

2013 FINANCIAL REPORT

Dear Friends in Christ,

This year the Archdiocese of Denver is celebrating 20 years since Blessed John Paul II visited for World Youth Day 1993. The fruits of his time with us can be seen in many places, including our seminary, our ministries for young people and the overall vibrancy of our archdiocese. We have been blessed to have had a future saint among us, especially since he can intercede for our archdiocese as we seek to announce the Gospel.

In this context, I am pleased to present the annual financial report of the Archdiocese of Denver to you. I invite you to take a few minutes to read the report for the fiscal year, which ended June 30, 2013.

This report will show you that the archdiocese continues to be successful, both spiritually and financially. We have been successful because so many of you throughout the 142 parish communities of northern Colorado are committed to Jesus Christ and the Church through your prayer, service to others and supporting the archdiocese. What a blessing this is!

Our seminaries

During the past year, I had the honor of ordaining seven men to the priesthood who will serve within the archdiocese. An additional eight graduates from our seminaries were ordained as priests for other dioceses and religious communities in the United States. This coming January, I hope to ordain 10 men to the permanent diaconate from the St. Francis School of Theology. The dedication and faith of the staff at our seminaries and school of theology has produced men who are prepared to minister to the spiritual needs of our local Church. I am proud of the love for Christ and his Church that these men exhibit.

The board of trustees of St. John Vianney Theological Seminary has approved expanding enrollment up to 150 students, which includes the seminarians enrolled in Redemptoris Mater Archdiocesan Missionary Seminary. This growth will begin to take place in 2015.

Education of the faithful

Our faith formation programs have grown through the dedicated teachers and administrators whose instruction brings children and adults to a better understanding of the Scriptures, sacraments, and Church teaching. In August 2013, I had the rare privilege and honor to grant permission for Our Lady of Loreto Parish in Foxfield to open a new school. Our 37 parish-based elementary schools and two high schools currently provide preschool through 12th grade education for more than 9,500 children. During fiscal 2013, nearly 24,900 children and adults participated in parish-based religious education programs throughout the archdiocese.

The Catholic Biblical and Catechetical schools continue to grow and prosper. The Biblical School's 2013 graduating class was its largest ever, and for the current academic year, the two schools are reporting a record combined enrollment of more than 900 students. As the Year of Faith concludes, we are blessed to have these students studying the Scriptures and teachings of the Church on a weekly basis.

Our ministry to the growing Hispanic population in northern Colorado continued to flourish during the last year. Centro San Juan Diego (CSJD) in downtown Denver serves as a hub for much of the archdiocese's efforts. Those who visited Centro were able to attend English classes, receive formation in the Catholic faith, undergo leadership training, and benefit from employment and family support services. In fact, more than 30,000 people were served by CSJD in 2013.

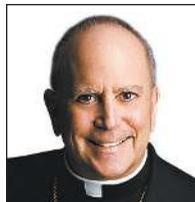
The number of Masses in Spanish has also increased to more than 50 of the parishes in the archdiocese.

Stewardship of God's gifts

The faithful of the archdiocese continue to contribute in many positive ways. While donations to the current Archbishop's Catholic Appeal campaign are down slightly from 2012, the Seeds of Hope Charitable Trust, which raises funds for tuition assistance for both inner-city and other schools, increased its fundraising by more than \$150,000, allowing for additional tuition assistance to economically disadvantaged children. I am also pleased that parish offertories during 2013, in total, showed increases for the third year in a row. This means that more of you are taking up the challenge of giving your "first fruits" to God and experiencing the spiritual benefits.

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

- Soon after my installation in Denver, with the aid of a special committee, we evaluated the permanent diaconate program of the St. Francis School of Theology, which is part of St. John Vianney Theological Seminary. Beginning in September 2013, the program began its first-ever spirituality year, similar to the one for our seminarians, renewed its focus on the theology of the Church, enhanced its curriculum and added new leadership.



ARCHBISHOP
SAMUEL J.
AQUILA, S.T.L.

- The Office of Evangelization and Family Life Ministries (which includes the departments formerly known as Marriage and Family Life; Totus Tuus; Youth, Young Adult and Campus Ministry; and Evangelization and Catechesis) was reorganized under new leadership in the spring and summer of 2013. The various offices/departments were restructured to promote a collaborative/team approach. The primary goal for all members of this office is to assist parish leaders in their efforts to strengthen families and to encourage a deeper love of the faith through the Mass and sacraments.

- The Respect Life Office/Gabriel House Project and their respective staffs were moved to Catholic Charities on July 1, 2013. In doing so, the archdiocese will increase its annual funding of Catholic Charities, made possible through donations to the Archbishop's Catholic Appeal, to almost \$1 million in fiscal 2014. We believe that centralizing all pro-life/women's-related ministries at Catholic Charities (which already oversees Lighthouse Women's Center and Regina Caeli Counseling Services) will be more efficient, result in a more focused organization and possibly help increase Catholic Charities' fundraising capabilities.

- We also revised and updated the trust agreement for the Irrevocable Revolving Fund Trust of the Archdiocese of Denver (the trust), which provides construction financing to parishes and other entities. The new agreement provides for improved financial oversight through the implementation of new liquidity and capital reserve requirements. We believe such requirements will further enhance our stewardship of the funds that parishes and other entities have deposited in the trust.

Safety of our children and others

I remain committed to the safety of our children and young people. A separate office in the archdiocese continues to assure that all parishes and agencies of the archdiocese comply with the Safe Environment Program, including background checks and detailed safety training. The program is audited by an outside agency. We continue our efforts to keep our diocese safe for children.

During 2013 the archdiocese was involved in one lawsuit and one unfiled claim involving allegations of past sexual abuse by priests involving children. The first lawsuit was pending in New Mexico federal court and involved a priest who worked in a hospital in Denver in 1987 to 1988. That priest is now deceased. Importantly, there was no allegation of any misconduct occurring in Colorado and the suit names other dioceses and other out-of-state defendants. We were recently dismissed from that case. The unfiled claim involves allegations of wrongdoing by a priest in the early 1970s. That priest is deceased. We are investigating that decades-old claim and intend to respond appropriately based on our investigation.

There is one additional suit against the archdiocese involving allegations by a woman who has alleged wrongdoing by a priest while the woman was an adult. We are vigorously defending that claim. The defense of claims against the archdiocese requires the use of archdiocesan resources. As has been and remains our practice, we will not use funds from the Archbishop's Catholic appeal for litigation related payments or legal defense costs.

Ongoing financial initiatives and challenges

The financial goal of the archdiocese is to utilize the resources entrusted to it in a manner that neither accumulates unnecessary reserves nor dissipates those resources so that our overall financial position is unsustainable. In that spirit, significant initiatives and challenges for fiscal 2014 include the following:

- Careful management of two significant construction projects on the campus of the John Paul II Center for the New Evangelization. These projects are:

- ▶ \$10 million in renovations to the St. John Vianney

Theological Seminary as was presented in the New Harvest Campaign that was conducted from 2011-2013 by The Catholic Foundation. The renovations involve upgrading wiring, plumbing, lighting and old kitchen equipment, as well as fixing some health and safety related items. All funding for this project is being provided by the New Harvest Campaign, overseen by The Catholic Foundation.

