Dear Brothers and Sisters in Christ,

In my first year as the Bishop of Arlington, I have experienced firsthand the generosity of the faithful as I have visited Parishes, schools and facilities throughout the Diocese. The growth of this Diocese is sustained by God’s grace and the faithful, who are willing to step forward and contribute the funds needed to ensure that we are able to proclaim the Gospel, support families and provide assistance to the poor, the vulnerable and the needy.

As your Bishop, it is important that I account for how these contributions, given in faith and charity, are utilized. All who contribute from their hard-earned income can be confident that their donations are used carefully, thoughtfully and in accord with their intent and the mission of the Church.

This year’s annual report includes a brief summary of the financial status of diocesan outreach and ministry, as well as information demonstrating the status of programs and activities of the Diocese. It also includes, for the first time, a section on Catholic Charities of the Diocese of Arlington (CCDA). While separately incorporated, the ministry of CCDA is an integral part of the mission of the Diocese.

The financial data within the annual report is only a summary for the fiscal year of July 2016 to June 2017. For a full financial report, please go to ArlingtonDiocese.org/About-Us/Offices/Finance. The full financial report for CCDA is found at CCDA.net.

I thank Bishop Paul S. Loverde for his support over the past year, as well as for his steadfast and prudent management of the Diocese of Arlington for the 17 years he served as your shepherd. With great conviction I can say that I am the beneficiary of a Diocese stable, devout, and prepared for further growth and opportunities. May we continue to build upon the good works that so many men and women of faith have accomplished, and that we may serve God and His people.

Please be assured of my prayers for you and your families. May Our Lord Jesus bless you and fill you with His peace.

Sincerely in Christ,

Bishop Michael F. Burbidge

Office of the Bishop

Upon his installation on December 6, 2016, Bishop Michael F. Burbidge travelled the Diocese, met the faithful and began his ministry as the Fourth Bishop of Arlington.

Among the highlights:

- Ordination of three men to the priesthood, three to transitional diaconate and six to the permanent diaconate
- Establishment of a new parish and two new missions
- Establishment of the St. Thomas More Institute for Evangelization
- Dedication of the Mother of Mercy Free Medical Clinic in Manassas, serving an estimated 8,000 uninsured individuals in the area
- Blessing of Mary’s Shelter in Fredericksburg, a home for mothers in crisis that brings to four the number of locations serving more than 50 women
- Dedication of the fifth Marian Home, Our Lady of Light in Fairfax, providing housing for five intellectually disabled women
- Led more than 3,500 of the diocesan faithful on a pilgrimage to the Basilica of the National Shrine of the Immaculate Conception
- Celebrated first diocesan Mass for homeschool families with more than 1,200 in attendance
- Celebrant and homilist at the Marriage Jubilee Mass, which drew more than 200 couples celebrating their 25th or 50th anniversaries, for a total of 7,725 years of marriage
- Visits to, and Masses at, diocesan elementary and high schools
- Mass of the Holy Spirit at the four diocesan Catholic Campus Ministries
- Providing public witness by leading the rosary on multiple occasions outside an abortion clinic
- Visits to diocesan seminarians in the U.S. and abroad
- Celebrant and homilist at seven Deanery Masses
- Celebrant and homilist for a Blue Mass, White Mass, Multicultural Mass and Mass for People with Disabilities, among other liturgies
2017 Year in Review

PARISH LIFE

- 463,897 Registered Parishioners
- 70 Parishes
- 154,308 Households
- 6 Missions

HIGHLIGHTS

- 10,000+ attendees at 10 Masses with Anointing of the Sick
- 12,000+ youth at the LIFE IS VERY GOOD RALLY for the March for Life
- 196 callers helped by the GABRIEL PROJECT PREGNANCY HELPLINE
- 120 callers assisted by the PROJECT RACHEL POST-ABORTION HELPLINE
- 328 attendees at 4 Emmaus retreats hosted by the SPANISH APOSTOLATE
- 400+ attendees at a Unity Mass hosted by BLACK CATHOLIC MINISTRIES
- 12,000+ participants at an Asian New Year celebration hosted by VIETNAMESE CATHOLIC MINISTRIES
- 288,000 bulletins distributed in 26 different parishes through HISPANIC MINISTRIES

