

FINANCIAL SERVICES REPORT

Fiscal Year Ended August 31, 2018

ARCHDIOCESE OF NEW YORK



Dear friends in the Lord,

For the tenth consecutive year, I am pleased to offer you this comprehensive financial report of our archdiocese presented as a supplement to *Catholic New York*. It is a tribute to the commitment of parishioners to their parishes and to the many ministries we are privileged to support. These pages reflect careful stewardship of the funds entrusted to us and underscore the dedicated service of the men and women who are at the heart of our Church.

I am fortunate to visit parishes, schools, nursing centers and other facilities in the ten counties of our archdiocese throughout the year. Often, I am invited to celebrate a joyous anniversary or long-awaited dedication. Sometimes, I am asked to bring the comfort of our faith to families and friends of a person who has died. Without fail, I come away with gratitude for being able to witness another instance of faith in action.

For example, we care for the vulnerable in our communities. We provide healthcare services to more than 9,000 people every day through ArchCare, our umbrella of health-related and continuing care services. Most of the clients are able to stay at home or access specialty care in community-based nursing and rehabilitation centers.

We train longterm care workers, and provide community programs for at-risk children and centers for free HIV testing and counseling. ArchCare also offers comprehensive health services to seniors and mobile outreach to migrant workers and others with limited ability to reach traditional treatment programs. ArchCare's Terence Cardinal Cooke Health Center provides specialized care for patients with Huntington's disease and other neurodegenerative conditions, as well as adults with intellectual and developmental disabilities and children with profound impairments. We have broken ground for a new residence for young adults with autism. It is located on the grounds of Saint Teresa of the Infant Jesus parish on Staten Island.

In addition, we have a 59-bed assisted living unit for disabled adults in an ArchCare nursing home in the South Bronx. At the end of life, our Calvary Hospital and its new Dawn Greene Hospice provide palliative care and hospice programs in a tranquil, dignified setting. To me, these are great examples of our Gospel-driven commitment to love and serve one another.

When the *Making All Things New* pastoral planning program resulted in the merger of some parishes and the closing of others, I promised that we would thoughtfully consider the use of the buildings no longer needed by parishes. I am delighted to report that we have already developed 2,700 units of affordable housing for use by low-income residents.

In these pages, you will read about people in our 294 parishes and 200 schools. You will see how 90 affiliated Catholic Charities agencies address the needs of more than 400,000 people each year. While we can quantify parishes and schools and charitable institutions, it is much more enlightening to see how people who believe deeply in their faith express it in their works. The people are the Church! And I have often observed that their generous response to the *Cardinal's Annual Stewardship Appeal* and other initiatives described here is one measure of the esteem in which they hold our Church.

I am proud that we are also able to report on a robust training program for our future priests, deacons and church leaders at Saint Joseph's Seminary in Yonkers. Similarly, when our priests have finished their work, we are able to provide a home for their retirement at the Saint John Vianney Clergy Residence in Riverdale.

Please pay special attention in these pages to the good news about our healthy schools and the description of the many faith formation programs we have for Catholics of all ages. Ours is a complex and beautiful faith and we are blessed with the responsibility to share it.



On a final note: as you know, we established the Independent Reconciliation and Compensation Program (IRCP) in 2016 to compensate eligible victim survivors of sexual abuse of minors by a member of the clergy of the Archdiocese of New York. It is a true sacrifice by the Church to help heal those who are hurting. Two phases of the voluntary program have been completed. The payments are an expression of the Church's understanding of the harm that was done and an attempt to make amends. In the midst of this situation, I want you to know the safe environment education, prevention and reporting programs we implemented almost 20 years ago have been tremendously effective. There is not a single priest or deacon of the Archdiocese of New York currently in ministry against whom there has been a credible and substantiated allegation of abuse against a minor.

I hope you will read this report as I do, with a deep appreciation for all the people whose dedication and hard work on behalf of our Church are reflected herein.

With renewed thanks and prayerful best wishes, I am,

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

PARISHES

Spiritual Homes Where Faith Is Lived in Word, Deed

Archdiocese's 294 Parishes Each Tell a Story Rich in Faith and Community



Parishes are at the heart of our communal faith experience. We worship together, celebrate the sacraments, nourish our relationship with God and reach out to others in need. We build lifelong friendships with fellow parishioners on our journey to grace.

Across our ten rural, urban and suburban dioceses, each of the 294 parishes has a beautiful, compelling story that reflects a rich history and a vibrant contemporary experience. Our parishes are a true microcosm of our diverse Church.

This year, the archdiocese has supported pastoral and bricks-and-mortar initiatives to help parishes respond to the needs and interests of their parishioners. Building on the good work and open communication established during the *Making All Things New* pastoral planning process, Timothy Cardinal Dolan encouraged parishes to continue to cooperate through parish clusters. Inter-parish cooperation within local clusters is used to coordinate Mass and confession schedules; establish and develop strategies for enhancing lifelong faith formation for adults; promote and support Catholic schools; develop youth and young adult ministries; promote vocations to the priesthood, diaconate, religious life and sacramental marriage; improve strategies to meet the needs of people living in poverty; and ensure effective stewardship of time, talent and treasure with possible sharing of some parish managers and staff. The goal of the renewed collaboration is to maintain vibrant parish life for current and future generations.

