

FINANCIAL SERVICES REPORT

Fiscal Year Ended August 31, 2017

ARCHDIOCESE OF NEW YORK



Dear friends in the Lord,

How blessed I am to be able to spend so much time visiting our parishes and schools! It's great to get out from behind my desk to listen to both the joys and concerns of you, the people of God, and our clergy, in our ten-county area. Frankly, I am always energized to see the practice of our faith in all its beautiful expressions. When I return home, I thank the Lord for the vitality of our archdiocese and the heartfelt dedication of our people.

For the ninth time, I am proud to present a financial report in these pages of *Catholic New York* to describe the spiritual, pastoral, educational, and charitable endeavors administered by our central offices. Hopefully, you will read it carefully. It is an impressive snapshot of the ongoing efforts to meet the spiritual needs of our more than 2.6 million Catholics and to reflect as well on the light of Christ's love in a world that sometimes may appear dark.

As you will recall, we launched a capital campaign program, *Renew and Rebuild*, primarily to help parishes raise funds for repairs, maintenance, and enhancements that are often underfunded as parishes focus their resources on more immediate needs. The results are most encouraging, and we appreciate your participation. There are details in this report about how we have carefully allocated some of the proceeds to expand evangelization and lay leadership formation, support future and retired priests, assist Catholic Charities, and complete the restoration of Saint Patrick's Cathedral. In recognition of both the importance of our Catholic schools and the age of many of the buildings that house them, we created a restricted fund from *Renew and Rebuild* to help local schools fund major repairs and upgrades. It is part of our commitment to offer a high-quality, affordable Catholic education to children throughout the archdiocese.

We also want to make sure that every Catholic appreciates our long-held tradition of celebrating funeral Masses and entrusting our faithful departed to the hallowed grounds of our archdiocesan and parish cemeteries. Last year, we launched an initiative to make our four archdiocesan cemeteries more accessible to those of limited means. Happily, hundreds of people responded and have brought the earthly remains of loved ones to our peaceful, well-maintained Catholic cemeteries.

The *Independent Reconciliation and Compensation Program* (ICRP) was established to compensate eligible victims of sexual abuse of minors by members of the clergy of the Archdiocese of New York. We completed the two largest phases of this voluntary program during the year, and we are confident that our sacrificial payments have offered healing to those who are hurting.

We have worked diligently to educate and engage Catholics and the broader public in the history, teaching, and practice of our faith. In addition to re-envisioning how we reach youth and young adults in a changing world, we have provided access to *Formed.org* to all our parishes. This is a digital window to adult faith formation, youth catechesis, sacramental preparation, and personal devotional content produced by well-regarded, faith-filled contemporary Catholic scholars.

Since it opened three years ago, the *Archbishop Fulton J. Sheen Center for Thought and Culture* in Lower Manhattan has attracted thousands of people to plays, movies, lectures,



performances, and gallery exhibitions devoted to exploring the true, the good, and the beautiful. It's another venue for us to present Catholic-inspired work and share our values with the people around us through the evangelization of culture.

We are also reaching out to people interested in researching their Catholic roots. Parishes have always responded to inquiries based on their sacramental records, but we have begun a project to digitize those records through our archdiocesan archive center that will enable them to be made available to people electronically. The archive center is also working with *Find My Past*, a family history company, to collect information and create guidelines to balance legitimate historical interest with family privacy concerns.

This report describes many (but certainly not all!) of the efforts undertaken by priests, deacons, religious, and faithful to live out their faith in service to others. It also demonstrates our careful stewardship of limited resources to fulfill the sacred and temporal missions of the Archdiocese of New York.

The joy of our Catholic faith and the vitality with which it is expressed throughout the archdiocese gives me daily hope. Please know how grateful I am for your support of our vibrant archdiocese.

Assuring you and your loved ones of a remembrance in my daily prayers, and with best wishes, I am,

Faithfully in Christ,
 † Timothy Michael Cardinal Dolan
 Archbishop of New York

PARISHES

Spiritual Homes Where Faith Is Lived in Word and Deed

Initiatives Ensure Resources Are Available to Keep The Archdiocese's 295 Parishes Active and Viable



Vibrant parishes nourish and reflect the faith of their members. Through worship, celebration of the sacraments, faith formation for all ages, and loving outreach to people in need, parishes are the frontline of the Church. The archdiocese has developed or expanded initiatives this year to ensure that human and financial resources are available and well utilized to keep parishes active and viable.

The *Renew and Rebuild Capital Campaign* was welcomed by parishes grateful for an opportunity of an organized, centrally managed program to address necessary, and sometimes long overdue, maintenance, repairs, and expansions. The archdiocese provided design and logistical support for the five-year campaign and assured participants that a minimum 74% of funds raised would be used by parishes for their own projects. Capital campaigns in other (arch)dioceses typically return 50% to parishes. Through the generosity of parishioners, gifts and pledges are bringing the campaign goal of \$200 million within reach.

When, for instance, Father Cosme Fernandes, pastor of Saint Martin of Tours in the Bronx, discussed the possible campaign outcomes with his enthusiastic volunteers, all agreed that the former convent should be repurposed as a supervised afterschool center for parish children and a facility to accommodate parish meetings and celebrations. Parishioners exceeded their fundraising goal and renovation work is already underway. All this in one of the most financially strapped areas of the archdiocese.

At Saint Anthony in Yonkers, Father Arthur Mastrolia and his committee decided to use *Renew and Rebuild* funds to eliminate parish debt incurred eight years ago when boilers had to be replaced. After that, the parish replaced the heavy front doors of the church that no longer closed properly and added a much-appreciated restroom.

Several departments of the archdiocese worked with Saint Anthony's Parish, as they do with other parishes to plan, design, finance and implement projects. The Energy Management Office, for example, helped

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PARISH REVENUES

Collections, donations, and contributions	47%
Religious education and RCIA registration and fees	4%
Capital temporary/permanent restricted donations	14%
Extraordinary donations and bequests	6%
Fundraising	5%
Archdiocesan support	3%
Support from other parish entities	3%
Investment income	4%
Other revenues, proceeds sales, and insurance reimbursement	14%
TOTAL REVENUES: \$415,606,948	100%

PARISH EXPENSES

Clergy personnel costs	13%
Lay personnel costs	26%
Religious personnel costs	1%
Religious education program	1%
Office and clerical support services	10%
Utilities	6%
Repairs, maintenance, plant cost, and gift shop	16%
Cathedraticum assessments	11%
House living expenses	2%
Fundraising expenditures	2%
Interest	3%
Program and development costs	1%
Support to elementary school	3%
Support to high schools, religious education and other	2%
Grants and charitable contributions	3%
TOTAL EXPENSES: \$283,991,573	100%

PARISHES

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obtain estimates for solar panels that will be installed on the roof of the school. Throughout the archdiocese, energy audits have helped parishes identify conservation measures to reduce consumption and energy costs. Modest changes in lighting and improvements to insulation have generated annual savings of \$1.4 million for 97 parishes.