- ▶ In the spring of 2013, a committee was established by me to evaluate the future needs of the John Paul II Center campus, which include the growth of the seminary population and the needs of the archdiocese for a gathering and meeting space that does not interfere with the needs of the seminary. One of the guidelines I established as part of the plan is that any new facilities be constructed so that they would last for 100 years. Since the John Paul II Center campus does not currently have a mixed-use facility, the first building to be built will be a multi-use facility to be named the Holy Trinity Center. The facility will provide a meeting space for 75 people and gathering areas for up to 150 people, including the meeting area, on the main level of the new facility. The second level will contain apartments for the archbishop of Denver and two other priests, as well as two guest rooms, which will help compensate for some of the guest housing eliminated in the remodel of St. John Vianney Theological Seminary.

Funding for this project will be provided through restricted, private gifts to the archdiocese and the investment reserve funds of the archdiocese. Absolutely no donations to the Archbishop's Catholic Appeal will be used for the Holy Trinity Center. More information will be forthcoming on this project in the *Denver Catholic Register* in the near future, once my staff, the project architect and general contractor finalize their work, including seeking the necessary approvals from the city and county of Denver.

- In addition, we continue to prudently invest in technology, including new websites for the *Denver Catholic Register* and *El Pueblo Católico*, the conversion to a new accounting system for the parishes of northern Colorado, and a new information management system for the cemeteries and mortuary.

- The resolution of the future of the historic Camp St. Malo Retreat and Conference Center near Allenspark continues to present us with challenges. Substantially destroyed by fire in 2011, my staff and I have spent both time and resources evaluating the archdiocese's future needs, potential rebuilding scenarios at the existing site, and even evaluating alternative retreat center/youth camp locations, all without significant success. While we reached a preliminary settlement with our insurance carriers pertaining to the fire damage and related losses, St. Malo was significantly impacted by the September 2013 rainstorms and floods. During the height of the storms, a mudslide swept down Mount Meeker through both forest service and Rocky Mountain National Park property and left substantial debris on the St. Malo property. The damage is significant and will now require additional consideration and evaluation, including a determination of how we will fund the related clean-up efforts and restoration of the property.

Final thoughts

I am very grateful to the many employees of the parishes, schools, seminaries and cemeteries, the Pastoral Center and all of the related entities and agencies throughout the archdiocese for their dedication and faith.

I am also thankful for the members of the Archdiocesan Finance Council, its subcommittees and the many talented men and women who help us in the financial administration of the Church of northern Colorado.

Finally, I would like to recognize the leadership of both Msgr. Michael Glenn and Father Florián Martín-Calama, both of whom served as the respective rectors of St. John Vianney Theological Seminary and Redemptoris Mater Archdiocesan Seminary in the archdiocese. Father Florián was appointed the vice-rector of a seminary in Rome in October 2013 and Msgr. Glenn will end his service to St. John Vianney in December 2013. Father Florián began his ministry here in 1997 and Msgr. Glenn began his ministry as rector in 2001. Their devotion to the respective seminaries and the many seminarians they have formed has been truly remarkable. The faith-filled young priests that they helped shape will forever change and enhance the Church of northern Colorado and other dioceses in the United

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.

Letter

From Page B1

States and beyond in a positive and meaningful way. Their ministry has blessed all of the faithful of northern Colorado! These two men are a wonderful gift to the Church and I am certain will serve the Church well in the years to come!

The Year of Faith that ended in November reminded all Catholics of the need for faith in Christ as the foundation of our lives—without him, all our efforts and work are in vain. In their writings on faith, both Pope Emeritus Benedict XVI and Pope Francis have emphasized that the consequence of having deeper faith is joy, a deep and abiding joy that comes from meeting Jesus and being transformed by him. This abiding joy wells up within us so that we desire to bring Jesus more into the world and to give witness to him in the public square.

Looking ahead to this coming April, the Church will celebrate the canonization of Blessed John Paul II. As an archdiocese we are blessed to have had a saint among us who radiated the joy of knowing Christ intimately. Soon-to-be St. John Paul II brought that experience of knowing the Holy Trinity to the world and we are called to do the same. I invite all of you to put your faith into practice in this way and to continue to pray for a deeper faith and the gifts of the Holy Spirit.

In these last weeks before the celebration of Christ's birth, may God richly bless you and your family with deep and abiding peace.

Gratefully yours in Christ,



Most Rev. 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 (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 Archbishop Samuel J. Aquila.

The AFC provides policy guidance for the work of subcommittees. Currently, 15 individuals serve on the AFC, including 14 lay people. In addition, 23 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 subcommittees 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 subcommittee chairperson is a member of the AFC and provides quarterly updates on their respective subcommittee'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.

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

FINANCE COUNCIL	INVESTMENT COMMITTEE	ACCOUNTING & AUDIT COMMITTEE	PROJECT FINANCE & REVIEW COMMITTEE	REAL ESTATE COMMITTEE	COMPENSATION COMMITTEE
Lowell A. Hare, Chair	Steve Markel	William G. Trainor, CPA; Chair	James S. Harrington, Chair	Brooke B. Leer, Chair	Reid Godbolt, Chair
Rev. Msgr. Thomas S. Fryar	Michael L. O'Donnell	Rev. Msgr. Thomas S. Fryar	George Connolly	Gregory Gerken	Rev. Msgr. Thomas S. Fryar
Wendy Dominguez	Dave Runberg	Brian Callahan, CPA	Peter Furstenberg	Adam Hermanson	Lowell Hare
Reid Godbolt	Jeff Schmitz	Heath Hill, CPA	Rev. Frank Maroney	Rev. Msgr. Leo Horrigan	Dave Runberg
James S. Harrington	Jodi Thomas	Kelly Kozeliski, CPA	Sam N. Perry	Paul Kluck	
David A. Holden	William G. Trainor, CPA	Andrew Newland	Jennifer Reicher	Kevin McCabe	
Brooke B. Leer	Eric Zellweger, CFA	Keith Parsons, CPA	George Shaw		
Kathy Lutito		Jeff Smith, CPA	Mike Wisneski		
			Robert Zarlengo		

ARCHDIOCESE OF DENVER - CHANCERY

The Archdiocese of Denver (the archdiocese and/or the chancery), is a Colorado nonprofit corporation sole, located on the campus of the John Paul II Center in south Denver. The chancery is composed of the offices of the archbishop, the 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 campaign's fiscal 2013 donations decreased by approximately \$406,000 from fiscal 2012 as the number of people contributing to the campaign declined. In contrast, parish assessments increased modestly for the second year in a row due to an overall increase in parish offertories throughout northern Colorado.

In 2013, grants and contributions increased by more than \$7.4 million. This increase is primarily due to the recognition of a \$5.8 million permanently restricted gift from a charitable trust to the archdiocese. 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. In addition, the archdiocese commenced a capital campaign in May of 2013 to raise restricted funds for the construction of the Holy Trinity Center on the John Paul II Center campus. During fiscal 2013, approximately \$963,000 of pledge commitments, along with cash receipts of approximately \$300,000, were received in conjunction with this campaign.