The archdiocese is coordinating Hispanic ministry efforts in the upper counties to respond to a growing and enthusiastic population. The Evangelizing Sisters of Mary accepted Cardinal Dolan's invitation to work with priests of the Apostles of Jesus community. They will minister to the Hispanic community from church residences in Middletown and Newburgh.

Parishes are central to a new effort to welcome Catholics back to the practice of the faith. A pilot
Continued at right

PARISH REVENUES

Collections, donations, and contributions	45%
Religious education and RCIA registration and fees	3%
Capital temporary/permanent restricted donations	14%
Extraordinary donations and bequests	4%
Fundraising	5%
Archdiocesan support	9%
Investment income	4%
Other revenues, proceeds, sales, and insurance reimbursement	16%
TOTAL REVENUES: \$445,992,849	100%

PARISH EXPENSES

Clergy personnel costs	11%
Lay personnel costs	23%
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	10%
House living expenses	2%
Fundraising expenditures	2%
Interest	3%
Program and development costs	2%
Support to elementary school	3%
Support to high schools, religious education and other	1%
Grants and charitable contributions	9%
TOTAL EXPENSES: \$319,267,275	100%

SCHOOLS

A Christ-Centered Educational Experience for Each Child

Catholic Schools of the Archdiocese Are Home To Academic Success in a Faith-based Setting



From pre-kindergarten through grade 12, the Catholic schools of the Archdiocese of New York educate approximately 62,600 students. The schools are the vehicles through which the Catholic faith and tradition are passed on to future generations. Excellent Catholic schools have been a hallmark of the archdiocese for more than 200 years and maintain their dedication to quality education, transmission of the faith, service to others and development of personal responsibility. Students attend Catholic elementary schools that are parish-based, regional or Partnership schools. Ninety-nine percent of seniors in the 45 independent Catholic secondary schools graduate and 98 percent are accepted into college or post-secondary education.

A primary mission of the schools is to instill lifelong Catholic identity in our students. The school environment, daily religious instruction and frequent celebration of the sacraments support this mission. Students reflect their understanding of the faith through an annual archdiocesan religion test for children in grades 3-8. They have achieved a 90 percent five-year passing rate, thanks to high-quality, consistent instruction by teachers who are well-formed in their faith.

In the past year, we have seen the fruits of our regionalization strategy and significant investments in technological upgrades. For the fourth straight year, our schools in every region exceeded their previous year's scores on New York State English Language Arts (ELA) and math exams. And again, our schools outpaced New York State and New York City public schools in the percentage of students meeting or exceeding proficiency standards in both math and ELA.

The academic successes are attributable to outstanding school leadership, excellent teachers, dedicated students and the thoughtful use of contemporary teaching methods, tools and technologies. As an example, the innovative Wonder Workshop Dash and Dot robotics program was successfully piloted in a number of schools and will continue to be expanded throughout the system. It is a science, technology, engineering and math (STEM) initiative for kindergarten that teaches young children to use computer coding to program robots. Also, the number of our teachers certified in the use of Google Classroom continues to grow. This platform helps increase productivity and create a culture of collaboration and communication.

From Kingston to Staten Island, elementary schools received more than 13,000 applications for the 2017-2018 school year from parents who seek the unique experience for their children. Our schools are committed to keeping Catholic education accessible and affordable for all families. Funds are raised by the Inner-City Scholarship Fund, whose efforts provided \$15.3 million in need-based scholarships to more than 8,000 students, and Champions for Quality Education, which awarded \$2 million to Catholic schools to implement new educational programs and complete critical facility improvements.

The schools extend a special welcome to Latinos, including visiting congregations and speaking at Masses in 38 largely Hispanic parishes to encourage enrollment. A bilingual parent helpline continues to field more than 9,000 calls from families of current and prospective students.

This year, we expanded and enhanced the excellent work conducted in our Universal Pre-Kindergarten and Pre-K For All classes on social and emotional support of our youngest students. We increased the presence of early childhood instructional specialists, social workers and academic coaches and configured classrooms to optimize the benefits of center-based learning.

On the facing page, the audited financial statement illustrates our careful stewardship of school finances to provide high quality Catholic education across ten counties. A generous \$27.6 million subsidy to the Global Regional School System also reflects the archdiocesan commitment to affordable Catholic education.



