

# 2011 FINANCIAL REPORT

## Dear Friends in Christ,

Soon after we closed the fiscal year on June 30, 2011, we received news of a significant transition for our archdiocese. Our beloved archbishop of 14 years, Most Rev. Charles J. Chaput, O.F.M. Cap., was appointed the archbishop of Philadelphia and installed in his new archdiocese on Sept. 8.

As we bid him farewell, we had the opportunity to reflect upon the remarkable accomplishments within the Denver Archdiocese during his leadership—among which was the establishment of St. John Vianney and the expansion of Redemptoris Mater seminaries; the ordination of 70 men to the priesthood for the archdiocese; the creation of Centro San Juan Diego and the growth of Hispanic ministries; the establishment of The Catholic Foundation; as well as the welcoming of numerous religious orders, movements of the Church, and Catholic lay initiatives into our archdiocese. These are only a few of the blessings of these past 14 years.

The accomplishments of our local Church are not only due to the exemplary leadership of our former shepherd, but also to the extraordinarily faithful and energetic collaboration of the priests, deacons, laypersons and religious throughout northern Colorado. Thankfully, this year, like many preceding years, I am blessed to report that the archdiocese is financially sound and well prepared for the future. Mindful of my responsibility to continue this legacy of the good stewardship of our resources, I invite you to review some of the highlights of the past year.

Our seminaries remain a beautiful sign of the vitality of the Church in northern Colorado. During the fiscal year ended in June 2011, we ordained eight men to the priesthood for the archdiocese. We also ordained four deacons who are expected to be ordained priests in 2012, and 10 deacons for permanent diaconal ministry within the archdiocese. For the current 2011-2012 school year, the total enrollment of St. John Vianney and Redemptoris Mater seminaries combined has reached 124 men. Seventy-eight men are studying to serve the Catholic community in the archdiocese as our future priests.

Another priority for the future of our Church is Catholic education. The Archdiocese of Denver Catholic Schools, which is the largest private school system in Colorado, educated 9,784 students in 37 parish schools and two high schools in the 2010-2011 school year. In fiscal year 2011, parishes contributed more than \$3.0 million in the Catholic Schools Assistance Fund (CSAF). This fund is derived from a 3.79 percent contribution from each parish's assessable income. Accordingly, each parish supports the vital mission that Catholic schools play in our archdiocese by providing our young people a solid foundation in the Catholic faith and excellent academic formation in a nurturing environment that reinforces what families already provide.

During the fiscal year ended June 30, 2011, we continued to experience the extraordinary generosity of our community despite the challenges of our economy. While contributions to the Archbishop's Catholic Appeal decreased by 1.5 percent, the Annual Seminary Appeal surpassed its fundraising goal. In the fall 2010, the seminaries raised \$700,000, the highest amount in Annual Seminary Appeal's history. Special Collections in parishes throughout the archdiocese raised more than \$800,000 in donations for international and national causes, including aid to tsunami victims in Japan. Seeds of Hope provided more than \$1.2 million of assistance to more than 800 students, allowing them to experience the benefits of Catholic education.

In our ongoing efforts to improve our business practices and governance standards, improvements were made in the following areas:



**MOST REVEREND**  
James D. Conley  
Apostolic Administrator

• Soon after his installation in Denver, Archbishop Chaput, with the aid of a special committee, studied incorporating all 143 parish entities in northern Colorado to most accurately reflect canon law. Upon the conclusion of all civil litigation in 2010, with the support and much work by the pastors, Presbyteral Council and the staff of the archdiocese, this historic project was completed and each parish is now civilly recognized as a Colorado Corporation Sole, an autonomous legal entity led and administered by its pastor.

• In conjunction with the incorporation of the parishes of northern Colorado, all particular law, policies and procedures for the archdiocese, the parishes and many other ecclesiastical entities within the archdiocese, were updated and enhanced on Jan. 7, 2011, including revisions to the Pastoral Handbook and Risk Management manual and the creation of employee manuals for each parish and ecclesiastical entity.

Last year Archbishop Chaput and I announced in the 2010 Financial Report the resolution of all cases of clergy sexual abuse filed since 2005. All of these claims related to events that allegedly occurred decades ago. As of October 2010, there are no outstanding abuse claims filed against the archdiocese or any parish. The archdiocese, under Archbishop Chaput's leadership, sought to do everything possible to help victims heal, appropriately safeguard the resources of the people of the archdiocese against improper claims, and work vigorously to keep our Church safe for our young people. I remain committed to leading the archdiocese in the same way.

As I conclude, I would like to recognize the dedication and hard work of the many employees of our parishes, schools, seminaries, pastoral center, cemeteries and all of our related entities. I am grateful for their energy, commitment and leadership. I am also particularly grateful for the wise counsel and guidance of the Archdiocesan Finance Council and its subcommittees. These talented and experienced lay professionals from the business community volunteer their time and talent to help us be good financial stewards. In addition, I am grateful to the priests of the archdiocese that serve their spouse, the Church, and to each of you who have contributed time, talent, and treasure to build up the body of Christ in our archdiocese.

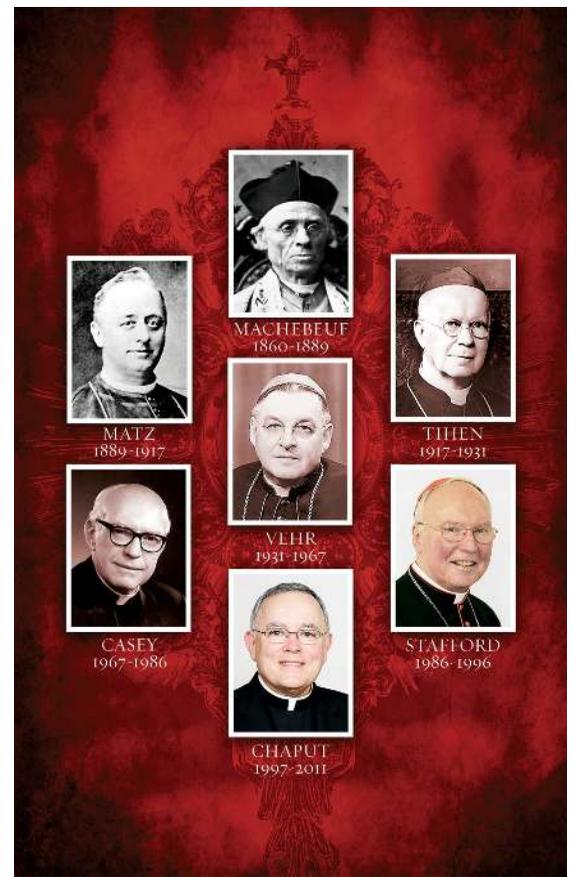
Finally, I express my gratitude for Archbishop Chaput. He leaves behind a legacy of good financial stewardship and administration as well as strong pastoral care. I am truly thankful to God for his stellar leadership, and I know that our future archbishop will be grateful as well.

