

FINANCIAL REPORT



to the People of the Archdiocese of Washington | Fiscal Year 2016-17 | January 11, 2018



Dear Brothers and Sisters in the Lord,

With deep appreciation and gratitude for your generosity, I am pleased to present the Financial Report for the Central Pastoral Administration of the Archdiocese of Washington for fiscal year 2016-17. Your commitment to supporting the good works of this local Church is a powerful testament to your love of Jesus and our shared faith conviction that, having received so many blessings from the Lord, we have a responsibility to care for one another.

You will find in these pages a wide range of information on many of the ministries, programs and the activities that go on within our archdiocesan Church, including an overview of the prudent use of monies entrusted to our care. Transparency and accountability are important components of stewardship. Thus, the archdiocese is attentive on multiple levels with respect to financial and budgetary decisions, which regularly undergo independent audits as well. More detailed financial statements are available for review at our archdiocesan website, adw.org.

The figures, facts and data published here are not, however, simply an accounting of funds. They also tell the continuing story of the kingdom of God alive in our midst. Every day, Christ's love, teaching and

healing are manifested in our community thanks to the good works that your generosity helps make possible, including Catholic education, social services, pro-life, marriage and family ministries, youth activities, care for the aged and more. As you review this report, my hope is that you will gain a better understanding of how great a difference you make in the lives of so many people in our Church and community.

In his 2017 Message for the inaugural World Day of the Poor, Pope Francis speaks of "the transformative power of charity and the Christian way of life," noting the practice of sharing and caring for one another in the early Church. This way of life, which brings with it an encounter with Christ, he says, "gives rise to joy and peace of soul." By our sharing and giving of ourselves today, the hope, peace and love of Jesus continues in the Church to touch the world, as it has from the very beginning.

With renewed gratitude, I ask God's blessings on you and your families. 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, 2017 audited financial statements, which are available at adw.org/financial-reports.

REVENUE

ARCHDIOCESAN CENTRAL PASTORAL ADMINISTRATION

Sources of Revenue

Archdiocesan operating revenue for the 2016-17 fiscal year was \$42.3 million.

The **Cardinal's Appeal** is the largest source of operating income for the archdiocese, with nearly \$14.1 million received in the 2016-17 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 \$13.4 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 \$4.8 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 \$2.5 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 income totaled \$5.3 million during fiscal year 2017. The market headwinds of the past year turned positive and the archdiocese experienced significant investment gains.

In addition to the revenue and expense, the archdiocese has **insurance services** revenue of \$45.8 million and expenses of \$44.2 million primarily representing pass-throughs of amounts received from parishes and agencies and paid out in claims and benefits. The insurance funds also had \$2.6 million in investment gains.

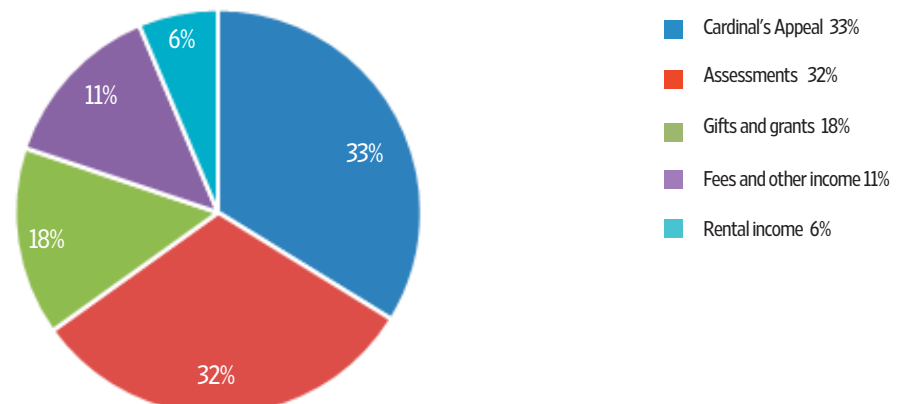


Archdiocese of Washington WHO WE ARE 2016-17 fiscal year

- ▶ 621,000 Catholics
- ▶ District of Columbia and five Maryland counties
- ▶ 139 parishes and 9 missions and communities
- ▶ 93 Catholic schools, including 61 elementary schools and 2 archdiocesan high schools
- ▶ 26,254 students in Catholic schools
- ▶ 24,176 students in religious education
- ▶ 304 priests, including 201 active and 80 retired archdiocesan priests
- ▶ 67 seminarians
- ▶ 184 active permanent deacons
- ▶ 492 religious women and 470 men religious serving in the archdiocese