PARISH/PARTNERSHIP ELEMENTARY SCHOOLS

REVENUES	
Tuition, fees, cafeteria, and other	67%
Parish support	8%
Scholarships, grants, patrons, and development	1%
Fundraising	6%
Governmental and NYS mandated services	5%
Investment income and restricted and extraordinary donations	12%
Rental income and domicile receipts	1%
TOTAL REVENUES: \$122,391,728	100%

EXPENSES	
Lay personnel costs	71%
Religious personnel costs	1%
Repairs, maintenance, and other plant costs	13%
Utilities	1%
Technology, classroom, and instructional materials	5%
Office and accounting services and miscellaneous service contracts	4%
Consumables, student activities, and outreach	4%
Fundraising costs	1%
TOTAL EXPENSES: \$119,094,100	100%

THE GLOBAL REGIONAL SCHOOL SYSTEM

CONDENSED BALANCE SHEET

	2018	2017
Assets:		
Cash and investments	\$10,204,472	11,850,343
Loans and accounts receivable, principally from parishes and other affiliates, net	24,588,966	24,049,381
Other assets	241,562	127,828
Fixed assets	3,596,861	2,696,282
Total assets	\$38,631,861	38,723,834
Liabilities:		
Accounts payable and other liabilities	\$14,066,003	12,970,036
Deferred revenue	12,764,457	14,810,294
Loans payable to affiliated entities	343,905	439,369
Total liabilities	27,174,365	28,219,699
Net assets:		
Expendable (unrestricted and temporarily restricted)	4,825,111	3,919,894
Non-expendable (investment in fixed assets and permanently restricted)	6,632,385	6,584,241
Total net assets	11,457,496	10,504,135
Total liabilities and net assets	\$38,631,861	38,723,834

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 90 elementary schools in the following nine 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 2017-2018 was approximately 23,200 students, with 90 principals and 1,300 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 \$28 million operating deficit. The deficit was primarily funded through cathedraticum and stabilization support totaling \$15.8 million. GRSS received \$11.7 million of support from parishes which included \$9.4 million of school assessments and \$2.3 million of other support. Total net assets of \$11.5 million include \$10.5 million restricted 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

	2018	2017
Change in unrestricted net assets:		
Operating revenues:		
Tuition and fees	\$146,788,321	145,861,226
Contributions, including contributed services	13,864,346	14,595,617
Government grants and contracts	10,867,871	10,762,466
Investment income, including rent and royalties	24,228	17,293
Other revenues	229,973	263,322
Net assets released from restrictions for operations	2,282,913	2,493,310
Total operating revenues	174,057,652	173,993,234
Operating expenses:		
Education	178,387,792	177,307,472
Administration	18,726,890	17,896,066
Fundraising	4,508,236	4,844,830
Total operating expenses	201,622,918	200,048,368
Decrease in net assets from operating activities	(27,565,266)	(26,055,134)
Nonoperating activities:		
Net assets released from restrictions for capital projects	508,596	402,785
Support from the archdiocese, principally from Cathedraticum grant	4,280,067	4,173,405
Support from parishes (assessments and leases)	11,663,501	11,250,832
Transfers from former parish schools	26,489	200,810
Decrease in unrestricted net assets before Stabilization Fund	(11,086,613)	(10,027,302)
Support from the archdiocese - Stabilization Fund	11,520,489	10,280,444
Increase in unrestricted net assets	433,876	253,142
Change in temporarily restricted net assets:		
Contributions and grants	2,301,211	3,943,204
Investment return	386,641	290,400
Restricted transfers from former parish schools	25,000	254,548
Net assets released from restrictions	(2,791,509)	(2,896,095)
(Decrease) increase in temporarily restricted net assets	(78,657)	1,592,057
Change in permanently restricted net assets:		
Contributions and grants	598,142	287,383
Increase in permanently restricted net assets	598,142	287,383
Increase in net assets	953,361	2,132,582
Net assets at beginning of year	10,504,135	8,371,553
Net assets at end of year	\$11,457,496	10,504,135

CATHOLIC CHARITIES

More Than 400,000 People Found the Help They Need

Catholic Charities of the Archdiocese of New York provides direct community services and coordinates support for a federation of more than 90 affiliated agencies that embody a mission of “Providing Help and Creating Hope.”

In 2018, Catholic Charities helped more than 400,000 people with services that strengthen families, feed the hungry and shelter the homeless, protect and nurture children, welcome and integrate immigrants and refugees, and support the physically and emotionally challenged. These services benefit Catholics and non-Catholics alike in every county of the Archdiocese of New York.

Catholic Charities’ impact is commendable and substantial. Last year:

- 109,000 people were assisted by programs and services that feed the hungry and shelter the homeless, including emergency shelters and meals, temporary and transitional residences, permanent affordable housing and eviction prevention services. More than 5.3 million nutritious meals were provided in parish and community food programs. 553,000 pounds of nutritious food were distributed by the Bronx Food Hub to more than 30 partner programs.
- 55,000 children and youth were protected and nurtured with services including day care, foster care, adoption, camping, sports, after-school activities and community services. Over 3,700 youth were cared for in foster residences and nearly 200 children were adopted by loving families.
- 129,000 people benefited from services that strengthen the family and resolve crises, including information and referral counseling, financial assistance, maternity services, and job training and placement.
- 39,000 immigrants and refugees benefited from legal and social services, including reuniting families, teaching English and civics, obtaining work authorization, finding jobs and preventing work exploitation. Nearly 65,000 calls for help were answered promptly, courteously and accurately on the NYS and NYC Catholic Charities-run Help Lines. More than 5,000 unaccompanied children received Know-Your-Rights presentations.