Now, as we begin a new calendar year and as we wait for our new leader, I invite all of you to join me in praying often the Prayer for Our New Archbishop. In praying together for our future shepherd, we entrust ourselves to God's continued providence. May the good work he has begun in us continue to fruition.

Gratefully yours in Christ,

*J.D.C.*

Bishop James D. Conley  
Apostolic Administrator



## PRAYER FOR OUR NEW ARCHBISHOP

O God, eternal shepherd,  
who govern your flock with unfailing care,  
grant in your boundless fatherly love  
a pastor for your Church of northern Colorado  
who will please you by his holiness  
and to us show watchful care.

May the bishop given to us by your holy Church  
govern with justice,  
sanctify your people by his example of holiness  
and be an instrument of your divine mercy.

We ask this through our Lord Jesus Christ, your Son,  
who lives and reigns with you and the Holy Spirit,  
one God, for ever and ever. Amen.

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ARCHDIOCESE OF DENVER

## 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 of the archdiocese is an accounting of its 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/or Trustees.

The assets of these ecclesiastical entities are held in their respective names and are not commingled with those of any other entity. Certain prior year balances have been reclassified to conform with the current year's presentations.

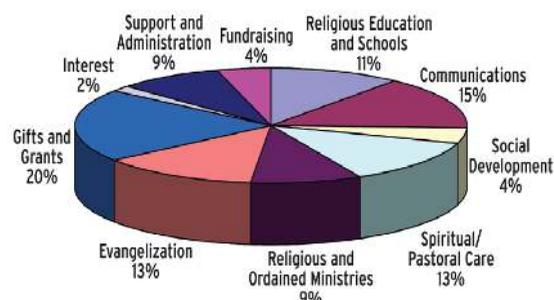
**ARCHDIOCESE OF DENVER - CHANCERY**

All ministries of the Archdiocese of Denver (the archdiocese and/or the Chancery), a Colorado non-profit corporation sole, and the majority of archdiocesan offices are located on the campus of the John Paul II Center. The Chancery is composed of the Offices of the Archbishop and the Auxiliary Bishop, their vicars, directors and others who collaborate in the administration and oversight of over 30 archdiocesan offices and ministry programs.

The Archbishop's Catholic Appeal campaign's 2011 donations were 1.5 percent less than in 2010, a reflection of the economy.

Grants and Contributions decreased \$3.0 million because in 2010 monies were received for the construction of the Spirituality Year House for seminarians. All other support and revenue increased \$0.2 million. Gifts and Grants expense increased \$0.7 million due to additional funding provided to Catholic Charities, parish schools and technology upgrades at the Archdiocese of Denver

**Distribution of Funds in Fiscal Year 2011**



Management Corporation. All other total expenses combined increased less than half of one percent, highlighting the Chancery's ongoing stewardship efforts.

The archdiocese was released as a co-borrower after a parish was incorporated as a Colorado corporation sole. A decrease of \$9 million in notes re-

**Statements of Financial Position**

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 8,044,885	\$ 8,865,533
Short term investments for designated purposes	4,394,403	4,634,633
Total cash & investments	12,439,288	13,500,166
Prepaid expenses & other assets	251,817	199,434
Notes, contributions & accounts receivable, net	5,836,707	16,874,185
Due from parishes & other related entities, net	553,736	560,555
Investments	17,124,965	15,071,324
Property & equipment, net	30,809,374	31,644,254
<b>Total assets</b>	<b>\$ 67,015,887</b>	<b>\$ 77,849,918</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 1,109,456	\$ 1,284,420
Funds held in trust for others	1,289,763	1,055,287
Other liabilities	663,371	640,928
Notes & bonds payable	4,001,520	15,480,988
<b>Total liabilities</b>	<b>7,064,110</b>	<b>18,461,623</b>
<b>Net assets:</b>		
Unrestricted	50,040,423	49,406,494
Temporarily restricted	9,861,071	9,931,518
Permanently restricted	50,283	50,283
<b>Total net assets</b>	<b>59,951,777</b>	<b>59,388,295</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 67,015,887</b>	<b>\$ 77,849,918</b>

ceivable and notes payable from June 30, 2010 relates to this item.

**Statements of Activities YEARS ENDED JUNE 30, 2011 AND 2010**

	2011	2010
<b>Support &amp; revenue:</b>		
<b>Support:</b>		
Archbishop's Catholic Appeal contributions, net	\$ 7,189,566	\$ 7,298,010
Parish assessments, net	5,988,940	6,031,888
Grants & contributions	1,495,077	4,499,490
Other support	178,519	101,320
<b>Total support</b>	<b>14,852,102</b>	<b>17,930,708</b>
<b>Revenue:</b>		
Advertising	606,691	771,572
Program & service, net	1,564,333	1,516,195
Investment income, net	2,105,771	1,258,126
Other income	232,105	658,113
<b>Total revenue</b>	<b>4,508,900</b>	<b>4,204,006</b>
<b>Total support &amp; revenue</b>	<b>19,361,002</b>	<b>22,134,714</b>
<b>Expenses:</b>		
<b>Program expenses:</b>		
Religious education & schools	2,045,817	2,081,203
Catholic communications	2,760,809	2,783,394
Social development	806,882	780,529
Spiritual & pastoral concerns	2,362,959	2,212,859
Religious & ordained ministries	1,735,026	1,418,864
Evangelization	2,471,363	2,415,614
Gifts & grants	3,843,684	3,119,213
Interest expense	304,041	535,539
<b>Total program expenses</b>	<b>16,330,581</b>	<b>15,347,215</b>
<b>Support &amp; administrative expenses</b>	<b>1,655,268</b>	<b>1,823,640</b>
<b>Development &amp; fundraising</b>	<b>811,671</b>	<b>832,918</b>
<b>Total expenses</b>	<b>18,797,520</b>	<b>18,003,773</b>
<b>Increase in net assets</b>	<b>\$ 563,482</b>	<b>\$ 4,130,941</b>

**SPECIAL COLLECTIONS**

Contributions to special collections provided funds for Catholic Relief Services, 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. The reduction in special collections in 2011, as compared to 2010, is due to the non-recurrence of over \$650,000 in aid to Haiti, for earthquake relief efforts. Included in the 2011 totals for international collections is approximately \$108,000 for the tsunami relief in Japan. Such funds are not reflected in the Statement of Activities for the archdiocese as, when such fund are collected, they are held in trust for the ultimate benefactor and then distributed to such entities.

**Amounts collected for special collections YEARS ENDED JUNE 30, 2011 AND 2010**

	2011	2010
<b>Special Collection:</b>		
International / National Combined Collection (includes Haiti aid)	\$ 805,207	\$ 1,521,973
Catholic Campaign for Human Development	34,901	30,709
Religious Retirement Collections	130,639	266,332
Combined Mission Collection	467,545	369,140
<b>Total</b>	<b>\$ 1,438,292</b>	<b>\$ 2,188,155</b>

**ARCHDIOCESAN FINANCE COUNCIL AND ITS SUBCOMMITTEES**

Canon law requires every diocese to have a Finance Council (the Council) to advise the archbishop. In the Archdiocese of Denver, the Archdiocesan Finance Council (AFC) functions in accordance with a written charter to advise Bishop James Conley, the Apostolic Administrator of the Archdiocese.