Central Pastoral Administration Operating Revenue | Year ended June 30, 2017

Cardinal's Appeal	\$ 14,071,000
Assessments	13,418,000
Gifts and grants	7,478,000
Fees and other income	4,838,000
Rental income	2,457,000
Total revenue from operations	42,262,000
Investment Income	5,257,000
Total revenue	\$ 47,519,000



EXPENSES

ARCHDIOCESAN CENTRAL PASTORAL ADMINISTRATION

Generosity allows archdiocese to accommodate growing vocations

Thanks to the generosity of Catholics across the archdiocese, the Church of Washington is able to carry out its mission of spreading the Word of God and inspiring the faithful to live lives of holiness and vocation.

Between March 15 and May 15, the Archdiocese of Washington launched the “Share with Francis” initiative, where they gathered feedback about how young people relate to the Church in preparation for the 2018 Synod on *Young People, the Faith, and Vocational Discernment*. The archdiocese held “listening sessions” at various parishes and young adult gatherings, and also created online questionnaires where people could give feedback. The main findings showed that young people in the archdiocese are seeking personal relationships, an authentic message, and opportunities for leadership. The Archdiocese of Washington was the first diocese in the United States to undertake the Synod report process, which the Pope is asking dioceses around the world to complete.

Cardinal Donald Wuerl celebrated the vocations of hundreds of couples during the Jubilarian Mass on June 25. At this Mass, couples marking milestone anniversaries were invited to the Basilica of the National Shrine of the Immaculate Conception to renew their wedding vows. Among these couples were Ephraim Aham and Sussie Uzo Aham Okoro, parishioners at St. Bernard Parish in Riverdale, who have been married for 25 years.

When they arrived at the basilica, they tried to sit at the front of the church, but soon learned that the front was reserved for the couples that have



Cardinal Wuerl speaks with seminarians at the Saint John Paul II Seminary at the dedication of its new wing.

been married the longest. As they walked back, they passed couples of all different ages, starting with those who have been married for 75 years, then 70 years, 60 years, 50 years, and so on, until they reached the back of the church. “I’ll keep moving until I get all the way to the front,” Sussie said. “That is our hope and our prayer.”

This year also marked a special milestone for the archdiocese’s Saint John Paul II Seminary. Cardinal Wuerl founded the seminary in 2011, and in June 2017, he ordained four new priests in the archdiocese, three of whom were members of the seminary’s first ordination class: Father Andrew Wakefield, Father Robert Kilner, and Father Benjamín García Domínguez.

On August 27, 2017, Cardinal Wuerl dedicated a new wing of the seminary that includes the Robert F. Comstock Conference Room, named after the man whose generosity made

the wing possible, and a new dining room for the seminarians. A few weeks later, Cardinal Wuerl returned to the seminary to dedicate its new outdoor stations of the cross, which each have a stone pillar holding a small statue that depicts an event on the road to Calvary. They are spaced out along a dirt path that will allow people to physically walk through the journey.

At the Mass before the dedication of the new wing, Cardinal Wuerl said, “The story of our archdiocesan seminary has been one of growth,” noting the gradual expansion of the building since its dedication in 2011 and the continual growth in the number of seminarians studying there, which has gone from 20 to 51. “...But the most important growth underway is in the hearts of the seminarians who live, study and are formed here,” he added.

Operating Expenses

The Secretariat for Pastoral Ministry and Social Concerns expenses totaled \$8.8 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 for Catholic Education expenses were almost \$5.8 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 nearly \$6 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 \$6.8 million spent. In 2016-17, 67 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