- 45,000 people with physical and emotional challenges received care, including supportive housing for those with mental health conditions, residences for those with special needs and disabilities, counseling, early intervention and special education. More than 5,100 visually and hearing impaired individuals participated in adaptive training.

Other 2018 highlights include: the newly constructed Saint Augustine Terrace in the Bronx with 112 affordable housing units for low-income families and adults with mental health conditions; help and support for 700 households evacuated from Puerto Rico to New York in the aftermath of Hurricane Maria; connection with 2,250 individuals in need of referral services and treatment for opioid addiction; and 1,500 people trained to save lives with Narcan.

Catholic Charities keeps administrative expenses low; on average 88 cents of each dollar is expended on programs. While many services are provided through partnerships with government, substantial private philanthropy sustains the range and quality of services offered in every county of the Archdiocese of New York.

Catholic Charities work is overseen by an independent lay board of trustees with fiduciary responsibility for its programs and services. The audit committee engages an independent public accounting firm each year to conduct an audit of its finances. Catholic Charities funds are maintained separately and not comingled with those of the Archdiocese. All funds are expended in accord with donor intent.

SAINT JOSEPH’S SEMINARY

Priests, Deacons and Church Leaders Receive Formation in One Place

Saint Joseph’s Seminary in the Dunwoodie section of Yonkers is the major seminary of the Archdiocese of New York. In 2012, the Saint Charles Borromeo Inter-diocesan Partnership was formed with the Archdiocese of New York and the Dioceses of Brooklyn and Rockville Centre. The seminary also welcomes candidates from other dioceses, eparchies and religious congregations.



In the 2018-2019 academic year, 67 seminarians studying at Saint Joseph’s represented the partnership dioceses, the dioceses of Bridgeport, Albany and Camden, the Saint Mary Queen of Peace Syro-Malankara Catholic Eparchy, the Franciscan Friars of the Renewal, the Idente Missioners, the Piarist Fathers and the Redemptorist Mater Seminary programs of Bridgeport and Brooklyn. Candidates for the permanent diaconate in the three partnership dioceses and the Diocese of Bridgeport study at Saint Joseph’s and related facilities in Huntington, Douglaston and Somers.

Non-seminary students may pursue master’s degrees in theology and/or in 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 four learning sites. In summer 2019, Saint Joseph’s implemented a new learning management system for all enrolled students and arranged with Zoom Video Communications to enhance current programs.

In 2019, fifteen men completed their studies in Saint Joseph’s Seminary and were ordained in their respective dioceses or by their orders. Of the graduates, Cardinal Dolan ordained two as priests for the Archdiocese of New York and one for the Franciscan Friars of the Renewal. Three seminarians studying at Saint Joseph’s Seminary were ordained to the diaconate and will continue their studies toward priesthood ordination.

Saint John Vianney Clergy Residence Feels Like ‘Home’ Along the Hudson

Saint John Vianney Priest Residence overlooks the Hudson River from a quiet perch on Arlington Avenue in the Riverdale section of the Bronx. Before it was dedicated to its current use for retired priests, the property was home to the Neumann Residence for college seminarians in the archdiocese.

There are two distinct residential buildings, the John Cardinal O’Connor Pavilion and the Edward Cardinal Egan Pavilion.

Both offer retired priests a private suite with living room, bedroom and bathroom. Communal facilities in each include a chapel, living room, dining room, library, recreation area and screening room/meeting room.

The O’Connor Pavilion can accommodate 34 independent residents and the Egan Pavilion has a capacity of 44 in assisted living, including a 13-bed enhanced care unit.