The AFC provides policy guidance for the work of subcommittees. Currently, 16 individuals serve on the AFC, including 15 lay people. In addition, 30 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 non-profit 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 im-

portant 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 four 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.

The members of the Finance Council and its subcommittees are as follows:

**FINANCE COUNCIL**

- Lowell A. Hare, Chair
- Rev. Msgr. Thomas S. Fryar
- Wendy Dominguez
- Reid Godbolt
- James S. Harrington
- David A. Holden
- John A. Ikard
- William E. Keefe
- Brooke B. Leer
- Kathy Lutito
- Steve Markel
- Michael L. O'Donnell
- Dave Runberg
- Jeff Schmitz
- William G. Trainor
- Eric Zellweger

**INVESTMENT COMMITTEE**

- Eric Zellweger, CFA, Chair
- Mike W. Beermann
- Mick Bleyle, CFA
- Rev. Msgr. Thomas S. Fryar
- Larry Luchini, CFA
- Kathleen Duggan Marvin, CFA

**ACCOUNTING & AUDIT COMMITTEE**

- William G. Trainor, CPA; Chair
- Rev. Msgr. Thomas S. Fryar
- Heath Hill, CPA
- Kelly Kozeliski, CPA
- Andrew Newland
- Keith Parsons, CPA
- Jeff Smith, CPA
- Jodi Thomas

**PROJECT FINANCE & REVIEW COMMITTEE**

- James S. Harrington, Chair
- Rev. David Bluejacket
- George Connolly
- Peter Furstenberg
- Sam N. Perry
- Jennifer Reicher
- George Shaw
- Mike Wisneski
- Walt Wostenberg

**REAL ESTATE COMMITTEE**

- Brooke B. Leer, Chair
- Robert Eck
- Gregory Gerken
- Adam Hermanson
- Rev. Msgr. Leo Horrigan
- Paul Kluck
- Steve Roesinger
- Brian Soukup

## 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. Specifically, 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.

Eight men were ordained priests in fiscal year 2011, seven of whom serve within the territory of the archdiocese. Presently, there are 95 men at St. John Vianney and, when combined with 29 men at Redemptoris Mater, the total enrollment becomes 124.

The recurring operations of St. John Vianney Seminary for both 2011 and 2010 were supported by contributions from the general 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 campaign, Mount Olivet Cemetery, the Archdiocese of Denver Mortuary at Mount Olivet, and from various restricted endowments owned by The Catholic Foundation. In 2011, the annual parish seminary appeal realized its highest total of funds ever collected since the campaign started in 2004, with contributions of

over \$700,000. These funds are allocated between St. John Vianney and Redemptoris Mater seminaries. In-kind contributions were also received from the chancery for various services and overhead costs at the John Paul II Center. Such recurring grants and in-kind contributions totaled

\$2,243,267 in 2011 and \$2,445,014 in 2010.

Overall, the financial results improved versus the prior year by over \$2.4 million due to the decrease in grant expenditures for the construction of the Spirituality Year House, which was dedicated in May of 2010.

## Statements of Financial Position

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,086,387	\$ 1,445,929
Prepaid expenses & other assets	255,592	285,765
Contribution & accounts receivable, net	7,250	16,759
Property & equipment, net	500,459	616,774
<b>Total assets</b>	<b>\$ 1,849,688</b>	<b>\$ 2,365,227</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accruals	\$ 291,206	\$ 272,385
Funds held in trust for others	11,417	12,929
Deferred tuition income	101,824	92,742
<b>Total liabilities</b>	<b>404,447</b>	<b>378,056</b>
<b>Net assets:</b>		
Unrestricted	1,139,697	1,311,467
Temporarily restricted	280,544	650,704
Permanently restricted	25,000	25,000
<b>Total net assets</b>	<b>1,445,241</b>	<b>1,987,171</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 1,849,688</b>	<b>\$ 2,365,227</b>

## Statements of Activities

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
<b>Support:</b>		
Grants & contributions	\$ 2,243,267	\$ 2,455,014
<b>Revenue:</b>		
Program & service	94,511	110,436
Fundraising	589,685	530,397
Tuition income	2,113,989	1,847,281
Investment & other income, net	19,955	7,239
<b>Total revenue</b>	<b>2,818,140</b>	<b>2,495,353</b>
<b>Total revenue &amp; support</b>	<b>5,061,407</b>	<b>4,950,367</b>
<b>Expenses:</b>		
Religious education & schools	921,378	888,119
Religious & ordained ministries	3,637,353	3,572,383
Grant expenditures for construction improvements	371,422	3,009,619
Support & administrative expenses	460,632	405,721
Development & fundraising	212,552	68,260
<b>Total expenses</b>	<b>5,603,337</b>	<b>7,944,102</b>
<b>Decrease in net assets</b>	<b>\$ (541,930)</b>	<b>\$ (2,993,735)</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 for the priesthood men who come from all over the world ready to serve the Catholic Church, according to the direction of Presbyterorum Ordinis No. 10. Most of the priests being formed in Redemptoris Mater are to be archdiocesan priests for the Archdiocese of Denver 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 29 men (26 for the archdiocese and three for the diocese of Dallas), representing 17 different countries, at Redemptoris Mater. In fiscal year 2011, Redemptoris Mater ordained one man to the priesthood, who now serves

within the archdiocese and brings the total number of men ordained from Redemptoris Mater to six-

teen. Redemptoris Mater recognized an increase in net assets of \$14,519 for the year.

## Statements of Financial Position

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 13,545	\$ 6,572
Other assets	49,039	53,924
Due from other AOD	8,403	-
Property & equipment, net	13,867	12,879
<b>Total assets</b>	<b>\$ 84,854</b>	<b>\$ 73,375</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accruals	\$ 7,941	\$ 10,981
<b>Net assets (deficit):</b>		
Unrestricted	60,340	61,376
Temporarily restricted	16,573	1,018
<b>Total net assets</b>	<b>76,913</b>	<b>62,394</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 84,854</b>	<b>\$ 73,375</b>

## Statements of Activities

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
<b>Support:</b>		
Grants & contributions	\$ 1,524,042	\$ 1,433,126
Fundraising	210,976	179,242
<b>Total revenue &amp; support</b>	<b>1,735,018</b>	<b>1,612,368</b>
<b>Expenses:</b>		
Program expenses	1,486,231	1,403,668
Grant expenditures for construction improvements	-	21,083
Support & administrative expenses	232,352	159,618
Development and fundraising	1,916	1,360
<b>Total expenses</b>	<b>1,720,499</b>	<b>1,585,729</b>
<b>Increase in net assets</b>	<b>\$ 14,519</b>	<b>\$ 26,639</b>

## FAMILY OF NAZARETH, INC.

Family of Nazareth is a Colorado nonprofit corporation established in 1998. The Family of Nazareth primarily 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 1.7 percent in 2011, but it still has net assets in excess of \$1.1 million. Of the \$405,000 increase in cash for the year, \$310,000 is related to a sale of property.