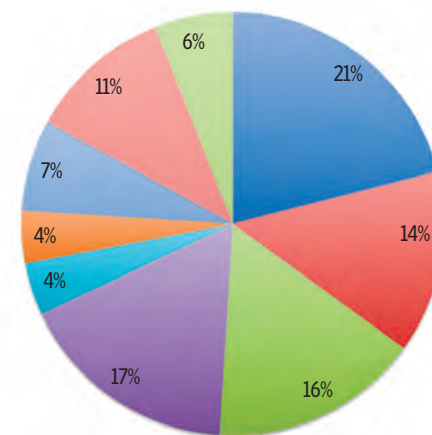
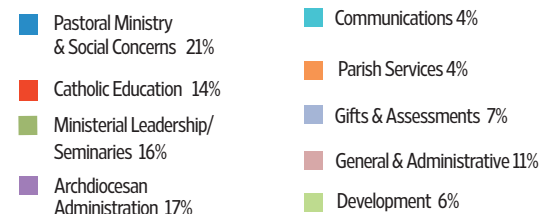
Central Pastoral Administration Operating Expenses

Year ended June 30, 2017

Pastoral Ministry & Social Concerns	\$ 8,831,000
Catholic Education	5,781,000
Ministerial Leadership/Seminaries	6,824,000
Archdiocesan Administration	7,091,000
Communications	1,561,000
Parish Services	1,660,000
Gifts & Assessments	2,738,000
General & Administrative	4,425,000
Development	2,615,000
Total Expenses	41,526,000

Total revenue from operations 42,262,000

Operating surplus \$ 736,000



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, planned giving and other financial outreach.

ARCHDIOCESAN AGENCIES



Catholic Charities of the Archdiocese of Washington serves a Thanksgiving meal to those in need each year.

Following Pope Francis's call in *Evangelii Gaudium* for the Church to "reach all the peripheries in need of the light of the Gospel," archdiocesan service and educational agencies and those who carry out their work act as Christ's hands and feet in the world, reaching out to those who are in need. At the cost of \$164,892,000 last year, these agencies provided food, shelter, education, health care and more vital services to people throughout Washington D.C., and Prince George's, Montgomery, Charles, Calvert and St. Mary's counties in Maryland.

This financial summary does not replace those produced by each of 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

Through 58 programs in 36 locations across the archdiocese, Catholic Charities feeds the hungry, gives drink to the thirsty, clothes the naked, heals the sick, welcomes the stranger, and visits the imprisoned. Motivated by the Gospel and guided by Catholic social and moral teaching, Catholic Charities seeks to give help that empowers and hope that lasts. Last year, Catholic Charities served more than 142,000 people and had about 6,846 volunteers.

Each week, Catholic Charities holds its St. Maria's Meals program in three locations. According to Msgr. John Enzler, the president and CEO of Catholic Charities of the Archdiocese of Washington, the program feeds between 225 and 350 people on each of the three days they serve. One of the St. Maria's Meals locations is the new Catholic Charities Susan Denison Mona Center in Temple Hills, which opened in October. The new center will provide medical and dental services, immigration and legal aid, and food and nutrition programs in an area that has been considered medically depressed and was deemed a "food desert," with its residents lacking proper access to nutritious food and medical care.

The Catholic Charities Health Care Network has about 300 volunteer doctors who give of their time and talent to care for those who may otherwise not be able to afford health care.

The network takes referrals from local health clinics and sets the patients up with health care in 35 different specialties, ranging from a minor surgery to a cardiology consultation. Catholic Charities takes care of gathering medical documentation and connecting the patient with the doctor, so all the patient has to do is show up to the appointment. Oftentimes the doctor does not know which patients are the ones coming from Catholic Charities, which Sandra Maciuba, the former program manager of the network, said, "Really gives our patients a lot of dignity as well."

Maciuba remembers one particular patient who had a life-threatening tumor removed through the Catholic Charities Health Care Network. The tumor's removal allowed him not only to live, but also to return to work and provide for his son who was in school.

"Patients come to us because they want to go back to work, want to provide for their family," Maciuba said. "It is just really beautiful that they are able to get their physical health needs met."

Archdiocesan Service and Educational Agency Expenses

Year ended June 30, 2017

Charity and Social Concern Corporations

Catholic Charities	\$ 89,768,000
Catholic Cemeteries	8,695,000
St. Ann's Center for Children, Youth and Families	4,708,000
Carroll Media Company	1,756,000
Catholic Youth Organization	853,000
Victory Housing	33,098,000
Victory Youth Center	525,000

