

# 2014 FINANCIAL REPORT

*“Jesus said to Simon, Do not be afraid; henceforth you will be catching men. And when they had brought their boats to land, they left everything and followed him.”*  
(Lk 5: 10-11)

Dear Friends in Christ,

How do we become intentional disciples of Christ who are willing to “drop their nets” to follow him like St. Peter and the apostles did? Intentional discipleship starts in our homes and with our families but also within our Church family—our parish communities, the seminaries and our catechetical, biblical and parish schools. As we begin a new fiscal year, it is important for the entire archdiocese to ask how it can respond to the call to form disciples, since the future of the Church both in northern Colorado and throughout the world depends on this.

With that goal in mind, I present to you the annual financial report of the Archdiocese of Denver for the fiscal year ended June 30, 2014. I invite you to take a few minutes to review this annual report, which will show you that the archdiocese continues to grow and prosper, thanks to God’s blessings and the prayer and commitment of the priests, deacons, religious and laity serving the 142 parish communities of northern Colorado. I’m pleased to report that we are financially sound. We have been successful, both spiritually and financially, because so many of our faithful are willing to commit themselves to prayer, service to others, and providing support to their local parish and the various ministries of the archdiocese. Thank you.

In Matthew’s Gospel, Jesus tells the disciples that “every good tree bears good fruit” (Mt 16:17). The abundant fruit of our seminaries is a testament to the hard but rewarding work being done by parents, teachers and formators. During the past year, I had the honor of ordaining 5 men to the priesthood, all of whom will serve within the territory of the archdiocese. Another 5 men were ordained for other US dioceses. The archdiocese currently has 75 men in formation for the priesthood and a record-breaking enrollment of 27 men for the first year of formation, called the Spirituality Year.

In addition, 10 men were ordained to the permanent diaconate in the St. Francis School of Theology for Deacons in January of 2014 and, in August of this year, an additional six permanent deacons were ordained. These men will celebrate the sacraments and guide the faithful for many years to come. I also want to thank three priests who retired this past year—Father James Purfield, Father Michael Kerrigan and Father Lawrence Kaiser—for their many years of devoted priestly service.

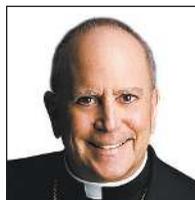
Faith formation programs have grown with dedicated teachers and administrators whose instruction brings children and adults to a better understanding of the holy Scriptures and the Church’s teaching. Within our 37 parish-based elementary schools and two high schools, we provide pre-kindergarten through 12th grade education for more than 9,300 children and young adults. We are the largest private school system in Colorado.

In addition, nearly 25,000 children and young adults participate in parish-based religious education programs throughout the archdiocese.

The Office of Evangelization and Family Life Ministries continues to enhance its services and efforts to assist our parish communities. In fiscal 2015, the staff of this office will personally assist me and all the priests of northern Colorado on two significant initiatives. The first project, which involves enhancing our teaching of theology of the body and natural family planning, has already begun. This effort

to strengthen our catechetical materials will impact couples discerning the sacrament of marriage and our youth. The second effort for 2015 will be the introduction of the restored order of the sacraments of Christian initiation.

Likewise, our ministry to the growing Hispanic population in northern Colorado continued to expand during the last year. Spanish Masses are now offered at more than 53 of the parishes in the territory of the archdiocese. Our Hispanic ministry facility, Centro San Juan Diego (CSJD), continues to grow and prosper, having served approximately 29,000 individuals in fiscal 2014. CSJD provides essential education, leadership development, employment and family support services to the Hispanic community. In 2015, the staff of CSJD will be focusing its efforts on enhancing our ministry efforts for families. It is also my sincere hope that our nation and its leaders will enact legislation that respects the human rights of those who come to us as refugees from countries that are plagued by violence, political uncertainty and economic hardship. Any successful legislation must also protect our national security interests and ensure that our communities maintain respect for the rule of law.



**ARCHBISHOP  
SAMUEL J.  
AQUILA**

In the area of finances, the current year’s Archbishop’s Catholic Appeal are expected to exceed results from last year’s campaign. The 2014-2015 appeal, while still in progress, demonstrates the generosity of Catholics in the archdiocese and will provide support for the many educational, charitable and pastoral programs throughout northern Colorado.

The financial goal of the archdiocese continues to be that it will utilize the financial resources entrusted to it in a manner that neither accumulates unnecessary reserves nor dissipates those resources to the extent that its overall financial position would not be on a sound foundation. As such, allow me to highlight some of the more important matters relating to the financial stewardship of the archdiocese, as well as some of the current initiatives and challenges that we are working on.

Both St. John Vianney Theological Seminary and Redemptoris Mater Archdiocesan Missionary Seminary continue to grow and prosper. Total enrollment at the seminaries for men being formed for the priesthood is 123 men in August 2014 as compared to 115 in August of 2013. In addition, there are an additional 21 men studying to become permanent deacons at the St. Francis School of Theology for Deacons, which is part of St. John Vianney Theological Seminary.

For the second year in a row, many of our ecclesiastical entities benefited from the significant improvement in the global financial markets and, accordingly, generated positive investment returns from their respective investment portfolios. Not only will this help fund their ministry operations but it will also greatly improve their overall financial health. It is important to note that many of these investment funds and their associated investment returns are permanently restricted and must be used pursuant to the donor’s stated intentions. We are also mindful that investment return trends can and will change, and that we must manage our investments accordingly.

As reported last year, during the summer of 2013, the archdiocese was involved in one lawsuit and one unfiled claim involving allegations of sexual abuse by a priest of a minor. Both of these matters involved allegations of abuse more than three or four decades ago and both priests are deceased. The single lawsuit was dismissed by the court with no payment by the archdiocese and the unfiled claim remains tolled by agreement of the parties. During fiscal 2014, two new claims, both brought by adult women alleging wrongdoing by priests arose. One of these matters was dismissed by the court with no payment and one was settled for a nominal amount. I renew my commitment to the safety of our children and young people as our highest priority at the archdiocese. Please know that my resolve to prevent sexual abuse is unrelenting and our effort to promote healing for victims continues to be of the utmost priority. In fiscal

2014, the Office of Child and Youth Protection provided sexual abuse prevention training to an additional 28,000 people, including refresher training for clergy, seminarians, employees, teachers, parents, students and volunteers.

Earlier this year I challenged staff of the archdiocese, Catholic Charities, Seeds of Hope and The Catholic Foundation to revisit our current fundraising approaches, including the need for improved donor communications, enhancing our current information systems and working to establish long-term relationships with the faithful. In June 2014, I convened a symposium of donors and priests to discuss this matter while members of The Catholic Foundation and my staff presented solutions on how we can do a better job going forward. Thereafter, I asked management and the board of The Catholic Foundation to assist me in creating a new organizational structure, and a plan and timeline to accomplish a reorganization of our current fundraising and development activities. I’m pleased to report that in 2015, a newly formed entity to be named The Catholic Foundation Alliance (The Alliance) will commence operations. The Alliance will be overseen by the board of The Catholic Foundation and provide fundraising and event management services to the various entities of the archdiocese. Initially, the Pastoral Center, the seminaries, Seeds of Hope, the high schools and Catholic Charities will utilize these services. I’m confident that by doing so, these separate entities will benefit as we become more responsive and efficient in reaching out to their donors, who make their ministry possible.

The resolution of the future of the historic Camp St. Malo Retreat and Conference Center, Inc. (St. Malo) located near Allenspark has become more clear to my staff and I throughout fiscal 2014. First impacted by a fire in November of 2011 and then a mudslide in September 2013, the damage from the mudslide is significant and has been estimated at more than \$4.4 million to restore the property to its previous condition. Accordingly, in light of the significant remediation costs to the property, the ongoing uncertainty regarding the stability of Mount Meeker, and the unknown impact of future water and sediment flows on the property as noted by outside professionals, it has been determined that it is not prudent to rebuild a conference center or youth camp on the St. Malo property and alternative sites are being evaluated. Nevertheless, the board of directors of St. Malo and I are committed to maintaining the Church’s presence at St. Malo and honoring the history of the boys’ youth camps that took place from 1934 through 1985, the retreat center that operated from 1988 to 2011 and the historical visit of St. John Paul II in August of 1993.

The two significant construction projects on the campus of the St. John Paul II Center for the New Evangelization—\$10 million in renovations to the St. John Vianney Theological Seminary and the construction of the \$6.5 million Holy Trinity Center have progressed well. The seminary project was substantially completed in August of 2014 and within budget, and the Holy Trinity Center, in which construction commenced in January of 2014, will be completed in March of 2015.

Because I know that we are in God’s hands, I view the future with great confidence. I am thankful to the Archdiocesan Finance Council and its various subcommittees for assisting us in the financial administration of the archdiocese. All that has been accomplished could not have been done without the generous support of so many people within the Church of northern Colorado sharing their time, talent and treasure. I also want to thank the employees of the parishes, the Pastoral Center, the seminaries and the other related entities and agencies throughout the Archdiocese of Denver. Through your ongoing dedication and sacrifices, you give the priests, deacons and religious in your respective communities the opportunity to humbly serve the faithful of northern Colorado.

Finally, I would like to recognize the leadership of Msgr. Thomas Fryar, who served as moderator of the

## INTRODUCTION

The financial statements contained in this report have been summarized and condensed from financial statements prepared in accordance with generally accepted accounting principles. The following overview is an accounting of the archdiocese's stewardship. The accompanying presentation encompasses the 17 nonprofit corporations or charitable trusts within the territory of the archdiocese. These nonprofit corporations and trusts are governed by separate boards and trustees. Catholic Charities and Community Services of the Archdiocese of Denver, Inc. (Catholic Charities) publishes its annual financial report separately. To learn more about Catholic Charities, please visit their website at [www.ccdenver.org](http://www.ccdenver.org).