Every capital project planned by a parish is reviewed by archdiocesan staff in a comprehensive Request for Approval (RFA) process that reflects a commitment to good stewardship of funds, appropriate insurance coverage, and protection of the patrimony of the Church. Examination of the proposed project checks adequacy of funding, requires multiple bids by qualified contractors, reviews contracts, and guarantees insurance coverage. Since the beginning of *Renew and Rebuild*, the number of RFAs submitted has increased significantly.

Before a parish begins a Renew and Rebuild project, it must have collected 50% of the funds required for the work to be done, or have a combination of cash and pledges amounting to 75% of the anticipated total. It is vitally important that donors fulfill pledges so parishes can complete their projects.

Roof replacement, fire safety upgrades, and stone façade repointings are not directly related to the practice of our faith, but a safe, comfortable church building enhances the community's experience and allows for parishioners to concentrate on worship, education, and service, while welcoming new members.

The 26% of *Renew and Rebuild* funds retained by the archdiocese is being used to support needy parishes, Catholic high schools, Catholic Charities, and evangelization efforts, as well as to complete the restoration of Saint Patrick's Cathedral. Also, a \$10 million fund was established through the campaign to cover major school repairs and capital projects undertaken by parishes that host regional schools.

In recent years, the archdiocesan Hispanic Ministry Office has expanded to meet the pastoral needs of our growing Spanish-speaking Catholic communities. It has participated enthusiastically in local, regional, and statewide preparations for the *V National Encuentro*. The goal of the *V Encuentro*, scheduled for September 2018, is to discern ways within which the Church in the United States can better respond to the Hispanic/Latino presence and to strengthen the ways Hispanics/Latinos respond to the call to the New Evangelization as missionary disciples serving the entire Church. During the last four years, the archdiocesan Hispanic Ministry Office worked with more than 3,000 lay leaders in parishes to prioritize their pastoral needs and identify opportunities for all Catholic leaders to engage and accompany Spanish-speaking Catholics in the Church.

Al Volante! is a six-session program that invites all Spanish-speaking parishes to build a strong parish foundation, foster lay leadership development, and instill financial best practices. This grassroots initiative to ensure that parishes flourish independently into the future examines and addresses potential impediments to the full immersion of the Spanish-speaking communities in the spiritual and temporal life of the Church.

Catholics throughout the archdiocese are invited to a more active practice of the faith and deeper involvement in their parishes. For the second year, all parishioners can access *Formed.org*, a collection of high-quality evangelization resources available from anywhere at any time. Many have been drawn to devotional materials specific to the liturgical seasons.

A two-year Masters of Science degree in Church Management with the archdiocese in partnership with Villanova University graduated its second class and welcomed its fourth incoming class. Many participants are current or aspiring parish business managers. Graduates complete a parish business managers certified workshop on best practices in parish administration that applies their learning to archdiocesan structures and is the final step for certification as a parish business manager.

The archdiocese provides aid to needy parishes through the Inter-Parish Finance (IPF) Program begun by Cardinal Terence Cooke. In 2017, 30 parishes received approximately \$4.2 million to supplement parishioner support. As parishes have grown stronger, there has been a steady reduction in the amount of grants needed to help struggling parishes meet their operational expenses.

The central offices of the archdiocese, described in these pages, provide guidance, expertise, and support to parishes so that they can strengthen and enhance the faith of 2.6 million Catholics in the Archdiocese of New York.

Faith Formation Programs Serve Youth, Families and Adults

Faith formation is a lifelong process and the Archdiocese of New York provides parishes and individuals with many diverse, age-appropriate programs to enrich and share their faith.

The new Department of Youth Formation is comprised of the Catechetical Office and the Office of Youth Ministry. These two offices help young people and their families grow in their faith and relationship with Jesus Christ from pre-kindergarten through high school. The Department of Youth Formation empowers those who work with children and youth to share the Gospel in an engaging way that reflects its mercy and joy.

Collaborative programs help parishes and pastors with their catechetical needs, including training catechists, parish directors and coordinators of religious education, and youth ministers to pursue their common mission to share the Catholic faith with children, youth and families.

A key element of both offices of the department is the formation and support of more than 8,000 volunteer catechists and trained leaders who minister to more than 80,000 children, youth and their families. Catechist and youth ministry leader training is held throughout the archdiocese and 1,000 adult leaders also attended two forums that focused specifically on catechesis and youth ministry. An innovative DOMUS program helps parishes identify and design a community-specific youth ministry initiative.

The Department of Youth Formation also sponsors events for adults and young people. A popular program is the annual New York Catholic Youth Day that draws 1,500 enthusiastic Catholic teens to celebrate their faith and grow in their relationship with Christ.

The annual New York Catholic Bible Summit, co-sponsored with the American Bible Society, is a bilingual, day-long event where more than 600 participants and noted scholars explore and discuss sacred scripture.

In addition, the department provides extensive formation for Rite of Christian Initiation of Adults (RCIA) leaders and team members, organizes the annual Rite of Election at St. Patrick's Cathedral and offers a program for adults seeking the Sacrament of Confirmation.

Enlighten is a new program in partnership with Fordham University. It offers free courses in scripture, sacraments, morality, creed and Catholic social teaching to anyone who is interested. The courses comprise the theological formation component necessary for catechist certification. More than 600 people have accessed the lectures and online discussions moderated by Fordham professors and archdiocesan Department of Adult Faith Formation staff.

SCHOOLS

*A Christ-Centered Educational Experience for Each Child***Innovative Strategies, Targeted Investments Spur Cutting-Edge Education in the Catholic Schools of the Archdiocese**

Through the implementation of innovative educational strategies and carefully targeted investments, the Catholic schools of the Archdiocese of New York enjoyed demonstrable improvements in student performance while providing outstanding, cutting-edge Catholic education.