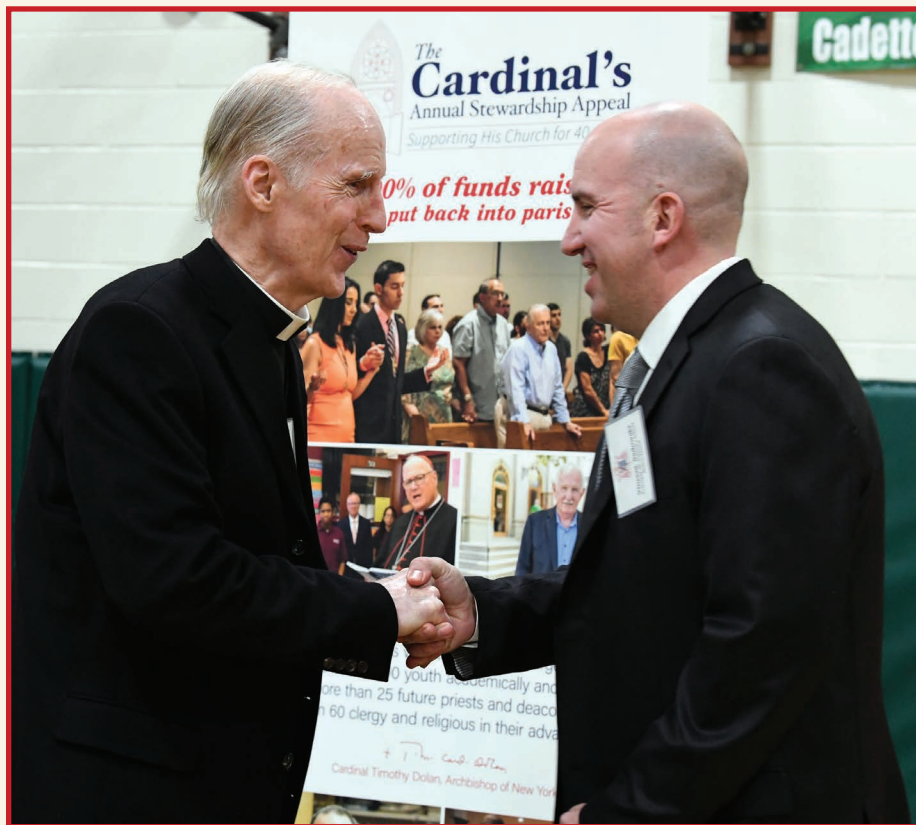
Three registered nurses are on the staff and residents can see a gerontologist who visits each week and a podiatrist who comes every six weeks. Physical therapy is also available.

Priests and staff arrange talks and seasonal retreats.

The Saint John Vianney Priest Residence reflects a commitment to ensure a dignified retirement for the priests who devoted their lives to the people of the archdiocese.

STEWARDSHIP PROGRAMS

Support of Cardinal's Annual Stewardship Appeal and Renew + Rebuild Reflects Parishioners' Commitment to Their Catholic Faith



Response to stewardship programs in the Archdiocese of New York is seen as a personal expression of participation in the universal Church. Sharing resources through parish and archdiocesan appeals strengthens the connection among parishioners and reflects a commitment to the larger mission of the faith.

The Development Office oversees several large-scale fundraising campaigns to help priests, parishioners and lay leaders advance the pastoral and temporal needs of the people of the archdiocese.

The Cardinal's Annual Stewardship Appeal was launched by Terence Cardinal Cooke in 1979. Since then, all of the funds raised have been used for the pastoral, educational and charitable works of the Church in New York.

The 2018 Cardinal's Annual Stewardship Appeal raised \$20,595,702 in pledges and collected \$18,019,080 in contributions from parishioners in every parish of the archdiocese. It offered an opportunity for 400,000 Catholic households to participate in the uplifting work of the Church.

The Appeal also helps provide and train almost 1,000 staff who work on church management, financial transparency and accountability. In addition, funds provide formation and certification of religious education leaders, programming for adult faith formation initiatives and parish guidance to establish youth and young adult ministries.

In addition, the Cardinal's Annual Stewardship Appeal supports Christ-centered, academically excellent elementary education at 126 schools that are located at parishes. It allows young men to study at Saint Joseph's Seminary to prepare for a life of priestly service in our parishes and provides a dignified home for retired priests at the Saint John Vianney Residence in Riverdale.

Renew + Rebuild is an archdiocesan capital campaign that kicked off in January 2016 with an overall goal of \$200 million. The primary focus is on the spiritual and physical renewal of parishes. Seventy-four percent of the funds raised are retained by parishes to address repairs to church buildings and other parish properties, which are outlined in the accompanying chart. The remaining 26 percent of funds raised are designated to an endowment for needy parishes, the restoration of Saint Patrick's Cathedral, evangelization and lay leadership, and the capital needs of parish schools.

Father Niranjan Rodrigo, pastor of Infant Savior Parish in Pine Bush, formed a committee of deacons and lay parishioners to identify and prioritize projects for Renew + Rebuild proceeds. Ultimately, the committee decided to replace the roof of the church and the church hall, repave the crumbling parking lots, refurbish the sanctuary and altar at a second, smaller church on the property and convert an unused building into a rectory to accommodate the pastor and visiting priests. For the past 20 years, the "rectory" has been a mobile home that is no longer serviceable.

Father Niranjan's parishioners exceeded their goal and funded their capital projects. In remitting part of the campaign proceeds to the archdiocese, Infant Savior parishioners were able to appreciate that being part of a larger entity is a beautiful feature of our Catholic faith.

At the Church of Christ the King in the southwest Bronx, the parish council determined to set a higher-than-expected goal for their Renew + Rebuild campaign. The pastor, Father Sixto Quezada, said the enthusiastic participation of more than 30 percent of his parishioners pushed the parish past its goal. Now, Christ the King will be able to address immediate capital needs at the church and school and also reduce parish debt.