The assets of these ecclesiastical entities are held in their respective names and are not commingled with those of any other entity.

## Letter

From Page B1

curia from April of 2005 through May of 2014. Msgr. Fryar served both Archbishop Chaput and I in running the day-to-day operations of the Pastoral Center during this period. In June of 2014 he was appointed as the pastor of our largest parish community, St. Thomas More Parish. Simply put, Msgr. Fryar's devotion and administration of the Pastoral Center, along with his pastoral responsibilities at the Cathedral Basilica of the Immaculate Conception during the past eight years, were extraordinary and his accomplishments were significant.

The Holy Spirit should be our guide in everything we do—in education, in charity for the poor and those suffering from political and economic hardship, and in our outreach to those on the margins of society. When we listen to the Holy Spirit we are

able to grow in deeper love with Christ and intimacy with the Father. Our challenge is to use the gifts God has given us for his praise and glory and, in doing so, help the Archdiocese of Denver become a place filled with intentional disciples who stand together on the frontlines of the new evangelization.

May God richly bless you throughout the Advent season and the coming year!



Most Reverend Samuel J. Aquila, S. T. L.  
Archbishop of Denver

## ARCHDIOCESAN FINANCE COUNCIL AND ITS SUBCOMMITTEES

Canon law requires every diocese to have a finance council to advise the archbishop. In the Archdiocese of Denver, the Archdiocesan Finance Council (AFC) functions in accordance with a written charter to advise Archbishop Samuel J. Aquila.

The AFC provides policy guidance for the work of subcommittees. Currently, 14 individuals serve on the AFC, including 13 lay people. In addition, 22 lay, clergy and religious leaders serve on its various subcommittees. The AFC meets at least quarterly and functions as an advisory board to the archbishop. Its duties include reviewing the financial and operational performance of the archdiocese and all public juridic persons established by

canon law and the archbishop. Such review is conducted through a series of reports submitted by the committees that are intended to advise the archbishop on significant financial matters.

Council members represent a broad cross section of Catholic business executives from small, medium and large-sized companies of northern Colorado. Professionals practicing in the fields of law, accounting, investment and real estate management are also members. Most serve or have served on their respective parish councils, Catholic agencies or other nonprofit boards of directors. The archdiocese also has a governing body of priests, which serves as the archbishop's College of Consultors, which

provides advice and guidance on the finances of the archdiocese. The work of the five subcommittees of the AFC is an important element in developing and fine-tuning the strategy used to address the various resource issues confronting the archdiocese. Each committee chairperson is a member of the AFC and provides quarterly updates on their respective committee's activities to the council.

While these five subcommittees are the primary advisory bodies to the AFC, the work and service provided by the members of the **Irrevocable Revolving Fund Trust Management Committee**, the **Building Committee**, the **Health and Welfare Benefits Trust Committee**, the **Priest Retirement Committee** and the **Lay Pension Plan Committee** are also integral to the ongoing stewardship efforts of the archdiocese.

### FINANCE COUNCIL

Lowell A. Hare, chairman  
Very Reverend Randy Dollins  
Wendy Dominguez  
Greg Gerken  
Reid Godbolt  
James S. Harrington  
David A. Holden

Kevin Kuhn  
Kathy Lutito  
Dave Runberg  
Jeff Schmitz  
Jodi Thomas  
William G. Trainor  
Eric Zellweger, CFA

### INVESTMENT COMMITTEE

Eric Zellweger, CFA, chairman  
Mick Bleyle, CFA  
Charles Dahlman  
Very Reverend Randy Dollins  
Larry Luchini, CFA  
Kathleen Duggan Marvin, CFA  
Brian Rorick, CPA

### ACCOUNTING & AUDIT COMMITTEE

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Very Reverend Randy Dollins  
Brian Callahan, CPA  
Heath Hill, CPA  
Kelly Kozeliski, CPA  
Andrew Newland  
Keith Parsons, CPA  
Jeff Smith, CPA

### PROJECT FINANCE & REVIEW COMMITTEE

James S. Harrington, chairman  
George Connolly  
Peter Furstenberg  
Rev. Frank Maroney  
Sam N. Perry  
Jennifer Reicher  
George Shaw  
Mike Wisneski  
Robert Zarlengo

### REAL ESTATE COMMITTEE

Gregory Gerken, chairman  
Adam Hermanson  
Msgr. Leo Horrigan  
Paul Kluck  
Kevin McCabe  
Edward Blieszner

### COMPENSATION COMMITTEE

Reid Godbolt, chairman  
Very Reverend Randy Dollins  
Lowell Hare  
Dave Runberg

## ARCHDIOCESE OF DENVER - PASTORAL CENTER

The Archdiocese of Denver is a Colorado nonprofit corporation, located on the campus of the St. John Paul II Center for the New Evangelization in south Denver. The Pastoral Center is composed of the offices of the archbishop, vicars, directors and others who collaborate in the administration and oversight of more than 30 archdiocesan offices and ministry programs.

The Archbishop's Catholic Appeal (ACA) campaign's fiscal 2014 donations decreased slightly from fiscal 2013 as the campaign started approximately four weeks later than the prior year. We anticipate that the current ACA campaign will ultimately exceed last year's results when it concludes later this year. Parish assessments increased modestly for the third year in a row due to an overall increase in parish offertories throughout northern Colorado.

In 2014, grants and contributions decreased by more than \$5.8 million from the 2013 results. This decrease is due to the non-recurrence of a \$5.8 million permanently restricted gift from a charitable trust to the archdiocese in 2013. As discussed last year, the beneficial purpose of this charitable trust allows the funds to be used solely for the maintenance and critical needs of the Cathedral Basilica of the Immaculate Conception Parish. During 2013 the archdiocese commenced a capital campaign in May to raise restricted funds for the construction of the Holy Trinity Center on the St. John Paul II Center campus. During fiscal 2014, \$1.3 million in additional pledge commitments, along with cash receipts, were received in conjunction with this campaign as compared to \$1.2 million in 2013.

In fiscal 2014, program and service income decreased almost \$1 million from 2013 due to the occurrence of two Steubenville of the Rockies conferences in 2013 as compared to no conferences in 2014. In addition, investment income increased by \$500,000 in 2014 from the comparable amount in 2013 due to the performance of financial markets throughout fiscal 2014.

Program costs for religious education decreased by \$688,000 as a result of no Steubenville conferences being held in 2014. In 2014, gifts and grants increased by more than \$800,000 from 2013 due to increased funding for the seminaries and special grants of approximately \$200,000 made to parishes that were significantly impacted by the mudslides and flooding that occurred during September 2013. Generally, all other program expense categories in fiscal 2014

increased from comparable balances in fiscal 2013 due to modest pay increases for staff.

## Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 8,706,973	\$ 8,846,211
Short-term investments for designated purposes	4,033,220	6,719,446
Total cash & investments	12,740,193	15,565,657
Prepaid expenses & other assets	100,309	90,057
Notes, contributions & accounts receivable, net	5,078,470	5,410,179
Due from parishes & other related entities, net	669,531	694,650
Investments	19,387,603	15,911,344
Beneficial interest in charitable trust	6,077,121	5,787,790
Property & equipment, net	30,657,853	29,747,272
Total assets	\$ 74,711,080	\$ 73,206,949
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 1,348,785	\$ 1,524,703
Funds held in trust for others	1,370,114	1,122,408
Other liabilities	495,311	291,774
Notes & bonds payable	1,016,193	1,853,008
Total liabilities	4,230,403	4,791,893
<b>Net assets:</b>		
Unrestricted	53,315,255	51,043,017
Temporarily restricted	11,910,701	12,117,318
Permanently restricted	5,254,721	5,254,721
Total net assets	70,480,677	68,415,056
Total liabilities & net assets	\$ 74,711,080	\$ 73,206,949

## Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Support &amp; revenue:</b>		
Support:		
Archbishop's Catholic Appeal contributions, net	\$ 7,236,677	\$ 7,291,225
Parish assessments, net	6,565,130	6,347,449
Grants & contributions	2,810,402	8,574,274
Other support	178,807	165,967
Total support	16,791,016	22,378,915
<b>Revenue:</b>		
Advertising	746,119	731,559
Program & service, net	1,180,658	2,190,776
Other income	561,920	615,504
Total revenue	2,488,697	3,537,839
Total support & revenue	19,279,713	25,916,754
<b>Expenses:</b>		
Program expenses:		
Religious education & schools	1,952,314	2,640,408
Catholic communications	2,671,760	2,653,666
Social development	640,174	1,054,728
Spiritual & pastoral concerns	2,453,881	2,258,067
Religious & ordained ministries	2,376,769	2,111,629
Evangelization	2,751,353	2,580,270
Gifts & grants	3,554,803	2,704,499
Interest expense	57,188	70,009
Total program expenses	16,458,242	16,073,326
Support & administrative expenses	1,836,234	1,823,684
Development & fundraising	965,189	867,823
Total expenses	19,259,665	18,764,833
Income from operations before investment return	20,048	7,151,921
Investment income, net	2,045,573	1,526,900
Increase in net assets	\$ 2,065,621	\$ 8,678,871

## EDUCATION AND FORMATION

### ST. JOHN VIANNEY THEOLOGICAL SEMINARY

St. John Vianney Theological Seminary (St. John Vianney) is a Colorado nonprofit corporation that was established in 1999 to provide seminary formation and other programs for the education of seminarians, permanent deacons and members of the laity. In addition to the seminary, St. John Vianney operates the Cardinal Stafford Theological Library, the St. Francis School of Theology for Deacons and the Division of Lay Formation, including the Catholic Biblical School and Catechetical School for the education of the laity.

