

FINANCIAL SERVICES REPORT

Fiscal Year Ended August 31, 2016

ARCHDIOCESE OF NEW YORK



Dear friends in the Lord,

Our beloved Archdiocese of New York encompasses ten counties and a wide variety of people whose participation enriches our parishes, schools, apostolates of charity, and so many organizations in our communities, large and small. We are blessed to be drawn together by our faith and the commitment to live it fully. In these unsettled times, I am inspired by the dedication of the men and women who offer their time, talent, and treasure to advance the kingdom of God here in our corner of New York.

This is the eighth time that I have presented a financial report to describe the far-reaching activities of our central offices. Please read it carefully. It reflects the dedicated efforts of priests, deacons, religious, and faithful to serve the almost three million Catholics in our archdiocese. These include employees and volunteers of parishes, schools, catechetical programs, Saint Joseph's Seminary, and charitable initiatives on behalf of our less fortunate brothers and sisters in the Lord. Of course, many of our outreach programs extend to those who do not share our faith, such as the selfless work of Catholic Charities, which this year is celebrating its centennial. For a century, the over ninety affiliated agencies of our Catholic Charities federation have helped children, families, vulnerable adults, immigrants, refugees, and others who need a compassionate, helping hand. Similarly, our ArchCare program provides continuing health care for people of all ages and faiths at home, in the community, and in nursing homes as a palpable expression of our respect for all human life. A new mobile healthcare van in the upper counties now serves those who have difficulty traveling to medical offices.

At my request, we launched a new capital campaign program, *Renew and Rebuild*, primarily to help parishes raise funds for repairs, maintenance, and enhancements that are often underfunded as our parishes focus their resources on more immediate needs. A small portion of the proceeds will help the archdiocese expand its evangelization efforts and lay leadership formation, endow schools, support retired priests, assist Catholic Charities, and complete the restoration of Saint Patrick's Cathedral.

During the past year, we established the *Independent Reconciliation and Compensation Program (IRCP)* for eligible victims of sexual abuse of minors by members of the clergy of the Archdiocese of New York. It is a needed sacrifice on the part of the Church to help heal those who are hurting. The payments are an expression of the Church's understanding of the harm that was done and a continued attempt to make amends. The voluntary program is administered by nationally renowned mediators who have complete autonomy to review, evaluate, and settle claims.

In these pages, you will also see information about a new cemetery initiative developed as the result of conversations with pastors who serve our Hispanic



parishes. They have seen a decrease in the number of families adhering to our long-held Catholic traditions of bereavement and burial in sacred ground because the costs are sometimes prohibitive for people with limited means. There has also been a decrease in funeral Masses. The archdiocese has four large and well-maintained Catholic cemeteries, where we have always buried the indigent and stillborns at no cost. Dignified, respectful treatment of our beloved dead is an important tenet of our faith, and we have now established space at each of our cemeteries for affordable burials of full caskets or cremated remains.

As you read this report, I hope you will see that we are vigilant stewards of limited resources. We budget carefully, examine every expenditure, and make certain that we do our very best to extend generous compassion to those with the greatest needs.

The Archdiocese of New York is a large, complex, vibrant, and faith-filled community, and I appreciate your prayers and support for the many people and programs it serves.

With renewed gratitude and prayerful best wishes, I am,

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

Our 295 Communities of Faith Reflect Pastoral Planning Designed To Bring the Best in Catholic Life to Today's Parishioners



The parish is unquestionably the center of faith life in the Archdiocese of New York. Every day of the week, Catholics gather in parishes for Mass and to receive the sacraments, to learn about the role of God in their lives, and to offer service to neighbors in need.

Our 295 parishes today reflect the implementation of *Making All Things New*, the pastoral planning process initiated in 2010. Over the course of several years, discussions were held at the parish, cluster, and archdiocesan levels to solicit input from all concerned on how best to ensure that all parishes of the archdiocese are vibrant, active communities of faith that utilize human and financial resources most effectively to serve the needs of the Catholic faithful throughout our 10 counties.

In Yonkers, the pastor of the merged Saint Peter and Saint Denis Parish made certain that parishioners of both former parishes, now joined together as one, felt welcome. Father Jose Felix Ortega, L.C., has a gift for getting people involved in the parish. It starts with an often-repeated phrase, "Come and See!" The dynamic parish now has 35 ministries and 44 small groups of people who meet regularly to pray and support one another's faith journey.

Father Peter Mushi, a member of the Apostles of Jesus missionary congregation, is the energetic pastor of 2 merged parishes that use 5 churches. He serves at Saint Cecilia and Holy Agony Parish in East Harlem and at Holy Family, Blessed Sacrament, and Saint John Vianney Parish in the East Bronx. Father Mushi has an innate ability to bring people together, and wisely relies on deacons and committed members of the faithful to help him serve his parishes.

Parish planning continues.