In fiscal 2013, program and service income increased nearly \$700,000 from 2012 due to the occurrence of two Steubenville of the Rockies conferences that occurred in 2013 and increased participation by the faithful in other conferences and events during the fiscal year. In addition, investment income increased by approximately \$1.3 million in 2013 from 2012 due to the performance of the investment portfolio during fiscal 2013.

Program costs for religious education increased by more than \$500,000 as a result of the two Steubenville conferences in 2013, while gifts and grants increased due to grant funding provided to Holy Family High School. Generally, program expenses in fiscal 2013

increased from comparable balances in fiscal 2012 due to modest pay increases for staff.

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 8,846,211	\$ 7,879,185
Short term investments for designated purposes	6,719,446	6,930,251
Total cash & investments	15,565,657	14,809,436
Prepaid expenses & other assets	90,057	243,828
Notes, contributions & accounts receivable, net	5,410,179	4,286,680
Due from parishes & other related entities, net	694,650	652,387
Investments	15,911,344	14,418,837
Beneficial interest in charitable trust	5,787,790	-
Property & equipment, net	29,747,272	29,985,548
Total assets	\$ 73,206,949	\$ 64,396,716
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 1,524,703	\$ 797,114
Funds held in trust for others	1,122,408	1,000,445
Other liabilities	291,774	686,974
Notes & bonds payable	1,853,008	2,175,998
Total liabilities	4,791,893	4,660,531
Net assets:		
Unrestricted	51,043,017	49,728,043
Temporarily restricted	12,117,318	9,957,859
Permanently restricted	5,254,721	50,283
Total net assets	68,415,056	59,736,185
Total liabilities & net assets	\$ 73,206,949	\$ 64,396,716

Statements of Activities YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Support:		
Archbishop's Catholic Appeal contributions, net	\$ 7,291,225	\$ 7,697,517
Parish assessments, net	6,347,449	6,152,051
Grants & contributions	8,574,274	1,093,751
Other support	165,967	168,232
Total support	22,378,915	15,111,551
Revenue:		
Advertising	731,559	607,361
Program & service, net	2,190,776	1,509,016
Investment income, net	1,526,900	206,100
Other income	615,504	438,747
Total revenue	5,064,739	2,761,224
Total support & revenue	27,443,654	17,872,775
Expenses:		
Program expenses:		
Religious education & schools	2,640,408	2,089,828
Catholic communications	2,653,666	2,697,039
Social development	1,054,728	970,199
Spiritual & pastoral concerns	2,258,067	2,566,385
Religious & ordained ministries	2,111,629	2,058,763
Evangalization	2,580,270	2,308,799
Gifts & grants	2,704,499	2,557,185
Interest expense	70,009	80,768
Total program expenses	16,073,326	15,328,966
Support & administrative expenses	1,823,684	1,870,606
Development & fundraising	867,823	888,795
Total expenses	18,764,833	18,088,367
Increase (Decrease) in net assets	\$ 8,678,871	\$ (215,592)

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.

Fifteen men were ordained priests in fiscal 2013, seven of whom serve within the territory of the archdiocese. Presently, there are 39 men at St. John Vianney studying for the archdiocese and, when combined with 28 men from Redemptoris Mater (19 of which are studying for the archdiocese) and another 48 men from other dioceses or religious orders, the total enrollment at St. John Vianney is 115.

The recurring operations of St. John Vianney Seminary for both fiscal 2013 and 2012 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 for the Roman Catholic Church in Northern Colorado (the 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 future capital renovation projects and one for an operating endowment for providing long-term sustainability to the seminaries. Accordingly, the endowments and their related

activity (e.g. 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 increase in net assets of \$401,057 in fiscal 2013 from the prior year is due to increases in support revenue. Specifically, in 2013, grants and contributions increased due to a successful Parish Seminary Appeal campaign and the receipt of the initial operating and capital grants from the Foundation pursuant to the New Harvest Campaign. In-kind contributions were

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 954,330	\$ 951,892
Prepaid expenses & other assets	235,521	237,937
Contribution & accounts receivable, net	10,975	67,738
Property & equipment, net	1,236,350	369,414
Total assets	\$ 2,437,176	\$ 1,626,981
Liabilities & net assets:		
Accounts payable & accruals	\$ 623,389	\$ 211,204
Funds held in trust for others	16,666	17,868
Deferred tuition income	82,002	83,847
Total liabilities	722,057	312,919
Net assets:		
Unrestricted	1,497,670	1,064,700
Temporarily restricted	192,449	224,362
Permanently restricted	25,000	25,000
Total net assets	1,715,119	1,314,062
Total liabilities & net assets	\$ 2,437,176	\$ 1,626,981

also received from the chancery for various services and overhead costs at the John Paul II Center. While significant planning and coordination efforts occurred throughout fiscal 2013, the construction and renovations to the various buildings utilized by St. John Vianney, which will total nearly \$10.0 million, did not begin until September of 2013. Once again, these capital expenditures are being funded from the capital endowment owned by the foundation. Specifically, in fiscal 2013, \$600,000 in grants were received for costs related to architectural and planning work for the project.

Statements of Activities
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Support:		
Grants & contributions	\$ 3,084,253	\$ 2,244,814
Revenue:		
Program & service	99,120	85,965
Fundraising & special events	674,137	671,920
Tuition income	2,376,546	2,333,483
Investment & other income, net	4,356	4,971
Total revenue	3,154,159	3,092,339
Total revenue & support	6,238,412	5,337,153
Expenses:		
Religious education & schools	1,116,357	1,037,802
Religious & ordained ministries	4,452,055	4,133,289
Grant expenditures for construction improvements	-	48,854
Support & administrative expenses	16,072	10,685
Development & fundraising	252,871	237,702
Total expenses	5,837,355	5,468,332
Increase (Decrease) in net assets	\$ 401,057	\$ (131,179)

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. The priests being formed in Redemptoris Mater are archdiocesan 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 28 men (19 men studying for the archdiocese, eight men studying for the Diocese of Dallas and one man studying for the Diocese of Pueblo) at Redemptoris Mater. In fiscal 2013, Redemptoris Mater ordained three men

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 27,661	\$ 4,622
Other assets	36,434	61,678
Due from other AOD	-	-
Property & equipment, net	36,585	24,602
Total assets	\$ 100,680	\$ 90,902
Liabilities & net assets:		
Accounts payable & accruals	\$ 9,396	\$ 8,618
Net assets:		
Unrestricted	35,727	51,202
Temporarily restricted	55,557	31,082
Total net assets	91,284	82,284
Total liabilities & net assets	\$ 100,680	\$ 90,902

to the priesthood, who now serve within the archdiocese. Since 1996, 21 Redemptoris Mater seminarians have been ordained as priests of the archdiocese.

Statements of Activities
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Grants & contributions	\$ 1,401,668	\$ 1,496,369
Fundraising & other	259,960	238,536
Total revenue & support	1,661,628	1,734,905
Expenses:		
Program expenses	1,388,761	1,492,546
Support & administrative expenses	263,867	236,784
Development and fundraising	-	204
Total expenses	1,652,628	1,729,534
Increase in net assets	\$ 9,000	\$ 5,371

FAMILY OF NAZARETH INC.