SACRAMENTAL LIFE

- 7,076 Baptisms
- 7,284 First Communions
- 6,244 Confirmations

VOCATIONS

- 45 men in formation for diocesan priesthood
- 73 men and women from the Diocese in formation for religious life

CATHOLIC SCHOOL ENROLLMENT

- 13,223 PreK-8
- 16,792 Total
- 3,569 High School

PARISH RELIGIOUS ED. ENROLLMENT

- 29,968 K-8
- 33,185 Total
- 3,217 High School

CATHOLIC CHARITIES

- Nearly 1,000,000 LBS of food distributed to the hungry for 2 consecutive years
- Almost 18,000 MEALS served to the homeless and hungry
- 1,035 INDIVIDUALS served through pregnancy and adoption support programs
- 1,174 INDIVIDUALS helped with emergency financial assistance to avoid eviction and loss of utilities
- 100% ENROLLMENT of young-adult refugee clients into college
• At WorkCamp 2017, 160 crews of teens and adults completed projects for those in need in Spotsylvania and 7 surrounding counties. In all, more than 1,300 youth and adult volunteers traded a week of summer vacation to serve those in need by making homes warmer, safer and drier.

• There were 115 attendees at the annual Quo Vadis Days Camp for young men discerning a priestly vocation.

• There were 115 attendees at the annual FIAT Days Camp for young women considering a religious vocation.

• More than 1,000 couples attended the Conferences for the Engaged focusing on marriage and family life.

• 700 men attended the 2017 Men’s Conference and 700 women attended the 2017 Women’s Conference.

• More than 300 people participated in the Couples Retreat for married couples.

• More than 200 couples attended the Marriage Jubilee Mass.

• “Play Like a Champion Today” training is a new addition to the diocesan sports program to help coaches prepare more than 5,000 third–eighth graders spiritually as well as physically, mentally and socially.

• Monthly Theology on Tap events for young adults to deepen their faith regularly draw standing room-only crowds in Arlington and Fairfax.

• The Institute for Pastoral Formation attracted 350 students.

• More than 900 individuals participated in the annual novena for couples struggling with infertility, miscarriage and adverse prenatal diagnoses.

• “Gift for Life” helped raise more than $200,000 to assist pregnant women in need and those struggling after abortion.

• The Charismatic Renewal movement hosted 6 events with nearly 15,000 attendees.
The BLA was created in 1977 as a way to communicate the annual diocesan funding priorities to parishioners and to ask them to partner with the Bishop to support and strengthen vital ministries and programs in our Diocese. As disciples of Christ, we draw our strength by acknowledging God’s gifts and sharing a portion of our gifts to further the mission of Jesus Christ in our Diocese. Traditionally, about 45–50% of diocesan operating income is realized from this annual appeal.

### 2017 Bishop’s Lenten Appeal Projected Funds Allocation

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>Seminarian education and support, Vocation Awareness Programs, Permanent Diaconate Program and support of active and retired priests</td>
</tr>
<tr>
<td>17%</td>
<td>Catholic Charities, Victim Assistance Programs, parish subsidies and other charitable works to assist individuals and families in need</td>
</tr>
<tr>
<td>14%</td>
<td>Youth Ministry, Catholic Schools and Religious Education programs</td>
</tr>
<tr>
<td>10%</td>
<td>Family Life, Marriage Preparation, Respect Life, the Tribunal Office, Project Rachel, Gabriel Project and Young Adult Ministry</td>
</tr>
<tr>
<td>10%</td>
<td>Evangelization efforts including: College Campus Ministries, INOVA Hospital Ministry, Peace and Justice Commission, Charismatic renewal and support of our Dominican Republic Mission Parishes</td>
</tr>
<tr>
<td>8%</td>
<td>Support to the Virginia Catholic Conference and chancery offices assisting the Bishop as he leads our parishes and the Diocese</td>
</tr>
<tr>
<td>5%</td>
<td>Programs and Offices assisting 70 parishes, 6 missions and more than 3,000 parish, school and diocesan employees</td>
</tr>
<tr>
<td>5%</td>
<td>Parish and diocesan fundraising and communication programs</td>
</tr>
<tr>
<td>5%</td>
<td>Spanish Apostolate and Multicultural Ministries</td>
</tr>
<tr>
<td>3%</td>
<td>Funds for diocesan and parish properties and land acquisition</td>
</tr>
<tr>
<td>3%</td>
<td>San Damiano Spiritual Life Center</td>
</tr>
</tbody>
</table>