Continued at right

PARISH REVENUES

Collections, donations, and contributions	63%
Religious education and RCIA registration and fees	5%
Capital temporary/permanent restricted donations	5%
Extraordinary donations and bequests	7%
Fundraising	6%
Archdiocesan support	3%
Support from other parish entities	2%
Investment income	3%
Other revenues, proceeds sales, and insurance reimbursement	6%
TOTAL REVENUES: \$319,887,075	100%

PARISH EXPENSES

Clergy personnel costs	12%
Lay personnel costs	26%
Religious personnel costs	1%
Religious education program	2%
Office and clerical support services	11%
Utilities	5%
Repairs, maintenance, plant cost, and gift shop	15%
Cathedraticum assessments	10%
House living expenses	2%
Fundraising expenditures	1%
Interest	3%
Program and development costs	2%
Support to elementary school	3%
Grants and charitable contributions	7%
TOTAL EXPENSES: \$293,776,884	100%

PARISHES

Continued from left

It is not anticipated that there will be the need for large numbers of future mergers, such as were announced in 2014 and 2015, but we will conduct an ongoing assessment to maintain the health and vitality of our parishes.

The goals of *Making All Things New* included strengthening the presence and ministry of the Church throughout the archdiocese, promoting the New Evangelization, and ensuring that all parishioners have access to quality lifelong Catholic education and formation. New initiatives have been developed to meet the pastoral planning goals and directives articulated by Cardinal Dolan.

One of the new programs is a cluster-based parish mission and evangelization program, *Revive: Faith Every Day*. Over 2 years, each cluster will have 2 mission programs directed by members of the religious orders who serve our archdiocese. During the pilot phase of this initiative, the response of parishioners was enthusiastic.

New adult faith formation programs are being introduced throughout the archdiocese to invite Catholics to a more active practice of the faith. Thanks to a generous donor, all parishes and parishioners can access Formed.org, an internet hub for world-class evangelization resources in formats including video, audio, movies, and e-books. Through a collaboration with Fordham University, the Adult Faith Formation Office also offers online courses in lay leadership formation across multiple ministries.

Twenty-eight men and women from the archdiocese earned a Master of Science degree in Church Management as the first class to complete a customized, affordable program in partnership with Villanova University. This innovative, 2-year, 30-credit, online graduate business program explores the fundamentals of Church and ministry through courses on professional management, financial reporting, Church teaching, information technology, stewardship and development, and civil and canon law. Many of the graduates are, or aspire to be, parish business managers in the archdiocese.

Cardinal Dolan has invited Catholic and a few Eastern Catholic groups to use churches no longer serving as parishes of the archdiocese. Four members of the Franciscan Friars of the Renewal moved from the Bronx to the rectory of the former Saint Mary's Parish in Newburgh to expand Hispanic ministry and to offer compassionate outreach to marginalized people in parishes and neighborhoods throughout that city and the upper counties of the archdiocese. The Syro-Malankara Catholic Church, an Eastern Catholic Church based in the southwest Indian state of Kerala, purchased Most Holy Trinity in Yonkers. And, the Egyptian Coptic Orthodox Church, whose members include refugees who fled from religious persecution in their home country, is now worshipping at Our Lady of Peace Church in Manhattan. Its inaugural liturgy was celebrated on March 5, 2017.

Parishes in the archdiocese share resources through the Inter-Parish Finance (IPF) program which helps struggling parishes meet their operational expenses. In 2016, 55 parishes received approximately \$5.5 million to supplement parishioner support. Although the archdiocese remains committed to providing aid to needy parishes, the steady reduction of IPF grants is a reflection of thoughtful parish planning and realistic budget projections.

The archdiocesan-wide energy management initiative has conducted audits to identify measures to reduce energy costs for parishes and schools. It followed up by helping parishes begin lighting upgrades, and providing a mobile unit to accomplish relatively simple measures, including installing weather stripping, window caulking, and pipe insulation. More than 100 energy audits have been completed and energy conservation measures at 51 sites have a projected annual savings of \$533,000. Parishes that installed lighting upgrades are saving approximately 56% on their annual electric bills. Parishes with larger scale projects, such as boiler replacements, may use funds from the upcoming *Renew and Rebuild Capital Campaign* to make the energy-saving changes.

The archdiocese hired the Global Strategy Group to conduct an independent study of levels of Catholic engagement in the Church. Their researchers found that the strongest appeal of the Church is the sense of community it inspires in Catholics and the opportunities it presents to serve others. The parish embodies that sense of community and is central to the faith experience of 2.6 million Catholics in the archdiocese.

Catechetical Office Helps in Handing On the Faith for Children and Families

Last year, more than 82,000 children in parish religious education programs were served by 8,500 volunteer catechists and trained directors and coordinators.

The archdiocesan Catechetical Office trains those who hand on the faith to children, youth, and families.

Its largest program is comprehensive leadership training for directors and coordinators of parish religious education programs and catechists of children from pre-k through eighth grade who do not attend Catholic schools. In addition to the central office, the Catechetical Office has 8 regional offices, serving the 10 counties of the archdiocese.

It is not uncommon to hear the catechists, directors, and coordinators describe their roles as a ministry versus a job. They consider it a call from the Lord to perform the sacred work of handing on the faith and making disciples.

Parishes are mandated by the archdiocese to offer elementary school-age children 45 hours of classroom instruction each year and a minimum of 5 hours of "family catechesis," which may include a local pilgrimage, shared meals/discussions, or a communal film event.

Family catechesis is designed to help parents who are the primary catechists of their children to engage their children in a discussion of the faith and how to live it every day.