The Renew + Rebuild campaign, which currently totals \$240 million, has met 120% of the \$200 million goal. The robust response of Catholic New Yorkers to archdiocesan stewardship appeals is a compelling indication of their commitment to the Church.

RENEW + REBUILD FUNDED PROJECTS

CAPITAL IMPROVEMENTS	NUMBER OF PARISH PROJECTS
Church repairs (walls, floors, pews)	198
New and repaired roofs	90
New HVAC (heat, ventilation and air conditioning)	86
Parking lot restoration	61
Upgrades to eco-friendly lighting and/or installed solar panels	42
New boilers	38
Parish hall repairs	36
Stained glass restoration	36
Emergency fund replenishment	34
Accessibility ramps	24

SERVICES

Condensed Balance Sheets and Statements of Activities

Organization

Within the Archdiocese of New York, there are 294 parishes, 36 parish based elementary schools and 90 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, 2018 and 2017 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 seven of these entities.

The financial statements were presented to and approved by the archdiocese's Finance Council. Its members are: John Castle; John P. Cahill, Esq.; George K. Cooney; Anthony de Nicola; Samuel A. Di Piazza, Jr.; John Greed; Alfred F. Kelly, Jr.; Catherine Kinney; Ted H. McCourtney; 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, 2018 reflect an increase of \$69 million, or 10%, over the 2017 level primarily due to a \$51 million increase in cash and investments primarily related to an increase of \$38 million in PAC marketable securities.

Fixed assets of \$110 million are reported net of accumulated depreciation. Gross fixed assets of \$208 million consist of land and buildings with a cost of \$173 million, furniture and equipment of \$18 million and construction in progress of \$17 million.

With respect to liabilities of Archdiocesan Services, the increase

of approximately \$104 million, or 23%, is principally attributable to accounts payable and other liabilities in the amount of \$60 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 \$48 million, which is attributable to an increase of PAC loans payable to parishes.

Total net assets decreased by approximately \$36 million, or 14%. The decrease in expendable net assets was 37%, to a balance of approximately \$87 million.

Condensed Statements of Activities

In fiscal 2018, total revenues of \$266 million increased by approximately \$43 million, or 19%, over 2017 primarily due to an increase in support service fees and assessments from parishes and affiliates of approximately \$31 million and a \$5 million increase in other revenues.

In fiscal 2018, total expenses were \$300 million, which increased by \$40 million, or 15% over 2017. Grants and subsidies to parishes and schools

increased by approximately \$32 million primarily due to a \$30 million grant to the parish of Our Lady of Loreto, Manhattan. Affiliate support services increased by \$9 million and pastoral expenses increased by \$4 million, partially offset by a \$4 million decrease in administration expenses.

Net assets decreased approximately \$36 million primarily due to \$29 million in expenses related to the Independent Reconciliation and Compensation Program.

ARCHDIOCESAN SERVICES AS OF AND FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

CONDENSED BALANCE SHEETS

	2018	2017
Assets:		
Cash and investments	\$336,298,455	285,682,065
Loans and accounts receivable, principally from parishes and other affiliates, net	305,285,703	295,689,524
Other assets	16,961,577	15,627,260
Beneficial interest in charitable trusts	21,350,223	21,664,839
Fixed assets	109,640,378	102,018,699
Total assets	\$789,536,336	720,682,387
Liabilities:		
Accounts payable and other liabilities	\$218,386,063	158,863,338
Allowances for property, casualty, and health insurance losses	75,022,843	77,818,963
Accrued post-retirement health benefits for priests	39,827,295	40,338,856
Loans payable to affiliated entities	229,691,716	181,527,421
Total liabilities	562,927,917	458,548,578
Net assets:		
Expendable (unrestricted and temporarily restricted)	87,411,049	138,118,136
Non-expendable (investment in fixed assets and permanently restricted)	139,197,370	124,015,673
Total net assets	226,608,419	262,133,809
Total liabilities and net assets	\$789,536,336	720,682,387

CONDENSED STATEMENTS OF ACTIVITIES

	2018	2017
Revenues:		
Contributions, including contributed services	\$81,653,626	82,191,291
Government grants and contracts	52,113,350	48,206,648
Support service fees and assessments from parishes and affiliates	68,184,542	37,407,472
Investment income, including rent and royalties	39,129,530	35,159,825
Other revenues	24,893,463	20,123,402
Total revenues	265,974,511	223,088,638
Expenses:		
Grants and subsidies to parishes and schools	50,504,498	18,069,290
Health and social services	77,703,362	76,340,770
Pastoral	54,595,026	50,236,480
Education	23,361,482	25,625,680
Religious personnel development	6,634,122	6,828,136
Affiliate support services	56,887,074	47,422,916
Administration	15,855,395	19,973,649
Fundraising	14,023,186	14,984,003
Total expenses	299,564,145	259,480,924
Excess of (expenses) over revenues	(33,589,634)	(36,392,286)
Gains and losses:		
Net realized and unrealized investment gains	6,656,118	7,222,248
Interest in proceeds from sale of parish properties	20,000,000	—
Other, net	584,592	32,983,763
Independent Reconciliation Compensation Program	(29,176,466)	(33,779,981)
(Decrease) in net assets	(35,525,390)	(29,966,256)
Net assets at beginning of year	262,133,809	292,100,065
Net assets at end of year	\$226,608,419	262,133,809

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 Commodity 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, 2018, have been delineated into the following components: Archdiocesan 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 \$62 million with respect to assets and liabilities and \$49 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 Commodity 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, 2018, PAC had deposits of \$244 million and \$188 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 \$11 million in 2018, government grants and contracts represent 59% of DOE's total operating revenues.