### Second Collection Funds in Fiscal Year 2017

#### Over $5 MILLION Collected!

<table>
<thead>
<tr>
<th>Collection</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catholic Charities Christmas Collection</td>
<td>659,232</td>
</tr>
<tr>
<td>Diocesan Retired Priests</td>
<td>498,673</td>
</tr>
<tr>
<td>2016 Hurricane Matthew Relief</td>
<td>258,961</td>
</tr>
<tr>
<td>2016 Louisiana Floods</td>
<td>245,456</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$ 1,662,322</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National Second Collections</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Fund for Religious</td>
<td>460,970</td>
</tr>
<tr>
<td>Catholic Relief Services</td>
<td>368,341</td>
</tr>
<tr>
<td>Peter’s Pence (Holy Father)</td>
<td>318,354</td>
</tr>
<tr>
<td>Archdiocese for Military Services USA</td>
<td>296,400</td>
</tr>
<tr>
<td>Black and Indian Missions</td>
<td>282,712</td>
</tr>
<tr>
<td>Holy Land Shrines</td>
<td>274,034</td>
</tr>
<tr>
<td>Church in Latin America</td>
<td>271,944</td>
</tr>
<tr>
<td>Catholic Home Missions</td>
<td>268,993</td>
</tr>
<tr>
<td>Aid to Church in Central &amp; Eastern Europe</td>
<td>257,925</td>
</tr>
<tr>
<td>Campaign for Human Development</td>
<td>242,919</td>
</tr>
<tr>
<td>The Catholic University of America</td>
<td>197,743</td>
</tr>
<tr>
<td>Catholic Communications Campaign</td>
<td>168,978</td>
</tr>
<tr>
<td>Pastoral Solidarity Fund for Africa</td>
<td>106,470</td>
</tr>
<tr>
<td>Rice Bowl</td>
<td>57,183</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$ 3,572,966</strong></td>
</tr>
</tbody>
</table>

**TOTAL SECOND COLLECTION PROCEEDS** $ 5,235,288
Parish Financial Activities

Total parish revenue from all sources, including parish schools, was in excess of $243 million. More than 93% of our parishes and missions ended the year with an operating surplus. Salaries and benefits in Fiscal Year 2017 reflect a pay period leap year, meaning that there were 27 pay periods during the fiscal year instead of the usual 26.

Comparative Combined Statement of Financial Activities (Unaudited)

<table>
<thead>
<tr>
<th>FOR FISCAL YEAR ENDED JUNE 30</th>
<th>CHURCH 2017</th>
<th>SCHOOL 2017</th>
<th>TOTAL PARISH 2017</th>
<th>TOTAL PARISH 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Offertory/Tuition Related Income</td>
<td>97,682,467</td>
<td>73,361,721</td>
<td>171,044,188</td>
<td>165,487,858</td>
</tr>
<tr>
<td>Other Income/Donations</td>
<td>33,377,493</td>
<td>25,232,624</td>
<td>58,610,117</td>
<td>55,487,853</td>
</tr>
<tr>
<td>TOTAL OPERATING INCOME</td>
<td>131,059,960</td>
<td>98,594,345</td>
<td>229,654,305</td>
<td>220,975,711</td>
</tr>
<tr>
<td>Personnel Expense</td>
<td>49,872,450</td>
<td>76,213,124</td>
<td>126,085,574</td>
<td>118,328,946</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>64,848,631</td>
<td>20,311,999</td>
<td>85,160,630</td>
<td>83,726,839</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSE</td>
<td>114,721,081</td>
<td>96,525,123</td>
<td>211,246,204</td>
<td>202,055,785</td>
</tr>
<tr>
<td>OPERATING SURPLUS</td>
<td>$16,338,879</td>
<td>$2,069,222</td>
<td>$18,408,101</td>
<td>$18,919,926</td>
</tr>
<tr>
<td>Capital Campaign/Other Extraordinary Income</td>
<td>13,310,105</td>
<td>231,017</td>
<td>13,541,122</td>
<td>14,708,717</td>
</tr>
<tr>
<td>Capital Improvement/Major Renovation Expense</td>
<td>23,435,149</td>
<td>2,188,030</td>
<td>25,623,179</td>
<td>20,450,809</td>
</tr>
<tr>
<td>NET OTHER (EXPENSE)</td>
<td>$(10,125,044)</td>
<td>$(1,957,012)</td>
<td>$(12,082,057)</td>
<td>$(5,742,091)</td>
</tr>
<tr>
<td>NET SURPLUS</td>
<td>$6,213,835</td>
<td>$112,209</td>
<td>$6,326,044</td>
<td>$13,177,835</td>
</tr>
</tbody>
</table>