The Catechetical Office organizes an annual Bible Summit in conjunction with the American Bible Society which draws 400-500 attendees. It also operates the New York Catholic Bible School Program, a 2- or 4-year course of Scripture study that forms part of the Catechist Formation Program. The Catechetical Office supports vacation Bible schools in more than 100 parishes and offers summer institutes, fall forums, and digital boot camps focused on religious education training initiatives.

In addition, the Catechetical Office oversees the biennial Confirmation for Children and Youths with Disabilities. It also offers extensive formation to leaders and team members of the Catechumenate (Rite of Christian Initiation of Adults, or RCIA) and organizes the annual Rite of Election at Saint Patrick's Cathedral.

The Catechetical Office maintains a daily updated website, www.nyfaithformation.org, and its own app, *Catechetical*.

Our Schools Showcase Innovative Educational Strategies That Complement the Mission of a Christ-Centered Education Experience for Each Student

The Catholic schools of the Archdiocese of New York leveraged innovative educational strategies and creative teaching techniques to enhance student performance and provide a Christ-centered educational experience for each child. In recognition, the Catholic Schools Office was honored by the National Catholic Education Association (NCEA) with its 2016 Saint Elizabeth Ann Seton Award as a Catholic education visionary whose “support and service impacts Catholic education and the well-being of our nation’s youth.” The NCEA said our schools are outstanding examples of creative innovation that instill a faith-based, future-focused education in the tens of thousands of students enrolled.

Our parish, regional, and private schools are blessed with outstanding leaders and teachers, and are guided by priests, religious, and members of the faithful who are committed to academic excellence delivered in a faith-driven environment.

The NCEA recognized the ambitious initiatives undertaken to revolutionize our school system as it implemented the *Pathways to Excellence* strategic plan. They include progress of which we are understandably proud:

- Regional boards of trustees and lay advisory boards that are crucial resources for fundraising, development, and marketing of the schools
- Expansion of technology in the classrooms to supplement teaching and learning and to tailor instruction to students’ individual needs and performance data
- Increased investment in teacher training, including the deployment of regional instruction specialists who give customized support to teachers
- Expansion of blended learning from a pilot program to more than 2 dozen parish and regional schools
- Prioritization of science, technology, engineering, and math (STEM) curricula and the skills that will help our students succeed in the global economy

Blended learning uses both online and in-person instruction to enhance student achievement. Saint Ann School in East Harlem was one of the pilot schools for the program, and received the 2016 Blackboard Award for Outstanding Schools from *New York Family Magazine*. The Catholic schools were able to further expand the blended learning initiative through the generosity of the Richmond County Savings Foundation, the Steiniger Foundation, Bob and Polly Flanigan, Tom and Paula McInerney, and Bob and Kate Niehaus.

During the 2015-2016 academic year, the Catholic high schools collaborated with the Engineering Tomorrow Foundation on programs and conferences focused on the practical application of STEM studies in the engineering field.

Students in our Catholic schools continue to perform well on standardized tests, and compare favorably to their peers in New York City and New York State schools.

The Office of Catholic Identity was instituted within the Department of Education to complement the ongoing work of pastors who serve on the Archdiocesan Catholic Identity Advisory Council and members of the regional board Catholic Identity Subcommittees. This new office underscores Catholic identity as the single most important distinguishing feature of our schools and the basic foundation on which they are built.

The Catholic Education Advancement Office raised funds to provide \$14 million in scholarship support to more than 8,000 students, and awarded \$2.5 million to 66 Catholic schools for educational programs and facility improvements. In addition, the 9 Catholic regional school boards raised nearly \$700,000 for Catholic elementary schools throughout the archdiocese.

More than 5,000 students attend Universal Pre-Kindergarten (UPK) classes in our regional and parish schools. The programs operated by our Office of Early Childhood score considerably higher on standardized scales than the New York City average and, in many cases, the national average.

The audited financial statements on the facing page describe a healthy, sustainable school system operated by compassionate people who exercise careful stewardship of school finances to ensure their robust future. Nonetheless, the archdiocese provides a subsidy to maintain high quality Catholic education.



PARISH/PRIVATE/PARTNERSHIP ELEMENTARY SCHOOLS

REVENUES	
Tuition, fees, cafeteria, and other	62%
Parish support	6%
Scholarships, grants, patrons, and development	11%
Fundraising	5%
Governmental and NYS mandated services	10%
Investment income and restricted and extraordinary donations	5%
Rental income and domicile receipts	1%
TOTAL REVENUES: \$135,924,982	100%

EXPENSES	
Lay personnel costs	74%
Religious personnel costs	1%
Repairs, maintenance, and other plant costs	8%
Utilities	2%
Technology, classroom, and instructional materials	6%
Office and accounting services and miscellaneous service contracts	3%
Consumables, student activities, and outreach	4%
Fundraising costs	2%
TOTAL EXPENSES: \$115,810,369	100%