Family of Nazareth is a Colorado nonprofit corporation established in 1998. Family of Nazareth primarily assists 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, 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 \$205,764 in 2013 as compared to a decrease of \$95,769 in fiscal 2012. During 2013, Family of Nazareth realized an \$83,000 loss from the sale of property it owned near Bailey, Colo.

The corresponding increase in prepaid expenses and deferred revenue at June 30, 2013 are in anticipation of World Youth Day 2013 held in Rio de Janeiro in July, 2013.

Both program revenue and expenses in fiscal 2013 decreased as a result of travel and other costs associated with more than 150 pilgrims attending World Youth Day in Spain during 2012. Other program

expenses and grant expenditures reflect the ongoing

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 536,502	\$ 356,046
Prepaid expenses	421,021	-
Note receivable from property sale	120,320	-
Property & equipment, net	132,043	692,044
Total assets	\$ 1,209,886	\$ 1,048,090
Liabilities		
Accounts payable & accruals	\$ 8,119	\$ 5,022
Deferred revenue	387,713	23,250
Total liabilities	395,832	28,272
Net assets:		
Unrestricted	607,944	813,708
Temporarily restricted	206,110	206,110
Total net assets	814,054	1,019,818
Total liabilities & net assets	\$ 1,209,886	\$ 1,048,090

support of the new evangelization in Denver, the United States and worldwide.

Statements of Activities
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Support-grants & contributions	\$ 277,675	\$ 274,132
Revenue:		
Program revenues	-	412,940
Net loss from sale of Property	(83,000)	-
Investment & other income	3,793	182
Total revenue	(79,207)	413,122
Total revenue & support	198,468	687,254
Expenses:		
Program expenses	331,512	695,273
Grants expenditures	30,144	73,106
Support & administrative expenses	42,576	14,644
Total expenses	404,232	783,023
Decrease in net assets	\$ (205,764)	\$ (95,769)

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 5,000 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. HFHS is a Colorado nonprofit corporation established in 1999 and is located in Broomfield. However, as a high school, with its original location in north Denver, it is celebrating 91 years of excellence in education and continues the tradition of a family of faith investing in the future of our young people and our Church.

For the school year ending June of 2013, HFHS graduated 115 seniors, who received \$10.5 million in merit-based scholarships to attend colleges and universities throughout the United States. Eleven of those seniors are attending college on full tuition scholarships. For the current school year that began in August 2013, HFHS is at capacity, educating more than 620 students.

HFHS's loss from operations was \$411,245 in fiscal 2013 compared to \$578,787 in fiscal 2012. Average enrollment for the 2012/2013 school year of 596 students was more than the 570 students for the 2011/2012 school year, resulting in an increase of approximately \$359,000 in operating revenue in fiscal 2013.

Operating expenses were approximately \$190,000 higher in fiscal 2013 compared to fiscal 2012 due to higher personnel costs in fiscal 2013. The fiscal 2013 loss from operations includes depreciation totaling \$604,200 and \$591,210 in fiscal 2012. On a cash basis, HFHS generated cash flow from operations in both fiscal 2013 and 2012. HFHS also realized nearly a \$370,000 increase in non-operating support revenues in fiscal 2013 as compared to fiscal 2012 due to favorable investment returns and the recognition of more than \$200,000 in grants received for the renovation project discussed below.

HFHS undertook a significant renovation project during summer 2013 to address longstanding building structural issues as part of its ongoing maintenance program. Total capital expenditures for this project may exceed \$950,000 over the next two school years. The school was ready in time for the start of classes in August 2013 thanks to the support of the archdiocese and individual donors. The project will be funded from outside grants from The Catholic Foundation, the Archdiocese of Denver, internal funds, and a loan from the Irrevocable Revolving Fund Trust.

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 930,767	\$ 947,271
Cash & short-term investments held in trust or restricted	128,262	140,063
Total cash & short-term investments	1,059,029	1,087,334
Tuition receivable and other assets, net	12,128	12,532
Contributions receivable and other assets, net	215,000	-
Investments	3,163,395	2,951,101
Property & equipment, net	10,464,458	10,632,909
Total assets	\$ 14,914,010	\$ 14,683,876
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 407,297	\$ 188,469
Funds held in trust for others	114,154	97,071
Tuition & fees paid in advance	357,552	568,860
Total liabilities	879,003	854,400
Net assets:		
Unrestricted	10,757,707	10,837,492
Temporarily restricted	625,715	352,784
Permanently restricted	2,651,585	2,639,200
Total net assets	14,035,007	13,829,476
Total liabilities & net assets	\$ 14,914,010	\$ 14,683,876

Statements of Activities**YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Operating revenues:		
Tuition income, net	\$ 4,344,699	\$ 3,950,478
Catholic Schools Assistance Fund grants	419,400	462,400
Student fees & other operating revenues	507,085	500,436
Total operating revenue	5,271,184	4,913,314
Operating expenses		
Educational salaries & direct expenses	3,525,641	3,449,823
Facilities & educational administration	1,806,584	1,724,217
Support & administration	350,204	318,061
Total operating expenses	5,682,429	5,492,107
Loss from operations	(411,245)	(578,787)
Non-operating support & expenses:		
Grants & other contributions	335,007	296,768
Special events, net of expenses	265,453	203,283
Investment income, net	287,578	28,299
Development, fundraising & other expenses	(271,262)	(281,688)
Net non-operating support	616,776	246,662
Decrease in net assets	\$ 205,531	\$ (332,125)

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 12. 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 Catholic citizens and as members of this academic community of faith. For the school year ending June 30, 2013, BMHS graduated 92 seniors who were awarded merit-based scholarships totaling approximately \$4.7 million.

During fiscal 2013, BMHS celebrated the remarkable continuing accomplishment that 100 percent of its graduating senior class gained admission to colleges and universities nationwide. For the current school year that began in August 2013, BMHS is educating 353 students.

BMHS's loss from operations totaled \$525,690 for fiscal 2013. Actual enrollment for the 2012/2013 school year ended at 350 students. For fiscal 2012, the operating loss totaled \$594,420 and actual enrollment for the 2011/2012 school year was 358 students.

The decrease in operating loss for fiscal 2013 is due to an increase in operating revenues from an increase in tuition rates combined with a decrease in operating expenses resulting from lower than anticipated personnel costs and general expenses.