Churches

Diocesan churches reported an operating surplus of $16 million on $131 million in operating revenue. Offertory support increased by $2.7 million to $97.7 million. Parishes reporting a surplus are able to build reserves for future capital expenditures. Building and maintaining reserves help to ensure that sufficient funds are available to manage cash flow on a day-to-day basis and to maintain financial flexibility.
Parish schools’ operating revenue for 2017 totaled $98.6 million; direct tuition, parish investment in school and tuition assistance make up more than 83% of the revenues in our elementary schools. Total tuition assistance for 2017 was $6.9 million. The Diocesan Tuition Assistance Program funded $1.9 million, Tuition Endowment $1 million, Tax Credit Scholarship $1.3 million and the additional $2.7 million was funded through the parish, school or other sources.

### Elementary Schools

<table>
<thead>
<tr>
<th>School Name</th>
<th>Tuition &amp; Fees</th>
<th>Tuition Assistance</th>
<th>Student Services</th>
<th>Parish Investment</th>
<th>Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bishop Denis J. O’Connell</td>
<td>68%</td>
<td>7%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>High School, Arlington</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul VI Catholic High School,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairfax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bishop Ireton High School,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alexandria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. John Paul the Great</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catholic High School, Dumfries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total School Operating Revenue: $98,594,345

### High Schools

#### Current High School Enrollment

<table>
<thead>
<tr>
<th>School Name</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bishop Denis J. O’Connell</td>
<td>754</td>
</tr>
<tr>
<td>High School, Arlington</td>
<td>1,115</td>
</tr>
<tr>
<td>Paul VI Catholic High School,</td>
<td>793</td>
</tr>
<tr>
<td>Fairfax</td>
<td></td>
</tr>
<tr>
<td>Bishop Ireton High School,</td>
<td>907</td>
</tr>
<tr>
<td>Alexandria</td>
<td></td>
</tr>
<tr>
<td>St. John Paul the Great</td>
<td></td>
</tr>
<tr>
<td>Catholic High School, Dumfries</td>
<td></td>
</tr>
</tbody>
</table>

Total School Operating Expenses: $96,525,123

#### Total Tuition Assistance

- **1%** Tax Credit
- **14%** Diocesan
- **85%** School

Total: $8,777,137

For a full financial report, please visit the respective school website or call the school office.
Dear Friends,

Thank you for your generosity, volunteer support, prayers and guidance over the past year.

At Catholic Charities of the Diocese of Arlington (CCDA), we serve all regardless of faith, background, or circumstance. Through our work, we provide encounters with the loving mercy of God for those who are poor of mind, body and spirit. These encounters awaken the spirit of service in our volunteers, too.

We support the communities where we all live by working in concert with our parishes. CCDA strives to enhance your works of mercy by offering resources when those in need seek professional services like counseling and adoption assistance.

Simply put, CCDA is able to transform lives because we are answering our Gospel call together, in partnership with you and our parishes.

May God continue to bless you in the coming year,

Art Bennett
President & CEO

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Financial Charts

** For those helped as refugees, 8 out of 9 supported the U.S. military in Iraq and Afghanistan

† Dignity of Life programs include Pregnancy and Adoption Support, Prison Ministry and Senior Services

* Nominal program service fees are charged for select programs like counseling and adoption services
### Fiscal Year 2017 Service Statistics

- Collected and distributed nearly 1,000,000 pounds of food to the hungry for two consecutive years
- Served almost 18,000 meals to the homeless and hungry
- Provided 10,200 mental health counseling sessions to 1,297 individuals at 22 locations that include 16 parishes
- Served 1,035 individuals through pregnancy and adoption support programs
- Extended emergency financial assistance to 1,174 people to avoid eviction and loss of utilities
- Welcomed 432 new American citizens who passed the naturalization exam and received citizenship instruction and legal consultation services
- Delivered legal immigration assistance to 1,211 individuals and families
- 56 families received reliable transportation through the car donation program
- Provided ESOL, citizenship and workforce development instruction to 1,686 individuals
- Provided 169 senior citizens with opportunities to socialize and build friendships
- Through elder care consultations supported 160 family members caring for aging relatives
- Assisted 88% of eligible refugee clients — with 8 out of 9 who supported the U.S. military in Iraq and Afghanistan — in securing employment within the first 90 days after arriving
- Celebrated 100% college enrollment of young-adult refugee clients who graduated from high school