THE GLOBAL REGIONAL SCHOOL SYSTEM

CONDENSED BALANCE SHEET

	2016	2015
Assets:		
Cash and investments	\$12,308,464	9,751,040
Loans and accounts receivable, principally from parishes and other affiliates, net	24,661,986	24,869,382
Other assets	160,744	575,095
Fixed assets	1,477,666	1,644,914
Total assets	\$38,608,860	36,840,431
Liabilities:		
Accounts payable and other liabilities	\$14,467,454	14,223,366
Deferred revenue	15,291,116	16,199,340
Loans payable to affiliated entities	478,738	557,152
Total liabilities	30,237,308	30,979,858
Net assets:		
Expendable (unrestricted and temporarily restricted)	3,376,086	2,019,574
Non-expendable (investment in fixed assets and permanently restricted)	4,995,466	3,840,999
Total net assets	8,371,552	5,860,573
Total liabilities and net assets	\$38,608,860	36,840,431

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 92 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 2015-2016 was approximately 23,800 students, with 92 principals and 1,500 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 \$20 million operating deficit. The deficit was primarily funded through cathedraticum and stabilization support totaling \$8.4 million. Parishes also paid \$9.5 million of school support assessments to GRSS. Total net assets of \$8.4 million include \$8.1 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

	2016	2015
Change in unrestricted net assets:		
Operating revenues:		
Tuition and fees	\$138,076,702	128,085,755
Contributions, including contributed services	14,012,314	13,100,325
Government grants and contracts	14,138,204	10,303,089
Investment income, including rent and royalties	17,754	7,404
Other revenues	550,426	783,499
Net assets released from restrictions for operations	1,848,605	1,712,043
Total operating revenues	168,644,005	153,992,115
Operating expenses:		
Education	169,062,911	162,327,361
Administration	14,436,858	8,940,080
Fundraising	4,872,220	5,116,770
Total operating expenses	188,371,989	176,384,211
Decrease in net assets from operating activities	(19,727,984)	(22,392,096)
Nonoperating activities:		
Net assets released from restrictions for capital projects	278,705	1,066,587
Support from the archdiocese, principally from Cathedraticum grant	3,949,393	3,868,917
Support from parishes (assessments and leases)	11,379,736	11,464,670
Transfers from former parish schools	(17,116)	48,252
Decrease in unrestricted net assets before Stabilization Fund	(4,137,266)	(5,943,670)
Support from the archdiocese - Stabilization Fund	4,408,050	5,943,670
Increase in unrestricted net assets	270,784	-
Change in temporarily restricted net assets:		
Contributions and grants	2,909,286	3,491,395
Investment return (loss)	110,758	(25,957)
Restricted transfers from former parish schools	83,176	590,514
Net assets released from restrictions	(2,127,310)	(2,778,630)
Increase in temporarily restricted net assets	975,910	1,277,322
Change in permanently restricted net assets:		
Contributions and grants	1,264,285	885,714
Increase in permanently restricted net assets	1,264,285	885,714
Increase in net assets	2,510,979	2,163,036
Net assets at beginning of year	5,860,573	3,697,537
Net assets at end of year	\$8,371,552	5,860,573

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 2016:

BAPTISMS 20,924

1,953 ADULTS 18,971 CHILDREN

CONFIRMATIONS 15,483

1,983 ADULTS 13,500 CHILDREN

ANOINTINGS OF THE SICK 24,611

7,532 AT HOME 17,079 IN INSTITUTIONS

MARRIAGES 3,310
FUNERALS 10,958

CLERGY AND RELIGIOUS SERVING IN 2016

Archdiocesan priests (active)	363
Archdiocesan priests (retired and inactive)	194
Seminarians (major/college)	95
Religious priests	220
International priests	172
Deacons	393
Religious (women and men)	780

STUDENTS IN CATHOLIC EDUCATIONAL INSTITUTIONS IN 2016

Colleges and Universities	9
Number of students	47,000
Elementary Schools	170
Number of students	43,681
High Schools	46
Number of students	23,323
Religious Education Programs	
Number of students	87,196

SEMINARY

Saint Joseph's Seminary Prepares Future Priests, Deacons, and Church Leaders

Saint Joseph's Seminary, in Yonkers, has established a well-respected program to train future priests that now welcomes seminarians from an increasing number of (arch)dioceses and religious orders. The seminary is a collaborative effort of the Archdiocese of New York and the Dioceses of Brooklyn and Rockville Centre through the Saint Charles Borromeo Inter-Diocesan Partnership. In the 2016-2017 academic year, 74 seminarians represented the partnership (arch)dioceses; the Dioceses of Bridgeport, Albany, and Camden; the Syro-Malankara Catholic Eparchy; the Franciscan Friars of the Renewal; the Idente Missioners; the Piarist Fathers; and a diocese in Myanmar.

Seven deacon candidates from the Diocese of Bridgeport joined 75 candidates from the partnership (arch)dioceses to prepare to serve as permanent deacons in parishes in New York and Connecticut.

Non-seminary students at locations in Yonkers, Huntington, Douglaston, and Poughkeepsie participated in programs for Master of Arts degrees in Theology and post-master's certifications in Dogmatic Theology and Sacred Scripture.

After the seminary earned its reaccreditation from the Association of Theological Schools and the Middle States Commission on Higher Education, it embarked on a strategic planning process to chart its course for the next 5 years. In its first strategic plan since the formation of the partnership, a committee comprised of faculty, board members, and student representatives identified goals and actions in the areas of governance, finance, student life, and buildings and grounds. The plan was approved by the leaders of the partnership (arch)dioceses.