Ten men were ordained priests in fiscal 2014, five of whom will serve within the territory of the archdiocese. Presently, there are 123 men at St. John Vianney studying for the priesthood, 68 for the Archdiocese of Denver (including those from Redemptoris Mater), 49 men from 15 other U.S. dioceses and six from religious orders. In 2014, seven seminarians were ordained as transitional deacons.

The recurring operations of St. John Vianney Seminary for both fiscal 2014 and 2013 were supported by contributions from the public, including a share of proceeds from the annual parish seminary appeal, grants from the archdiocese made possible through the annual Archbishop's Catholic Appeal, Mount Olivet Cemetery, the Archdiocese of Denver Mortuary, and from various restricted endowments owned by The Catholic Foundation, including distributions from the New Harvest Campaign. In conjunction with the New Harvest Campaign, the foundation established and owns the New Harvest Campaign's two endowments, one for capital renovation projects and one for an operating endowment for providing long-term sustainability to the seminaries. Accordingly, the endowments and their related activity (pledges,

cash payments and related contributions revenues) are not recorded in the financial statements of either St. John Vianney or Redemptoris Mater seminaries. Instead, grant distributions from the endowments are recorded as grants and contributions when received.

The significant increase in net assets of \$7.9 million in fiscal 2014 from the prior year is due to increases in support revenue. Specifically, St. John Vianney received grants from the New Harvest capital endowment fund of approximately \$7.9 million in 2014 to fund the renovation costs to the various buildings

utilized by the seminary on the campus of the St. John Paul II Center for the New Evangelization. While significant planning and coordination efforts occurred throughout fiscal 2013, the construction and renovations to the various buildings, which will total nearly \$10 million when completed in fiscal 2015, did not begin until September of 2013 (fiscal 2014). Once again, these capital expenditures are being funded from the New Harvest capital endowment owned by the foundation.

### Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 3,267,230	\$ 954,330
Prepaid expenses & other assets	164,766	235,521
Contribution & accounts receivable, net	45,517	10,975
Property & equipment, net	8,903,510	1,236,350
<b>Total assets</b>	<b>\$ 12,381,023</b>	<b>\$ 2,437,176</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accruals	\$ 2,677,181	\$ 623,389
Funds held in trust for others	26,900	16,666
Deferred tuition income	84,357	82,002
<b>Total liabilities</b>	<b>2,788,438</b>	<b>722,057</b>
<b>Net assets:</b>		
Unrestricted	9,021,169	1,497,670
Temporarily restricted	546,416	192,449
Permanently restricted	25,000	25,000
<b>Total net assets</b>	<b>9,592,585</b>	<b>1,715,119</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 12,381,023</b>	<b>\$ 2,437,176</b>

### Statements of Activities

	YEARS ENDED JUNE 30, 2014 AND 2013	
	2014	2013
<b>Support &amp; revenue:</b>		
Support:		
Grants & contributions	\$ 11,268,138	\$ 3,084,253
<b>Revenue:</b>		
Program & service	97,242	99,120
Fundraising & special events	462,585	674,137
Tuition income	2,317,276	2,376,546
Investment & other income, net	4,683	4,356
<b>Total revenue</b>	<b>2,881,786</b>	<b>3,154,159</b>
<b>Total revenue &amp; support</b>	<b>\$ 14,149,924</b>	<b>6,238,412</b>
<b>Expenses:</b>		
Religious education & schools	5,711,646	1,116,357
Religious & ordained ministries	311,655	4,452,055
Support & administrative expenses	23,525	16,072
Development & fundraising	225,632	252,871
<b>Total expenses</b>	<b>6,272,458</b>	<b>5,837,355</b>
<b>Increase in net assets</b>	<b>\$ 7,877,466</b>	<b>\$ 401,057</b>

### REDEMPTORIS MATER HOUSE OF FORMATION

Redemptoris Mater House of Formation (Redemptoris Mater), a Colorado nonprofit corporation, was established in 1996 by the archdiocese as an archdiocesan missionary seminary. Redemptoris Mater prepares men for the priesthood who come from all over the world ready to serve the Catholic Church, according to the direction of *Presbyterorum Ordinis No. 10*. The priests being formed in Redemptoris Mater are priests for the archdiocese and accordingly, the archbishop decides their assignments. Given the universal missionary purpose of the Catholic Church, candidates from all over the world help to create an open environment without discrimination of language, culture or race. Presently, there are 34 men studying at Redemptoris Mater. In fiscal 2014, Redemptoris Mater ordained one man to the priesthood and one man as a transitional deacon. Both men now serve within the archdiocese.

Since 1996, 22 Redemptoris Mater seminarians have been ordained as priests of the archdiocese. Similar to St. John Vianney Seminary, the operations of Redemptoris Mater are supported by contributions from

the public, including a share of the proceeds from the annual parish seminary appeal, grants from the

archdiocese through the generosity of donors to the Archbishop's Catholic Appeal, Mount Olivet Cemetery, the Archdiocese of Denver Mortuary and grants from various restricted endowments owned by The Catholic Foundation, including the New Harvest campaign.

### Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 10,942	\$ 27,661
Other assets	12,486	36,434
Due from others	36,876	-
Property & equipment, net	56,749	36,585
<b>Total assets</b>	<b>\$ 117,035</b>	<b>\$ 100,680</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accruals	\$ 6,731	\$ 9,396
<b>Net assets:</b>		
Unrestricted	84,613	35,727
Temporarily restricted	25,691	55,557
<b>Total net assets</b>	<b>110,304</b>	<b>91,284</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 117,035</b>	<b>\$ 100,680</b>

### Statements of Activities

	YEARS ENDED JUNE 30, 2014 AND 2013	
	2014	2013
<b>Support &amp; revenue:</b>		
Grants & contributions	\$ 1,428,893	\$ 1,401,668
Fundraising & other	219,949	259,960
<b>Total revenue &amp; support</b>	<b>1,648,842</b>	<b>1,661,628</b>
<b>Expenses:</b>		
Program expenses	1,358,668	1,388,761
Support & administrative expenses	271,154	263,867
<b>Total expenses</b>	<b>1,629,822</b>	<b>1,652,628</b>
<b>Increase in net assets</b>	<b>\$ 19,020</b>	<b>\$ 9,000</b>

### FAMILY OF NAZARETH INC.

Family of Nazareth is a Colorado nonprofit corporation established in 1998. The Family of Nazareth primarily assists the Redemptoris Mater Seminary and supports the work of the new evangelization and all persons connected with the mission of the Neocatechumenal Way of the Roman Catholic Church. Since 1998, the Family of Nazareth has procured real and personal properties as deemed necessary to carry out the missionary work of the new evangelization.

Family of Nazareth's net assets decreased by \$109,333 in 2014 as compared to a decrease of \$205,764 in fiscal 2013. During 2013, Family of Nazareth realized an \$83,000 loss from the sale of property it owned near Bailey.

Both program revenue and expenses increased in fiscal 2014 as a result of travel and other costs associated with more than 128 pilgrims attending World Youth Day in Rio de Janeiro, Brazil. Other program expenses and grant expenditures reflect the ongoing support of the new evangelization in Denver, the United States and worldwide.

### Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 566,577	\$ 536,502
Prepaid expenses and other	6,100	421,021
Note receivable from property sale	-	120,320
Property & equipment, net	132,044	132,043
<b>Total assets</b>	<b>\$ 704,721</b>	<b>\$ 1,209,886</b>
<b>Liabilities</b>		
Accounts payable & accruals	\$ -	\$ 8,119
Deferred revenue	-	387,713
<b>Total liabilities</b>	<b>-</b>	<b>395,832</b>
<b>Net assets:</b>		
Unrestricted	498,611	607,944
Temporarily restricted	206,110	206,110
<b>Total net assets</b>	<b>704,721</b>	<b>814,054</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 704,721</b>	<b>\$ 1,209,886</b>

### Statements of Activities

	YEARS ENDED JUNE 30, 2014 AND 2013	
	2014	2013
<b>Support &amp; revenue:</b>		
Grants & contributions	\$ 201,167	\$ 277,675
<b>Revenue:</b>		
Program revenues	397,167	-
Net loss from sale of property	-	(83,000)
Investment & other income	772	3,793
<b>Total revenue</b>	<b>397,939</b>	<b>(79,207)</b>
<b>Total revenue &amp; support</b>	<b>599,106</b>	<b>198,468</b>
<b>Expenses:</b>		
Program expenses	663,476	331,512
Grants expenditures	35,231	30,144
Support & administrative expenses	9,732	42,576
<b>Total expenses</b>	<b>708,439</b>	<b>404,232</b>
<b>Decrease in net assets</b>	<b>\$ (109,333)</b>	<b>\$ (205,764)</b>

## HOLY FAMILY HIGH SCHOOL INC.

Based on the teachings of Jesus Christ, Holy Family High School, Inc. (HFHS) seeks to provide a Catholic learning environment that stresses academic excellence, fosters mutual respect, demands responsibility and encourages self-growth. More than 5,100 young men and women have benefited from their Holy Family experience, sharing with their families, communities and beyond, the faith, values and learning developed by their Catholic education. Although HFHS was established as a Colorado nonprofit corporation (located in Broomfield) as recently as 1999, HFHS has a 95-year-long tradition of excellence in education and it continues that tradition of a family of faith investing in the future of our young people and our Church.