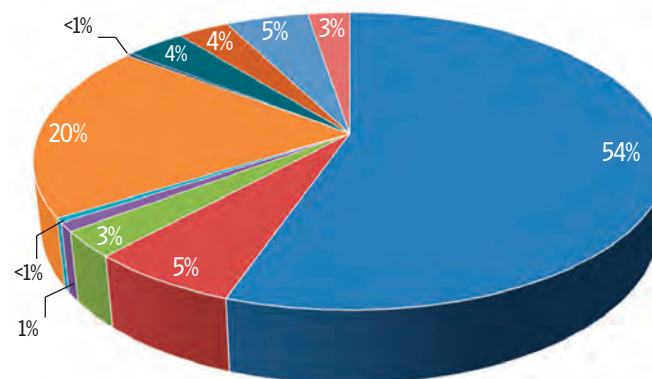
Total Charity and Social Concern Corporations \$ 139,403,000

Educational Corporations (excludes parish-based schools)

Archbishop Carroll High School	\$ 6,272,000
Don Bosco Cristo Rey High School	5,978,000
Consortium of Catholic Academies	8,672,000
Mary of Nazareth Elementary School	4,567,000

Total Educational Corporations 25,489,000

Total Agency Expenses \$ 164,892,000



- Catholic Charities 54%
- Catholic Cemeteries 5%
- St. Ann's Center for Children, Youth and Families 3%
- Carroll Media Company 1%
- Catholic Youth Organization <1%
- Victory Housing 20%
- Victory Youth Center <1%
- Archbishop Carroll High School 4%
- Don Bosco Cristo Rey High School 4%
- Consortium of Catholic Academies 5%
- Mary of Nazareth Elementary School 3%



Students at Don Bosco Cristo Rey High School in Takoma Park participate in a Corporate Work Study Program where they gain professional work experience and earn money to pay for a portion of their education.

Don Bosco Cristo Rey High School

Cristo Rey opened its doors in 2007 as a partnership between the Archdiocese of Washington, the Salesians of Don Bosco and the Cristo Rey Network of Schools. The school welcomes low-income students who are seeking educational opportunity and dreaming of attending college. All students participate in a Corporate Work Study Program where they gain professional work experience and earn money to pay for a portion of their education.

In 2017, Brian Giovanni Reyes, the son of immigrants from El Salvador, became both the school's first male valedictorian and the first member of his family to attend college. While at the school, he worked at the Rockville law firm of Gleason, Flynn, Emig and Fogleman as part of Cristo Rey's Corporate Work Study Program.

As he approached his graduation, he noted the hard work of his parents as inspiration. His father works in construction, and his mother gets up at 4:30 a.m. every morning to go to her job at a bakery in Virginia. "I learned from them, just to keep on pushing," he said.

He also noted the encouragement of his teachers as a large part of his success. "They want to help us in every way. In the end, they explain it's going to be our effort and our work that pushes us forward," he said.

Victory Housing

Victory housing, Inc., the non-profit housing development arm of the archdiocese, provides affordable housing to low- and moderate-income senior citizens and families. It operates six assisted living residences for the frail elderly, 20 apartment communities for independent seniors, and four apartment communities for low- and moderate-income families. Those properties throughout Washington and surrounding Maryland have a total of 2,175 units.

In February 2017, Leila Finucane became the new CEO of Victory Housing after having served as a board member for three years. Finucane said providing affordable housing makes an impact on every aspect of people's lives, including the school

opportunities for children and the family members' health. She described having a home as a platform that allows people to get to other opportunities. With the quality of life provided by Victory Housing, Finucane said, "you can see how it impacts people's moods and happiness."

"One thing that Victory does that is unique is we really focus on the quality of what we build," she said. "It is going to feel like home."

Consortium of Catholic Academies

The Consortium provides academic, administrative and financial support for four inner-city Catholic schools in Washington, D.C.: St. Anthony School, Sacred Heart School, St. Thomas More Academy and St. Francis Xavier Academy. Through this support, these schools are able to provide a Catholic education to students in underserved communities, many of whom become the first in their families to receive a high school diploma and graduate from college.

Sacred Heart School is bilingual, with students learning in both English and Spanish. The school's multiculturalism is reflected in a new mosaic in the front of their school, which includes plates, tiles and coins from students' homes, which were then cut into small pieces and cemented to the wall by students, teachers, and parents who worked together to create the artwork. The school community brought in coins from Peru, Argentina, Guatemala, Honduras, Costa Rica, Venezuela, Europe and Ethiopia, as well as some from closer to home, like Metro and Smithsonian tokens. The centerpiece of the new mosaic is the Sacred Heart of Jesus, and it has branches coming from the bottom to symbolize growth.