Applications increased 15 percent, driven by the schools' reputation, innovative contemporary marketing, and generous financial assistance. The dual mission of the schools is reflected in the new identity slogan: "Faith-Based, Future-Focused," which describes forming men and women of strong faith and moral character while also honing the intellectual abilities that will set them on a path of lifelong success.

The schools continue to expand outreach to Latino families with Spanish-language web pages and advertising, bilingual parish presentations and one-to-one Bilingual Parent Helpline.

The blended learning program, which was successfully piloted in three schools during the 2015-2016 academic year, was expanded to 34 schools in the nine geographic regions of the archdiocese. Blended learning uses both online and in-person instruction to enhance student achievement. Three schools received prestigious awards for implementing the initiative, and the positive impact was seen most clearly in outstanding student performance on New York State English Language Art and Math tests.

System-wide, our students outpace New York State and New York City public school students in both Math and ELA proficiency. The promising trajectory of student scores on standardized exams attests to the dedication of teachers, principals and students. It also confirms the benefit of careful investment in technology and data analytics that teachers use to individualize instruction to meet students' needs. Overall, the schools used more than four million dollars from federal, archdiocesan and donor sources to upgrade wireless internet to support one-to-one student-to-device learning environments in more than 70 schools.

The youngest students are welcomed through Universal Pre-Kindergarten (UPK) classes in our regional and parish schools and a new Early Childhood Kindergarten initiative that uses center-based learning in 19 schools.

The schools of the archdiocese offer scholarship funds so families with financial needs have an opportunity to give their children a quality, values-based educational experience. Funds are raised by the Catholic Education Advancement Office whose efforts provided \$13.3 million in need-based scholarships to more than 8,000 students and awarded \$3 million to 65 Catholic schools for educational programs and facility improvements.

As in past years, the public policy staff of the Archdiocese of New York advocated with federal, state and local governments to ensure that our schools receive all of the benefits to which they are entitled. These include funds for technology, security, professional development and special education.

The audited financial statement on the facing page demonstrates careful stewardship of school finances in a successful effort to provide high quality Catholic education for more than 70,000 children in ten counties. All education is costly and the Archdiocese of New York affirms its commitment to accessible Catholic education with an annual financial subsidy to its Global Regional School System.

**PARISH/PRIVATE/PARTNERSHIP
ELEMENTARY SCHOOLS****REVENUES**

Tuition, fees, cafeteria, and other	61%
Parish support	8%
Scholarships, grants, patrons, and development	1%
Fundraising	5%
Governmental and NYS mandated services	11%
Investment income and restricted and extraordinary donations	13%
Rental income and domicile receipts	1%
TOTAL REVENUES: \$135,059,741	100%

EXPENSES

Lay personnel costs	70%
Religious personnel costs	1%
Repairs, maintenance, and other plant costs	11%
Utilities	3%
Technology, classroom, and instructional materials	5%
Office and accounting services and miscellaneous service contracts	3%
Consumables, student activities, and outreach	4%
Fundraising costs	3%
TOTAL EXPENSES: \$121,482,178	100%

THE GLOBAL REGIONAL SCHOOL SYSTEM

CONDENSED BALANCE SHEET

	2017	2016
Assets:		
Cash and investments	\$11,850,343	12,308,464
Loans and accounts receivable, principally from parishes and other affiliates, net	24,049,381	24,661,987
Other assets	127,828	160,744
Fixed assets	2,696,282	1,477,666
Total assets	\$38,723,834	38,608,861
Liabilities:		
Accounts payable and other liabilities	\$12,970,036	14,467,454
Deferred revenue	14,810,294	15,291,116
Loans payable to affiliated entities	439,369	478,738
Total liabilities	28,219,699	30,237,308
Net assets:		
Expendable (unrestricted and temporarily restricted)	3,919,894	3,376,087
Non-expendable (investment in fixed assets and permanently restricted)	6,584,241	4,995,466
Total net assets	10,504,135	8,371,553
Total liabilities and net assets	\$38,723,834	38,608,861

The Global Regional School System (GRSS) of the Department of Education of the Archdiocese of New York, which began operations effective September 1, 2013, is comprised of 94 elementary schools in the following 9 Catholic school regions: Manhattan, Staten Island, Dutchess, Central Westchester, Northern Westchester/Putnam, Northeast/East Bronx, Northwest/South Bronx, Ulster/Orange/Sullivan, and Rockland. GRSS was created within the archdiocese to address the financial viability of certain elementary schools which previously were operated by parishes. Total enrollment of GRSS schools in 2016-2017 was approximately 24,100 students, with 94 principals and 1,700 teachers.

In addition to scholarships and contributions of income received from the rental of closed parish school properties, the archdiocese also provided support to cover the GRSS \$26 million operating deficit. The deficit was primarily funded through Cathedraticum and stabilization support totaling \$14.5 million. Parishes also paid \$9.4 million of school support assessments to GRSS. Total net assets of \$10.5 million include \$9.7 million reserved for scholarships, capital improvements, and school enrichment programs. Expendable net assets are comprised of unrestricted and temporarily restricted assets other than temporarily restricted net assets designated for capital.

CONDENSED STATEMENT OF ACTIVITIES

	2017	2016
Change in unrestricted net assets:		
Operating revenues:		
Tuition and fees	\$145,861,226	138,076,702
Contributions, including contributed services	14,595,617	14,012,314
Government grants and contracts	10,762,466	14,138,204
Investment income, including rent and royalties	17,293	17,754
Other revenues	263,322	550,426
Net assets released from restrictions for operations	2,493,310	1,848,605
Total operating revenues	173,993,234	168,644,005
Operating expenses:		
Education	177,307,472	169,062,911
Administration	17,896,066	14,436,858
Fundraising	4,844,830	4,872,220
Total operating expenses	200,048,368	188,371,989
Decrease in net assets from operating activities	(26,055,134)	(19,727,984)
Nonoperating activities:		
Net assets released from restrictions for capital projects	402,785	278,705
Support from the archdiocese, principally from Cathedraticum grant	4,173,405	3,949,393
Support from parishes (assessments and leases)	11,250,832	11,379,736
Transfers from former parish schools	200,810	(17,116)
Decrease in unrestricted net assets before Stabilization Fund	(10,027,302)	(4,137,266)
Support from the archdiocese - Stabilization Fund	10,280,444	4,408,050
Increase in unrestricted net assets	253,142	270,784
Change in temporarily restricted net assets:		
Contributions and grants	3,943,204	2,909,286
Investment return (loss)	290,400	110,758
Restricted transfers from former parish schools	254,548	83,176
Net assets released from restrictions	(2,896,095)	(2,127,310)
Increase in temporarily restricted net assets	1,592,057	975,910
Change in permanently restricted net assets:		
Contributions and grants	287,383	1,264,286
Increase in permanently restricted net assets	287,383	1,264,286
Increase in net assets	2,132,582	2,510,980
Net assets at beginning of year	8,371,553	5,860,573
Net assets at end of year	\$10,504,135	8,371,553

DEMOGRAPHICS

Includes all Catholic organizations that operate within the boundaries of the Archdiocese of New York with the approval of the Cardinal. There are 2.6 million Catholics in the Archdiocese of New York.