For the school year ending June 2014, HFHS graduated 137 seniors, who received \$13.5 million in merit-based scholarships to attend colleges and universities throughout the United States. For the current school year that began in August of 2014, HFHS is at capacity, educating 620 students.

HFHS's loss from operations was \$501,614 in fiscal 2014 as compared to \$411,245 in fiscal 2013. Average enrollment for the 2013-2014 school year of 614 students was more than the 596 students for the 2012-2013 school year, resulting in an increase of \$275,459 in tuition income in fiscal 2014.

Operating expenses were \$395,792 higher in fiscal 2014 compared to fiscal 2013 due primarily to higher personnel costs. The loss from operations includes depreciation totaling \$664,200 and \$604,200 in fiscal 2014 and 2013. On a cash basis, HFHS generated cash flow from operations in both fiscal 2014 and 2013, respectively. HFHS also realized a modest increase in non-operating support revenues in fiscal 2014 as compared to fiscal 2013 due primarily to an increase in investment income from favorable investment returns.

HFHS undertook a significant renovation project during the summer of 2013 to address long-standing building structural issues as part of its ongoing maintenance program. Total capital expenditures for this project were approximately \$1 million. The project has been funded from outside grants from The Catholic Foundation, the Archdiocese of Denver, Internal funds

and a loan from the Irrevocable Revolving Fund Trust.

HFHS students continue to achieve many accomplishments: in addition to attaining high academic performance and receiving the highest scores in math, art and Latin competitions, they are blessed with a faith-filled curriculum with four years of theology and more than 35 different clubs and athletic programs. HFHS is the only Catholic high school in the country to offer an honors theology program. In fiscal 2014, one of our seniors received a perfect score on the SAT and went on to be named National Merit Scholar. Three other seniors were semi-finalists in the National Merit scholarship program. Another senior

was a finalist at Regis University's Scholar Activist competition and earned a full scholarship for four years. Another senior was honored for her exemplary and continued volunteerism with the President's Volunteer Service Award and finally, another senior was the recipient of the prestigious Fred Steinmark Athlete of the Year Award. In addition, the students are encouraged to spend time outside the classroom completing service projects and helping their community. Throughout this experience, the students are brought to a deeper understanding of the beauty of universal Church, celebrating their faith with people of cultures from around the world while also deepening their own personal faith lives and growing in true charity and solidarity with their fellow brothers and sisters in Christ.

## Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,170,467	\$ 930,767
Cash & short-term investments held in trust or restricted	145,150	128,262
Total cash & short-term investments	1,315,617	1,059,029
Tuition receivable and other assets, net	13,624	12,128
Contributions receivable and other assets, net	2,500	215,000
Investments	3,516,636	3,163,395
Property & equipment, net	10,685,526	10,464,458
Total assets	\$ 15,533,903	\$ 14,914,010
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 284,376	\$ 407,297
Funds held in trust for others	140,950	114,154
Tuition & fees paid in advance	461,462	357,552
Note payable to revolving fund trust	397,278	-
Total liabilities	1,284,066	879,003
<b>Net assets:</b>		
Unrestricted	10,695,666	10,757,707
Temporarily restricted	880,683	625,715
Permanently restricted	2,673,488	2,651,585
Total net assets	14,249,837	14,035,007
Total liabilities & net assets	\$ 15,533,903	\$ 14,914,010

## Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Operating revenues:</b>		
Tuition income, net	\$ 4,620,158	\$ 4,344,699
Catholic Schools Assistance Fund grants	429,200	419,400
Student fees & other operating revenues	527,249	507,085
Total operating revenues	5,576,607	5,271,184
<b>Operating expenses</b>		
Educational salaries & direct expenses	3,710,326	3,525,641
Facilities & educational administration	1,975,467	1,806,584
Support & administration	392,428	350,204
Total operating expenses	6,078,221	5,682,429
Loss from operations	(501,614)	(411,245)
<b>Non-operating support &amp; expenses:</b>		
Grants & other contributions	197,462	335,007
Special events, net of expenses	270,995	265,453
Investment income, net	457,703	287,578
Development, fundraising & other expenses, net	(209,716)	(271,262)
Net non-operating support	716,444	616,776
Increase in net assets	\$ 214,830	\$ 205,531

## BISHOP MACHEBEUF HIGH SCHOOL INC.

Bishop Machebeuf High School Inc. (BMHS) is a Catholic college preparatory high school that is committed to integrating faith formation and supporting a diverse, college-bound community. BMHS is a Colorado nonprofit corporation, located in the Lowry neighborhood of east Denver. BMHS was founded in 1958 as a coeducational Catholic school for students in grades nine through twelve. BMHS's vision is to be a dynamic educational community enveloped in the rich tradition of the Catholic Church and the Gospels of Jesus Christ. BMHS is recognized for its commitment to faith, academic excellence, ethnic variety and service to others.

BMHS takes great pride in being the only Catholic high school in Colorado to be recognized in 2006, 2007, 2008 and 2012 as one of the Top 50 Catholic High Schools in the United States by the Cardinal Newman Society (formerly the Acton Institute). Students who succeed at BMHS are those who live their faith and strive to make a difference, both as individual citizens and as members of this academic community of faith. For the year ending June 30, 2014, BMHS graduated 73 seniors who were awarded merit-based scholarships totaling \$3.54 million.

During fiscal 2014, BMHS celebrated the remarkable continuing accomplishment that 100 percent of its graduating senior class gained admission to colleges and universities nation wide. For the current school year that began in August of 2014, BMHS is educating 373 students.

BMHS's loss from operations totaled \$698,316 for fiscal 2014. Actual enrollment for the 2013-2014 school year ended at 342 students. For fiscal 2013, the operating loss totaled \$525,690 and actual enrollment for the 2012-2013 school year was 350 students.

The increase in operating loss for fiscal 2014 is due to an increase in operating expenses resulting from increasing personnel costs and general expenses.

The 2014 and 2013 losses from operations at BMHS includes non-cash depreciation expense totaling

\$405,762 and \$429,287, respectively. Prior to fiscal 2014, when excluding depreciation expense from operations, BMHS had generated cash from operations for four consecutive years. Accordingly, in fiscal 2014, BMHS utilized a portion of its existing short-term investment reserves to fund its cash operating deficit.

## Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 248,504	\$ 126,909
Cash & short-term investments held in trust or restricted	432,293	644,477
Total cash & short-term investments	680,797	771,386
Tuition receivable, net	6,829	4,490
Prepaid expenses & other assets	29,508	30,042
Contributions receivable	48,093	52,005
Property & equipment, net	7,773,956	8,044,665
Total assets	\$ 8,539,183	\$ 8,902,588
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 281,418	\$ 242,635
Due to other related entities	246,780	153,609
Tuition & fees paid in advance	255,336	250,563
Funds held in trust for others	50,431	62,494
Note payable to archdiocese	402,888	402,888
Total liabilities	1,236,853	1,112,189
<b>Net assets:</b>		
Unrestricted	6,813,983	7,130,992
Temporarily restricted	488,347	659,407
Total net assets	7,302,330	7,790,399
Total liabilities & net assets	\$ 8,539,183	\$ 8,902,588

## Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Operating revenues:</b>		
Tuition income, net	\$ 2,734,559	\$ 2,750,336
Catholic Schools Assistance Fund grants	254,800	229,000
Student fees and other operating revenues	365,822	356,051
Total operating revenue	3,355,181	3,335,387
<b>Operating expenses</b>		
Educational salaries & direct expenses	2,181,752	2,028,065
Facilities & educational administration	1,396,551	1,410,622
Support & administration	475,194	422,390
Total operating expenses	4,053,497	3,861,077
Loss from operations	(698,316)	(525,690)
<b>Non-operating support and expenses:</b>		
Grants & other contributions	225,722	217,464
Special events, net of expenses	107,975	106,510
Investment & other income	2,816	3,918
Development, fundraising & other expenses, net	(126,266)	(122,486)
Net non-operating support	210,247	205,406
Decrease in net assets	\$ (488,069)	\$ (320,284)

## GRANT AND OTHER FUNDING TO CATHOLIC SCHOOLS AND EDUCATION MINISTRY PROGRAMS

The Archdiocese of Denver Catholic Schools comprises the largest private school system in Colorado. Located in 18 cities in northern Colorado, 37 parish schools and two high schools educated 9,300 students during the school year ended in June 2014. The majority of Catholic school revenue comes from the sacrifice families make to pay tuition, and while this is a generous investment, it is not sufficient to cover the salaries and related benefit costs of our faculty and staff. Accordingly, these schools also rely on fundraising, parish support and philanthropy to survive financially. In contrast,

the majority of revenue for public schools comes from taxpayers, whether they are users of the services or not. For the 2013-2014 school year, Catholic schools and related educational ministry programs of the archdiocese received more than \$5.9 million in grants and other support through The Catholic School Assistance Fund (CSAF) into which each parish contributes, Seeds of Hope Charitable Trust, The Catholic Foundation and the Archbishop's Catholic Appeal. The financial help of each of these entities allows Catholic education to be made available to as many families as possible.