In April, Judith Horne, the first grade teacher at St. Anthony School, became the first teacher from the Consortium to receive a Golden Apple Award in recognition of her excellent teaching. She uses a teaching style called "responsive classroom" that features engaging lesson plans, including a "morning meeting" to prepare for the day. On April 12, that morning meeting was particularly exciting, because the school's principal, Michael Thomasian, came to visit and announce that she was receiving the award.

Thomasian said Horne goes above and beyond her job description in several ways, including one time when she went to a parent's workplace for a parent-teacher conference, because the parent didn't have time to come to the school. Horne also attends dance recitals and concerts for her students, because while it may not always be easy for her students at home, Horne said, "I want my students to know they are valued, and I really appreciate them."

St. Ann's Center for Children, Youth and Families

Founded in 1860 by three Daughters of Charity, St. Ann's Center for Children, Youth and Families has been caring for single mothers and their children for more than 150 years. Today, it operates several transitional housing facilities for impoverished single mothers and their children and provides affordable childcare, job training, and an accredited high school for mothers who wish to complete their GED or high school diploma.

Vianelly Herrera graduated from St. Ann's High School on June 13, with her two children, Jeremiah and Ariana, walking by her side, just as they had when she came to St. Ann's Center for Children, Youth and Families about three years previously. Herrera, who was 20 on her graduation day, moved into Grace House at St. Ann's in 2014 when her son was three months old and her daughter was 17 months old. Before moving into St. Ann's, they had been living in a hotel. When she arrived, St. Ann's helped provide diapers and childcare for her children, along with food for the whole family.

"When I came here, it was kind of difficult by myself," Herrera said, adding that at St. Ann's, she found support.

St. Ann's helped prepare her for job interviews and connect her with career resources. She was placed in the Radiology Department of Providence Hospital for the summer of 2015, and in the summer of 2016, she had a position in the hospital's Ultrasound Department. After her summer was completed, she was offered a part-time job in the department, which she worked in addition to completing her degree. After her graduation, Herrera was hired by Metro to work in the Finance Department, and she hopes to take nursing classes that will help her to become an ultrasound technician.

When she graduated, Herrera became her grandmother's first grandchild to receive a high school diploma. "I've never seen anyone who wanted a diploma the way Vianelly wanted it," said Daughter of Charity Sister Mary Bader.

"[The teachers] want to help us in every way. In the end, they explain it's going to be our effort and our work that pushes us forward."

- Brian Giovanni Reyes, Don Bosco Cristo Rey High School's first male valedictorian and the first member of his family to attend college.

Vianelly Herrera, 20, graduated from St. Ann's High School on June 13. The mother of two, who had been living in a hotel before arriving at St. Ann's, became her grandmother's first grandchild to receive a high school diploma.



ARCHDIOCESAN RETIREMENT PLANS

Caring for our retired clergy

For the past two decades, Msgr. Joseph Ranieri has served as coordinator of pastoral care for priests for the Archdiocese of Washington and as liaison for its retired priests, who now number about 80. In 2017, he turned 85 and celebrated another milestone – the 60th anniversary of his ordination to the priesthood. He officially retired himself in 2009, but he continues ministering to his fellow retired priests.

“I feel I have something to give and to share with our retired priests,” he said. “... I’ve been through the same experience,” transitioning from parish life into retirement.

On a typical day, he might field calls from priests about health care issues or other retirement matters. He coordinates a monthly luncheon for retired priests, visits his brother priests in the hospital, and helps plan priests’ funerals. “I’m here. I’m available for them,” Msgr. Ranieri said.

The priest is in residence at the Jeanne Jugan Residence of the Little Sisters of the Poor in Washington, and serves as their Sunday chaplain, celebrating Masses for the sisters and residents. He also celebrates Masses at the Sacred Heart Home and at the Archdiocesan Pastoral Center, both in Hyattsville.

Celebrating Masses for the elderly served at the two nursing facilities “makes me more sensitive to the needs of our retired priests,” he said, adding that he always leaves those liturgies feeling more enriched than when he came.

“I always feel they’re giving me more than I give them, because of the witness they give to the Lord working in them and through them, especially through the fragility and weakness of their lives,” he said.