In the spring of 2017, Cardinal Dolan ordained 5 priests for the Archdiocese of New York and 6 Franciscan Friars of the Renewal. Bishop Nicholas DiMarzio of the Diocese of Brooklyn ordained 10 priests and Bishop John Barres ordained 5 priests for the Diocese of Rockville Centre. Bishop Frank Caggiano ordained 3 priests for service in the Diocese of Bridgeport.

Four parishes in the partnership (arch)dioceses hosted concerts by members of the Schola Cantorum to raise funds to send seminarians from Saint Joseph's Seminary's renowned choir program on a musical pilgrimage to France.

Cardinal Egan Pavilion Provides Respite for Retired Priests

The new Edward Cardinal Egan Pavilion, an expansion of the Saint John Vianney Clergy Residence in the Riverdale section of the Bronx, which includes the John Cardinal O'Connor Pavilion, was blessed and dedicated by Cardinal Dolan last fall.

The Saint John Vianney Clergy Residence is presently home to 63 priests—33 priests at the Cardinal Egan Pavilion and 30 priests at the Cardinal O'Connor Pavilion.

The Cardinal Egan Pavilion has a capacity of 44, including a 13-bed enhanced care unit. Although officially dedicated last October, priests began moving into the new pavilion last August.

Cardinal Egan dedicated the Cardinal O'Connor Pavilion in September 2003. Its capacity is 34 priests, and it has 2 guest rooms for active priests with health concerns.

Dignified chapels grace both pavilions.

A medical doctor who specializes in gerontology makes house calls to the Saint John Vianney Clergy Residence campus monthly. A podiatrist visits every 6 weeks. A lab provides blood work in-house and X-rays are also offered through a visiting technician.

In addition to 3 registered nurses and a 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 retired priests.

A number of priests have shared their appreciation for their new home, describing it as "magnificent," noting in particular a staff "generous beyond measure," 3 delicious meals served daily, housekeeping and laundry services, and an abundance of light that permeates the many windows with outdoor views that are "very conducive to prayer."

"The beautiful part here," another priest said, "is that it's designed for as you get older, to provide more and more service and help for you."

At the dedication, Cardinal Dolan asked that the Lord's blessing "come upon this residence, all who have helped to construct it, and all who live here, now and in the future."

CHARITIES

Providing Help, Creating Hope Is Catholic Charities' Way

A 100-Year Legacy of Services Touching Almost Every Human Need...

Since 1917, Catholic Charities of the Archdiocese of New York has been supporting New Yorkers in need by:

- Protecting and Nurturing Children and Youth
- Strengthening Families and Resolving Crises
- Feeding the Hungry and Sheltering the Homeless
- Supporting the Physically and Emotionally Challenged
- Welcoming and Integrating Immigrants and Refugees

Catholic Charities is a vibrant network of 90 agencies, independent in their structures and organizations, yet united by a common vision of human dignity founded in each person's creation in the image of God with a special concern for the most vulnerable of our New York neighbors.

In any given year, more than 10,000 children are helped by Catholic Charities agencies through activities such as Head Start, afterschool programs, and foster care. Catholic Charities also provides more than 6.5 million nutritious meals to hungry children and families in New York, prevents more than 6,500 families from becoming homeless, and maintains and renovates affordable apartments for over 2,500 struggling families each year. Those with developmental disabilities and mental illness

find safety, respect, and caring through Catholic Charities programs.

Catholic Charities delivers services locally and becomes part of the neighborhoods its programs serve. This community-based presence provides the flexibility to respond quickly when crises strike. Catholic Charities helps non-Catholics and Catholics alike, and people of all nationalities. The common criteria among all those assisted is human need.

Commitments for the next century of providing help and creating hope:

Catholic Charities recommits to providing basic human services that are efficient, effective, accountable, and caring—services that strengthen New York's families and children, as well as being an ongoing valued partner in building the fabric of a caring New York.

As Catholic Charities meets the emerging needs of New Yorkers in its centennial year, it is deepening and launching several initiatives, including a food hub in the Bronx, a substance abuse recovery center in Sullivan County, a low vision clinic in Manhattan, affordable family apartments in the Bronx, Hudson Valley clinics and programs for immigrants and refugees, safe haven beds for the street homeless, and a "For Help" mobile application to further outreach to those requiring help.



APPEAL

Giving Isn't What We Do, It's Part of Who We Are

The More People Know About the Cardinal's Annual Stewardship Appeal, the More Good Can Be Done

The 2016 *Cardinal's Annual Stewardship Appeal* received \$22 million in pledges and collected \$21.2 million in cash; both figures are greater than the prior year. The number of donors in the parishes conducting the *Appeal* also increased.

Increasing the number of participating families is a primary goal of the *Appeal*, which has the theme "Sharing God's Gifts." A big key is informing parishioners about how the dollars are being spent.

Each year, *Appeal* materials include information about the activities of the ministries supported by the annual campaign. Last year, the 6 areas of support were: Mission and Evangelization (via archdiocesan ministry offices), \$6 million; Support for Needy Parishes, \$4.5 million; Department of Education and Religious Education, \$3 million; Works of Charity, \$2.5 million; Retired Priests and Religious,

\$2 million; and Preparing Clergy, \$2 million.