The 2013 loss from operations at BMHS includes

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 126,909	\$ 108,955
Cash & short-term investments held in trust or restricted	644,477	934,181
Total cash & short-term investments	771,386	1,043,136
Tuition receivable, net	4,490	25,730
Prepaid expenses & other assets	30,042	24,243
Contribution receivables	52,005	83,450
Property & equipment, net	8,044,665	8,110,161
Total assets	\$ 8,902,588	\$ 9,286,720
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 396,244	\$ 302,299
Due to other related entities	250,563	411,761
Tuition & fees paid in advance	62,494	59,089
Funds held in trust for others	402,888	402,888
Note payable to Archdiocese	1,112,189	1,176,037
Total liabilities	2,224,378	2,352,075
Net assets:		
Unrestricted	7,130,992	7,140,658
Temporarily restricted	659,407	970,025
Total net assets	7,790,399	8,110,683
Total liabilities & net assets	\$ 8,902,588	\$ 9,286,720

Statements of Activities**YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Operating revenues:		
Tuition income, net	\$ 2,750,336	\$ 2,668,433
Catholic Schools Assistance Fund grants	229,000	238,400
Student fees and other operating revenues	356,051	374,562
Total operating revenue	3,335,387	3,281,395
Operating expenses		
Educational salaries & direct expenses	2,028,065	2,018,513
Facilities & educational administration	1,410,622	1,430,016
Support & administration	422,390	427,286
Total operating expenses	3,861,077	3,875,815
Loss from operations	(525,690)	(594,420)
Non-operating support and expenses:		
Capital campaign, net	-	35,023
Grants & other contributions	217,464	216,288
Special events, net of expenses	106,510	89,432
Investment & other income	3,918	4,290
Development, fundraising & other expenses	(122,486)	(118,005)
Net non-operating support	205,406	227,028
Increase (Decrease) in net assets	\$ (320,284)	\$ (367,392)

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, 36 parish schools and two high schools educated 9,564 students during the school year ended in June 2013. 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 2012-2013 school year, Catholic schools and related educational ministry programs of the Archdiocese received more than \$6.1 million in grants and other support through the Catholic School Assistance Fund (CSAF) into which each parish contributes, the 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.

YEARS ENDED JUNE 30

Funding Sources	2012 (Actual)	2013 (Actual)	2014 (Projected)
Archdiocese of Denver	\$ 609,400	\$ 598,631	\$ 564,262
The Catholic Foundation	680,000	665,000	616,000
Seeds of Hope	1,456,335	1,481,214	1,380,950
Catholic Schools Assistance Fund	3,287,300	3,379,600	3,469,800
Total	\$ 6,033,035	\$ 6,124,445	\$ 6,031,012

To learn more about the Archdiocese of Denver Catholic Schools, visit www.archden.org/index.cfm/id/44.

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 15,000 students with more than \$24.5 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 primarily supports the Catholic elementary schools that serve low-income, high-risk populations. While Seeds of Hope focuses on five Schools in Urban Neighborhoods (S.U.N.) and six Focus schools, during the 2012-2013 school year, assistance was provided to students in 29 elementary and high schools in northern Colorado. During the year ended June 30, 2013, Seeds of Hope provided nearly \$1.5 million of assistance to nearly 950 students.

In fiscal 2013, Seeds of Hope's net assets increased by \$533,004 as compared to a decrease in net assets of \$452,663 in fiscal 2012. This change is primarily attributable to favorable investment returns in 2013 as compared to 2012.

Seeds of Hope is fortunate to maintain various endowment funds, providing long-term stability for the

organization and the schools served, totaling more than \$7.6 million as of June 30, 2013. To maintain the organization's security, the annual spending restrictions of the endowment funds limit the amount of grant awards that can be made in any given year. Ongoing fundraising efforts and financial support are essential to provide much

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 1,679,312	\$ 1,405,097
Parish assessments receivables, net	48,935	47,324
Contribution receivables	280,024	433,991
Restricted investments	7,901,804	7,487,494
Other assets, net	5,107	7,939
Total assets	\$ 9,915,182	\$ 9,381,845
Liabilities & net assets:		
Accounts payable & accruals	\$ 29,288	\$ 28,955
Total liabilities	29,288	28,955
Net assets:		
Unrestricted	1,513,578	1,294,533
Temporarily restricted	679,994	723,851
Permanently restricted	7,692,322	7,334,506
Total net assets	9,885,894	9,352,890
Total liabilities & net assets	\$ 9,915,182	\$ 9,381,845

needed tuition assistance on an annual basis. Visit www.seedsofhopetrust.org for more information and to donate.

Statements of Activities

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support and revenue:		
Gifts and grants, net	\$ 811,339	\$ 656,680
Special events, net	556,697	570,354
Parish assessments	260,840	256,486
Total support & revenue	1,628,876	1,483,520
Expenses		
Grants to schools and students	1,402,125	1,371,277
Grant making expenses	79,089	85,058
Total program expenses	1,481,214	1,456,335
Supporting services		
Management and general	141,415	115,498
Development and fundraising	173,621	206,346
Total supporting services	315,036	321,844
Total expenses	1,796,250	1,778,179
Loss from operations before investment return	(167,374)	(294,659)
Investment income (loss), net	700,378	(158,004)
Increase (decrease) in net assets	\$ 533,004	\$ (452,663)

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 began offering funeral services in 1981 to the Catholic community of northern Colorado. It was established by the archdiocese 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 fiscal 2013 and 2012, the mortuary provided funeral services to 598 and 590 families, respectively. Included in these numbers are services to county social services offices for 97 cases in 2013 and 106 cases in 2012. Accordingly, the mortuary contributed more than \$307,000 in care services to the poor and their families in 2013.

Income from operations during fiscal 2013 of \$40,954 combined with investment income of \$1,819,893 resulted in a significant increase in net assets as compared to 2012. Overall, income from operations of \$40,954 in 2013 was down from the comparable amount in 2012 due to an increase of approximately \$90,000 in bad debt expense during fiscal 2013 due to concerns about

collection risk from various customer accounts receivable. In addition, the mortuary's board continued its

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 1,361,401	\$ 1,282,012
Accounts receivable, net	1,287,865	1,359,874
Prepaid expenses & other	81,335	61,933
Restricted investments	18,224,186	16,048,477
Property & equipment, net	59,663	47,780
Total assets	\$ 21,014,450	\$ 18,800,076
Liabilities & net assets:		
Accounts payable & accrued liabilities	\$ 183,442	\$ 146,893
Pre-need trust	10,495,238	10,178,260
Total liabilities	10,678,680	10,325,153
Net assets:		
Unrestricted	10,335,554	8,474,707
Temporarily Restricted	216	216
Total Net Assets	10,335,770	8,474,923
Total liabilities & net assets	\$ 21,014,450	\$ 18,800,076

long-standing tradition of funding other ministry programs in the archdiocese when it approved respective grants of \$81,000 and \$119,000 (\$200,000 in total) to St. John Vianney and Redemptoris Mater seminaries in fiscal 2013 as compared to respective grants of \$31,000 and \$69,000 in fiscal 2012 (\$100,000 in total).

Statements of Activities

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Mortuary sales	\$ 2,866,995	\$ 2,732,244
Miscellaneous	3,124	3,702
Total support & revenue	2,870,119	2,735,946
Expenses:		
Mortuary operating expenses	2,142,832	2,124,771
Gifts & grants	200,000	100,000
Support & administrative expenses	486,333	354,628
Total expenses	2,829,165	2,579,399
Income from operations before investment return	40,954	156,547
Investment income, net	1,819,893	99,063
Increase in net assets	\$ 1,860,847	\$ 255,610

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 restricted 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 sale to others primarily consists of gravestones, 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 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.

Statement of activities. Reports the amount of change in net assets for a period of time. Revenues, expenses, gains, 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.