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 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

ARCHDIOCESAN SERVICES COMBINING BALANCE SHEETS AS OF AUGUST 31, 2018

	TOTAL	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Assets:							
Cash and investments	\$336,298,455	90,830,814	79,001,459	21,652,832	24,514,097	60,817,554	59,530,847
Loans and accounts receivable, principally from parishes and other affiliates, net	305,285,703	91,077,237	188,297,393	1,724,570	53,964,137	341,598	27,497,298
Other assets	16,961,577	10,216,410	3,146,677	87,030	217,256	1,977,840	1,316,364
Beneficial interest in charitable trusts	21,350,223	16,889,898	—	—	115,727	—	4,344,598
Fixed assets	109,640,378	77,496,027	—	6,349,737	14,696,206	—	11,097,358
Total assets	\$789,536,336	286,510,386	270,445,529	29,814,169	93,507,423	63,136,992	103,786,465
Liabilities:							
Accounts payable and other liabilities	\$218,386,063	187,423,926	2,263,279	15,024,666	2,171,423	10,233,183	18,760,514
Allowances for property, casualty, and health insurance losses	75,022,843	44,126,827	—	—	—	30,896,016	—
Accrued post-retirement health benefits for priests	39,827,295	39,827,295	—	—	—	—	—
Loans payable to affiliated entities	229,691,716	8,585,806	243,992,639	5,740,561	11,500,310	—	—
Total liabilities	562,927,917	279,963,854	246,255,918	20,765,227	13,671,733	41,129,199	18,760,514
Net assets:							
Expendable (unrestricted and temporarily restricted)	87,411,049	(65,583,349)	24,189,611	(2,617,558)	47,122,323	22,007,793	62,338,329
Non-expendable (investment in fixed assets and permanently restricted)	139,197,370	72,129,881	—	11,666,500	32,713,367	—	22,687,622
Total net assets	226,608,419	6,546,532	24,189,611	9,048,942	79,835,690	22,007,793	85,025,951
Total liabilities and net assets	\$789,536,336	286,510,386	270,445,529	29,814,169	93,507,423	63,136,992	103,786,465

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 \$24 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, 2018, CIIC held approximately \$61 million of cash and investments which exceeded its loss reserves by approximately \$30 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 2018, its mission-related program expenses were approximately \$63 million, approximately 82% of total expenses.

Catholic Charities provides a wide range of human services 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, 2018

	2018	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Revenues:							
Contributions, including contributed services	\$81,653,626	53,043,611	—	3,501,271	3,192,755	—	24,500,234
Government grants and contracts	52,113,350	—	—	14,742,724	—	—	37,370,626
Grants from combining entities	—	289,384	—	11,046,196	712,310	—	4,946,146
Support service fees and assessments from parishes and affiliates	68,184,542	53,097,118	—	—	—	15,352,195	—
Investment income, including rent and royalties	39,129,530	19,987,950	10,256,135	196,698	8,277,906	4,541,609	5,683,950
Other revenues	24,893,463	10,646,234	—	6,570,822	1,759,859	—	5,916,548
Total revenues	265,974,511	137,064,297	10,256,135	36,057,711	13,942,830	19,893,804	78,417,504
Expenses:							
Grants and subsidies to parishes and schools	50,504,498	50,504,498	—	—	—	—	—
Grants to combining entities	—	14,258,505	—	289,388	—	—	—
Health and social services	77,703,362	—	—	15,117,154	—	—	62,586,208
Pastoral	54,595,026	53,839,038	—	755,988	—	—	—
Education	23,361,482	—	—	23,361,482	—	—	—
Religious personnel development	6,634,122	—	—	—	6,634,122	—	—
Affiliate support services	56,887,074	29,135,844	8,615,910	—	—	19,621,856	—
Administration	15,855,395	19,930,832	—	1,333,843	1,922,169	—	9,436,275
Fundraising	14,023,186	9,724,731	—	—	—	—	4,298,455
Total expenses	299,564,145	177,393,448	8,615,910	40,857,855	8,556,291	19,621,856	76,320,938
Excess of (expenses) over revenues	(33,589,634)	(40,329,151)	1,640,225	(4,800,144)	5,386,539	271,948	2,096,566
Gains and losses:							
Net realized and unrealized investment gains	6,656,118	4,057,710	1,447,308	796,373	—	—	354,727
Interest in proceeds from sale of parish properties	20,000,000	20,000,000	—	—	—	—	—
Other, net	584,592	2,542,478	—	(3,152)	—	—	186,247
Independent Reconciliation Compensation Program	(29,176,466)	(29,176,466)	—	—	—	—	—
(Decrease) increase in net assets	(35,525,390)	(42,905,429)	3,087,533	(4,006,923)	5,386,539	271,948	2,637,540
Net assets at beginning of year	262,133,809	49,451,961	21,102,078	13,055,865	74,449,151	21,735,845	82,388,411
Net assets at end of year	\$226,608,419	6,546,532	24,189,611	9,048,942	79,835,690	22,007,793	85,025,951