Funding Sources	YEARS ENDED JUNE 30		
	2013 (Actual)	2014 (Actual)	2015 (Projected)
Archdiocese of Denver	\$ 598,631	\$ 560,285	\$ 623,500
The Catholic Foundation	665,000	616,000	620,000
Seeds of Hope	1,402,125	1,323,693	1,348,500
Catholic Schools Assistance Fund	3,379,600	3,469,000	3,775,000
<b>Total</b>	<b>\$ 6,045,356</b>	<b>\$ 5,968,978</b>	<b>\$ 6,367,000</b>

To learn more about the Archdiocese of Denver Catholic Schools, please visit our website at [www.archden.org/schools/office-catholic-schools](http://www.archden.org/schools/office-catholic-schools)

## SEEDS OF HOPE CHARITABLE TRUST

The mission of Seeds of Hope Charitable Trust (Seeds of Hope) is to make the tremendous benefits of a Catholic education available to economically disadvantaged children. Since its inception in 1996, Seeds of Hope has served more than 15,000 students with nearly \$25 million in assistance. The students served have grown into successful high school students and college graduates, as well as flourishing members of the surrounding communities.

Through its tuition assistance programs, Seeds of Hope primarily supports the Catholic elementary schools that serve low-income, high-risk populations. Seeds of Hope focused on five Schools in Urban Neighborhoods (S.U.N.) and six Focus Schools, primarily in inner-city Denver during the 2013-2014 school year. During the year ended June 30, 2014, Seeds of Hope provided more than \$1.3 million of assistance to nearly 950 students.

In fiscal 2014, Seeds of Hope's net assets increased by approximately \$796,383 as compared to an increase in net assets of \$533,004 in fiscal 2013. This change is primarily attributable to an increase in investment returns in 2014 as compared to 2013.

Seeds of Hope is fortunate to maintain various endowment funds, providing long-term stability for the organization and the schools served, totaling \$8.4 million as of June 30, 2014. To maintain the organization's financial security, the annual spending restrictions of the endowment funds limit the amount of grant awards

that can be made in any given year. Endowment earnings provide the majority of operational expenses, thereby allocating donor dollars directly to students in need. Operation expenses consistently run well above the industry benchmark of 75 percent. Three events raise essential funds to provide needed tuition assistance on an annual basis. The Adopt-A-Student Program is also very

popular, allowing donors to interact with their students through letters, reports and a personal meeting.

Please visit [www.seedsofhopedenver.org](http://www.seedsofhopedenver.org) for more information.

## Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Support and revenue:</b>		
Gifts and grants, net	\$ 894,474	\$ 811,339
Special events, net	420,153	556,697
Parish assessments	260,957	260,840
<b>Total support &amp; revenue</b>	<b>1,575,584</b>	<b>1,628,876</b>
<b>Expenses</b>		
Grants to schools and students	1,323,693	1,402,125
Grant making expenses	132,397	79,089
<b>Total program expenses</b>	<b>1,456,090</b>	<b>1,481,214</b>
<b>Supporting services</b>		
Management and general	130,284	141,415
Development and fundraising	201,140	173,621
<b>Total supporting services</b>	<b>331,424</b>	<b>315,036</b>
<b>Total expenses</b>	<b>1,787,514</b>	<b>1,796,250</b>
Loss from operations before investment return	(211,930)	(167,374)
Investment income, net	1,008,313	700,378
<b>Increase in net assets</b>	<b>\$ 796,383</b>	<b>\$ 533,004</b>

## Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 2,077,643	\$ 1,679,312
Parish assessments receivable, net	40,608	48,935
Contributions receivable	273,222	280,024
Investments	8,370,293	7,901,804
Other assets, net	5,005	5,107
<b>Total assets</b>	<b>\$ 10,766,771</b>	<b>\$ 9,915,182</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accruals	\$ 34,494	\$ 29,288
Grants payable	50,000	-
<b>Total liabilities</b>	<b>84,494</b>	<b>29,288</b>
<b>Net assets:</b>		
Unrestricted	1,995,571	1,513,578
Temporarily restricted	644,215	679,994
Permanently restricted	8,042,491	7,692,322
<b>Total net assets</b>	<b>10,682,277</b>	<b>9,885,894</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 10,766,771</b>	<b>\$ 9,915,182</b>

## MORTUARY AND CEMETERIES

### ARCHDIOCESE OF DENVER MORTUARY AT MOUNT OLIVET INC.

The Archdiocese of Denver Mortuary (the mortuary), located on the grounds of Mount Olivet Cemetery, is a Colorado nonprofit corporation committed to serving the Church as a symbol of the community of faith unbroken by death. The mortuary was established 1981 to ensure that proper dignity would be provided to the beloved dead and their grieving families and to offer funeral services at affordable costs to the Catholic community, especially the poor.

During fiscal 2014 and 2013, the mortuary provided funeral services to 592 and 598 families, respectively. Included in these numbers are services to the county Social Services offices for 81 cases in 2014 and 97 cases in 2013. Accordingly, the mortuary contributed more than \$269,570 in care services to the poor and their families in 2014. In addition, preneed mortuary service contracts for future funeral services, totaling 434 and 303, were contracted for in 2014 and 2013 respectively.

Income from operations during fiscal 2014 of \$45,888 was generally consistent with the results in 2013. However, when combined with an increase in investment income of more than \$800,000 from 2013, the mortuary realized a significant increase in net assets as compared to 2013. Operations were also favorably impacted by an increase in mortuary sales, primarily from sales of

preneed service contracts. In addition, the mortuary's board continued its long-standing tradition of funding other ministry programs in the archdiocese when it

## Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,629,876	\$ 1,361,401
Accounts receivable, net	1,505,201	1,287,865
Prepaid expenses & other	83,668	81,335
Restricted investments	20,953,931	18,224,186
Property & equipment, net	380,561	59,663
<b>Total assets</b>	<b>\$ 24,553,237</b>	<b>\$ 21,014,450</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued liabilities	\$ 199,456	\$ 183,442
Pre-need trust	11,319,172	10,495,238
<b>Total liabilities</b>	<b>11,518,628</b>	<b>10,678,680</b>
<b>Net assets:</b>		
Unrestricted	13,034,609	10,335,554
Temporarily Restricted	-	216
<b>Total Net Assets</b>	<b>13,034,609</b>	<b>10,335,770</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 24,553,237</b>	<b>\$ 21,014,450</b>

**Endowment.** Funds or property donated as a permanent source of income. Generally, only the income produced from the endowment principal is available for expenditure.

**Funds held in trust for others.** Amounts temporarily in the possession of an entity but which are being held for the benefit of, and ultimate distribution to, another. Funds are held in trust as an asset on the Statements of Financial Position as cash or because they may be temporarily invested pending final distribution as investments. To reflect the fact that funds held in trust are not the property of the entity, and are in fact owed to others, an offsetting liability also appears on the Statements of Financial Position. Examples of funds held in trust include second collections taken on behalf of other organizations and preneed funeral plan payments.

**Inventories.** Assets held for eventual resale to others primarily for gravesites, urns and caskets at the cemeteries and mortuary.

**Net assets.** The net assets of an organization, computed by subtracting liabilities from assets. Net assets are categorized by type, for example, "unrestricted" or "temporarily restricted."

**Parish assessments.** In accordance with canon law, parishes within the territory of the archdiocese contribute to the mission of the local Church through

approved respective grants of \$113,000 and \$87,000 to St. John Vianney and Redemptoris Mater seminaries in fiscal 2014 as compared to respective grants of \$81,000 and \$119,000 in fiscal 2013.

During fiscal 2014, the mortuary invested approximately \$370,000 in new hearses and limousines to enhance its customer service.

## Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Support &amp; revenue:</b>		
Mortuary sales	\$ 3,060,567	\$ 2,866,995
Miscellaneous	13,968	3,124
<b>Total support &amp; revenue</b>	<b>3,074,535</b>	<b>2,870,119</b>
<b>Expenses:</b>		
Mortuary operating expenses	2,371,623	2,142,832
Gifts & grants	201,800	200,000
Support & administrative expenses	455,224	486,333
<b>Total expenses</b>	<b>3,028,647</b>	<b>2,829,165</b>
Income from operations before investment return	45,888	40,954
Investment income, net	2,652,951	1,819,893
<b>Increase in net assets</b>	<b>\$ 2,698,839</b>	<b>\$ 1,860,847</b>

the parish assessment. Parishes pay a percentage of their assessable income, as defined—from a low of 5.26 percent to a high of 7.67 percent—depending on various conditions of the parish.

**Permanent restrictions.** A donor-imposed restriction that stipulates that resources be maintained permanently but permits the archdiocese or the related ecclesiastical entity to expend part or all of the income derived from the donated assets.

**Statements of activities.** Reports the amount of change in net assets for a period of time. Revenues, expenses, gains and losses increase or decrease net assets. Other events, such as expiration of donor-imposed restrictions, that simultaneously increase one class of net assets and decrease another are reported as separate items.

**Statements of Financial Position.** Reflects the assets, liabilities and net assets of an entity at a particular point in time.

**Temporary restrictions.** A donor-imposed restriction that permits the archdiocese to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the archdiocese.

**Unrestricted.** Support and revenue that has no donor restriction as to use or purpose.

## GLOSSARY OF TERMS

**Claims payable.** Claims payable represent an estimated aggregate liability based upon actual healthcare claims data and estimates of claims incurred but not yet reported for the Welfare Benefit Trust. In addition, the Risk Management Trust also records and estimates settlement obligations, claims incurred but not reported and related claims-adjustment expenses. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the change in net assets in the period in which the estimates are changed.