### Fiscal Year 2018 Goals

#### Food, Emergency Assistance, Homelessness Services
- Distribute 1.1 million pounds of food through the St. Lucy Food Distribution Program
- Disburse Emergency Assistance funds to 1,250 clients
- Serve 18,250 free meals to those in need at Christ House

#### Health Services and Adoption Support
- Deliver clinical services to 1,200 clients through 13,000 counseling sessions across our service area
- Provide adoption-related services to 700 clients
- Launch the Mother of Mercy Free Medical Clinic to help serve the estimated 8,000 uninsured individuals in need of medical care in the Manassas area

#### Newcomer Services
- Instruct 1,500 new students and 2,193 continuing students through English for Speakers of Other Languages (ESOL) classes
- Assist with naturalization applications for 167 Lawful Permanent Residents with a 94% success rate
- Conduct citizenship classes for 165 new or 180 current registrants
- Prepare 200 registrants for jobs through workforce development classes

#### Volunteer Services
- Deliver 60 cars to families in need through the Car Ministry program and expand services to Loudoun County
- Facilitate housing and supportive services for between 12–24 ex-offenders through new prison ministry Welcome Home Re-Entry Program
- Assist 150 individuals with their job search
- Welcome 2,750 volunteers who will donate their time

### New Programs

**Welcome Home Re-Entry Program**

Catholic Charities serves men and women returning to their communities after incarceration by providing spiritual, emotional and physical support. Sadly, many re-offend and return to prison within three years of their release. Part of the problem is their lack of connection with their community; the heart of this program is helping ex-offenders establish that connection. We seek to reduce recidivism, educate the community, and develop strong systems of support by building relationships and matching returning individuals with compassionate volunteer mentors.

**Retreat for People Facing Serious Illness**

The Retreat for People Facing Serious Illness offers a unique opportunity for a weekend retreat of spiritual renewal and refreshment.

The retreat is staffed by a team of gentle and attentive volunteer health care professionals who are available throughout the weekend to ensure that medical needs are met. Experienced physicians and nurses, priests, helpers, and volunteers are present to see that retreat attendees are comfortable and provided what they may need physically, spiritually or emotionally. At the same time, the retreat provides a brief respite for caregivers.

**Mother of Mercy Free Medical Clinic**

Catholic Charities of the Diocese of Arlington is pleased to announce the establishment of the Mother of Mercy Free Medical Clinic. This new program will help an estimated 8,000 uninsured individuals in the Manassas area in need of medical care. It will operate in a location that was once the site of an abortion clinic. A group of Catholics purchased the facility with the plan that the abortion clinic would cease operations and be transformed for this worthy cause.

CCDA is delighted to offer a form of redemption and bring new life to the space that once served such a sad and dark purpose with the support of our partners:
- Novant Health UVA Health System Prince William Medical Center
- BVM Foundation
- Bon Secours Health System
- Divine Mercy Care (formerly Tepeyac OB/GYN)
Dear Fellow Members of Our Diocesan Church,

On behalf of Bishop Michael F. Burbidge and the Diocesan Finance Council, I humbly present the Annual Financial Report for the Catholic Diocese of Arlington for the fiscal year ended June 30, 2017. Since his installation as the fourth bishop of the Diocese of Arlington this fiscal year, Bishop Burbidge has continued to employ prudent fiscal responsibility. As one effort to be good stewards of the resources entrusted to us by you, the faithful, we annually present this report as an expression of accountability and transparency. While this report is a summary of the diocesan and parish finances, the complete audited financial statements are available for your review at ArlingtonDiocese.org/About-Us/Offices/Finance.

How Are We Currently Doing?