MOUNT OLIVET CEMETERY ASSOCIATION

Mount Olivet Cemetery Association (Mount Olivet) is a Colorado nonprofit corporation 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 2013 and 2012, Mount Olivet provided burial services to 1,570 and 1,623 families, respectively. Included in the funeral services data above are services to county social services offices for 267 cases in 2013 and 372 cases in 2012. Accordingly, Mount Olivet contributed more than \$722,000 in care services to the poor and their families in fiscal 2013.

The loss from operations of \$132,221 in 2013 reflects a decline of approximately \$218,000 from the comparable amount in fiscal 2012. This decrease is primarily attributable to an increase of approximately \$226,000 in bad debt expense due to concerns about the collection risk on various customer accounts receivable.

The increase in investment returns in fiscal 2013 was the primary reason for the increase in net assets during fiscal 2013. Overall, the increase in net assets declined from the prior year's comparable amount due to the non-recurrence of the contribution for debt forgiveness which occurred in 2012 (see Cemeteries Perpetual Care Trust).

Mount Olivet's board continued its longstanding tradition of funding other ministry programs in the archdiocese when it approved respective grants of \$203,000 and \$297,000 (\$500,000 in total) to St. John Vianney and

Redemptoris Mater seminaries in fiscal 2013 as compared to respective grants of \$157,000 and \$343,000 (\$500,000 in total) in fiscal 2012.

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 3,820,066	\$ 3,186,083
Inventories	2,544,961	2,746,259
Accounts receivable, net	2,375,637	2,945,135
Note receivable from St. Simeon	1,259,077	1,170,555
Restricted investments	9,821,351	8,531,250
Property & equipment, net	2,948,101	3,052,829
Total assets	\$ 22,769,193	\$ 21,632,111
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 258,080	\$ 213,137
Pre-need trust	5,792,189	5,525,380
Total liabilities	6,050,269	5,738,517
Net assets:		
Unrestricted	16,718,924	15,893,594
Total liabilities & net assets	\$ 22,769,193	\$ 21,632,111

Statements of Activities YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Cemetery sales	\$ 4,377,182	\$ 4,335,811
Miscellaneous support, net	139,881	164,299
Rental & miscellaneous income	204,695	209,429
Total support & revenue	4,721,758	4,709,539
Expenses:		
Gifts & grants	500,000	500,000
Cemetery operating costs	3,413,974	3,415,695
Support & administrative expenses	940,005	707,849
Total expenses	4,853,979	4,623,544
Income (loss) from operations before investment return & contributions	(132,221)	85,995
Contribution for debt forgiveness	-	2,229,936
Investment income, net	957,551	40,837
Increase in net assets	\$ 825,330	\$ 2,356,768

ST. SIMEON CEMETERY ASSOCIATION

St. Simeon Cemetery (St. Simeon), located in Aurora, is a Colorado nonprofit corporation established in 2000. St. Simeon provided burial services to 86 families in fiscal 2013 and 91 fiscal 2012. Of these burial services, social service cases totaled 53 and 60 in fiscal 2013 and fiscal 2012 respectively. In essence, St. Simeon contributed more than \$157,000 in care services to the poor and their families in 2013.

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. This year's operating loss reflects a \$29,000 decline from the prior year due to a decline in sales. Careful monitoring of operating costs continues to be a priority of management of St. Simeon.

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, 2013, and 2012, the cemeteries did not contribute to the Perpetual Care Trust based on management's analysis of the adequacy of such funding.

In accordance with the purpose of the trust, the trust funded various renovation costs of approximately \$161,000 at both Mount Olivet and St. Simeon cemeteries in 2013 as compared to approximately \$167,000 in fiscal 2012. In addition, during fiscal 2010 and 2011, the trust provided financing to Mount Olivet Cemetery to fund the construction of the St. Francis of Assisi Mausoleum. After careful consideration, the trustees elected to forgive the balance due on the note obligation of \$2.2 million in December 2011. This contribution was reflected as gifts and grants in the trust's financial statements in fiscal 2012.

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 757	\$ 1,000
Accounts receivable, net of allowances	64,475	97,503
Inventories & prepaid assets	824,039	837,542
Investments	104,166	94,264
Property & equipment, net	4,016,498	4,085,658
Total assets	\$ 5,009,935	\$ 5,115,967
Liabilities & net assets:		
Accounts payable	\$ 22,120	\$ 10,324
Note payable to Mt. Olivet	1,259,077	1,170,555
Pre-need trust	110,585	100,188
Total liabilities	1,391,782	1,281,067
Net assets:		
Unrestricted	3,614,048	3,830,795
Temporarily restricted	4,105	4,105
Total net assets	3,618,153	3,834,900
Total liabilities & net assets	\$ 5,009,935	\$ 5,115,967

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 51,664	\$ 254,145
Prepaid expenses	1,914	1,975
Note receivable	-	-
Restricted investments	13,300,291	12,005,978
Total assets	\$ 13,353,869	\$ 12,262,098
Liabilities & net assets:		
Accounts payable	\$ 21,423	\$ 7,626
Other liabilities	-	-
Total Liabilities	21,423	7,626
Net assets:		
Unrestricted	13,332,446	12,254,472
Total liabilities & net assets	\$ 13,353,869	\$ 12,262,098

Statements of Activities YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Investment income, net	\$ 1,271,798	\$ 66,668
Loan Interest	-	32,500
Total Support & revenue	1,271,798	99,168
Expenses:		
Gifts & grants	160,660	2,396,224
Support & administrative expenses	33,164	21,857
Total expenses	193,824	2,418,081
Increase (decrease) in net assets	\$ 1,077,974	\$ (2,318,913)

Statements of Activities YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Support & revenue:		
Cemetery sales	\$ 394,113	\$ 466,551
Grants & Contributions	20,889	2,885
Investment loss, net	(208)	(235)
Other income	4,650	78
Total support & revenue	419,444	469,279
Expenses:		
Cemetery operating costs	459,607	464,601
Support & administrative expenses	176,584	192,433
Total expenses	636,191	657,034
Decrease in net assets	\$ (216,747)	\$ (187,755)

SPECIAL COLLECTIONS

Contributions to special collections provide 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.

Such contributions are not reflected in the Statement of Activities for the Archdiocese of Denver-Chancery (see Page B2) 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, 2013 AND 2012

	2013	2012
Special collections, net of fees:		
International / National Combined Collections	\$ 1,071,183	\$ 1,178,629
Catholic Campaign for Human Development	27,040	27,632
Religious Retirement Collections	170,207	123,179
Combined Mission Collections	413,084	477,577
Total	\$ 1,681,514	\$ 1,807,017

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 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 2013, the management corporation's change in net assets decreased by approximately \$208,000 from fiscal 2012. This decrease was attributable to a decline in service fees charged to the archdiocese combined with an increase in support and administrative expenses of approximately \$300,000. This expense increase was due to modest salary increases combined with an increase in consulting expenses for information technology initiatives. Significant services provided by the management corporation during fiscal 2013 included the following:

Construction management services for parishes and related ecclesiastical entities involved the oversight of 39 new projects with an estimated value of \$24.3 million in fiscal 2013 as compared to 34 projects valued at \$9.7 million in fiscal 2012. In fiscal 2013, 44 construction projects were completed within northern Colorado with a value of approximately \$23.2 million as compared to 39 projects valued at \$17.8 million in fiscal 2012.