**Depreciation.** The systematic and rational allocation of the cost of an asset over its anticipated useful life.

**Investments and investment income.** Investments represents the deposits of excess cash funds into long-term certificates of deposit and/or the purchase of marketable equity and fixed income securities. Such investments are recorded at their fair value. Investment income consists of the respective entity's earnings from interest and dividends, the realized gains or losses from sales of such securities, and the change in the fair value of the underlying investments from period to period.

### MOUNT OLIVET CEMETERY ASSOCIATION

Mount Olivet Cemetery Association (Mount Olivet) is a Colorado nonprofit corporation and is located in Wheat Ridge. It was consecrated in 1891. By burying the dead and comforting the bereaved, the staff of Mount Olivet teaches the faithful to look beyond earthly existence and thereby deepen faith in eternal salvation and life everlasting in the Lord.

During fiscal 2014 and 2013, Mount Olivet provided burial services to 1,399 and 1,510 families, respectively. Included in the funeral services data are services to the county Social Services offices for 182 cases in 2014 and 267 cases in 2013. Accordingly, Mount Olivet contributed more than \$539,800 in care services to the poor and their families in fiscal 2014. In addition, preneed burial contracts for future services, totaling 533 and 405, were contracted for in 2014 and 2013 respectively.

The income from operations of \$14,252 in 2014 reflects an improvement of \$146,473 from the comparable amount in fiscal 2013. This improvement is primarily attributable to the non-recurrence of uncollectable debt expense charges of \$226,000 recorded in fiscal 2013 due to concerns about the collection risk on various customer accounts receivable. Overall, the increase in investment income due to the performance of the financial markets throughout fiscal 2014 was the

primary reason for the overall increase in net assets during fiscal 2014.

Mount Olivet's board continued its long-standing tradition of funding other ministry programs in the archdiocese when it approved respective grants of

\$283,000 and \$217,000 (\$500,000 in total) to St. John Vianney and Redemptoris Mater seminaries in fiscal 2014 and respective grants of \$203,000 and \$297,000 (\$500,000 in total) in fiscal 2013.

### Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 4,172,265	\$ 3,820,066
Inventories	2,423,577	2,544,961
Accounts receivable, net	2,198,188	2,375,637
Note receivable from St. Simeon	1,299,438	1,259,077
Restricted investments	11,501,404	9,821,351
Property & equipment, net	3,011,717	2,948,101
<b>Total assets</b>	<b>\$ 24,606,589</b>	<b>\$ 22,769,193</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 318,962	\$ 258,080
Pre need trust	6,156,616	5,792,189
<b>Total liabilities</b>	<b>6,475,578</b>	<b>6,050,269</b>
<b>Net assets:</b>		
Unrestricted	18,131,011	16,718,924
<b>Total liabilities &amp; net assets</b>	<b>\$ 24,606,589</b>	<b>\$ 22,769,193</b>

### Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Support &amp; revenue:</b>		
Cemetery sales	\$ 4,888,216	\$ 4,377,182
Miscellaneous support, net	250,158	139,881
Rental & miscellaneous income	236,837	204,695
<b>Total support &amp; revenue</b>	<b>5,375,211</b>	<b>4,721,758</b>
<b>Expenses:</b>		
Gifts & grants	500,425	500,000
Cemetery operating costs	3,529,113	3,413,974
Support & administrative expenses	1,331,420	940,005
<b>Total expenses</b>	<b>5,360,958</b>	<b>4,853,979</b>
Income (loss) from operations before investment return	14,253	(132,221)
Investment income, net	1,397,834	957,551
<b>Increase in net assets</b>	<b>\$ 1,412,087</b>	<b>\$ 825,330</b>

### ST. SIMEON CEMETERY ASSOCIATION

St. Simeon Cemetery (St. Simeon), located in Aurora, is a Colorado nonprofit corporation that was established in 2000. St. Simeon provided burial services to 106 families in fiscal 2014 as compared to 88 in fiscal 2013. Of these burial services, Social Service cases totaled 71 and 53 in fiscal 2014 and fiscal 2013 respectively. In essence, St. Simeon contributed more than \$264,900 in care services to the poor and their families in 2014. In addition, sales of preneed burial contracts, for future services, totaling 63 and 16 were contracted for in 2014 and 2013, respectively.

The board of directors of St. Simeon and management have anticipated that the financial results of St. Simeon will generate operating losses until St. Simeon's advertising and referral efforts increase interest in the cemetery. The 2014 operating loss of approximately \$85,000 reflects an improvement of \$132,000 from the comparable amount in 2013. This improvement is attributable to a significant increase in sales activity and ongoing cost containment efforts during 2014.

### CEMETERIES PERPETUAL CARE TRUST

The Perpetual Care Trust (the trust) funds are dedicated in perpetuity for the ongoing maintenance of the beautiful pastoral setting that characterizes both Mount Olivet and St. Simeon cemeteries. The cemeteries may set aside a pre-determined percentage of the gross sales price of each grave and crypt sold and invest such funds in a trust. During the years ended June 30, 2014, and 2013, the cemeteries did not contribute to the Perpetual Care Trust based on management's analysis of the adequacy of such funding.

Effective Jan. 1, 2014, with the approval of the current trustees and the board of directors of the Archdiocese of Denver Management Corporation (the Management Corporation), the trust agreement was amended. While there was no alteration to the purpose of the trust, the trust agreement now specifically requires that an annual perpetual care study be conducted by an independent actuary to ensure that the trust is adequately funded. The trust is adequately funded as of June 30, 2014.

In accordance with the purpose of the trust as amended, the trust funded various renovation costs of \$250,000 at Mount Olivet Cemetery in 2014 as compared to \$161,000 in fiscal 2013.

### Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 50,000	\$ 51,664
Prepaid expenses	1,480	1,914
Note receivable		
Restricted investments	14,855,831	13,300,291
<b>Total assets</b>	<b>\$ 14,907,311</b>	<b>\$ 13,353,869</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable	\$ 9,362	\$ 21,423
<b>Net assets:</b>		
Unrestricted	14,897,949	13,332,446
<b>Total liabilities &amp; net assets</b>	<b>\$ 14,907,311</b>	<b>\$ 13,353,869</b>

### Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Support &amp; revenue:</b>		
Investment income, net	\$ 1,860,511	\$ 1,271,798
<b>Total Support &amp; revenue</b>	<b>1,860,511</b>	<b>1,271,798</b>
<b>Expenses:</b>		
Gifts & grants	250,000	160,660
Support & administrative expenses	45,008	33,164
<b>Total expenses</b>	<b>295,008</b>	<b>193,824</b>
<b>Increase in net assets</b>	<b>\$ 1,565,503</b>	<b>\$ 1,077,974</b>

### Statements of Financial Position

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 12,726	\$ 757
Accounts receivable, net of allowances	110,602	64,475
Inventories & prepaid assets	810,124	824,039
Investments	133,020	104,166
Property & equipment, net	3,942,165	4,016,498
<b>Total assets</b>	<b>\$ 5,008,637</b>	<b>\$ 5,009,935</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable	\$ 19,802	\$ 22,120
Note payable to Mt. Olivet	1,299,438	1,259,077
Pre need trust	156,674	110,585
<b>Total liabilities</b>	<b>1,475,914</b>	<b>1,391,782</b>
<b>Net assets:</b>		
Unrestricted	3,527,618	3,614,048
Temporarily restricted	5,105	4,105
<b>Total net assets</b>	<b>3,532,723</b>	<b>3,618,153</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 5,008,637</b>	<b>\$ 5,009,935</b>

### Statements of Activities YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Support &amp; revenue:</b>		
Cemetery sales	\$ 620,629	\$ 394,113
Grants & contributions	1,000	20,889
Investment loss, net	(197)	(208)
Other income	79	4,650
<b>Total support &amp; revenue</b>	<b>621,511</b>	<b>419,444</b>
<b>Expenses:</b>		
Cemetery operating costs	543,293	459,607
Support & administrative expenses	163,648	176,584
<b>Total expenses</b>	<b>706,941</b>	<b>636,191</b>
<b>Decrease in net assets</b>	<b>\$ (85,430)</b>	<b>\$ (216,747)</b>

### SPECIAL COLLECTIONS

Contributions to special collections provide funds for Catholic Relief Services, the Holy Land, Peter's Pence, Catholic University of America, Catholic Communications Campaign, Church in Latin America, Church in Central and Eastern Europe, Propagation of the Faith, Catholic Campaign for Human Development and Religious Retirement and many other worthwhile organizations.

Such contributions are not reflected in the Statements of Activities for the archdiocese as, when these funds are collected, they are held in trust for the ultimate benefactor and distributed to such entities. The archdiocese does withhold a modest administrative fee from these special collections before remitting such funds to the respective entity or agency within the Church. Such fees cover banking fees and other processing costs and were approximately 5 percent of total special collections.

### Amounts collected for special collections YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Special collections, net of fees:</b>		
International / national combined collections	\$ 1,080,000	\$ 1,071,183
Catholic Campaign for Human Development	21,655	27,040
Religious Retirement collections	135,990	170,207
Combined mission collections	543,609	413,084
<b>Total</b>	<b>\$ 1,781,254</b>	<b>\$ 1,681,514</b>

**OTHER TRUSTS AND ARCHDIOCESAN ENTITIES**

**ARCHDIOCESE OF DENVER MANAGEMENT CORPORATION**

The Archdiocese of Denver Management Corporation (the management corporation) is a Colorado nonprofit corporation, formed in March of 1999, that provides payroll, accounting, real estate, construction, human resources and other management services to the archdiocese, the parishes in northern Colorado and various ecclesiastical entities, pursuant to service agreements.

