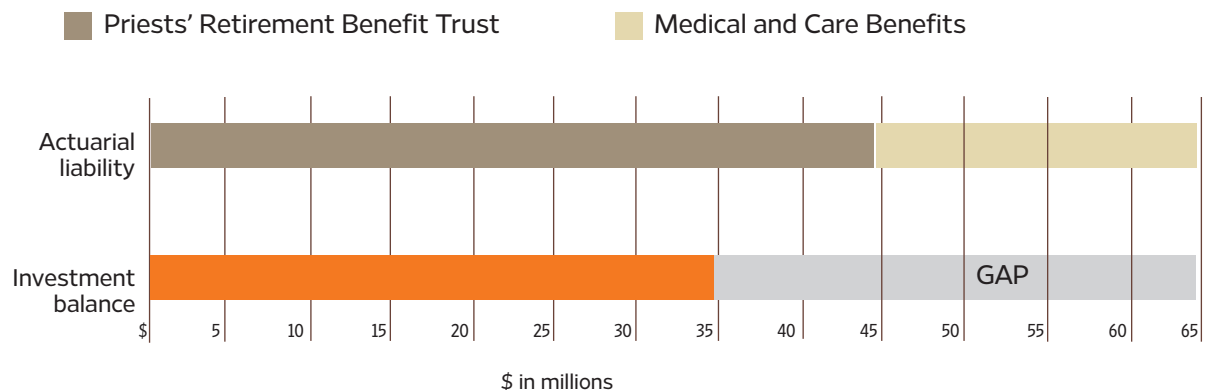


Lay Employee Pension Plan

At June 30, 2016, the lay employee pension plan was 78% funded

Investment balance	\$ 188,920,000
Actuarial liability	242,289,000
Underfunded	\$ (53,369,000)

Priests’ Retirement Funds Actuarial Liability vs. Assets, net | June 30, 2016



ARCHDIOCESAN AFFILIATED FOUNDATIONS

A teenage boy who received tuition assistance from the Archdiocese of Washington expressed his gratitude in a letter to Cardinal Wuerl. "I am the first-born child of my two immigrant parents who come from the countries of Mexico and El Salvador," wrote the boy, who said that with the tuition assistance, he would be able to attend a Catholic high school in Prince George's County.



"With what you have given me, my dream of going to a private Catholic high school and the opportunities that come with it came to reality, with the Archdiocese of Washington's help." A mother in Southern Maryland wrote to the archdiocese expressing similar thanks for tuition assistance, saying, "Providing a Catholic education for my daughter means a great deal to me as a parent." She added that her daughter has benefited "tremendously" from going to Catholic school. In his 2008 pastoral letter, *Catholic Education: Looking to the Future with Confidence*, then-Archbishop Wuerl said that it's every Catholic's responsibility to support Catholic education.

That vision has unfolded in the Archdiocese of Washington since then, with widespread community support leading to dramatic increases in archdiocesan tuition assistance. For the upcoming 2016-17 school year, the archdiocese has awarded about \$6 million in tuition assistance to approximately 6,700 students attending local Catholic schools, a more than seven-fold increase since 2008.

With the new offertory assessment, Catholics in every parish are investing in Catholic education: a percentage of the overall offertory donations go toward tuition assistance at local Catholic schools, which includes the District of Columbia and five surrounding Maryland counties.

That support provides more than \$2 million annually for tuition assistance, making Catholic education more affordable and accessible for families throughout the archdiocese.

Now, almost 120 of the 139 parishes in the archdiocese have joined regional school sponsorship agreements, which has also increased support for tuition assistance and provided more financial resources to area Catholic schools.

The cardinal established the Catholic Education Foundation to help substantially increase archdiocesan tuition assistance, which in addition to support from parish offertory assessments, comes from donors, the Cardinal's Appeal and other archdiocesan endowments. Families also receive significant tuition assistance support from schools and parishes. That increased tuition assistance has a real impact on students and their families, said Wendi Williams, the archdiocese's director for school marketing and advancement. "More students who may not have had access to a Catholic education are now receiving one," she said. "These students are being formed in their faith while receiving an excellent education that will prepare them for high school, college and beyond."

One mother wrote to express gratitude to the archdiocese for tuition assistance that made it possible for her sons to go to Catholic school in Montgomery County. "The opportunity for my sons to attend a Catholic high school education is beyond my dream. I am an immigrant from Liberia, and I attended a Catholic school in Liberia. I know the standard of excellence that comes with Catholic education."