Real estate services for the archdiocese, parishes and related ecclesiastical entities in fiscal 2013 included the purchase of five new properties, valued at approximately \$4.0

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ -	\$ -
Prepaid expenses & other assets	179,520	79,074
Accounts & other receivables, net	27,650	221,566
Due from other related entities & parishes	188,676	97,517
Property & equipment, net	702,399	754,552
Total assets	\$ 1,098,245	\$ 1,152,709
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 700,803	\$ 546,738
Funds held in trust for others	-	-
Due to other related entities	25,367	23,567
Total liabilities	726,170	570,305
Net assets	372,075	582,404
Total liabilities & net assets	\$ 1,098,245	\$ 1,152,709

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, and in furtherance thereof: "Operate to provide a secure means for the parishes within the archdiocese and other related ecclesiastical organizations to support one another by depositing surplus funds with the trust, which funds can be loaned to parishes and related ecclesiastical organizations for the repair, renovation and construction of facilities, the purchase of real estate and, in limited circumstances, to fund operations. Furthermore the trust will support the operations and activities of the Catholic Church in northern Colorado by investing and managing deposits and crediting interest thereon."

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. 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 currently pays a very competitive rate of .50 percent to depositors on their savings accounts held in the trust. Such deposits have no restrictions as to terms, require no minimum balances nor contain early-withdrawal penalties.

Net interest income increased from \$832,387 in fiscal 2012 to \$924,990 in 2013. However, the trust recognized both realized and unrealized gains (losses) from its investment portfolio of \$344,187 during fiscal 2013 as compared to \$110,478 during the prior fiscal year. The trust

continues to invest in low risk, very conservative short-term fixed-income funds. The trust has no exposure to equity stock holdings. Unfortunately, the trust's conservative investment strategy does not mean it's immune to market volatility, which can cause losses in a rising interest rate environment.

The Offices of the Controller and Parish Finance of the Archdiocese of Denver Management Corporation provided significant assistance to the Revolving Fund Trust Management Committee (the management committee). The trust approved five new loans to parishes totaling approximately \$1.4 million in fiscal 2013 as compared to eight new loans totaling approximately

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 15,906,388	\$ 7,060,249
Prepaid expenses & other	266	266
Loans receivable	17,858,650	19,149,439
Investments	22,656,842	17,497,145
Total assets	\$ 56,422,146	\$ 43,707,099
Liabilities & net assets:		
Due to related entities & other	\$ 40,208	\$ 25,598
Saving deposits	50,873,288	38,542,762
Total liabilities	50,913,496	38,568,360
Net assets:		
Unrestricted	5,508,650	5,138,739
Total liabilities & net assets	\$ 56,422,146	\$ 43,707,099

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 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 Risk Management Trust'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. During fiscal 2013, the Risk Management Trust processed 151 worker's compensation claims, valued at nearly \$680,000 and 85 property and casualty insurance claims totaling approximately \$750,000 (excluding the Camp St. Malo claims). During fiscal 2012, 138 workers' compensation claims totaling approximately \$1.0 million and 121 property and casualty claims totaling approximately \$1.0 million were processed.

The Risk Management Trust increased its net assets

Statements of Financial Position

	As of June 30,	
	2013	2012
Assets:		
Cash & cash equivalents	\$ 3,461,844	\$ 5,649,221
Prepaid expenses & other assets	27,709	77,435
Accounts receivable	35,555	35,555
Due from parishes & other related entities, net	376,851	410,715
Investments	2,984,081	-
Property & equipment, net	1,177	804
Total assets	\$ 6,887,217	\$ 6,173,730
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 125,730	\$ 143,707
Due to other related entities	-	-
Claims payable	505,983	465,002
Total liabilities	631,713	608,709
Net assets:		
Unrestricted	6,255,504	5,565,021
Total liabilities & net assets	\$ 6,887,217	\$ 6,173,730

million, the sale of eight real estate parcels valued at approximately \$2.9 million, and 62 leasing transactions, valued at approximately \$1.9 million. In addition the real estate office assisted in one property donation valued at \$0.8 million.

The Offices of Parish Finance and Internal Audit continued to assist the Office of Catholic Schools in monitoring parish schools. Assistance included the preparation of a stewardship report to pastors summarizing the results of Catholic School's Assistance Fund program. Effective, July 1, 2013, the scope of internal audit procedures was expanded to also include the largest parishes in the archdiocese.

Statements of Activities

	YEARS ENDED JUNE 30, 2013 AND 2012	
	2013	2012
Support & revenue:		
Management & service fees	\$ 5,545,113	\$ 5,917,322
Other income	275,080	-
Total support & revenue	5,820,193	5,917,322
Expenses:		
Support & administrative expenses	6,030,522	5,737,507
Write-off of impaired assets	-	181,496
Total expenses	6,030,522	5,919,453
Decrease in net assets	\$ (210,329)	\$ (2,131)

\$2.7 million in fiscal 2012.

On April 30, 2013, with the approval of the board of directors of the Archdiocese of Denver Management Corporation (the management corporation) and the management committee, the Trust Agreement was amended. There was no alteration to the purpose of the trust. However, the Trust Agreement now specifically incorporates the concept of liquidity and capital reserve requirements so as to assure the trust maintains appropriate capital and liquidity standards to ensure it is financially stable and can meet its ongoing obligations to the depositors of the trust.

Statements of Activities

	YEARS ENDED JUNE 30, 2013 AND 2012	
	2013	2012
Interest income:		
Loans	\$ 621,947	\$ 576,951
Investments	510,638	440,710
Total interest income	1,132,585	1,017,661
Interest expense	207,595	185,274
Net interest income	924,990	832,387
Realized and unrealized gains (losses) from investments, net	(344,187)	(110,478)
Other expenses, net:		
Trustee fees	65,364	58,673
Parish assistance fund grants	60,000	-
General & administrative expenses	85,528	107,179
Total other expenses	210,892	165,852
Increase in net assets	\$ 369,911	\$ 556,057

by \$690,483 during fiscal 2013. This increase is primarily attributable to premiums exceeding claims. Overall, the Risk Management Trust experienced a decline of more than \$700,000 in operating income from fiscal 2012. Specifically, the Risk Management Trust realized an increase in premium costs and experienced unfavorable claims experience under both its property and workers' compensation insurance programs.

Statements of Activities

	YEARS ENDED JUNE 30, 2013 AND 2012	
	2013	2012
Support & revenue:		
Self insurance premiums & insurance billings	\$ 4,974,294	\$ 5,000,575
Investment income	(12,970)	4,061
Miscellaneous, net	2,505	1,079
Total support & revenue	4,963,829	5,005,715
Expenses:		
Self insurance claims, premiums, settlements & other costs	3,884,450	3,255,245
Support & administrative expenses	388,896	350,027
Total expenses	4,273,346	3,605,272
Increase in net assets	\$ 690,483	\$ 1,400,443

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, St. John Vianney Theological Seminary, Redemptoris Mater Archdiocesan Missionary Seminary, Our Lady of Mercy Convent and the Cardinal Stafford Theological Library, which contains 150,000

Statements of Financial Position

As of June 30,

	2013	2012
Assets		
Property & equipment, net	\$ 2,441,473	\$ 2,454,243
Liabilities & net assets:		
Liabilities	\$ -	\$ -
Unrestricted net assets	2,441,473	2,454,243
Total liabilities & net assets	\$ 2,441,473	\$ 2,454,243

CAMP ST. MALO RELIGIOUS RETREAT AND CONFERENCE INC.