During fiscal 2014, the management corporation incurred a decrease in net assets of approximately \$121,000, or a \$90,000 improvement, from the comparable amount in fiscal 2013. This decrease in losses was attributable to an increase in service fees charged to the archdiocese and its related entities. The increase in administrative expenses was due to modest salary and benefit increases combined with an increase in consulting expenses for information technology initiatives. Significant services provided by the management corporation during fiscal 2014 included the following:

The Office of Parish Finance is overseeing the implementation of a new accounting program for all parishes in northern Colorado. After selecting the new software with the assistance of a committee of parish business managers, the office conducted numerous orientation, design and user training sessions, including six two-day software training sessions throughout the territory of the archdiocese.

Construction management services for parishes and related ecclesiastical entities involved the oversight of 47 new projects with an estimated value of \$21.5 million in fiscal

2014 as compared to 39 projects valued at \$24.3 million in fiscal 2013. In fiscal 2014, 53 construction projects were completed throughout northern Colorado with a value of approximately \$10.2 million as compared to 44 projects valued at \$23.2 million in fiscal 2013.

**Statements of Financial Position**

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ -	\$ -
Prepaid expenses & other assets	127,709	179,520
Accounts & other receivables, net	13,977	27,650
Due from other related entities & parishes	277,565	188,676
Property & equipment, net	588,234	702,399
<b>Total assets</b>	<b>\$ 1,007,485</b>	<b>\$ 1,098,245</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 729,709	\$ 700,803
Due to other related entities	26,171	25,367
<b>Total liabilities</b>	<b>755,880</b>	<b>726,170</b>
<b>Net assets</b>	<b>251,605</b>	<b>372,075</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 1,007,485</b>	<b>\$ 1,098,245</b>

The Office of Legal Services, in conjunction with various other offices, enhanced our corporate governance documents by amending the underlying trust agreements for the Cemeteries' Perpetual Care Trust Fund and the Archdiocese of Denver Risk Management Property/Casualty Insurance Trust.

Real estate services for the archdiocese, parishes and related ecclesiastical entities in fiscal 2014 included the purchase of five new properties, valued at \$2.8 million, the sale of three real estate parcels valued at \$3.7 million, and 70 leasing transactions valued at \$1.6 million.

The Internal Audit department visited 76 parishes and issued 67 reports in fiscal 2014.

**Statements of Activities**

**YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>Support &amp; revenue:</b>		
Management & service fees	\$ 6,376,213	\$ 5,545,113
Other income	36,295	275,080
<b>Total support &amp; revenue</b>	<b>6,412,508</b>	<b>5,820,193</b>
<b>Expenses:</b>		
Support & administrative expenses	6,532,978	6,030,522
<b>Total expenses</b>	<b>6,532,978</b>	<b>6,030,522</b>
<b>Decrease in net assets</b>	<b>\$ (120,470)</b>	<b>\$ (210,329)</b>

**ARCHDIOCESE OF DENVER IRREVOCABLE REVOLVING FUND TRUST**

The Archdiocese of Denver Irrevocable Revolving Fund Trust (the trust) is a religious and charitable trust organized to build up the kingdom of God within the territory of the archdiocese.

While the trust holds legal title to its assets, the equitable and beneficial owners of its assets belong to, and are owned by each parish and other related ecclesiastical entity participating in the trust. Deposits to the trust are encouraged but not mandated. The assets, deposits and other accounts of the trust are administered by an independent financial institution acting as the trustee.

The trust allows parishes and other related entities within the territory of the archdiocese to obtain competitive terms for depositing, withdrawing and borrowing money. The trust currently loans money at the Wall Street Journal prime rate which was 3.25 percent at June 30, 2014 and 2013 and does not charge any fees for loan origination costs. The spread between the lending rate and the rate paid to depositors was 2.75 percent for the years ended June 30, 2014 and 2013. Accordingly, the trust currently has and continues to pay a very competitive rate of .50 percent to depositors on their savings accounts held in the trust during the fiscal years 2014 and 2013. Such deposits have no restrictions as to terms, require no minimum balances or contain early-withdrawal penalties.

For the year ended June 30, 2014, the trust realized net income of \$686,920 as compared to the previous year which reflected net income of \$369,910. The increase in net income in fiscal 2014 is primarily attributed to a decrease in

the unrealized losses from the investment portfolio and the improving credit quality of the loan portfolio, resulting in a reduction in the allowance for loan losses.

Unrealized gains and losses are a reflection of the market value of the investments at a particular point in time, but not necessarily an indication of the actual gains or losses that will ultimately be realized when the investment either matures or is sold. The trust continues to invest in low risk, conservative short-term fixed-income funds. The trust has no exposure to equity stock holdings. The trust's conservative investment

**Statements of Financial Position**

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 8,473,446	\$ 15,906,388
Prepaid expenses & other	266	266
Loans receivable	15,608,983	17,858,650
Investments	33,094,611	22,656,842
<b>Total assets</b>	<b>\$ 57,177,306</b>	<b>\$ 56,422,146</b>
<b>Liabilities &amp; net assets:</b>		
Due to related entities & other	\$ 19,219	\$ 40,208
Saving deposits	50,962,517	50,873,288
<b>Total liabilities</b>	<b>50,981,736</b>	<b>50,913,496</b>
<b>Net assets:</b>		
Unrestricted	6,195,570	5,508,650
<b>Total liabilities &amp; net assets</b>	<b>\$ 57,177,306</b>	<b>\$ 56,422,146</b>

strategy does not mean it is immune to market volatility, which can cause losses in a rising interest rate environment.

The Offices of the Controller and Parish Finance of the Management Corporation provided significant assistance to the Revolving Fund Trust management committee of the trust. In doing so, the trust approved seven new loans to parishes totaling \$4.6 million in fiscal 2014 as compared to five new loans totaling \$1.4 million in fiscal 2013.

**Statements of Activities**

**YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>Interest income:</b>		
Loans	\$ 551,593	\$ 621,947
Investments	481,122	510,638
<b>Total interest income</b>	<b>1,032,715</b>	<b>1,132,585</b>
<b>Interest expense</b>	<b>253,435</b>	<b>207,595</b>
<b>Net interest income</b>	<b>779,280</b>	<b>924,990</b>
<b>Realized and unrealized gains (losses) from investments, net</b>	<b>(42,408)</b>	<b>(344,187)</b>
<b>Other expenses, net:</b>		
Trustee fees	83,902	65,364
Parish assistance fund grants	25,000	60,000
Provision (credit) for loan losses	(149,000)	(45,000)
General & administrative expenses	90,050	130,529
<b>Total other expenses</b>	<b>49,952</b>	<b>210,893</b>
<b>Increase in net assets</b>	<b>\$ 686,920</b>	<b>\$ 369,910</b>

**ARCHDIOCESE OF DENVER RISK MANAGEMENT AND PROPERTY/CASUALTY INSURANCE TRUST**

The Archdiocese of Denver Risk Management and Property/Casualty Insurance Trust (the Risk Management Trust) strives to protect parishes and other participating ecclesiastical entities within the territory of the archdiocese from catastrophic financial loss. Prevention and other cost-containment measures are stressed to minimize risk and control plan costs. Archdiocesan entities and parishes within the territory of the archdiocese pay premiums to the Risk Management Trust. The staff of the Risk Management Trust coordinates safety, compliance with environmental law and risk-awareness programs for parishes, schools and other participating organizations within the territory of the archdiocese.

The Risk Management Trust is partially self-funded and bears the financial loss on claims up to certain limitations of acceptable risk. Traditional indemnity insurance policies cover losses exceeding the trust's risk limitations. Effective July 1, 2014, the Risk Management Trust modified its workman's compensation program in an effort to further reduce costs, but more importantly, to enhance safety standards for the participating entities throughout northern Colorado.

During fiscal 2014, the Risk Management Trust processed 130 workman's compensation claims, valued at \$488,306 and 175 property and casualty insurance claims totaling \$3,434,651 (excluding the Camp St. Malo claims). During fiscal 2013, 151 workman's compensation claims totaling \$769,528 and 92 property and

casualty claims totaling \$560,154 were processed.

The Risk Management Trust increased its net assets by \$389,796 during fiscal 2014. However, the Risk

**Statements of Financial Position**

	As of June 30,	
	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 3,693,159	\$ 3,461,844
Prepaid expenses & other assets	25,000	27,709
Accounts receivable	1,855	35,555
Due from parishes & other related entities, net	383,786	376,851
Investments	3,037,895	2,984,081
Property & equipment, net	660	1,177
<b>Total assets</b>	<b>\$ 7,142,355</b>	<b>\$ 6,887,217</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 69,312	\$ 125,730
Claims payable	427,743	505,983
<b>Total liabilities</b>	<b>497,055</b>	<b>631,713</b>
<b>Net assets:</b>		
Unrestricted	6,645,300	6,255,504
<b>Total liabilities &amp; net assets</b>	<b>\$ 7,142,355</b>	<b>\$ 6,887,217</b>

Management Trust experienced a decline of \$300,687 in operating income as compared to fiscal 2013. Specifically, the Risk Management Trust realized an increase in premium costs and experienced unfavorable claims experience under its property and casualty insurance program due, in part, to the rainstorms and related flooding that occurred in the fall of 2013. Partially offsetting these increases were a decline in administrative expenses arising from a reduction in uncollectable debt expenses.