CEMETERIES

Catholic Burials Now Possible for More Families

One of the most cherished Catholic traditions is the respectful treatment of our beloved dead. It is directly related to our belief in the resurrection of Jesus. In laying the dead to rest in peace and preserving their burial grounds, we recognize that their bodies were temples of the Holy Spirit and should be treated with dignity.

For more than 200 years, Catholics in the Archdiocese of New York have entrusted the worldly remains of their loved ones 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 two million individuals now rest 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 Pleasant Plains, Staten Island; and Ascension in Airmont, Rockland County. In 2018, the Trustees assumed responsibility for Saint Mary's Cemetery in Rye Brook, Westchester County, which was formerly associated with Saint John Bosco Parish in Port Chester.

Visitors to the cemeteries appreciate the opportunity to attend scheduled Masses every Memorial Day and on many Saturdays throughout the year. To make it easier for families to research their history and locate the graves of loved ones, the Trustees have

begun to digitize the cemetery records.

Timothy Cardinal Dolan has often spoken of the importance of burial or inurnment in a Catholic cemetery. In 2017, he launched an initiative to welcome more families to the cemeteries operated by the Trustees of Saint Patrick's Cathedral. The program expands some longstanding practices and adds new opportunities. It provides a special invitation to families of limited means and those who have perhaps retained cremated remains in their homes.

Ascension Cemetery developed a beautiful new Sacred Hearts of Jesus and Mary Section to offer reduced-cost standard burial for people whose limited means are confirmed by their pastor.

A recent Vatican document confirmed the validity of cremation as an option for Catholics and stressed the importance of treating cremated remains with the same respect extended to the body of the deceased. In response, our four largest cemeteries each have established a Saint Joseph of Arimathea Section for the low-cost communal burial of cremated remains. All of the Trustees' cemeteries have competitively priced niches in well-lit mausoleums for the dignified repose of the deceased.

The Trustees' cemeteries welcome visitors and inquiries.

BALANCE SHEET

	2018	2017
Assets:		
Cash and investments	\$281,278,104	255,090,171
Accrued interest receivable	757,456	568,406
Due from St. Patrick's Cathedral	62,938,258	68,221,399
Other assets	838,314	797,201
Fixed assets	53,578,103	49,615,454
Total assets	\$399,390,235	374,292,631
Liabilities:		
Accounts payable and other liabilities	\$1,856,878	1,605,006
Due to Archdiocese of New York	823,959	933,000
Garden crypt mausoleums deposits	4,522,115	4,382,180
Line of credit	51,500,000	60,000,000
Due to deposit and loan funds (PAC)	563,890	—
Accrued pension and other postretirement benefit obligations	16,440,712	17,537,424
Total liabilities	75,707,554	84,457,610
Net assets:		
Expendable (unrestricted and temporarily restricted)	270,104,578	240,219,567
Non-expendable (investment in fixed assets and permanently restricted)	53,578,103	49,615,454
Total net assets	323,682,681	289,835,021
Total liabilities and net assets	\$399,390,235	374,292,631

STATEMENT OF ACTIVITIES

	2018	2017
Change in unrestricted net assets:		
Operating revenues:		
Cemetery sales and services	\$19,612,922	20,457,638
Investment return designated for cemetery operations	12,171,000	12,171,000
Total revenues	31,783,922	32,628,638
Expenses of cemetery operations:		
Administration and general	1,765,505	1,540,844
Operating expenses	21,676,983	21,884,218
Total expenses of cemetery operations	23,442,488	23,425,062
Increase in net assets from operating activities	8,341,434	9,203,576
Nonoperating activities:		
Cathedraticum expense	(2,000,000)	(2,000,000)
Inter-agency net asset transfer	10,028,615	—
Investment return greater than amount designated for cemetery operations	16,130,463	9,834,431
Postretirement-related changes other than net periodic postretirement benefit cost	1,286,413	2,390,747
Gain on sale of fixed assets	60,735	85,200
Total nonoperating activities	25,506,226	10,310,378
Increase in net assets	33,847,660	19,513,954
Net assets at beginning of year	289,835,021	270,321,067
Net assets at end of year	\$323,682,681	289,835,021