## Statements of Financial Position

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 577,160	\$ 172,041
Other assets	235,000	-
Property & equipment, net	692,044	972,411
<b>Total assets</b>	<b>\$ 1,504,204</b>	<b>\$ 1,144,452</b>
<b>Liabilities</b>		
Accounts payable & accruals	\$ 8,922	\$ 4,632
Deferred revenue	379,695	4,800
<b>Total liabilities</b>	<b>388,617</b>	<b>9,432</b>
<b>Net assets:</b>		
Unrestricted	909,477	928,570
Temporarily restricted	206,110	206,450
<b>Total net assets</b>	<b>1,115,587</b>	<b>1,135,020</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 1,504,204</b>	<b>\$ 1,144,452</b>

## Statements of Activities

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
<b>Support:</b>		
Grants & contributions	\$ 298,701	\$ 227,760
<b>Revenue:</b>		
Net gain from sale of Prop/Equipment	44,894	-
Investment & other income	100	96
<b>Total revenue</b>	<b>44,994</b>	<b>96</b>
<b>Total revenue &amp; support</b>	<b>343,695</b>	<b>227,856</b>
<b>Expenses:</b>		
Program expenses	277,640	258,723
Grants expenditures	48,340	17,913
Support & administrative expenses	37,148	20,693
<b>Total expenses</b>	<b>363,128</b>	<b>297,329</b>
<b>Decrease in net assets</b>	<b>\$ (19,433)</b>	<b>\$ (69,473)</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. Nearly 5,000 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. HFHS is a Colorado nonprofit corporation established in 1999 and is located in Broomfield. HFHS continues the tradition of a family of faith investing in the future of our young people and our Church since 1922.

For the school year ending June 2011, HFHS graduated 145 seniors, who were offered \$11.1 million in merit-based scholarships to attend colleges and universities throughout the United States. For the current school year that began in August of 2011, HFHS is near its capacity, educating 570. Net assets decreased 1.4 percent in 2011. This can be primarily attributed to more tuition assistance being awarded to needy families and lower operating revenues than anticipated.

**Statements of Financial Position**

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,192,837	\$ 1,406,692
Tuition receivable and other assets, net	11,106	10,043
Contributions receivable and other assets, net	27,868	58,177
Investments	2,928,027	2,617,047
Property & equipment, net	10,760,152	10,959,095
<b>Total assets</b>	<b>\$ 14,919,990</b>	<b>\$ 15,051,054</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 147,715	\$ 261,731
Funds held in trust for others	88,130	97,027
Tuition & fees paid in advance	522,544	323,259
<b>Total liabilities</b>	<b>758,389</b>	<b>682,017</b>
<b>Net assets:</b>		
Unrestricted	10,995,988	11,351,541
Temporarily restricted	665,613	641,930
Permanently restricted	2,500,000	2,375,566
<b>Total net assets</b>	<b>14,161,601</b>	<b>14,369,037</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 14,919,990</b>	<b>\$ 15,051,054</b>

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Operating revenues:</b>		
Tuition income, net	\$ 3,852,766	\$ 3,953,065
Interparish school assistance	400,000	418,521
Student fees & other operating revenues	441,576	476,615
<b>Total operating revenue</b>	<b>4,694,342</b>	<b>4,848,201</b>
<b>Operating expenses</b>		
Educational salaries & direct expenses	3,382,825	3,199,025
Facilities & educational administration	1,644,881	1,615,953
Support & administration	305,129	250,125
<b>Total operating expenses</b>	<b>5,332,835</b>	<b>5,065,103</b>
Net loss from operations	(638,493)	(216,902)
<b>Non-operating support &amp; expenses:</b>		
Capital campaign, net	-	2,454
Grants & other contributions	91,859	44,057
Special events, net of expenses	184,703	129,786
Investment income (loss), net	417,548	280,211
Development, fundraising & other expenses	(263,053)	(248,240)
Net non-operating support	431,057	208,268
<b>Decrease in net assets</b>	<b>\$ (207,436)</b>	<b>\$ (8,634)</b>

**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, established in 1999 located in the Lowry neighborhood of east Denver. BMHS was initially founded in 1958 as a coeducational Catholic school for students in grades nine through 12. BMHS's vision is to continue 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 consecutive years as one of the Top 50 Catholic High Schools in the United States of America by the Acton Institute and the Catholic High School Honor

**Statements of Financial Position**

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,103,882	\$ 769,663
Tuition receivable, net	19,549	24,073
Prepaid expenses & other assets	19,231	18,986
Contribution receivables	288,313	174,257
Property & equipment, net	8,279,357	8,601,429
<b>Total assets</b>	<b>\$ 9,710,332</b>	<b>\$ 9,588,408</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 270,372	\$ 308,729
Due to other related entities	152,960	4,000
Tuition & fees paid in advance	297,042	344,350
Funds held in trust for others	58,995	76,413
Note payable to archdiocese	452,888	452,888
<b>Total liabilities</b>	<b>1,232,257</b>	<b>1,186,380</b>
<b>Net assets:</b>		
Unrestricted	7,365,977	7,564,333
Temporarily restricted	1,112,098	837,695
<b>Total net assets</b>	<b>8,478,075</b>	<b>8,402,028</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 9,710,332</b>	<b>\$ 9,588,408</b>

**GRANT AND OTHER FUNDING TO PARISH SCHOOLS**

YEARS ENDED JUNE 30, 2010 AND 2011

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 9,784 students in the school year ended in June 2011. These schools rely on tuition, fundraising, parish support and philanthropy to survive financially. For the 2010-2011 school year, Catholic schools received

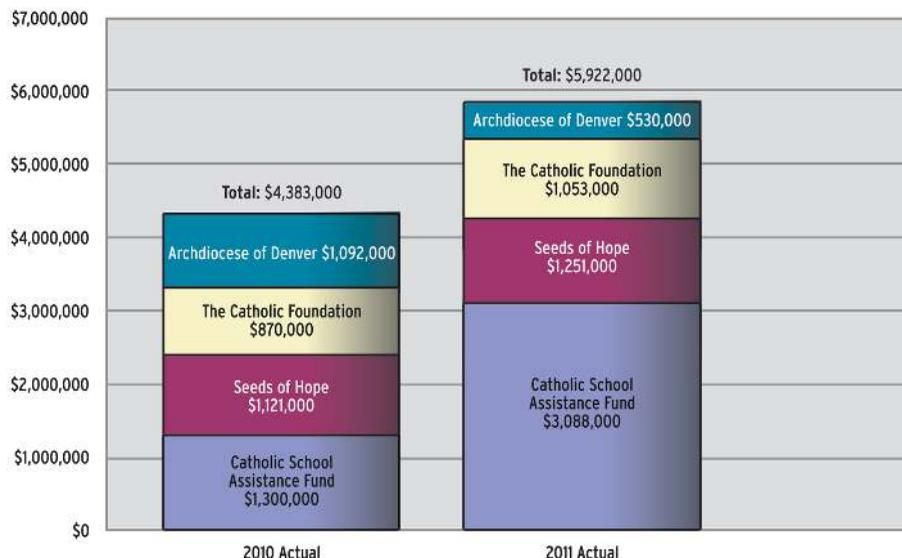
Roll. Students who succeed at BMHS are those who live their faith and strive to make a difference, both as individual Catholic citizens and as members of this academic community of faith. A BMHS education is an investment in the future of our students and the future of the Catholic Church. For the school year ending June 30, 2011, BMHS graduated 51 seniors who were awarded merit-based scholarships totaling \$5.1 million.