In summary, the Diocese of Arlington is in a very stable position with a strong financial foundation. As of June 30, 2017, the Central Administrative Office of the Diocese (or Chancery) had increased total assets by more than $28 million from the prior year to approximately $488 million. These assets include $40 million of restricted endowment funds, nearly $130 million of land, buildings, and equipment, and $70 million in bond funds that have been borrowed for high school construction. Among the investments managed by the Diocese are also funds in excess of $120 million that are held on behalf of external entities and are thus reported as liabilities. The increase in total assets was, predominantly, the result of positive investment returns, as well as new construction projects that included an addition to the St. Rose of Lima Priest Retirement Villa ($2 million) and land improvements made as we begin clearing and developing the new Loudoun County campus of Paul VI Catholic High School ($4 million).

Liabilities grew by just more than $9.5 million, primarily due to investment gains attributable to funds held in our investment pool on behalf of other diocesan entities (DIAL Corporation – Parish Savings & Loan, Catholic Charities and the Foundation for the Catholic Diocese of Arlington). The other liabilities, related to priest pension and health benefits as well as tax-exempt bond financing associated with two diocesan high schools, decreased as compared to last year, due to a planned approach to reduction, as well as a favorable interest rate environment.

Unrestricted net assets, related directly to operations, grew modestly by just over $2 million. Funds designated for property and equipment, insurance programs, and those held as endowments, increased by almost $11 million. Net assets with specific donor-restrictions increased by $5 million.

How Did We Get Here?

Operating revenue continues to exceed operating expenses, which are managed tightly. Add to this positive investment returns, and we have a great formula for prudent stewardship. It seems simple, but there is a lot to unpack in these concepts. “Operating Income,” as reported, amounted to almost $39 million as compared to $40 million in the previous year. It should be noted here that last year’s figure included a $5 million extraordinary bequest that was not replicated in the current year. The regular sources of revenue provide funding for the ministries and offices in the Chancery. The largest revenue source, the Bishop’s Lenten Appeal, along with other direct donations to the Diocese, provided nearly $25 million. Operational Assessment income, which is based on 8% of each parish’s offertory, provided a little more than $7.6 million. In addition, some programs and ministries of the Chancery charge fees that are directly associated with certain events and functions. These contributions and revenues provided more than $3 million. Finally, operating revenue includes investment income amounting to $2.6 million, which is derived from endowments and other funds reserved to assist with ministries and Chancery operations. At this point, I would like to express my deep gratitude for your generous partnership in support of the mission of Jesus Christ that we carry out here in the Diocese of Arlington.

“How Operating Expenses” are expenditures directly associated with the mission of the Diocese, including offices in support of diocesan administration and parish support. Please review the following pages for an explanation of all the ministries and offices contained within the categories of Program and Supporting Services. The total expenditures for these programs and services amounted to a little more than $37 million for the year, and represent just under a $2 million increase over last year. A very small operational surplus of $206,000, or less than 1%, was generated for the fiscal year. Reserves designated for future land purchases for parish, school and diocesan needs are augmented in part by annual surpluses. We are blessed with the ability to manage current operations and provide for modest reserves in order to soften the possibility of a future economic strain.

The “Other Changes in Net Assets” come from the results we have generated in the diocesan property, liability and health insurance programs as compared to last year, due to a planned approach to reduction, as well as a favorable interest rate environment.

The “Other Changes in Net Assets” come from the results we have generated in the diocesan property, liability and health insurance programs as compared to last year, due to a planned approach to reduction, as well as a favorable interest rate environment.

In Conclusion:

The Diocese of Arlington continues to be financially stable, growing and managing our mission within the resources provided by faithful and generous benefactors. On behalf of Bishop Burbidge and the Diocesan Finance Council, I am at your service to answer any questions you may have with respect to the financial position and annual results of the Diocese of Arlington.