The archdiocese provides a monthly retirement benefit for retired priests through the Priests’ Retirement Benefit Trust, with their healthcare, special needs and funeral expenses provided from a separate fund – the Priests Medical and Care Fund. However, both funds remain underfunded. At the end of the fiscal year an additional



Priests of the archdiocese pray during their annual Jubilarian Mass at the Pastoral Center chapel on May 9, 2017.

\$26.5 million was needed to fully fund the care for the retired priests who have dedicated their lives to serving others. Since 2011, the archdiocese has held the annual Retired Priests Collection each November to help with this deficit.

Over the years, Msgr. Ranieri served as pastor of four parishes in the archdiocese. He summarized the blessings of serving as a parish priest: “You’re there for the total lives of the people, from the times babies are born, ‘til you bury people... the full totality of life, from dawn to sunset, and seeing the grace periods of it all, and trying to be there for people.”

Every morning, Msgr. Ranieri takes what he calls a mile-long “memorial walk,” from the Little Sisters’ home through the Catholic University of America campus to the Basilica of the National Shrine of the Immaculate Conception and back again. He passes O’Boyle Hall and says a prayer for his former archbishop: “Patrick Aloysius, God rest you.”

Then in his daily work, he serves his fellow retired priests. “They are my brothers,” he said in an earlier interview.

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.

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 \$32 million at June 30, 2017.

The archdiocese completed a voluntary buyout of the pension benefit for terminated and vested employees, which resulted in a savings of \$17 million and which represents 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, 2017

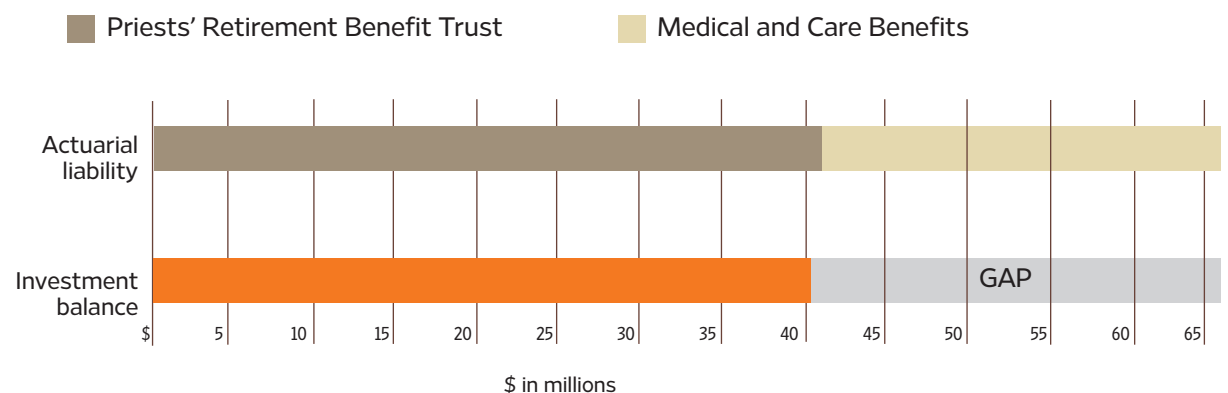
Inflows:	
Employer contributions	\$ 4,665,000
Second collection and other gifts	798,000
Investment income	4,238,000
Total Inflows	9,701,000
Outflows:	
Retirement benefits paid	1,533,000
Medical and care benefits paid	1,100,000
Administrative and other fees	902,000
Total Outflows	3,535,000
Increase in cash position	6,166,000
Actuarial changes	(2,617,000)
Change in unfunded liability	3,549,000
Unfunded liability as of July 1, 2016	(30,089,000)
Unfunded liability as of June 30, 2017	\$ (26,540,000)

Lay Employee Pension Plan

At June 30, 2017, the lay employee pension plan was 86% funded

Investment balance	\$	194,347,000
Actuarial liability		226,941,000
Underfunded	\$	(32,594,000)

Priests’ Retirement Funds Actuarial Liability vs. Assets, net | June 30, 2017



ARCHDIOCESAN AFFILIATED FOUNDATIONS

In the 2017-18 school year, \$6 million in tuition assistance was awarded to students in Catholic schools in the Archdiocese of Washington. The amount given to families to help them realize their dream of sending their children to Catholic school has steadily increased year over year and has seen a tremendous increase since 2008 when \$800,000 was available for tuition assistance.