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

As previously reported, a significant fire occurred at the center on Nov. 14, 2011. 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 located on the grounds of Camp 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.

More recently, in September 2013, the center was impacted again from the significant rainstorms and flooding that occurred in northern Colorado. Specifically, a mudslide beginning at Mount Meeker swept down the mountain, the National Park and forestry lands onto the center's property, causing significant damage to the natural terrain and beauty of the property. The long-term impact to the property is unknown at this time, but the clean-up, mitigation and restoration efforts are under review and investigation. Those efforts will be significant.

Since November 2011, St. Malo has been closed. Management of St. Malo, with the assistance of the Management Corporation, is now handling various property issues as a result of the mudslide and is also evaluating options as to the best utilization of the property going forward, including the propriety of re-building a new retreat and conference center facility and repairing the guest lodging at the existing site or rebuilding elsewhere. In fact, the site initially under consideration, if rebuilding

at St. Malo was determined to be prudent, was in the path of the mudslide.

During fiscal 2012, Camp St. Malo recorded a loss of \$2,108,759 representing the impairment in value to the property and equipment impacted by the fire. In addition, Camp St. Malo incurred other costs related to securing the property, clean-up efforts and other related costs. Such costs totaled \$93,740 during fiscal 2012 and were expensed. Likewise, certain clean-up costs incurred at the facility in fiscal 2012 were approved and paid directly by the insurance carriers. In 2013, Camp St. Malo received additional insurance reimbursements for costs incurred during the clean-up efforts in 2012.

While significant impairment losses were recognized during fiscal 2012, management of Camp St. Malo

Statements of Financial Position

As of June 30,

	2013	2012
Assets:		
Cash & cash equivalents	\$ 322,256	\$ -
Investments	10,463,233	-
Property & equipment, net	136,967	755,465
Total assets	\$ 10,922,456	\$ 755,465
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 41,029	\$ 44,496
Net assets:		
Unrestricted net assets	10,881,427	710,996
Total liabilities & net assets	\$ 10,922,456	\$ 755,465

ARCHDIOCESE OF DENVER WELFARE BENEFITS TRUST

The Archdiocese of Denver Welfare Benefits Trust (Welfare Benefits Trust) provides access to quality health care to approximately 1,715 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 third-party 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

Statements of Financial Position

As of June 30,

	2013	2012
Assets:		
Cash & cash equivalents	\$ 5,810,425	\$ 6,527,572
Short term investments	-	8,893,935
Total cash & short term investments	5,810,425	15,421,507
Prepaid expenses & other assets	5,000	5,000
Accounts receivable - other	182,464	79,395
Investments	7,957,550	-
Due from parishes & other related entities, net	213,776	265,750
Total assets	\$ 14,169,215	\$ 15,771,625
Liabilities & net assets:		
Accounts payable	\$ 147,086	\$ 155,324
Claims payable	2,022,000	1,751,000
Total liabilities	2,169,086	1,906,324
Net assets:		
Unrestricted	12,000,129	13,865,328
Total liabilities & net assets	\$ 14,169,215	\$ 15,771,625

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.

For both fiscal 2013 and 2012, the increases in our medical and prescription premiums were 0 percent. Unfortunately, the Welfare Benefits Trust experienced unfavorable claims experience commencing during the second quarter of 2013 leading to a decrease in net assets of \$1.9 million for fiscal 2013 as compared to an increase in net assets of \$761,767 in fiscal 2012. In its evaluation of the renewal for the fiscal 2014 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 and to preserve and enhance current employee benefit levels as much as possible. It was determined that a medical premium increase of 0 percent across all plans (medical / pharmacy, dental, vision and

Statements of Activities

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenue:		
Self insurance premiums & insurance	\$ 19,070,294	\$ 18,825,357
Investment & other income	(28,857)	23,099
Total revenue	19,041,437	18,848,456
Expenses:		
Self insurance claims, premiums, costs	20,322,341	17,697,031
Support & administrative expenses	584,295	389,658
Total expenses	20,906,636	18,086,689
(Decrease) increase in net assets	\$ (1,865,199)	\$ 761,767

volumes and is considered the finest such theological resource between Chicago and Los Angeles.

Statements of Activities

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenue:		
Grants & contributions	\$ -	\$ -
Total revenue	-	-
Expenses:		
Program expenses - Depreciation	12,770	12,769
Decrease in net assets	\$ (12,770)	\$ (12,769)

successfully concluded negotiations with its insurance carrier in the winter of 2012/2013. In doing so, it received a preliminary insurance settlement of approximately \$10.7 million. For financial reporting purposes, this settlement 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), Camp St. Malo recorded approximately \$11.2 million in insurance reimbursements in 2013 attributable to the fire. Additional insurance proceeds may be available pending the decision to rebuild.

Statements of Activities

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenue:		
Support revenues	\$ 3,200	\$ 10,464
Investment loss	(36,767)	-
Total revenue, net	(33,567)	10,464
Expenses:		
Administrative & other	387,566	168,865
Operating loss before non-operating support & write-down of impaired assets	(421,133)	(158,401)
Contributions from archdiocese & others	10,000	167,463
Write down of impaired assets	(660,000)	(2,108,759)
Insurance recoveries	11,241,564	-
Increase (decrease) in net assets	\$ 10,170,431	\$ (2,099,697)

life insurance) should be implemented for the premiums paid to the trust for the third consecutive year. While the committee carefully considered the negative trends in healthcare claims, it was able to limit such increases based on the adequacy of the Welfare Benefits Trust's existing cash and investment reserves. *Nevertheless, the committee has forewarned the parishes and other participating entities of the respective dioceses that "based on a recent increase in medical claims combined with the impact of new federal legislation, the committee anticipates increases in our medical premiums going forward. As you forecast such costs for fiscal 2015 and beyond, please consider increases of 5.0 percent to 10.0 percent to be the norm going forward."*

The trustees of the plan communicated with the pastors and administrators, parish business managers, school principals and other officers of participating ecclesiastical organizations to stress the ongoing need to adhere to the guidance that has and will continue to be provided by the plan administrator or, risk jeopardizing the plan's grandfathered status. In addition, the Welfare Benefit Trust held its first open enrollment since 2003 to allow all benefit eligible participants to elect our medical, vision, and dental coverage for themselves and their families.

The various benefit plans (e.g. medical, dental and other) sponsored, operated and maintained under the Welfare Benefits Trust are self-funded church medical benefits plans that are currently "grandfathered plans" under the Patient Protection and Affordable Care Act (PPACA), which was signed into law by the president on March 23, 2010. Accordingly, these plans are currently not subject to certain requirements of the PPACA, and are exempt from the regulations promulgated by the United States Department of Health and Human Services regarding mandatory provision of contraceptive services. Maintaining grandfathered status is a priority of the plan administrator, although there is no assurance that can be achieved over time.