The *Appeal's* third annual impact report will be released after Thanksgiving. It will demonstrate how the 10 counties of the archdiocese benefit from the *Appeal*.

This Financial Services report also helps parishioners to better understand the crucially important benefits that the *Appeal* provides for the archdiocese through the services it supports.

An *Appeal* leadership committee is being formed. It will consist of lay leaders who will bring their time, talent, and treasure to help the *Appeal* grow even stronger. Mr. Edward O'Brien, of Saint Ignatius Loyola Parish in Manhattan, was recently named chair of the committee.

Organization

Within the Archdiocese of New York, there are 295 parishes, 34 parish based elementary schools, and 92 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, 2016 and 2015 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; Thomas J. Moran; 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, 2016 reflect an increase of \$82 million, or 13%, over the 2015 level primarily due to a \$50 million increase in cash and investments and a \$26 million increase in fixed assets primarily related to the opening of the Edward Cardinal Egan Pavilion at the Saint John Vianney Center for Retired Priests.

Fixed assets of \$97 million are reported net of accumulated depreciation. Gross fixed assets of \$184 million consist of land and buildings with a cost of \$165 million, furniture and equipment of \$15 million,

and construction in progress of \$4 million.

With respect to liabilities of Archdiocesan Services, the increase of approximately \$64 million, or 18%, is principally attributable to loans payable to affiliated entities and timing of payments made by the Archdiocese of New York and Department of Education, as well as an increase in the accrued post-retirement health benefits for priests.

Total net assets increased by approximately \$19 million, or 7%. The increase in expendable net assets was 12%, to a balance of approximately \$147 million.

Condensed Statements of Activities

In fiscal 2016, total revenues of \$232 million increased by approximately \$8 million, or 4%, over 2015 mainly due to contributions, which increased approximately \$4 million, and investment income (including rent and royalties), which increased approximately \$7 million, offset by government grants and contracts, which decreased by approximately \$6 million.

In fiscal 2016, total expenses were \$243 million, which was consistent with 2015. Total expenses in 2016 include one-time costs relating to the Holy Father's visit in September 2015. Grants and subsidies

to parishes and schools decreased by approximately \$11 million and health and social services decreased by \$3 million, offset by a \$6 million increase in pastoral, \$4 million increase in fundraising, and a \$3 million increase in administration.

Net assets increased approximately \$19 million due to realized and unrealized investment gains of \$6 million, interest in proceeds from property sales of \$18 million, and other gains of \$6 million less the excess of expenses over revenues of \$12 million.

ARCHDIOCESAN SERVICES AS OF AND FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015

CONDENSED BALANCE SHEETS

	2016	2015
Assets:		
Cash and investments	\$292,740,386	242,365,148
Loans and accounts receivable, principally from parishes and other affiliates, net	272,969,597	268,387,611
Other assets	13,769,386	12,913,580
Beneficial interest in charitable trusts	20,630,612	20,311,092
Fixed assets	96,664,936	70,728,463
Total assets	\$696,774,917	614,705,894
Liabilities:		
Accounts payable and other liabilities	\$124,798,678	109,179,675
Allowances for property, casualty, and health insurance losses	68,418,960	53,850,627
Accrued post-retirement health benefits for priests	65,719,729	59,545,845
Loans payable to affiliated entities	166,005,604	138,827,659
Total liabilities	424,942,971	361,403,806
Net assets:		
Expendable (unrestricted and temporarily restricted)	147,312,405	131,205,749
Non-expendable (investment in fixed assets and permanently restricted)	124,519,541	122,096,339
Total net assets	271,831,946	253,302,088
Total liabilities and net assets	\$696,774,917	614,705,894

CONDENSED STATEMENTS OF ACTIVITIES

	2016	2015
Revenues:		
Contributions, including contributed services	\$70,708,459	66,488,412
Government grants and contracts	50,193,212	55,823,396
Support service fees and assessments from parishes and affiliates	54,851,641	52,824,007
Investment income, including rent and royalties	35,671,510	28,380,072
Other revenues	20,248,804	20,178,927
Total revenues	231,673,626	223,694,814
Expenses:		
Grants and subsidies to parishes and schools	12,678,236	24,088,128
Health and social services	72,111,115	74,738,211
Pastoral	49,966,913	43,870,198
Education	14,615,486	14,941,460
Religious personnel development	6,707,179	6,081,370
Affiliate support services	46,087,403	44,211,810
Administration	27,676,120	24,853,962
Fundraising	13,625,712	10,022,548
Total expenses	243,468,164	242,807,687
Excess of (expenses) over revenues	(11,794,538)	(19,112,873)
Gains and Losses:		
Net realized and unrealized investment gains (losses)	6,021,297	(2,284,731)
Interest in proceeds from property sales	17,856,916	47,831,788
Other, net	6,446,183	(175,161)
Total gains and losses	30,324,396	45,371,896
Increase in net assets	18,529,858	26,259,023
Net assets at beginning of year	253,302,088	227,043,065
Net assets at end of year	\$271,831,946	253,302,088

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, 2016, 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 \$47 million with respect to assets and liabilities and \$37 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 3 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.