SACRAMENTS PERFORMED IN 2017:

BAPTISMS 19,620

1,126 ADULTS 18,494 CHILDREN

CONFIRMATIONS 15,856

2,116 ADULTS 13,740 CHILDREN

ANOINTINGS OF THE SICK 26,242

9,590 AT HOME 16,652 IN INSTITUTIONS

MARRIAGES 3,168
FUNERALS 11,802

CLERGY AND RELIGIOUS SERVING IN 2017

Archdiocesan priests (active)	361
Archdiocesan priests (retired and inactive)	186
Seminarians (major/college)	52
Religious priests	210
International priests	168
Deacons	388
Religious (women and men)	670

STUDENTS IN CATHOLIC EDUCATIONAL INSTITUTIONS IN 2017

Colleges and Universities	9
Number of students	42,000
Elementary Schools	156
Number of students	41,347
High Schools	46
Number of students	23,269
Religious Education Programs	
Number of students	74,635

SAINT JOSEPH'S SEMINARY

Priests, Deacons and Church Leaders Receive Formation in One Place

The wide halls of Saint Joseph's Seminary in the Dunwoodie section of Yonkers echo with the sounds of seminarians, candidates for the permanent diaconate and men and women studying sacred theology. This year, conversions are punctuated with construction noises as the cavernous 19th century building undergoes a major renovation. Work is being done to upgrade electrical, security and fire suppression systems, modernize the chapel and repaint rooms throughout the building.

Saint Joseph's Seminary is the major seminary of the Archdiocese of New York. In 2012, the St. Charles Borromeo Inter-diocesan Partnership was formed under the leadership of Cardinal Timothy Dolan, Bishop Nicholas DiMarzio and Bishop William Murphy. It consisted of the Archdiocese of New York and the Dioceses of Brooklyn and Rockville Centre. Currently, six (arch) dioceses, one Catholic eparchy and three religious congregations send candidates for the priesthood to St. Joseph's Seminary.

In the 2017-2018 academic year, 64 seminarians represented the Inter-diocesan Partnership dioceses, the dioceses of Bridgeport, Albany and Camden, the St. Mary Queen of Peace Syro-Malankara Catholic Eparchy of the USA and Canada, the Franciscan Friars of the Renewal, the Idente Missioners, the Piarist Fathers and the Redemptorist Mater Seminary program of Bridgeport. Candidates for the permanent diaconate in the three partnership dioceses and the Diocese of Bridgeport received the intellectual dimension of their formation at St. Joseph's and related facilities in Huntington, Douglaston and Poughkeepsie.

Members of the Franciscan Handmaids of the Most Pure Heart of Mary, a growing Harlem-based congregation of religious sisters, have joined other non-seminary students for programs offered by the seminary. Non-seminary students may pursue master's degrees in theology or Catholic philosophical studies and post-master's certification in dogmatic theology and sacred scripture.

The seminary uses new technologies to help seminarians and other students access courses, including online lectures and telecommunications that link the four learning sites in Yonkers, Huntington, Douglaston and Poughkeepsie.

In 2018, Cardinal Timothy Dolan ordained five priests for the Archdiocese of New York and four Franciscan Friars of the Renewal. Bishop Nicholas DiMarzio of Brooklyn ordained five priests for his diocese. Bishop John Barres ordained one priest for the Diocese of Rockville Centre. The Piarist seminarian returned home to India for ordination by his local bishop.

St. John Vianney Clergy Residence Feels Like 'Home' Along Hudson

Sixty-one priests currently call St. John Vianney Clergy Residence home. Located in the Riverdale section of the Bronx, the residence is comprised of the Edward Cardinal Egan Pavilion, which houses 31 priests, and the John Cardinal O'Connor Pavilion, where 30 priests live.

The Cardinal Egan Pavilion, dedicated in 2016, has a capacity of 44, including a 13-bed enhanced care unit. The Cardinal O'Connor Pavilion, dedicated in 2003, has a capacity of 34. Both pavilions have two guest rooms for priests.

Dignified chapels grace both pavilions.

A medical doctor who specializes in gerontology sees priests on a weekly basis. A podiatrist visits every six weeks. A lab provides blood work in-house and X-rays are also offered through a visiting technician.

In addition to three registered nurses and dedicated staff who coordinate and assist in offering care when needed, the ArchCare at Home Dominican Sisters of Ossining provide home care and physical therapy to the retired priests.

"It really is a wonderful place to live," said Father Robert Dunn, who moved to the Cardinal Egan Pavilion in 2017 after serving as chaplain of the Jeanne Jugan Residence in the Bronx since 2007.

"It's right on the Hudson River. It's immaculately designed and kept. It's a beautiful place in a beautiful spot. And inside, it's home."

All the rooms are designed "as rooms in a rectory, rooms in a home," Father Dunn said. "It's not an institutional place."

Father Dunn, 52, has been on permanent sick leave since April. He is grateful for the accessibility in and around the chapel. Daily Mass is at 11 a.m. Evening prayer is at 4:45 p.m. "There are no steps, so there's no problem with people getting in there who are on canes or wheelchairs or walkers. I'm in a power chair, so it's easy to get around."

In the dining room, "it's like the history of the archdiocese comes to dinner," Father Dunn said of the camaraderie among the retired priests who thoughtfully converse about the places they have served.

CATHOLIC CHARITIES

Providing Help, Creating Hope

Uncommon Resolve and Commitment Are Linked in Catholic Charities' Proud History, Current Service

Archdiocesan Catholic Charities celebrated its centennial of providing help and creating hope for all New Yorkers in need—Catholics and non-Catholics alike—in 2017. “At Catholic Charities, everybody comes to us, and we’re glad they do,” Cardinal Dolan said proudly. “And with Catholic Charities, everybody helps. We’re in it together.”