Sincerely in Christ,

Timothy R. Cotnoir, CPA, Diocesan Finance Officer

**Statement of Activities—Highlights**

<table>
<thead>
<tr>
<th>Fiscal year ended</th>
<th>Operating income</th>
<th>Operating expenses</th>
<th>Operating Surplus</th>
<th>NON-OPERATING ACTIVITIES</th>
<th>Total other changes in net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2017</td>
<td>$38,969,116</td>
<td>$37,477,438</td>
<td>1,491,678</td>
<td>Investment income, net of amounts in operations</td>
<td>18,268,899</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>$40,405,919</td>
<td>$35,701,343</td>
<td>4,704,576</td>
<td>(including restricted amounts &amp; bequests)</td>
<td>$18,474,911</td>
</tr>
<tr>
<td></td>
<td>($3,514,237)</td>
<td>($2,764,507)</td>
<td>($752,730)</td>
<td>Operating income</td>
<td>($3,660,770)</td>
</tr>
<tr>
<td></td>
<td>7,153,624</td>
<td>206,012</td>
<td>7,359,634</td>
<td>Operating expenses</td>
<td>(10,814,394)</td>
</tr>
<tr>
<td></td>
<td>1,325,000</td>
<td>100,000</td>
<td>1,225,000</td>
<td>Contribution income</td>
<td>752,206</td>
</tr>
<tr>
<td></td>
<td>224,550</td>
<td>1,963,804</td>
<td>752,206</td>
<td>Release of restrictions</td>
<td>($864,599)</td>
</tr>
<tr>
<td></td>
<td>238,004</td>
<td>238,004</td>
<td>0</td>
<td>Total other changes in net assets</td>
<td>($3,660,770)</td>
</tr>
</tbody>
</table>

The complete audited financial statements can be found at: ArlingtonDiocese.org/About-Us/Offices/Finance
## Statements of Financial Position

### As of June 30, 2017 June 30, 2016

### ASSETS
- **Cash and cash equivalents**
  - **2017:** $9,842,962
  - **2016:** $10,629,126
- **Accounts receivable, net**
  - **2017:** $1,444,894
  - **2016:** $1,653,888
- **Pledges and major gifts receivable, net**
  - **2017:** $12,584,186
  - **2016:** $19,935,082
- **Other assets**
  - **2017:** $875,438
  - **2016:** $1,684,171
- **Investments**
  - **2017:** $258,830,549
  - **2016:** $225,687,303
- **Loans receivable**
  - **2017:** $5,295,082
  - **2016:** $5,967,151
- **Property, equipment & land, net**
  - **2017:** $128,652,004
  - **2016:** $124,291,061
- **Bond reserve and project fund, restricted**
  - **2017:** $70,323,517
  - **2016:** $69,889,472

**TOTAL ASSETS**
- **2017:** $487,848,632
- **2016:** $459,737,254

### LIABILITIES AND NET ASSETS

#### LIABILITIES
- **Accounts payable & accrued expenses**
  - **2017:** $5,342,279
  - **2016:** $7,743,783
- **Deposits and endowments held on behalf of others**
  - **2017:** $121,162,886
  - **2016:** $105,076,802
- **Unearned revenue and other liabilities**
  - **2017:** $173,172
  - **2016:** $892,798
- **Accrued priests’ pension & post retirement health benefits**
  - **2017:** $21,785,584
  - **2016:** $24,202,376
- **Bonds payable, net of unamortized bond costs**
  - **2017:** $84,218,277
  - **2016:** $85,129,972

**TOTAL LIABILITIES**
- **2017:** $232,682,198
- **2016:** $223,045,731

**NET ASSETS**
- **2017:** $255,166,434
- **2016:** $236,691,523

**TOTAL NET ASSETS**
- **2017:** $487,848,632
- **2016:** $459,737,254

### Operating Income

**BISHOP’S LENTEN APPEAL (BLA)** accounted for more than $17 million in income in 2017 to support ministries and programs throughout the Diocese. BLA contributions fund pastoral programs, religious personnel development, education, and social services as well as contribute to the administrative support of ministries and offices at the diocesan level.

**DONATIONS, BEQUESTS AND MISCELLANEOUS CONTRIBUTIONS** totaled more than $9 million. Current year donations and bequests continue to be a source of funds for both donor-supported programs and long-term strategic funding needs, securing the future growth and well-being of our diocesan church. Because of the unpredictable and restricted nature of this type of income, we do not budget this activity in “operations.”

**PARISH ASSESSMENT** accounted for over $7 million in operating income in 2017. This income is calculated and paid by parishes as a function of the regular parish offertory. Eight percent of the parish offertory, as of June 30th, is computed and paid in monthly installments in the subsequent year. This income supports offices that serve parish, school and diocesan administration (e.g., Office of the Bishop).

**PROGRAM REVENUE** includes registration and professional development fees for a variety of initiatives including Youth Ministry’s WorkCamp, World Youth Day, Conferences for the Engaged and catechetical certification. Amounts contributed and received by the Tribunal are also included in program revenue.