During 2011, BMHS celebrated the remarkable accomplishment that 100 percent of its graduating senior class gained admission to colleges and universities nation-wide for the second year in a row; with 97 percent matriculating to these colleges and universities and three percent entering a branch of the military.

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Operating revenues:</b>		
Tuition income, net	\$ 2,697,251	\$ 2,569,412
Interparish school assistance	233,400	204,278
Student fees and other operating revenues	373,912	344,502
<b>Total operating revenue</b>	<b>3,304,563</b>	<b>3,118,192</b>
<b>Operating expenses</b>		
Educational salaries & direct expenses	1,934,038	1,776,583
Facilities & educational administration	1,378,433	1,424,379
Support & administration	404,147	294,336
<b>Total operating expenses</b>	<b>3,716,618</b>	<b>3,495,298</b>
Net loss from operations	(412,055)	(377,106)
<b>Non-operating support and expenses:</b>		
Capital campaign, net	272,414	30,000
Grants & other contributions	255,553	188,105
Special events, net of expenses	85,498	66,828
Investment & other income	6,200	9,553
Development, fundraising & other expenses	(131,563)	(200,949)
Net non-operating support	488,102	93,537
<b>Increase (Decrease) in net assets</b>	<b>\$ 76,047</b>	<b>\$ (283,569)</b>



## SEEDS OF HOPE CHARITABLE TRUST

The mission of the Seeds of Hope Charitable Trust (Seeds of Hope) is to make the tremendous benefits of a Catholic education available to economically disadvantaged children of all faiths. Since its inception in 1996, Seeds of Hope has assisted nearly 13,000 students with more than \$21.0 million in assistance. The students served have grown into successful high school students, college graduates, and flourishing members of the surrounding communities.

Through its tuition assistance programs, Seeds of Hope supports the Catholic elementary and high schools that serve low-income, high-risk populations. While Seeds of Hope focuses on five Schools in Urban Neighborhoods (S.U.N.) and seven Focus schools, during the 2010-2011 school year, assistance was provided to students in 27 parish schools in northern Colorado. During the year ended June 30, 2011, Seeds of Hope provided more than \$1.2 million of assistance to more than 800 students.

In 2011, Seeds of Hope's net assets increased nearly \$1.5 million or 18 percent due primarily to investment returns.

While Seeds of Hope is fortunate to maintain various endowment funds totaling more than \$7.8 million as of June 30, 2011, the annual spending re-

strictions of such endowments limit the amount of grant awards that can be made in 2012.

## Statements of Financial Position

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,332,509	\$ 1,120,643
Parish assessments receivables, net	41,020	44,534
Contribution receivables	595,150	454,929
Investments	7,845,313	6,737,186
Other assets, net	17,232	9,501
<b>Total assets</b>	<b>\$ 9,831,224</b>	<b>\$ 8,366,793</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accruals	\$ 25,671	\$ 31,740
Grants payable	-	16,250
<b>Total liabilities</b>	<b>25,671</b>	<b>47,990</b>
<b>Net assets:</b>		
Unrestricted	1,311,452	877,091
Temporarily restricted	775,836	733,692
Permanently restricted	7,718,265	6,708,020
<b>Total net assets</b>	<b>9,805,553</b>	<b>8,318,803</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 9,831,224</b>	<b>\$ 8,366,793</b>

Please visit [www.seedsofhopetrust.org](http://www.seedsofhopetrust.org) for more information and to donate.

## Statements of Activities

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support and revenue:</b>		
Gifts and grants, net	\$ 1,115,448	\$ 1,274,055
Special events, net	483,172	472,663
Parish assessments	250,235	250,389
<b>Total support and revenue</b>	<b>1,848,855</b>	<b>1,997,107</b>
<b>Expenses</b>		
Grants to schools and students	1,251,350	1,121,094
Grant making expenses	125,874	137,007
<b>Total program expenses</b>	<b>1,377,224</b>	<b>1,258,101</b>
<b>Supporting services</b>		
Management and general	113,812	108,196
Development and fundraising	257,859	195,012
Total supporting services	371,671	303,208
<b>Total expenses</b>	<b>1,748,895</b>	<b>1,561,309</b>
<b>Income from operations before investment return</b>	<b>99,960</b>	<b>435,798</b>
Investment income, net	1,386,790	810,139
<b>Increase in net assets</b>	<b>\$ 1,486,750</b>	<b>\$ 1,245,937</b>

## MORTUARY AND CEMETERIES

### 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, 2011, and 2010, the cemeteries did not contribute to the Perpetual Care Trust based on Management's analysis of the adequacy of such funding.

Favorable investment returns contributed to net assets growing 13 percent in 2011. In accordance with the purpose of the Trust, the Trust funded various renovation costs of \$137,055 at both Mount Olivet and St. Simeon Cemeteries in 2011 as compared to \$56,740 in fiscal 2010.

## Statements of Financial Position

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 2,688	\$ 44,739
Prepaid expenses	2,278	3,207
Note receivable	2,415,392	60,664
Investments	12,296,629	12,829,314
<b>Total assets</b>	<b>\$ 14,716,987</b>	<b>\$ 12,937,924</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable	\$ 6,547	\$ 5,020
Other liabilities	137,055	-
<b>Total liabilities</b>	<b>143,602</b>	<b>5,020</b>
<b>Net assets:</b>		
Unrestricted	14,573,385	12,932,904
<b>Total liabilities &amp; net assets</b>	<b>\$ 14,716,987</b>	<b>\$ 12,937,924</b>

## Statements of Activities

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
Investment income, net	\$ 1,746,621	\$ 1,027,687
Loan interest	51,799	-
<b>Total Support &amp; revenue</b>	<b>1,798,420</b>	<b>1,027,687</b>
<b>Expenses:</b>		
Gifts & grants	137,055	56,740
Support & administrative expenses	20,884	20,481
<b>Total expenses</b>	<b>157,939</b>	<b>77,221</b>
<b>Increase in net assets</b>	<b>\$ 1,640,481</b>	<b>\$ 950,466</b>

## 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 began offering funeral services in 1981 to the Catholic community of northern Colorado. It was established by the Archdiocese of Denver to ensure that proper dignity would be provided to the beloved dead and their grieving families. Additionally, the mortuary was established to offer funeral services at affordable costs to the Catholic community, especially the poor.