That increase has stemmed from Cardinal Wuerl's unwavering commitment to make Catholic education possible for as many families as possible, from all different backgrounds, all across the archdiocese.

Cardinal Wuerl has long recognized that Catholic education faces challenges as the cost to educate students is increasing and families are wrestling with tuition affordability issues while managing their household budget. He established the Catholic Education Foundation to help raise funds for this purpose. "Experience demonstrates that the most effective way financially to sustain our Catholic schools is to provide assistance to families who are committed to the schools and who work, within their limits, to make Catholic education possible for their children," Cardinal Wuerl said.

Across the archdiocese, Catholics in every parish are investing in Catholic education: a percentage of the overall offertory donations go toward tuition assistance at local Catholic schools. That support provided \$2.2 million for tuition assistance in the 2016-17 fiscal year.

In addition, more than 110 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.

Despite the increase in available funds, the need for tuition assistance is greater. Many families in Catholic schools earn below the poverty level. Many more are middle-income earners who struggle to find the thousands of dollars every year to send their children to Catholic schools. Helping families to choose a Catholic education is an investment worth making now and for the future.

Future generations who are "educated in a Christian way for dialogue, will come out of the classroom motivated to build bridges and, therefore, to find new answers to the many challenges of our times," Pope Francis said on Feb. 9, 2017 to members of the Congregation for 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.



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.

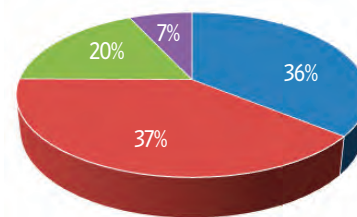
The Board of Trustees of the Catholic Investment Trust of Washington oversees the investments on behalf of the grantors.

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



Sources of Funds for Tuition Assistance Awards for the 2016-17 fiscal year

Appeal and major gifts, including those pledged in prior years	\$ 2,150,000
Parish contributions	2,200,000
Forward in Faith	1,220,000
Income from endowments and quasi-endowments	385,000
Total sources	\$ 5,955,000



Parish contributions	37%
Appeal and major gifts	36%
Forward in Faith	20%
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, 2017

Opening net assets	\$ 23,114,000
Revenue:	
Contributions and gifts	5,685,000
Other	44,000
Investment income	2,175,000
Total revenue:	7,904,000
Expenses:	
Tuition assistance and grants*	5,874,000
Management and general	307,000
Total expense:	6,181,000
Change in net assets	1,723,000
Ending net assets	\$ 24,837,000

*Of the almost \$6 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
2017-18	9,643	6,621	\$54,064,000	\$6,000,000	11%
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%

Forward in Faith, Inc. Changes in Net Assets

For the year ended June 30, 2017

Opening net assets	\$ 69,661,000
Additions:	
Gifts	34,000
Investment income	8,196,000
Total additions:	8,230,000
Uses:	
Tuition assistance	1,331,000
Multicultural apostolate	381,000
Seminarian expenses	117,000
Needy parishes and schools	741,000
Campus ministry	33,000
Housing for women religious	33,000
General and administrative expense	76,000
Total uses	2,712,000
Change in net assets	5,518,000
Ending net assets	\$ 75,179,000

PARISHES AND SCHOOLS

In May 2017, 10 teachers were honored with Golden Apple Awards to recognize their dedication to providing a quality, faith-filled education.

Our Parishes

Each of the archdiocese's 139 parishes has distinct ministries to best serve these diverse populations. St. Mary's Parish in Bryantown held a five-week "Life in the Spirit" seminar in March, where about 200 people from across Southern Maryland gathered together each week to share a meal, watch a video, and discuss and pray with their small groups. At the Shrine of the Sacred Heart Parish in Washington, volunteers run a dinner program every weekday evening in the parish's basement, which serves a free meal to guests who arrive at their door, sometimes numbering up to 100 people. St. Andrew Apostle Parish in Silver Spring holds a monthly Mass with Healing Prayers, where people are invited to come in front of the Blessed Sacrament to receive one-on-one intercessory prayer from a priest, or to go to Confession for spiritual healing.