Initiatives have been undertaken in recent years to reduce the level of operating grants and subsidies to parishes and schools. These include *Pathways to Excellence* and *Making All Things New*. These initiatives have resulted in grant reductions, reflecting a

decrease of \$11 million in grants and subsidies to parishes and schools, as compared to fiscal 2015. The decrease in grants was offset by the \$6 million increase in pastoral expenses, which was the largest category of expenses in fiscal 2016 totaling \$50 million.

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. On August 31, 2016, PAC had \$189 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 federally 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 \$7 million in 2016, government grants and contracts represent 58% of DOE's total revenues. 70% of DOE's expendable net assets on August 31, 2016, 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 2 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, 2016

	TOTAL	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities
Assets:							
Cash and investments	\$292,740,386	84,711,092	44,638,557	26,565,603	22,973,828	55,837,283	58,064,023
Loans and accounts receivable, principally from parishes and other affiliates, net	272,969,597	74,991,061	159,226,762	12,103,420	45,528,883	391,960	23,047,459
Other assets	13,769,386	8,505,562	2,671,928	96,347	184,761	1,207,366	1,103,423
Beneficial interest in charitable trusts	20,630,612	16,454,798	—	—	102,728	—	4,073,086
Fixed assets	96,664,936	79,671,442	—	641,524	4,545,930	—	11,806,040
Total assets	\$696,774,917	264,333,955	206,537,247	39,406,894	73,336,130	57,436,609	98,094,031
Liabilities:							
Accounts payable and other liabilities	\$124,798,678	87,062,888	1,537,224	17,704,582	3,479,436	9,369,144	18,632,162
Allowances for property, casualty, and health insurance losses	68,418,960	37,691,004	—	—	—	30,727,956	—
Accrued post-retirement health benefits for priests	65,719,729	65,719,729	—	—	—	—	—
Loans payable to affiliated entities	166,005,604	5,797,822	188,646,419	—	894,552	—	—
Total liabilities	424,942,971	196,271,443	190,183,643	17,704,582	4,373,988	40,097,100	18,632,162
Net assets:							
Expendable (unrestricted and temporarily restricted)	147,312,405	(4,663,257)	16,353,604	15,744,025	46,519,641	17,339,509	56,068,883
Non-expendable (investment in fixed assets and permanently restricted)	124,519,541	72,725,769	—	5,958,287	22,442,501	—	23,392,986
Total net assets	271,831,946	68,062,512	16,353,604	21,702,312	68,962,142	17,339,509	79,461,869
Total liabilities and net assets	\$696,774,917	264,333,955	206,537,247	39,406,894	73,336,130	57,436,609	98,094,031

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 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 re-

duced from previous levels. Appropriated annual spending from the Seminary's \$19 million endowment supports approximately 12% of operating costs.

In fiscal 2015, Saint Joseph's Seminary invested approximately \$44 million with the New York Catholic Foundation, representing proceeds from a sale of a seminary property, the earnings of which help fund campus operations.

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.

On August 31, 2016, CIIC held approximately \$56 million of cash and investments which exceeded its loss reserves by approximately \$25 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 2016, its mission-related program expenses were approximately \$58 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 while 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, 2016

	2016	Archdiocesan Central Offices	Parish Assistance Corporation	Department of Education	Saint Joseph's Seminary	Catholic Indemnity Insurance Company	Catholic Charities Combined
Revenues:							
Contributions, including contributed services	\$70,708,459	35,805,069	—	6,487,727	1,959,434	—	26,472,230
Government grants and contracts	50,193,212	—	—	14,495,387	—	—	35,697,825
Grants from combining entities	—	1,609,973	—	6,800,000	1,264,176	—	2,339,077
Support service fees and assessments from parishes and affiliates	54,851,641	51,231,176	—	—	—	14,711,295	—
Investment income, including rent and royalties	35,671,510	19,260,524	8,788,950	230,451	3,092,512	2,297,059	2,491,369
Other revenues	20,248,804	5,426,039	—	6,490,188	2,182,894	—	6,149,683
Total revenues	231,673,626	113,332,781	8,788,950	34,503,753	8,499,016	17,008,354	73,150,184
Expenses:							
Grants and subsidies to parishes and schools	12,678,236	12,678,238	—	—	—	—	—
Grants to combining entities	—	10,314,176	—	1,609,973	—	—	—
Health and social services	72,111,115	—	—	13,760,611	—	—	58,350,504
Pastoral	49,966,913	49,182,003	—	784,910	—	—	—
Education	14,615,486	—	—	14,615,486	—	—	—
Religious personnel development	6,707,179	—	—	—	6,707,179	—	—
Affiliate support services	46,087,403	25,263,877	7,063,967	—	—	13,679,560	—
Administration	27,676,120	18,515,549	—	1,214,616	1,737,450	—	8,847,867
Fundraising	13,625,712	9,856,938	—	—	25,937	—	3,742,837
Total expenses	243,468,164	125,810,781	7,063,967	31,985,596	8,470,566	13,679,560	70,941,208
Excess of (expenses) over revenues	(11,794,538)	(12,478,000)	1,724,983	2,518,157	28,450	3,328,794	2,208,976
Gains and losses:							
Net realized and unrealized investment gains (losses)	6,021,297	3,809,860	1,435,022	453,002	(2,710)	—	326,122
Interest in proceeds from property sale	17,856,916	—	—	—	—	—	17,856,916
Other, net	6,446,183	(2,898,520)	—	(17,138)	—	—	235,946
Total gains and losses	30,324,396	911,340	1,435,022	435,864	(2,710)		18,418,984
Increase (decrease) in net assets	18,529,858	(11,566,660)	3,160,005	2,954,021	25,740	3,328,794	20,627,960
Net assets at beginning of year	253,302,088	79,629,172	13,193,599	18,748,291	68,936,402	14,010,715	58,833,909
Net assets at end of year	\$271,831,946	68,062,512	16,353,604	21,702,312	68,962,142	17,339,509	79,461,869