During the fiscal years ended June 30, 2011 and 2010, the mortuary provided funeral services to 602 and 615 families, respectively. Included in these numbers are services to the County Social Services offices for 102 cases in 2011 and 108 cases in 2010. Accordingly, the mortuary contributed more than \$296,000 in care services to the poor and their families in 2011.

Income from operations of \$300,000 and investment income of nearly \$2.4 million resulted in a 48

percent increase in net assets.

The mortuary's board approved respective grants

## Statements of Financial Position

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,211,971	\$ 1,060,618
Accounts receivable, net	1,434,375	1,512,789
Prepaid expenses & other	50,627	70,626
Investments	15,519,769	12,588,330
Property & equipment, net	42,189	31,668
<b>Total assets</b>	<b>\$ 18,258,931</b>	<b>\$ 15,264,031</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued liabilities	\$ 177,028	\$ 166,773
Pre-need trust	9,862,590	9,554,018
<b>Total liabilities</b>	<b>10,039,618</b>	<b>9,720,791</b>
<b>Net assets:</b>		
Unrestricted	8,219,097	5,543,240
Temporarily Restricted	216	-
<b>Total Net Assets</b>	<b>8,219,313</b>	<b>5,543,240</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 18,258,931</b>	<b>\$ 15,264,031</b>

of \$55,400 and \$144,600 to St. John Vianney and Redemptoris Mater seminaries in fiscal 2011 as compared to respective grants of \$188,000 and \$290,000 in 2010.

## Statements of Activities

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
Mortuary sales	\$ 2,811,547	\$ 2,779,053
Miscellaneous	88,888	9,000
<b>Total support &amp; revenue</b>	<b>2,900,435</b>	<b>2,788,053</b>
<b>Expenses:</b>		
Mortuary operating expenses	2,110,816	2,173,759
Gifts & grants	200,000	478,388
Support & administrative expenses	341,484	339,909
<b>Total expenses</b>	<b>2,652,300</b>	<b>2,992,056</b>
<b>Income (Loss) from operations before investment return</b>	<b>248,135</b>	<b>(204,003)</b>
Investment income, net	2,427,938	1,217,072
<b>Increase in net assets</b>	<b>\$ 2,676,073</b>	<b>\$ 1,013,069</b>

**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 the fiscal years ended June 30, 2011, and 2010, Mount Olivet provided burial services to 1,555 and 1,372 families respectively. Total cemetery sales revenue reflected an increase of 33 percent due to sales of crypts and niches in the newly opened St. Francis of Assisi Mausoleum, which was dedicated May 30, 2011. Included in the funeral services data above are services to the County Social Services offices for 384 cases in 2011 and 263 cases in 2010. Accordingly, Mount Olivet contributed more than \$740,000 in care services to the poor and their families in 2011.

Mount Olivet's board approved respective grants of \$139,000 and \$361,000 to St. John Vianney and Redemptoris Mater seminaries in fiscal 2011 as compared to respective grants of \$188,000 and \$290,000 in 2010.

**Statements of Financial Position**

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 3,012,542	\$ 2,610,853
Inventories	2,962,657	1,469,934
Accounts receivable, net	3,058,439	3,043,173
Due from parishes & related entities, net	1,082,420	1,018,717
Investments	8,206,987	6,659,234
Property & equipment, net	3,111,861	3,190,166
<b>Total assets</b>	<b>\$ 21,434,906</b>	<b>\$ 17,992,077</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 221,468	\$ 521,704
Pre-need trust	5,261,220	5,031,827
Other liabilities	-	829,700
Note payable	2,415,392	60,664
<b>Total liabilities</b>	<b>7,898,080</b>	<b>6,443,895</b>
<b>Net assets:</b>		
Unrestricted	13,536,826	11,548,182
<b>Total liabilities &amp; net assets</b>	<b>\$ 21,434,906</b>	<b>\$ 17,992,077</b>

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
Cemetery sales	\$ 5,180,903	\$ 3,891,909
Miscellaneous support, net	155,075	158,754
Rental income	200,000	240,000
<b>Total support &amp; revenue</b>	<b>5,535,978</b>	<b>4,290,663</b>
<b>Expenses:</b>		
Gifts & grants	500,000	478,448
Cemetery operating costs	3,680,805	3,203,043
Support & administrative expenses	637,211	682,585
<b>Total expenses</b>	<b>4,818,016</b>	<b>4,364,076</b>
<b>Income (loss) from operations before investment return</b>	<b>717,962</b>	<b>(73,413)</b>
Investment income, net	1,270,682	594,671
<b>Increase in net assets</b>	<b>\$ 1,988,644</b>	<b>\$ 521,258</b>

**ST. SIMEON CEMETERY ASSOCIATION**

St. Simeon Cemetery (St. Simeon), located in Aurora, is a Colorado nonprofit corporation that was established in 2000. In 2011, St. Simeon provided burial services to 93 families compared to 115 families during 2010. Of these burial services, Social Service cases totaled 59 and 87 in 2011 and 2010 respectively. In essence, St. Simeon contributed more than \$219,000 in care services to the poor and their families in 2011.

The Board of Directors of St. Simeon and management have anticipated that the financial results of St. Simeon will continue to generate operating losses until St. Simeon's advertising and referrals have increased interest in the cemetery. This year's operating loss was a \$25,000 improvement over the prior year. Careful monitoring of operating costs continues to be a top priority of management of St. Simeon.

**Statements of Financial Position**

As of June 30,

	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 1,003	\$ 1,000
Prepaid assets	1,344	1,344
Accounts receivable, net of allowances	105,289	108,577
Inventories	854,048	854,954
Investments	75,704	60,430
Property & equipment, net	4,166,990	4,252,481
<b>Total assets</b>	<b>\$ 5,204,378</b>	<b>\$ 5,278,786</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable	\$ 13,159	\$ 19,718
Due to AOD & related entities	1,082,420	1,018,717
Pre-need trust	86,144	80,602
<b>Total liabilities</b>	<b>1,181,723</b>	<b>1,119,037</b>
<b>Net assets:</b>		
Unrestricted	4,019,050	4,156,644
Temporarily restricted	3,605	3,105
<b>Total net assets</b>	<b>4,022,655</b>	<b>4,159,749</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 5,204,378</b>	<b>\$ 5,278,786</b>

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
Cemetery sales	\$ 526,033	\$ 513,224
Grants & Contributions	14,258	1,170
Investment income (loss), net	(158)	(125)
Other income	9	207
<b>Total support &amp; revenue</b>	<b>540,142</b>	<b>514,476</b>
<b>Expenses:</b>		
Cemetery operating costs	503,945	504,623
Support & administrative expenses	173,291	172,330
<b>Total expenses</b>	<b>677,236</b>	<b>676,953</b>
<b>Decrease in net assets</b>	<b>\$ (137,094)</b>	<b>\$ (162,477)</b>

**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.

**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 Statement 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 Statement of Financial Position. Examples of funds held in trust include second collections taken on behalf of other organizations and pre-need funeral plan payments.