Forward in Faith Foundation

Forward in Faith, Inc. began in 2004 as a campaign to create an enduring foundation for the archdiocese to address immediate needs in parishes and communities and to establish long-term endowments.

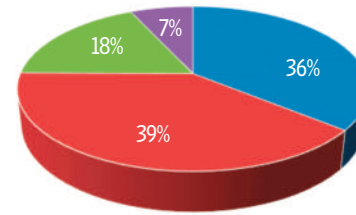
The people of the archdiocese responded with inspired generosity to the campaign, collecting more than \$127.9 million since the campaign began.

The campaign has ended but the Forward in Faith Foundation and its board of directors continue to oversee the endowment funds that have been created and distribute critical resources in six major areas: education, Catholic Charities, pastoral services, multicultural apostolates, ministry enhancement and sharing resources with parishes in need.



Sources of Funds for Tuition Assistance Awards for the 2015-16 fiscal year

Appeal and major gifts, including those pledged in prior years	\$ 2,100,000
Parish contributions	2,300,000
Forward in Faith	1,050,000
Income from endowments and quasi-endowments	405,000
Total sources	\$ 5,855,000



- Parish contributions 39%
- Appeal and major gifts 36%
- Forward in Faith 18%
- Income from endowments and quasi-endowments 7%

Catholic Education Foundation of the Archdiocese of Washington, Inc. Changes in Net Assets

For the year ended June 30, 2016

Opening net assets	\$ 25,684,000
Revenue:	
Contributions and gifts	3,990,000
Other	28,000
Total revenue:	4,018,000
Expenses:	
Tuition assistance and grants*	5,570,000
Management and general	306,000
Investment loss	712,000
Total expense:	6,588,000
Change in net assets	(2,570,000)
Ending net assets	\$ 23,114,000

*Of the \$5.8 million in awards, this represents the amount accepted and distributed to schools.

To learn more about the Archdiocese of Washington's Tuition Assistance Fund: www.adw.org/tuition-assistance

Archdiocesan Tuition Assistance

School Year	Applicants	Awardees	Need	Award	% of Need Met
2016-17	9,514	6,359	\$50,695,000	\$5,955,000	12%
2015-16	9,672	5,955	\$ 47,455,000	\$ 5,855,000	12%
2014-15	9,830	5,113	\$ 53,190,000	\$ 5,700,000	11%
2013-14	10,134	4,988	\$ 40,700,000	\$ 5,500,000	14%
2012-13	7,585	3,817	\$ 29,683,000	\$ 5,000,000	17%

Catholic Investment Trust of Washington

The archdiocesan retirement plans and affiliated foundations and Central Pastoral Administration are grantors to the Catholic Investment Trust of Washington.

The Board of Trustees of the Catholic Investment Trust of Washington oversees the investments on behalf of the grantors.

Each grantor is represented on the Board and there is an independent member serving as chairman.

Forward in Faith, Inc. Changes in Net Assets

For the year ended June 30, 2016

Opening net assets	\$ 74,883,000
Additions:	
Gifts	17,000
Uses:	
Tuition assistance	1,334,000
Multicultural apostolate	380,000
Seminarian expenses	115,000
Needy parishes and schools	729,000
Campus ministry	33,000
Housing for women religious	33,000
General and administrative expense	108,000
Investment loss	2,507,000
Total uses	\$ 5,239,000
Change in net assets	\$ (5,222,000)
Ending net assets	\$ 69,661,000

PARISHES AND SCHOOLS

Students from Catholic schools have gone on to become Olympics athletes, Pulitzer prize winners, and esteemed authors among other notable accomplishments.

Our Parishes

The Archdiocese of Washington is home to more than 621,000 Catholics of many different cultures from nearly every continent. The face of the Catholic Church in America is reflected in the family of faith of the archdiocese as Masses are celebrated in more than 20 languages each week.

While the total revenue from parishes exceeded expenses during the 2015-16 fiscal year, many parishes in the archdiocese continue to struggle with debt that has accumulated over the years due to issues such as keeping a struggling school open or other financial obligations like repairs, construction or parish operating costs. To aid parishes in this situation, Cardinal Wuerl decided to institute a parish debt relief program to coincide with the Year of Mercy. To date, the 27 parishes offered debt relief by the archdiocese each had more than \$100,000 in debts accrued over the years.