A magnificent gala at the Museum of Natural History in June, and recognition by Gov. Andrew Cuomo and New York City Mayor Bill de Blasio and other religious, elected and civic officials, acknowledged the 100 years of service that Catholic Charities' more than 90 agencies has given to New Yorkers from the borough of Staten Island to Saugerties in Ulster County.

Perhaps the best way to honor Catholic Charities is to show examples of the work it does, under the leadership of Msgr. Kevin Sullivan, its executive director, and an accomplished and active board of directors.

The services of Catholic Charities touch almost every human need. For example, its outreach to provide food for the hungry and shelter for the homeless served 151,000 people with services including emergency meals and shelters, temporary and transitional housing residences, permanent affordable housing and eviction



prevention. That’s just the starting point of the good Catholic Charities is able to accomplish in the archdiocese through government partnerships, private philanthropy as well as funding from the archdiocese and individual Catholics.

Other areas of service including protecting and nurturing children and youth, strengthening families and resolving crises, supporting the mentally and emotionally challenged, and welcoming and integrating immigrants and refugees.

Catholic Charities does all this while keeping its administrative expenses low. In fact, nearly nine of every 10 dollars given to Charities goes directly to program services.

Even with its proud history and the sterling services it provides today, Catholic Charities is not content to rest on its laurels. It has already begun planning and acting, so the next 100 years will be as purposeful and productive as its first century. Here are a few of the projects already identi-

fied and in some cases open to serve today’s expressed needs: creating a Bronx food hub, building a new residential and outpatient drug treatment center in Monticello, addressing the opioid crisis on Staten Island and launching a mobile app to expand access to services.

CARDINAL’S ANNUAL STEWARDSHIP APPEAL

Campaign Supports ‘Sharing God’s Gifts’ With the Archdiocese and Its Parishioners

The 2017 Cardinal’s Annual Stewardship Appeal raised \$21,211,761 in pledges and has collected \$20,198,203 in contributions from tens of thousands of parishioners in the Archdiocese of New York.

Those are the financial numbers, but the real story of the campaign’s success is what happens once the money raised is received. The theme of the Appeal campaign, “Sharing God’s Gifts,” offers a good clue.

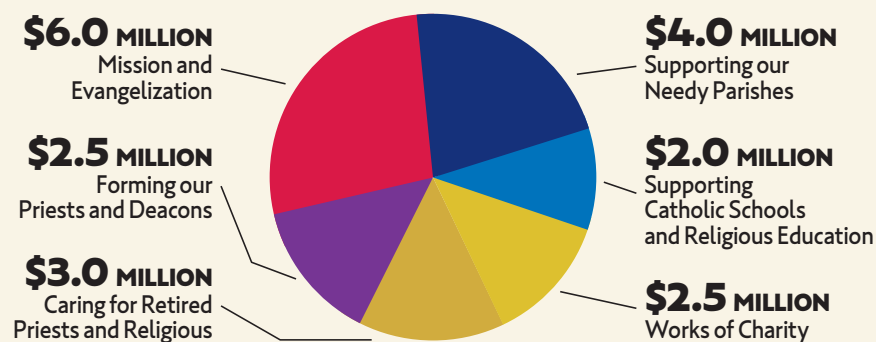
It may be helpful to list many of the diverse ministry offices and apostolates in the archdiocese that receive at least some of their funding through your support of the Cardinal’s Annual Stewardship Appeal. They are Adult Faith Formation, Youth Faith Formation, Young Adult Outreach, Family Life, Respect Life, Black Ministry, Hispanic Ministry, Liturgy Office, Ecumenical Affairs, Ethnic Apostolates, Hospital Apostolate, Lay Ecclesial Movements, Prison Apostolate and University Apostolate.

That’s a lot of effort and expense, which is worth every penny because it supports the faith journey of parishioners. And, as Cardinal Dolan fondly says, “We couldn’t do it without you.”

Regina King is the director of the Cardinal’s Annual Stewardship Appeal. Bettina Alonso is executive director of development for the archdiocese.

One of the Appeal’s outreach projects, clearly identified in the pie chart accompanying this article, is Forming Our Priests and Deacons. The Cathedral Prep program enables young men of high school age to spend a weekend at St. Joseph’s Seminary in Dunwoodie. That experience can help them in their discernment of a possible priestly

Areas of Support



vocation, said Father Christopher Argano, director of vocations for the archdiocese.

“For any young man today thinking about the priesthood, the great challenge is, ‘Am I alone?’ It’s so essential to be together here weekends to see men like yourself who are thinking about the possibility of serving God one day as a priest in the archdiocese.

“All of this, of course, is not free. The Cardinal’s Appeal enables us to have the financial capacity to be able to support these young men and give them the resources we feel they need to help them discern better. We are so grateful for the support we get every year.”

SERVICES

Condensed Balance Sheets and Statements of Activities

Organization

Within the Archdiocese of New York, there are 295 parishes, 36 parish based elementary schools and 94 global regional schools. In addition, there are 90 Catholic Charities related institutions, agencies, and programs, each of which is a separately incorporated entity with its own distinct operations, board of directors, and financial statements. The financial activity of these entities is not included in the condensed balance sheet or the condensed statement of activities.

Archdiocesan Services entities are religious corporations exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (the Code). Archdiocesan Services represents a combination of 15 entities providing health and social services; pastoral and educational programs; and financial, administrative, and program support to parishes, schools, and other organizations of the Archdiocese of New York.

The accompanying condensed financial statements of Archdiocesan Services as of and for the years ended August 31, 2017

and 2016 aggregate the financial statements of all 15 entities. The financial statements of 10 of these entities, comprising 99% of total assets and nearly 100% of revenues, were audited by independent auditors, and each of the independent auditors' reports expressed an unmodified opinion. In combining the individual entity financial statements, transactions between and among these entities were eliminated to create the condensed financial statements. KPMG, the primary audit firm of the Archdiocese of New York, audited 7 of these entities and also provided assistance in the preparation of the accompanying condensed financial statements.

The financial statements were presented to and approved by the archdiocese's Finance Council. Its members are: John Castle; John P. Cahill, Esq.; Gerald Clark; George K. Cooney; Samuel A. Di Piazza, Jr.; William P. Harrington, Esq.; Alfred F. Kelly, Jr.; Catherine Kinney; Thomas M. McGee; John Greed; Stephen V. Murphy; Una Neary; Robert H. Niehaus; William F. Plunkett, Jr., Esq.; and Mary Ann Tighe.