**Inventories.** Assets held for eventual resale to others.

**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 Archdiocese of Denver contribute to the mission of the local Church through 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 to expend part or all of the income derived from the donated assets.

**Statement 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.

**Statement 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.

## OTHER TRUSTS AND ARCHDIOCESAN ENTITIES

## ARCHDIOCESE OF DENVER MANAGEMENT CORPORATION

The Archdiocese of Denver Management Corporation (the Management Corporation) is a Colorado nonprofit corporation that provides payroll, accounting, real estate, construction, financial planning, human resources, and other management services to the archdiocese, the parishes in northern Colorado and various ecclesiastical entities, pursuant to service agreements. During 2011, the Management Corporation's operating expenses increased slightly from those in 2010 due to modest salary and benefit increases and technology expenses. Significant services provided during 2011 included the following:

- Construction management services for parishes and related ecclesiastical entities involved the oversight of 33 new projects with an estimated value of \$26.5 million in 2011 as compared to 29 projects valued at \$16.6 million in 2010. In 2011, 40 construction projects were completed within northern Colorado with a value of approximately \$14.9 million as compared to 28 projects valued at \$27.9 million in 2010.

- Real estate services for the archdiocese, parishes and related ecclesiastical entities included the purchase of eight new properties, valued at \$2.4 million, the sale and/or pending sales of real estate valued at \$3.6 million, and 59 leasing transactions, valued at \$1.6 million.

- The Internal Audit department visited 61 parishes and issued 55 reports in 2011. In addition, the Internal Audit Department oversees the Parish Review Program, in which another 27 parishes were reviewed by external CPA firms during fiscal year 2011.

- The Human Resources Office advises parishes, schools and agencies within the archdiocese in regard to the best practices in all areas of personnel administration and administers the benefit programs for employees. The goal of the archdiocese

in establishing the various benefit programs for its participating employers and their respective employees is to provide benefits that are of value, while keeping the costs manageable for both employees and employers.

## Statements of Financial Position

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 937	\$ 46,394
Prepaid expenses & other assets	49,180	44,003
Accounts & other receivables, net	47,318	60,684
Due from other related entities & parishes	178,562	38,891
Property & equipment, net	1,049,216	866,309
<b>Total assets</b>	<b>\$ 1,325,213</b>	<b>\$ 1,056,281</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 709,514	\$ 888,743
Funds held in trust for others	461	536
Due to other related entities	30,703	99,444
<b>Total liabilities</b>	<b>740,678</b>	<b>988,723</b>
<b>Net assets</b>	<b>584,535</b>	<b>67,558</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 1,325,213</b>	<b>\$ 1,056,281</b>

## Statements of Activities

## YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
Management & service fees	\$ 5,098,658	\$ 5,054,243
Gifts & Grants, net	816,194	11,874
<b>Total support &amp; revenue</b>	<b>5,914,852</b>	<b>5,066,117</b>
<b>Expenses:</b>		
Support & administrative expenses	5,397,875	5,066,117
<b>Total expenses</b>	<b>5,397,875</b>	<b>5,066,117</b>
<b>Increase in net assets</b>	<b>\$ 516,977</b>	<b>\$ -</b>

## ARCHDIOCESE OF DENVER IRREVOCABLE REVOLVING FUND TRUST

The Archdiocese of Denver Irrevocable Revolving Fund Trust (the Trust) answers the Church's call upon parishes and ecclesiastical entities within northern Colorado to help one another spiritually and financially. The Trust serves as the primary source of project financing to parishes of the archdiocese at affordable rates and pays a competitive interest rate on funds deposited into the Trust.

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 entities participating in the Trust.

## Statements of Financial Position

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 11,695,494	\$ 16,348,173
Prepaid expenses & other	268	266
Loans receivable	16,654,753	17,229,860
Investments	21,180,641	16,355,624
<b>Total assets</b>	<b>\$ 49,531,156</b>	<b>\$ 49,933,923</b>
<b>Liabilities &amp; net assets:</b>		
Due to related entities & other	\$ 21,851	\$ 21,919
Grant payable	-	33,000
Saving deposits	44,926,623	45,954,624
<b>Total liabilities</b>	<b>44,948,474</b>	<b>46,009,543</b>
<b>Net assets:</b>		
Unrestricted	4,582,682	3,924,380
<b>Total liabilities &amp; net assets</b>	<b>\$ 49,531,156</b>	<b>\$ 49,933,923</b>

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.

During 2011, the management committee of the Trust, comprised of four priests and a lay member, approved seven new loans to parishes totaling more than \$5.5 million as compared to \$6.2 million in fiscal 2010. The Trust continues to have available liquidity and the ability to fund parish and other related entities' construction and renovation projects both currently and for the foreseeable future.

## Statements of Activities

## YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Interest income:</b>		
Investments	\$ 509,559	\$ 470,442
Loans	574,486	638,641
<b>Total interest income</b>	<b>1,084,045</b>	<b>1,109,083</b>
Interest expense	227,432	216,302
<b>Net interest income</b>	<b>856,613</b>	<b>892,781</b>
Realized and Unrealized gain (loss) from investments, net	(20,876)	589,934
<b>Other expenses, net:</b>		
Trustee fees	73,976	64,460
General & administrative expenses	103,459	105,238
Parish assistance fund grants	-	33,000
<b>Total other expenses</b>	<b>177,435</b>	<b>202,698</b>
<b>Increase in net assets</b>	<b>\$ 658,302</b>	<b>\$ 1,280,017</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 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 fund's risk limitations. 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 significantly increased its net assets by \$2.4 million during 2011. This improvement is primarily attributable to a decrease in litigation costs related to claims and/or cases alleging sexual abuse against former priests. More importantly, the last of those existing cases was resolved in October 2010. Additionally, the Risk Management Trust realized favorable claims experience related to its self-funded claims under the property and workers' compensation insurance programs.

## Statements of Financial Position

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 4,376,402	\$ 3,659,050
Prepaid expenses & other assets	204,721	69,041
Accounts receivable	35,555	29,000
Due from parishes & other related entities, net	395,002	365,826
Property & equipment, net	679	1,124
<b>Total assets</b>	<b>\$ 5,012,359</b>	<b>\$ 4,124,041</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 35,894	\$ 322,380
Due to other related entities	98,709	218,817
Claims payable	713,178	1,800,308
<b>Total liabilities</b>	<b>847,781</b>	<b>2,341,505</b>
<b>Net assets:</b>		
Unrestricted	4,164,578	1,782,536
<b>Total liabilities &amp; net assets</b>	<b>\$ 5,012,359</b>	<b>\$ 4,124,041</b>

## Statements of Activities

## YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Support &amp; revenue:</b>		
Self insurance premiums & insurance billings	\$ 5,324,043	\$ 5,269,698
Investment income	5,652	9,107
Miscellaneous, net	92,447	2,997
<b>Total support &amp; revenue</b>	<b>5,422,142</b>	<b>5,281,802</b>
<b>Expenses:</b>		
Self insurance claims, premiums, settlements & other costs	2,640,888	2,934,289
Support & administrative expenses	399,212	382,122
<b>Total expenses</b>	<b>3,040,100</b>	<b>3,316,411</b>
<b>Increase in net assets</b>	<b>\$ 2,382,042</b>	<b>\$ 1,965,391</b>

**JOHN PAUL II CENTER  
FOR THE NEW EVANGELIZATION**

The 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, media education, marriage preparation classes, liturgies and classroom instruction in Scripture and Church doctrine. In addition, the John Paul II Center houses the Archdiocese of Denver's chancery, the St. John Vianney Theological Seminary, the Redemptoris Mater 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.