On Jan. 8, 2017, Cardinal Donald Wuerl presented the Manifesting the Kingdom Awards to 156 people who had played a role in making parish

ministries like these so vibrant. The award winners had been nominated by their pastor, religious community, school, or other Catholic office for their exceptional service to the Church. Cardinal Wuerl instituted the awards after he became archbishop of Washington in 2006, and this was the third time they had been presented.

The award recipients were recognized for serving the Church in a variety of ways that included teaching, singing, driving buses, bringing Communion to the homebound, and helping with parish maintenance. They ranged in age from young adults to couples that have been married for 47 years, and they led ministries such as food pantries, prayer lines, cultural groups, men's groups, women's groups, and healthcare services. But what they offer above all, Cardinal Wuerl told them, is their "love for Christ and His Church."

In celebration of the Year of Mercy declared by Pope Francis, Cardinal Wuerl forgave \$10.3 million in debt owed to the archdiocese by 27 parishes. The parishes had each accrued more than \$100,000 in debt over many years. The debt forgiveness was offered in the spirit of enabling each parish to develop a plan to live within its means and pay its bills in a timely manner going forward.

Our Schools

The Archdiocese of Washington serves more than 26,000 students in 95 schools, including 62 elementary and early childhood programs, two archdiocesan high schools, and 31 independent schools. Catholic schools in the archdiocese provide students with a strong academic foundation, which is recognized by the U.S. Department of Education every year when they award Blue Ribbon Awards to schools where students are performing at high levels. In 2017, Blue Ribbon Awards were given to Little Flower School in Bethesda, St. Peter's School in Waldorf and St. John's School in Hollywood. St.

Peter's and St. John's were some of the first Catholic schools in Southern Maryland to receive a Blue Ribbon Award.

Alumni of Catholic schools in the archdiocese have become Pulitzer prize winning authors, Olympic gold medalists, and archdiocesan bishops. On April 10, 2017, U.S. Supreme Court Associate Justice Neil M. Gorsuch, a member of the Georgetown Preparatory School class of 1985, was sworn in to the Supreme Court. He later invited some teachers and alumni of his alma mater to attend his investiture ceremony on June 15.

In addition to strengthening the students' intellect, the archdiocese's Catholic schools nourish their faith and encourage them to use their gifts to serve others, which they do in a wide variety of ways. Every year, Archbishop Carroll High School in Washington holds a Thanksgiving food drive where they deliver meals to hundreds of families. At St. Joseph's Regional Catholic School in Beltsville, a student named Michaela West founded the "Bundles of Love" Club, where members make packages of supplies for the homeless that include toiletries, non-perishable food and clothing, wrapped in a blanket or sleeping bag. West said she started the club because, "I want the homeless to know that they are not forgotten." In early 2017, she was honored with a Prudential Spirit of Community Award for her volunteer work.

In order to do this vital work of inspiring young students, archdiocesan Catholic schools hire devoted and talented educators. In May, ten of these teachers were honored with Golden Apple Awards to recognize their dedication to providing a quality, faith-filled education. One of these award winners was Justin McClain, a theology teacher at Bishop McNamara High School in Forestville and author of a book titled *Called to Teach*. After receiving the award, he said that like all Catholic schoolteachers, he is "in the business of making saints."



Parish and School Revenue and Expense Years Ended June 30, 2017 and 2016

	FY 17	FY 16
Parish Revenue		
Offertory and other donations	\$ 112,371,000	\$ 115,352,000
Fundraising and other revenue	22,146,000	22,775,000
Debt forgiveness	10,318,000	—
Investment income and unrealized gain	6,476,000	2,098,000
Total Parish Revenue	151,311,000	140,225,000
Parish Expenses		
Core ministry	49,146,000	46,911,000
Building operations and capital expenditures	41,742,000	43,449,000
Administration and other	40,633,000	41,780,000
Total Parish Expenses	131,521,000	132,140,000
Parish Net Income	19,790,000	8,085,000
School Revenue	117,543,000	115,103,000
School Expenses	118,687,000	115,765,000
School Net Income/(Loss)	(1,144,000)	(662,000)
Parish and School Net Income	\$ 18,646,000	\$ 7,423,000

School revenue and expenses do not include Mary of Nazareth (a separate corporation), high schools or the Consortium of Catholic Academies. They are disclosed on page 4.



CATHOLIC STANDARD PHOTOS BY JACLYN LIPPELMANN.