CEMETERIES

Upholding a Sacred Responsibility for 200 Years

It is our sacred responsibility to bury the dead, and Catholics in the Archdiocese of New York have a 200-year history of entrusting their faithful departed to the sacred ground of cemeteries owned by the Trustees of Saint Patrick's Cathedral. The Trustees maintain 4 large archdiocesan cemeteries: Calvary in Woodside, Queens; Gate of Heaven in Hawthorne, Westchester County; Resurrection in Pine Plains, Staten Island; and Ascension in Airmont, Rockland County, where more than 2 million individuals rest in peace and thousands of relatives and friends visit each year to pray and place flowers. The cemeteries offer in-ground graves and above-ground burial spaces, as well as options for the respectful burials or inurnments of cremated remains. The Trustees set aside a portion of the sale of each grave, crypt, and niche to ensure the perpetual care of these cemeteries.

At the beginning of Lent this year, Cardinal Dolan

announced a new 4-part initiative in *Catholic New York* to encourage Catholics to maintain the long-held tradition of burials or inurnments in a Catholic cemetery.

In his column, the cardinal expressed concern that financial considerations might keep families from burying their loved ones in a Catholic cemetery.

He reminded readers that each cemetery will continue to bury Catholics declared indigent by local civil authorities at no cost. They are interred in the *Saint Francis of Assisi Sections*, where their names are engraved on communal markers.

The cardinal also said that these cemeteries will continue the practice of burying and memorializing stillborn children, at no cost, in communal *Guardian Angel Sections*.

In addition, the 4 cemeteries have each developed new *Saint Joseph of Arimathea Sections* for the low-cost burial of cremated remains. Cardinal Dolan urged all

Catholics to follow church praxis and bring the urns that they have kept at home to one of the cemeteries for reverent committals.

Ascension Cemetery also established a new *Sacred Hearts of Jesus and Mary Section* that offers a reduced-cost standard burial for people whose limited means are confirmed by their pastor, and provided that there is a funeral Mass celebrated for the deceased.

Burial in a Catholic cemetery expresses our hope in the Resurrection and acknowledges our belief that the body that housed the immortal soul deserves respectful care. The Trustees of Saint Patrick's Cathedral are positioned to ensure that Catholics throughout the archdiocese are laid to rest and memorialized with dignity.

The attached audited financial statements includes restricted cash and investments required to maintain the cemeteries and are considered perpetual care funds.

BALANCE SHEET

	2016	2015
Assets:		
Cash and investments	\$243,882,040	246,719,367
Accrued interest receivable	440,921	479,781
Due from St. Patrick's Cathedral	58,069,017	47,840,798
Other assets	621,448	139,158
Fixed assets	46,127,995	43,021,765
Total assets	\$349,141,421	338,200,869
Liabilities:		
Accounts payable and other liabilities	\$4,308,209	6,048,055
Garden crypt mausoleums deposits	4,801,053	4,862,531
Line of credit	50,000,000	40,000,000
Accrued pension and other postretirement benefit obligations	19,711,092	15,806,288
Total liabilities	78,820,354	66,716,874
Net assets:		
Expendable (unrestricted)	224,193,072	228,462,230
Non-expendable (investment in fixed assets)	46,127,995	43,021,765
Total net assets	270,321,067	271,483,995
Total liabilities and net assets	\$349,141,421	338,200,869

STATEMENT OF ACTIVITIES

	2016	2015
Change in unrestricted net assets:		
Operating revenues:		
Cemetery sales and services	\$20,562,568	23,493,345
Investment return designated for cemetery operations	12,171,000	12,171,000
Total revenues	32,733,568	35,664,345
Expenses of cemetery operations:		
Administration and general	1,472,829	1,247,183
Operating expenses	20,931,462	23,289,896
Total expenses of cemetery operations	22,404,291	24,537,079
Increase in net assets from operating activities	10,329,277	11,127,266
Nonoperating activities:		
Cathedraticum expense	(2,000,000)	(2,000,000)
Investment return (less than) amount designated for cemetery operations	(5,310,935)	(15,186,608)
Postretirement-related changes other than net periodic postretirement benefit cost	(4,228,271)	(1,008,471)
Gain on sale of fixed assets	47,001	1,200
Total nonoperating activities	(11,492,205)	(18,193,879)
Decrease in net assets	(1,162,928)	(7,066,613)
Net assets at beginning of year	271,483,995	278,550,608
Net assets at end of year	\$270,321,067	271,483,995