Father Brian Sanderfoot, the pastor of St. Francis de Sales Parish in Washington, said the archdiocese's

forgiving \$712,689 of his parish's debt – which like many of the other parish debts, dated back many years – offers “a chance at a fresh start and a new beginning for our parish... We'll be able to build for the future.” Eric Simontis, the archdiocese's Chief Financial Officer, said the program relieves a heavy burden from parishes that have had to drag the debt “like an anchor” for many years, noting that one pastor told him his parish's debt concerns kept him up at night.

Our Schools

The Archdiocese of Washington serves over 26,000 students in 95 schools, including 62 elementary and early childhood programs, two archdiocesan high schools, and 31 independent schools. Academic excellence and strong faith formation are hallmarks of Catholic education. The individuals who graciously give their time, talents and financial support towards the archdiocese allow Catholic schools to flourish, both spiritually and academically. With the assistance of religious education resources, teachers of the faith may cultivate Catholic identity among students by nurturing spiritual development and sharing Gospel values. Students from Catholic schools have gone on to become Olympics athletes, Pulitzer prize winners, and esteemed authors among other notable accomplishments. Many credit the faith-filled, challenging curriculums and abundant service opportunities at their respective Catholic schools as a vital foundation for success.

The academic results have not gone unnoticed. In September, the U.S. Department of Education awarded Blue Ribbon honors to four schools in the archdiocese: Holy Trinity School and Our Lady of Victory School in Washington, St. Patrick School in Rockville, Md., and St. Pius X Regional School in Bowie, Md. The National Blue Ribbon Schools Program annually honors public and private elementary, middle and high schools where students

are performing at very high levels. In 2016, 50 private schools and 279 public schools were chosen from across the nation. Schools must go through a competitive application process and demonstrate a strong commitment to educational excellence for all students.

St Pius X's recognition marks the first time an archdiocesan elementary school in Prince George's County has received a Blue Ribbon. This is the second time Our Lady of Victory School is receiving a Blue Ribbon, as they also received the award in 2007, when the current eighth grade class was in pre-kindergarten. They are the first school in Washington to be recognized more than once as a Blue Ribbon School. “It's a great recognition of the hard work and effort that students, teachers and members of the parish put into making it a great school,” said the school's principal, Sheila Martinez. “It is a reinforcement that everything you are striving to accomplish is worth striving to accomplish.”

For Holy Trinity School, the oldest Catholic school in Washington D.C., the principal believes the school's Jesuit tradition, which emphasizes caring for the whole person, inspires the students to work hard, serve, and share gifts with others. Every Wednesday, the school asks each student to bring an extra sandwich for lunch, and classes take turns being in charge of bagging them and bringing extra sandwich supplies for those in need. Recently there was a “Gleaning Day,” where parents brought the students to a farm to get the extra food and take it to a food bank.

In May, 10 teachers from Catholic schools were presented with Golden Apple awards, created to honor teachers for providing a quality academic and faith-filled education. Father William Byrne, the master of ceremonies, said it was an evening to celebrate the heroes of Catholic education, noting that the patron saint of Catholic school teachers, St. John Baptist de la Salle, once said, “They work miracles who touch the hearts of children.”



Parish and School Revenue and Expense Years Ended June 30, 2016 and 2015

	FY 16	FY 15
Parish Revenue		
Offertory and other donations	\$ 115,352,000	\$ 115,420,000
Fundraising and other revenue	22,775,000	21,054,000
Investment income and unrealized gain	2,098,000	1,511,000
Total Parish Revenue	\$ 140,225,000	\$ 137,985,000
Parish Expenses		
Core ministry	\$ 46,911,000	\$ 45,463,000
Building operations and capital expenditures	43,449,000	46,684,000
Administration and other	41,780,000	39,041,000
Total Parish Expenses	\$ 132,140,000	\$ 131,188,000
Parish Net Income	\$ 8,085,000	\$ 6,797,000
School Revenue	\$ 115,103,000	\$ 114,960,000
School Expenses	115,765,000	114,891,000
School Net Income/(Loss)	\$ (662,000)	\$ 69,000
Parish and School Net Income	\$ 7,423,000	\$ 6,866,000

School revenue and expenses do not include Mary of Nazareth, high schools or the four Consortium of Catholic Academies' schools, as they are disclosed on page 4.



CATHOLIC STANDARD PHOTOS BY JACLYN LIPPELMANN.