**INVESTMENT INCOME FOR PROGRAMS** totaling $2.6 million reflects the budgetary amount anticipated from the investment returns of diocesan reserves and/or endowments. Actual investment returns may or may not be indicative of what is budgeted and utilized for operational need.

### Operating Expenses

**PASTORAL OFFICES** include those involved with evangelization and communicating the Faith, Youth and Campus Ministries, the Office for Family Life, the Respect Life Office, the Spanish Apostolate, the Office of Multicultural Ministries, the Permanent Diaconate Program, Tribunal and Parish Subsidies, the Virginia Catholic Conference, the Diocese’s support of two missions in the Dominican Republic, St. Rose of Lima Priests’ Retirement Villa and the San Damiano Spiritual Life Center.

**EDUCATION** includes the Office of Catholic Schools, the Office of Catechetics and the Tuition Assistance Program.

**RELIGIOUS PERSONNEL DEVELOPMENT** includes the Office of Vocations (seminarian education) and other religious personnel development programs.

**SOCIAL SERVICES** include the diocesan subsidy to Catholic Charities, the Office of Child Protection and Safety and other charitable causes.

**Offices in Support of the Parishes and Diocese Include:**

- **Employee Benefits and Human Resources**, which serves the nearly 5,200 employees of our parishes, schools and diocesan offices
- **Office of Planning, Construction and Facilities**, which provides technical and fiduciary oversight in addition to project management for the physical development and maintenance of parish and diocesan properties
- **Office of Communications**, which serves the Diocese and parishes through media relations, digital evangelization and the Arlington Catholic Herald weekly newspaper and website
- **Office of the General Counsel**, which provides legal services to parishes and the Diocese
- **Information Technology**, which provides information technology support for diocesan ministries and offices
- **Offices of Finance and Accounting**, which serve as a resource to parishes with regard to financial matters, as well as overseeing parish internal audits and diocesan financial administration. Services are also provided to DiAL Corp, the Foundation for the Catholic Diocese of Arlington, Catholic Charities and the Arlington Catholic Herald
- **Office of Risk Management**, which provides oversight with regard to the diocesan property and casualty self-insurance program and assists the parishes and schools with related risk-mitigating initiatives
- **Development Office**, which assists in parish and diocesan stewardship programs
Growth and Renovation in Fiscal Year 2017

Below are some of our current projects:

**BISHOP IRETON HIGH SCHOOL**
Demolition and preparation for expansion

**BISHOP DENIS J. O'CONNELL HIGH SCHOOL**
Electrical improvements/design services for expansion

**CORPUS CHRISTI, SOUTH RIDING**
Design work for new church

**HOLY FAMILY, DALE CITY**
Design work for narthex addition/meeting space expansion

**OUR LADY OF GOOD COUNSEL, VIENNA**
Pre-K expansion/renovation

**OUR LADY, QUEEN OF PEACE, ARLINGTON**
Roof replacement

**PAUL VI CATHOLIC HIGH SCHOOL, SOUTH RIDING (FUTURE)**
New school — site clearing and grading

**SACRED HEART OF JESUS, WINCHESTER**
New gym

**SAINT AMBROSE, ANNADEALE**
Design work for new church

**SAINT ANNE, ARLINGTON**
School roof replacement

**SAINT ANTHONY, KING GEORGE**
Design work for new hall and sanctuary renovations

**SAINT BERNADETTE, SPRINGFIELD**
Church and school renovations and expansion

**SAINT FRANCIS DE SALES, KILMARNOCK**
New activity center

**SAINT ISIDORE THE FARMER, ORANGE**
Cemetery design and landscaping, including new statuary

**SAINT JOHN THE EVANGELIST, WARRENTON**
Preschool addition

**SAINT JUDE, FREDERICKSBURG**
New church construction

**SAINT LEO THE GREAT, FAIRFAX**
School roof replacement

**SAINT MARY OF SORROWS, FAIRFAX**
Design work for new church

**SAINT PATRICK, FREDERICKSBURG**
Design work for new church

**SAINT PAUL MISSION, HAGUE**
Design work for new church

**SAINT VERONICA, CHANTILLY**
Church renovation

**SAINT WILLIAM OF YORK, STAFFORD**
Design work for narthex expansion and renovation

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