Condensed Balance Sheets

Total assets for Archdiocesan Services as of August 31, 2017 reflect an increase of \$24 million, or 3%, over the 2016 level primarily due to a \$23 million increase in loans and accounts receivable primarily related to an increase of \$19 million in PAC loans receivable from parishes.

Fixed assets of \$102 million are reported net of accumulated depreciation. Gross fixed assets of \$194 million consist of land and buildings with a cost of \$170 million, furniture and equipment of \$17 million and construction in progress of \$7 million.

With respect to liabilities of Archdiocesan Services, the increase of approximately \$54 million, or 13%, is principally attributable to accounts payable and other liabilities in the amount of \$34 million,

primarily attributable to the increase in notes payable in ADNY, as well as an increase in loans payable to affiliated entities in the amount of \$16 million, which is attributable to an increase of PAC loans payable to parishes.

Total net assets decreased by approximately \$30 million, or 10%. The decrease in expendable net assets was 18%, to a balance of approximately \$138 million.

Certain amounts in the 2016 condensed financial statements presented above have been adjusted to more accurately reflect the actuarial gain for the priests-post retirement health benefits. As a result, total liabilities decreased by 5% and total net assets increased by 7%.

Condensed Statements of Activities

In fiscal 2017, total revenues of \$223 million decreased by approximately \$9 million, or 4%, over 2016 mainly due to decrease in support service fees and assessments from parishes and affiliates of approximately \$17 million, offset by an \$11 million increase in contributions, including contributed services.

In fiscal 2017, total expenses were \$259 million, which increased by \$16 million or 7% over 2016. Grants and subsidies to parishes and

schools increased by approximately \$5 million, health and social services increased by \$4 million and education expenses increased by \$11 million, offset by a \$8 million decrease in administration expenses.

Net assets decreased approximately \$30 million primarily due to \$34 million in expenses related to the Independent Reconciliation Compensation Program.

ARCHDIOCESAN SERVICES AS OF AND FOR THE YEARS ENDED AUGUST 31, 2017 AND 2016

CONDENSED BALANCE SHEETS

	2017	2016
Assets:		
Cash and investments	\$285,682,065	292,740,386
Loans and accounts receivable, principally from parishes and other affiliates, net	295,689,524	272,969,597
Other assets	15,627,260	13,769,386
Beneficial interest in charitable trusts	21,664,839	20,630,612
Fixed assets	102,018,699	96,664,936
Total assets	\$720,682,387	696,774,917
Liabilities:		
Accounts payable and other liabilities	\$158,863,338	124,798,678
Allowances for property, casualty, and health insurance losses	77,818,963	68,418,960
Accrued post-retirement health benefits for priests	40,338,856	45,451,610
Loans payable to affiliated entities	181,527,421	166,005,604
Total liabilities	458,548,578	404,674,852
Net assets:		
Expendable (unrestricted and temporarily restricted)	138,118,136	167,580,524
Non-expendable (investment in fixed assets and permanently restricted)	124,015,673	124,519,541
Total net assets	262,133,809	292,100,065
Total liabilities and net assets	\$720,682,387	696,774,917

CONDENSED STATEMENTS OF ACTIVITIES

	2017	2016
Revenues:		
Contributions, including contributed services	\$82,191,291	70,708,459
Government grants and contracts	48,206,648	50,193,212
Support service fees and assessments from parishes and affiliates	37,407,472	54,851,641
Investment income, including rent and royalties	35,159,825	35,671,510
Other revenues	20,123,402	20,248,804
Total revenues	223,088,638	231,673,626
Expenses:		
Grants and subsidies to parishes and schools	18,069,290	12,678,236
Health and social services	76,340,770	72,111,115
Pastoral	50,236,480	49,966,913
Education	25,625,680	14,615,486
Religious personnel development	6,828,136	6,707,179
Affiliate support services	47,422,916	46,087,403
Administration	19,973,649	27,676,120
Fundraising	14,984,003	13,625,712
Total expenses	259,480,924	243,468,164
Excess of (expenses) over revenues	(36,392,286)	(11,794,538)
Gains and losses:		
Net realized and unrealized investment gains	7,222,248	6,021,297
Interest in proceeds from sale of parish properties	—	17,856,916
Other, net	32,983,763	6,446,183
Independent Reconciliation Compensation Program	(33,779,981)	—
(Decrease) increase in net assets	(29,966,256)	18,529,858
Net assets at beginning of year	292,100,065	273,570,207
Net assets at end of year	\$262,133,809	292,100,065

The Archdiocesan Services Condensed Balance Sheets and Statements of Activities include the following entities:

Archdiocese of New York, Archbishopric of New York, Archdiocesan Service Corporation, Ecclesiastical Assistance Corporation, Ecclesiastical Properties Corporation, Institutional Commodities Services Corporation, Cardinal Spellman Foundation, Saint Rose Settlement, Saint Paul Guild, Parish Assistance Corporation, Department of Education, Catholic Indemnity Insurance Company, Saint Joseph's Seminary and College, The Catholic Charities of the Archdiocese of New York, and the Roman Catholic Fund for Children.

SUMMARY

The accompanying combining financial statements of Archdiocesan Services for the year ended August 31, 2017, have been delineated into the following components: Archdiocese Central Offices, Parish Assistance Corporation, Department of Education, Saint Joseph's Seminary and College, Catholic Indemnity Insurance Company, and Catholic Charities of New York (including the Roman Catholic Fund for Children). The total columns in these combining statements reflect the elimination of intra-Archdiocesan Services transactions or balances approximating \$53 million with respect to assets and liabilities and \$64 million with respect to revenues, gains and expenses.

Archdiocesan Central Offices

The following corporations are included in the financial statements of the Archdiocesan Central Offices: Archdiocese of New York, Archbishopric of New York, Ecclesiastical Assistance Corporation, Institutional Commodities Services Corporation, Archdiocesan Service Corporation, Ecclesiastical Properties Corporation, Cardinal Spellman Foundation, Saint Rose Settlement, and Saint Paul Guild.

Central Offices has three broad expense categories: (i) grants, subsidies and services to parishes, schools, and other affiliates; (ii) pastoral services which include clergy care as well as spiritual and social outreach; and (iii) supporting services which encompasses the shared support services, fundraising, and administration offices which manage programs and resources for the benefit of parishes, schools and other organizations across the archdiocese.