**Statements of Financial Position**

	As of June 30,	
	2011	2010
<b>Assets</b>		
Property & equipment, net	\$ 2,467,012	\$ 2,479,782
<b>Liabilities &amp; net assets:</b>		
Liabilities	\$ -	\$ -
Unrestricted assets	2,467,012	2,479,782
<b>Total liabilities &amp; net assets</b>	<b>\$ 2,467,012</b>	<b>\$ 2,479,782</b>

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Revenue:</b>		
Grants & contributions	\$ -	\$ -
<b>Total revenue</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>		
Program expenses - Depreciation	12,770	12,770
<b>Decrease in net assets</b>	<b>\$ (12,770)</b>	<b>\$ (12,770)</b>

**CAMP ST. MALO CATHOLIC RETREAT, CONFERENCE AND SPIRITUAL CENTER**

Camp St. Malo Retreat Center (the Center) is located on 160 acres at the base of Mt. Meeker, surrounded by the Roosevelt National Forest and Rocky Mountain National Park. The Center was operated by the Christian Life Movement (CLM) and the *Sodalitium Christianae Vitae* (SCV), a society of apostolic life. These financial statements do not reflect operating activities of the Center as CLM/SCV are responsible for those operations.

Sadly, a significant fire occurred at the Center on November 14, 2011. Gratefully, no one was injured during the fire, the memorabilia from the Camp St. Malo youth camp days and Pope John Paul II's visit to the Center in 1993 were saved, and the Blessed Sacrament was safely reposed. Also, the Center fortunately had adequate insurance on the property. However, the effects of the fire have made the Center inoperable and have been devastating to the ministry of St. Malo, the CLM/SCV community and the former St. Malo employees. Understanding and planning the future of St. Malo will be a very long process.

Currently, St. Malo will be closed for retreats and conferences for an indefinite period of time. The CLM/SCV staff has been in the process of cancelling retreats and deposits will be refunded. The Archdiocese of Denver Management Corporation is handling all of the property issues. They have been securing the property and winterizing it, as well as beginning the initial evaluation of the extent of the damages. The future is yet unknown. The process of clean-up and the evaluation of structural damages, the proposal of construction possibilities and negotiations with the insurance company will likely take more than six months. Only after this evaluation process is complete will courses of action be proposed for deliberation.

The archdiocese is exploring other ministry options for the CLM/SCV community.

**Statements of Financial Position**

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 49,118	\$ 42,836
Property & equipment, net	2,772,720	2,839,594
<b>Total assets</b>	<b>\$ 2,821,838</b>	<b>\$ 2,882,430</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable & accrued expenses	\$ 11,145	\$ 1,410
<b>Net assets:</b>		
Unrestricted	2,769,809	2,836,030
Temporarily restricted	40,884	44,990
<b>Total net assets</b>	<b>2,810,693</b>	<b>2,881,020</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 2,821,838</b>	<b>\$ 2,882,430</b>

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Revenue:</b>		
Other	\$ -	\$ -
<b>Total revenue</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>		
Administrative & other	106,186	20,000
<b>Income (loss) before depreciation expense &amp; non-operating support</b>	<b>(106,186)</b>	<b>(20,000)</b>
Contributions from archdiocese and others	223,000	108,790
Depreciation expense	(187,141)	(182,805)
<b>Decrease in net assets</b>	<b>\$ (70,327)</b>	<b>\$ (94,015)</b>

**ARCHDIOCESE OF DENVER WELFARE BENEFITS TRUST**

The Archdiocese of Denver Welfare Benefits Trust (Welfare Benefits Trust) provides access to quality health care to approximately 1,700 archdiocesan, parish and related ecclesiastical entities' employees along with the Diocese of Colorado Springs (the diocese) and the employees of its parishes and related ecclesiastical entities. Those entities and parishes within the territories of the archdiocese and the diocese pay premiums to 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.

The Health Care Advisory Committee (the committee) of the Trust, comprised of parish representatives and staff from both the archdiocese and the diocese, 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. While the committee is pleased with the adequacy of the trust's cash and investment reserves as of June 30, 2011, it continues to focus on improving communications to the employee participants and preserving current participant benefit levels.

During fiscal year 2011, the increase in the medical / prescription premium for the Welfare Benefits Trust employers and employees was 5 percent. The

advisory committee has been able to limit such increases, as compared to other employers, based solely on the adequacy of the trust's existing cash and investment reserves and the favorable rates it has negotiated with its provider network. At the same time, the Welfare Benefits Trust was able to maintain all of its current coverage levels for medical benefits. When considering the escalating costs

of healthcare throughout the United States, the Welfare Benefits Trust has been fortunate to be able to maintain all of its benefits' programs with minimal cost increases to employees and employers.

The Welfare Benefits Trust's net assets increased by 11 percent in fiscal year 2011 which is primarily attributable to favorable claims experience.

**Statements of Financial Position**

	As of June 30,	
	2011	2010
<b>Assets:</b>		
Cash & cash equivalents	\$ 7,993,200	\$ 7,225,275
Short term investments	6,380,450	6,358,536
Total cash and short term investments	14,373,650	13,583,811
Prepaid expenses & other assets	5,000	27,500
Accounts receivable - other	494,256	204,492
Due from parishes & other related entities, net	105,246	177,547
<b>Total assets</b>	<b>\$ 14,978,152</b>	<b>\$ 13,993,350</b>
<b>Liabilities &amp; net assets:</b>		
Accounts payable	\$ 148,591	\$ 147,000
Claims payable	1,726,000	2,073,000
<b>Total liabilities</b>	<b>1,874,591</b>	<b>2,220,000</b>
<b>Net assets:</b>		
Unrestricted	13,103,561	11,773,350
<b>Total liabilities &amp; net assets</b>	<b>\$ 14,978,152</b>	<b>\$ 13,993,350</b>

**Statements of Activities**

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
<b>Revenue:</b>		
Self insurance premiums & insurance	\$ 18,094,450	\$ 17,086,255
Investment and other income	34,532	62,249
<b>Total revenue</b>	<b>18,128,982</b>	<b>17,148,504</b>
<b>Expenses:</b>		
Self insurance claims, premiums, costs	16,306,668	17,032,843
Support & administrative expenses	492,103	484,646
<b>Total expenses</b>	<b>16,798,771</b>	<b>17,517,489</b>
<b>Increase (Decrease) in net assets</b>	<b>\$ 1,330,211</b>	<b>\$ (368,985)</b>