**Statements of Activities**

**YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>Support &amp; revenue:</b>		
Self insurance premiums & insurance billings	\$ 4,903,187	\$ 4,974,294
Investment income (loss)	54,328	(12,970)
Miscellaneous, net	2,070	2,505
<b>Total support &amp; revenue</b>	<b>4,959,585</b>	<b>4,963,829</b>
<b>Expenses:</b>		
Self insurance claims, premiums, settlements & other costs	4,274,386	3,884,450
Support & administrative expenses	295,403	388,896
<b>Total expenses</b>	<b>4,569,789</b>	<b>4,273,346</b>
<b>Decrease in net assets</b>	<b>\$ 389,796</b>	<b>\$ 690,483</b>

## THE ST. JOHN PAUL II CENTER FOR THE NEW EVANGELIZATION

The St. John Paul II Center, a Colorado nonprofit corporation, is located at 1300 S. Steele St. and was established in 1996. The center provides Catholics with a gathering place for meetings, education, marriage preparation classes, liturgies and classroom instruction in Scripture and Church doctrine. In addition, the St. John Paul II Center houses the Archdiocese of Denver's Pastoral Center, the St. John Vianney Theological Seminary, the Redemptoris Mater Archdiocesan Missionary Seminary, Our Lady of Mercy Convent, and the Cardinal Stafford Theological Library, which contains 150,000 volumes and is considered the finest such theological resource between Chicago and Los Angeles, and the Holy Trinity Center.

## Statements of Financial Position

As of June 30,

	2014	2013
<b>Assets</b>		
Property & equipment, net	\$ 2,428,703	\$ 2,441,473
<b>Liabilities &amp; net assets:</b>		
Liabilities	\$ -	\$ -
Unrestricted net assets	2,428,703	2,441,473
<b>Total liabilities &amp; net assets</b>	<b>\$ 2,428,703</b>	<b>\$ 2,441,473</b>

## Statements of Activities

YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Revenue:</b>		
Grants & contributions	\$ -	\$ -
Total revenue	-	-
<b>Expenses:</b>		
Program expenses - depreciation	12,770	12,770
Decrease in net assets	\$ (12,770)	\$ (12,770)

## CAMP ST. MALO RELIGIOUS RETREAT AND CONFERENCE CENTER, INC.

Camp St. Malo Religious Retreat and Conference Center (St. Malo or the center) is located on 160 acres at the base of Mount Meeker, surrounded by the Roosevelt National Forest and Rocky Mountain National Park. St. Malo is a Colorado nonprofit corporation.

As previously reported, a significant fire occurred at the center on Nov. 14, 2011 and since that date, St. Malo has been closed. Significant portions of the retreat and conference facilities, including the conference center, dining room and kitchen, related equipment, records and other assets were destroyed. While the historic St. Catherine Chapel on the grounds of St. Malo was not impacted by the fire, the guest lodging units were damaged extensively. In fiscal years 2011 and 2012, the remnants of the conference center, kitchen and dining room were removed from the property.

In September of 2013, the center was impacted again from the significant rainstorms and flooding that occurred in northern Colorado. Specifically, a mudslide originating at Mount Meeker swept down the mountain and onto the center's property, causing significant damage to the natural terrain of the property. In the spring of 2014, the Colorado Department of Transportation (CDOT) contributed significant in-kind services of approximately \$488,000 for their work in remediating some of the damage incurred by the mudslide. Such work was primarily focused on clearing timber, rocks and mud, stabilizing water run-off, including creek and pond drainage issues for Cabin Creek, which flows from Mount Meeker through the property and under the state highway located on the property. While the long-term impact to the property is unknown at this time, the estimated clean-up, remediation and restoration efforts, even after the efforts of CDOT, will cost approximately \$4.4 million to return the property to its condition prior to the mudslide.

During fiscal 2013, management of St. Malo successfully concluded negotiations with its insurance carrier. For financial reporting purposes, this preliminary insurance settlement of \$10.7 million was recorded in

fiscal 2013 when it was received from the insurance carriers. When combined with other insurance recoveries of approximately \$400,000 (\$300,000 for building content losses and \$100,000 for clean-up efforts and related costs), St. Malo recorded \$11.2 million in insurance reimbursements in 2013.

During fiscal 2014, St. Malo received the in-kind contribution from CDOT previously mentioned and a grant of \$100,000 from the United States Conference of Catholic Bishops (USCCB) which was restricted to assist in the clean-up and remediation efforts. Management of St. Malo utilized the USCCB funds and a portion of the insurance proceeds to engage outside professional firms to advise and assist in coordinating remediation efforts and in determining next steps for the property. In May of 2014, the board of directors of St. Malo approved a grant of \$100,000 to the John Paul II Adventure Institute (JPII Institute), an independent apostolate in northern Colorado that provides outdoor education activities and camping experiences for both youth and young adults. While no long-term commitment was made to the JPII Institute, the board of directors of Camp St. Malo recognizes the need and importance of providing such

## Statements of Financial Position

As of June 30,

	2014	2013
<b>Assets:</b>		
Cash & cash equivalents	\$ 158,346	\$ 322,256
Investments	10,492,027	10,463,233
Property & equipment, net	100,429	136,967
Total assets	\$ 10,750,802	\$ 10,922,456
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 15,593	\$ 41,029
<b>Net assets:</b>		
Unrestricted net assets	10,735,209	10,881,427
<b>Total liabilities &amp; net assets</b>	<b>\$ 10,750,802</b>	<b>\$ 10,922,456</b>

experiences to the youth of northern Colorado, especially to the poor and needy. Interest earnings from the insurance settlement was used to fund this grant.

Management of St. Malo, with the assistance of the Archdiocese of Denver, continues to address various property issues as a result of the fire and mudslide and is evaluating various options as to the best utilization of the property going forward, including the propriety of renovating certain portions of the property. However, in light of the significant remediation costs to the property, the ongoing uncertainty regarding the stability of Mount Meeker, the unknown impact of future water and sediment flows on the property, it has been determined that it is not prudent to rebuild a conference center or youth camp on the St. Malo property.

## Statements of Activities

YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Revenue:</b>		
Support revenues	\$ 24,377	\$ 3,200
Investment income (loss)	188,794	(36,767)
Total revenue, net	213,171	(33,567)
<b>Expenses:</b>		
Administrative & other	847,489	387,566
Gifts & grants	100,000	-
Total expenses	947,489	387,566
Operating loss before non-operating support & write-down of impaired assets	(734,318)	(421,133)
In-kind grants and other contributions	588,100	10,000
Write down of impaired assets	-	(660,000)
Insurance recoveries	-	11,241,564
Increase (decrease) in net assets	\$ (146,218)	\$ 10,170,431

## ARCHDIOCESE OF DENVER WELFARE BENEFITS TRUST

The Archdiocese of Denver Welfare Benefits Trust (Welfare Benefits Trust) provides access to quality health care to archdiocesan, parish and related ecclesiastical entities' employees along with the Diocese of Colorado Springs and the employees of its parishes and related ecclesiastical entities. Effective July 2014, Catholic

## Statements of Financial Position

As of June 30,

	2014	2013
<b>Assets:</b>		
Cash & short term investments	4,498,731	5,810,425
Accounts receivable - other	149,216	187,464
Investments	8,101,052	7,957,550
Due from parishes & other related entities, net	239,302	213,776
Total assets	\$ 12,988,301	\$ 14,169,215
<b>Liabilities &amp; net assets:</b>		
Accounts payable	\$ 154,222	\$ 147,086
Deferred revenue	186,667	-
Claims payable	2,258,000	2,022,000
Total liabilities	2,598,889	2,169,086
<b>Net assets:</b>		
Unrestricted	10,389,412	12,000,129
Total liabilities & net assets	\$ 12,988,301	\$ 14,169,215

Charities and Community Services of the Archdiocese of Denver, Inc. (Catholic Charities) and its employees also joined the trust. Accordingly, more than 2,000 employee participants now receive health-care benefits from the Welfare Benefits Trust. The Welfare Benefits Trust is partially self-insured and bears the financial losses on insurance claims up to certain limitations of acceptable risk. Traditional indemnity insurance products cover losses exceeding the fund's risk limitations.

## Statements of Activities

YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Revenue:</b>		
Self insurance premiums & insurance	\$ 19,957,464	\$ 19,070,294
Investment & other income (loss)	146,065	(28,857)
Total revenue	20,103,529	19,041,437
<b>Expenses:</b>		
Self insurance claims, premiums, costs	21,434,207	20,322,341
Support & administrative expenses	280,039	584,295
Total expenses	21,714,246	20,906,636
Decrease in net assets	\$ (1,610,717)	\$ (1,865,199)

The Health Care Advisory Committee of the trust comprised of parish representatives and staff from both the Denver and Colorado Springs dioceses continually evaluates the financial performance of the Welfare Benefits Trust, and is sensitive to the impact of rising medical rates on the various participating employers and their employees.

For fiscal 2014 and 2013 there were no increases in our medical and prescription premiums to the participating employers and their employees. Unfortunately, the Welfare Benefits Trust has experienced unfavorable claims experience leading to a decrease in net assets of \$1.6 million and \$1.9 million in fiscal 2014 and 2013, respectively. In its evaluation of the renewal for the fiscal 2015 plan year, the committee focused on the goals for the trust of operating under a balanced budget, to prudently manage the level of cash and investment reserves of the trust, to preserve current employee benefit levels as much as possible, but be responsive and alert to upcoming changes required by the Patient Protection and Affordable Care Act (PPACA) signed into law on March 23, 2010. Accordingly it was determined that a medical premium increase of 7 percent across all plans (medical, pharmacy, dental, vision and life insurance) was both prudent and appropriate for the fiscal year that commenced on July 1, 2014.