Parish Assistance Corporation (PAC)

PAC provides cash management and other financial support to parishes, charities, religious orders, and other Catholic entities throughout the archdiocese. PAC provides support by, among other things, making loans to entities with projects in need of financing. PAC also receives loans from entities to provide a source of lending capital. At August 31, 2017, PAC had deposits of \$181 million and \$202 million of loans outstanding before allowances.

Department of Education (DOE)

DOE's primary purpose is to provide educational, financial, managerial, and other forms of support and assistance to the schools and educational programs operated by or under the supervision of the archdiocese. It includes the Superintendent of Schools' Office, Catechetical Office, University Apostolate, and Instructional Television. A principal responsibility of DOE is its oversight of government funded programs, including Child Nutrition and Drug Abuse Prevention. Additionally, DOE administers special education programs, including the John Cardinal O'Connor Learning Center.

DOE has relied on an annual grant from the Archdiocese of New York to support its operations. Excluding such support which totaled \$10 million in 2017, government grants and contracts represent 62% of DOE's total operating revenues. 54% of DOE's expendable net assets at August 31, 2017, are restricted by donors for scholarships.

Saint Joseph's Seminary and College (Saint Joseph's Seminary)

Founded in 1896, Saint Joseph's Seminary and College ("the Seminary") is comprised of two operating divisions: The Saint Charles Borromeo Inter Diocesan Partnership ("Partnership"); and Saint Joseph's Seminary Campus ("Campus"). These entities are combined into a single consolidated operating statement for audited financial reporting and accreditation purposes. The

ARCHDIOCESAN SERVICES COMBINING BALANCE SHEETS AS OF AUGUST 31, 2017

	TOTAL	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Assets:							
Cash and investments	\$285,682,065	83,962,323	41,169,021	22,092,796	23,156,404	58,611,936	56,739,585
Loans and accounts receivable, principally from parishes and other affiliates, net	295,689,524	78,747,721	180,978,585	8,362,120	49,670,993	704,794	26,466,360
Other assets	15,627,260	8,739,919	3,120,727	153,406	152,816	2,076,498	1,383,890
Beneficial interest in charitable trusts	21,664,839	17,359,766	—	—	112,296	—	4,192,778
Fixed assets	102,018,699	78,914,346	—	5,226,736	6,306,250	—	11,571,367
Total assets	\$720,682,387	267,724,075	225,268,333	35,835,058	79,398,759	61,393,228	100,353,980
Liabilities:							
Accounts payable and other liabilities	\$158,863,338	123,082,598	1,920,395	18,274,615	2,014,098	10,208,632	17,965,569
Allowances for property, casualty, and health insurance losses	77,818,963	48,370,212	—	—	—	29,448,751	—
Accrued post-retirement health benefits for priests	40,338,856	40,338,856	—	—	—	—	—
Loans payable to affiliated entities	181,527,421	6,480,448	202,245,860	4,504,578	2,935,510	—	—
Total liabilities	458,548,578	218,272,114	204,166,255	22,779,193	4,949,608	39,657,383	17,965,569
Net assets:							
Expendable (unrestricted and temporarily restricted)	138,118,136	(21,016,498)	21,102,078	7,016,944	50,099,171	21,735,845	59,230,098
Non-expendable (investment in fixed assets and permanently restricted)	124,015,673	70,468,459	—	6,038,921	24,349,980	—	23,158,313
Total net assets	262,133,809	49,451,961	21,102,078	13,055,865	74,449,151	21,735,845	82,388,411
Total liabilities and net assets	\$720,682,387	267,724,075	225,268,333	35,835,058	79,398,759	61,393,228	100,353,980

Partnership was formed when the Archdiocese of New York, the Diocese of Brooklyn, and the Diocese of Rockville Centre entered into a joint operating agreement for seminary formation in 2011. Partnership activity within this report is the financial activities for the educational and spiritual formation of major seminarians and graduate-level theological formation which occur at the Seminary and satellite campuses in Huntington and Douglaston. The Campus of Saint Joseph's Seminary, located on 42 acres in the Dunwoodie section of Yonkers, is the historic patrimony of the Archdiocese of New York. As such, the Archdiocese of New York pays all the costs for the maintenance and upkeep of the buildings and grounds. Additionally, the Archdiocese of New York records the costs of its seminarians, both major and minor, within the campus.

With annual expenses exceeding \$8 million, Saint Joseph's Seminary relies on support from the Archdiocese of New York. As a result of the Inter-Diocesan Partnership, such assistance has been reduced from previous levels. Appropriated annual spending from the Seminary's \$20 million endowment supports approximately 12% of operating costs.

Catholic Indemnity Insurance Company (CIIC)

CIIC provides insurance coverage, including workman's compensation, casualty and property, general liability, directors and officers, and student accident to independent components

of the Archdiocese, including parishes, schools, cemeteries, and other institutions.

At August 31, 2017, CIIC held approximately \$59 million of cash and investments which exceeded its loss reserves by approximately \$29 million. CIIC's revenues consist principally of premiums billed to parishes and other affiliated entities.

The Catholic Charities of the Archdiocese of New York (Catholic Charities)

Catholic Charities is a not-for-profit corporation incorporated in 1917 under the laws of the State of New York. Catholic Charities coordinates and oversees the charitable activities of the Archdiocese of New York. It assists those in need through its access to a network of directly administered, sponsored and affiliated agencies. Catholic Charities' revenue is predominantly generated from contributions and other public support. In 2017, its mission-related program expenses were approximately \$62 million, approximately 82% of total expenses.

Catholic Charities provides a wide range of human services in order to assist those in need under various auspices throughout the Archdiocese. Religious communities sponsor some, and others have grown from parish communities of faith. Still, others were founded by charismatic clergy, religious, and lay leaders. Together, they form The Catholic Charities of the Archdiocese of New York, a federation of administered, sponsored, and affiliated agencies touching almost every human need.

ARCHDIOCESAN SERVICES COMBINING STATEMENT OF ACTIVITIES FOR YEAR ENDED AUGUST 31, 2017

	2017	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Revenues:							
Contributions, including contributed services	\$82,191,291	46,475,183	—	2,048,255	3,528,610	—	30,830,505
Government grants and contracts	48,206,648	—	—	14,398,328	—	—	33,808,320
Grants from combining entities	—	1,536,687	—	10,000,000	1,070,367	—	2,342,539
Support service fees and assessments from parishes and affiliates	37,407,472	36,773,043	—	—	—	14,658,086	—
Investment income, including rent and royalties	35,159,825	19,832,657	9,386,373	230,803	7,283,916	3,081,204	4,403,463
Other revenues	20,123,402	5,073,556	—	6,614,262	2,130,660	—	6,304,924
Total revenues	223,088,638	109,691,126	9,386,373	33,291,648	14,013,553	17,739,290	77,689,751
Expenses:							
Grants and subsidies to parishes and schools	18,069,290	18,069,290	—	—	—	—	—
Grants to combining entities	—	14,320,366	—	536,687	—	—	—
Health and social services	76,340,770	—	—	14,501,280	—	—	61,839,490
Pastoral	50,236,480	49,484,793	—	753,687	—	—	—
Education	25,625,680	—	—	25,625,680	—	—	—
Religious personnel development	6,828,136	—	—	—	6,828,136	—	—
Affiliate support services	47,422,916	26,556,598	7,657,163	—	—	13,342,954	—
Administration	19,973,649	19,881,508	—	1,151,703	1,698,408	—	9,007,041
Fundraising	14,984,003	10,606,391	—	—	—	—	4,377,612
Total expenses	259,480,924	138,918,946	7,657,163	42,569,037	8,526,544	13,342,954	75,224,143
Excess of (expenses) over revenues	(36,392,286)	(29,227,820)	1,729,210	(9,277,389)	5,487,009	4,396,336	2,465,608
Gains and losses:							
Net realized and unrealized investment gains	7,222,248	3,225,176	3,019,264	644,726	—	—	333,082
Other, net	32,983,763	20,902,455	—	(13,784)	—	—	127,852
Independent Reconciliation Compensation Program	(33,779,981)	(33,779,981)	—	—	—	—	—
(Decrease) increase in net assets	(29,966,256)	(38,880,170)	4,748,474	(8,646,447)	5,487,009	4,396,336	2,926,542
Net assets at beginning of year	292,100,065	88,332,131	16,353,604	21,702,312	68,962,142	17,339,509	79,461,869
Net assets at end of year	\$262,133,809	49,451,961	21,102,078	13,055,865	74,449,151	21,735,845	82,388,411

CEMETERIES

Initiative Makes Archdiocesan Cemeteries Accessible for More Families

Burying the dead is one of the corporal works of mercy and reflects our belief in the Resurrection. For more than 200 years, Catholics in the Archdiocese of New York have entrusted the faithful departed to the hallowed ground of cemeteries owned by the Trustees of Saint Patrick's Cathedral.

The Trustees maintain four large archdiocesan cemeteries where more than 2 million individuals rest in peace and thousands of relatives and friends visit each year to pray and place flowers. They are: Calvary in Woodside, Queens; Gate of Heaven in Hawthorne, Westchester County; Resurrection in Pine Plains, Staten Island; and Ascension in Airmont, Rockland County.

Responding to reports from his priests that financial considerations prevented some families from maintaining the long-held tradition of burial or inurnment in a Catholic cemetery, Cardinal Timothy

Dolan launched an initiative in 2017 to welcome more families to cemeteries operated by the Trustees of Saint Patrick's Cathedral. The program expands some longstanding practices and adds new opportunities.

The initiative was well received and many people who formerly had no contact with the cemeteries came forward to express interest in a Catholic burial. There are four elements to the program. Catholics declared indigent by local civil authorities have always been buried at no cost in our cemeteries. The names of Catholics in the Saint Francis of Assisi Section in each cemetery are engraved on a communal marker. There were 42 such interments this year.

By tradition, stillborn children are buried and memorialized at no cost in a communal Guardian Angel Section in each cemetery. Since the initiative began, 84 families requested this service.

Each cemetery developed a new Saint Joseph of

Arimathea Section for the low-cost communal burial of cremated remains. To date, the cremated remains of 36 people have been reverently interred in the four cemeteries. A beautiful Sacred Hearts of Jesus and Mary Section was developed at Ascension Cemetery to offer reduced-cost standard burial for people whose limited means are confirmed by their pastor. There have been 31 graves sold in the new section. Several people have also bought niches at discounted prices to inurn the cremated remains of their loved ones.

The Trustees of Saint Patrick's Cathedral have visited parishes, senior centers, funeral homes, Knights of Columbus halls and archdiocesan meetings to invite all Catholics to consider burial or inurnment in a Catholic cemetery. It is an expression of faith as well as a guarantee of respectful care. A portion of the sale of each grave, crypt and niche is set aside to ensure the perpetual care of the cemeteries.

BALANCE SHEET

	2017	2016
Assets:		
Cash and investments	\$255,090,171	243,882,040
Accrued interest receivable	568,406	440,921
Due from St. Patrick's Cathedral	68,221,399	58,069,017
Other assets	797,201	621,448
Fixed assets	49,615,454	46,127,995
Total assets	\$374,292,631	349,141,421
Liabilities:		
Accounts payable and other liabilities	\$1,605,006	4,308,209
Due to Archdiocese of New York	933,000	—
Garden crypt mausoleums deposits	4,382,180	4,801,053
Line of credit	60,000,000	50,000,000
Accrued pension and other postretirement benefit obligations	17,537,424	19,711,092
Total liabilities	84,457,610	78,820,354
Net assets:		
Expendable (unrestricted)	240,219,567	224,193,072
Non-expendable (investment in fixed assets)	49,615,454	46,127,995
Total net assets	289,835,021	270,321,067
Total liabilities and net assets	\$374,292,631	349,141,421

STATEMENT OF ACTIVITIES

	2017	2016
Change in unrestricted net assets:		
Operating revenues:		
Cemetery sales and services	\$20,457,638	20,562,568
Investment return designated for cemetery operations	12,171,000	12,171,000
Total revenues	32,628,638	32,733,568
Expenses of cemetery operations:		
Administration and general	1,540,844	1,472,829
Operating expenses	21,884,218	20,931,462
Total expenses of cemetery operations	23,425,062	22,404,291
Increase in net assets from operating activities	9,203,576	10,329,277
Nonoperating activities:		
Cathedraticum expense	(2,000,000)	(2,000,000)
Investment return (less than) amount designated for cemetery operations	9,834,431	(5,310,935)
Postretirement-related changes other than net periodic postretirement benefit cost	2,390,747	(4,228,271)
Gain on sale of fixed assets	85,200	47,001
Total nonoperating activities	10,310,378	(11,492,205)
Increase (decrease) in net assets	19,513,954	(1,162,928)
Net assets at beginning of year	270,321,067	271,483,995
Net assets at end of year	\$289,835,021	270,321,067