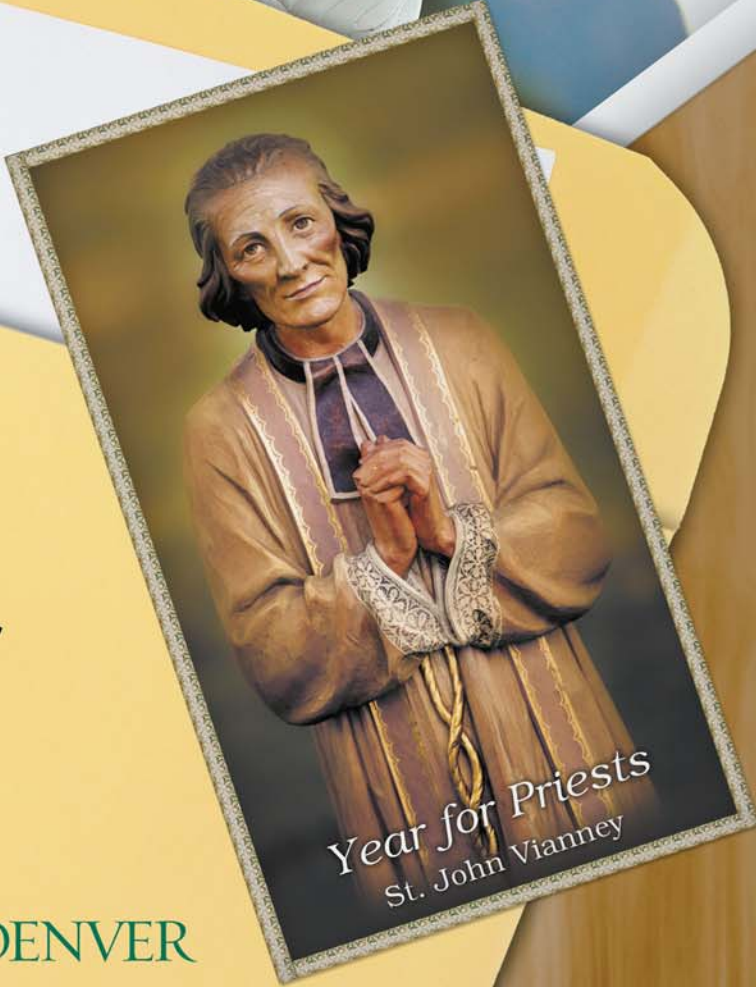




2009
Financial
Report



Year for Priests
St. John Vianney



ARCHDIOCESE OF DENVER

www.archden.org

LETTER FROM THE BISHOPS

Dear Friends in Christ,

"Faithfulness in Christ, Faithfulness in Priests" is an appropriate theme for this year's annual financial report. Pope Benedict XVI, has proclaimed this the Year for Priests in order "to encourage priests in ... striving for spiritual perfection on which, above all, the effectiveness of their ministry depends." With that in mind, we invite you to take a few minutes to read this report. Underlying its information is the good news of how God continues to work so powerfully through the parishioners of northern Colorado, inspiring His people to greater levels of generosity and service. Further, we are so thankful for your ongoing support of the parishes, the schools and the many charitable, educational and missionary apostolates of the archdiocese.

Our continued success is aided by prayer and the hard work of the many priests, deacons and religious who serve the archdiocese in the 143 parishes and missions, our two high schools and in many other social service agencies and entities serving northern Colorado. During this past year, we had the privilege of ordaining five men for the priesthood who will serve in the Archdiocese of Denver, four transitional deacons were ordained who will become priests in the coming years and nine permanent deacons. Our two seminaries—St. John Vianney Theological Seminary and Redemptoris Mater Archdiocesan Missionary Seminary—have, once again, seen a modest growth in enrollment. Total enrollment at the seminaries was 112 men in August 2009, compared to 106 men in August 2008. We are also very pleased with the continued growth of the St. Francis School of Theology for Deacons, which is widely regarded as one of the best permanent diaconate programs in the United States. Presently, we have 190 deacons serving within the archdiocese.

Education of Our Children and Adults

The education of our young people continues to be one of our most critical missions. The Archdiocese of Denver has a proud history of evangelization through education. The cost of providing for this mission sometimes outpaces the resources of many of our families. Even so, substantial financial assistance is made possible through such noteworthy organizations as The Seeds of Hope Charitable Trust, The Catholic Foundation, the many parishes throughout the archdiocese without schools and, of course, the 37 parish communities themselves who directly support a parish school. This year, we have devoted a separate section of this report to the state of our Catholic schools. Needless to say, we must continue to strive to make Catholic education available to as many families as possible, regardless of their financial resources, through increased fundraising efforts and a greater commitment on the

part of the entire Catholic community.

Happily, our faith formation programs continue to expand through the 25 counties of northern Colorado with enrollment in our parish schools and two archdiocesan high schools remaining steady with more than 10,000 students attending and more than 32,000 children and adults taking part in parish or archdiocesan-based religious education programs, which include the Catholic Biblical School and the Catechetical School.

Stewardship of God's Gifts

The faithful of the archdiocese continued to contribute in so many positive ways. While donations to the current Archbishop's Catholic Appeal campaign are down after setting records in 2008, The Seeds of Hope

Charitable Trust raised more than \$1 million in a special campaign in 2009 for tuition assistance for both inner-city and other schools. In addition, St. John Vianney Seminary received from The Catholic Foundation a \$4.3 million grant derived from donations raised from the faithful. In spite of these difficult economic times, parish offertories during 2009, in total, remained consistent with collections in 2008.

In order to continue to improve our parish financial governance and procedures, we provided training to the pastors, business managers and members of the parish finance councils in each deanery in northern Colorado.

The archdiocese manages our resources in order to properly steward your generosity. Obviously, the downturn in financial markets and local, national and world economies has impacted our investments and our overall financial results. Nevertheless, we believe our investment strategies, carefully monitored by our investment committee(s) and, in turn, the Archdiocesan Finance Council, are sound and will serve the work of the Church for years to come.

Ongoing Initiatives

In 2009, we began work on a major effort to integrate all our people—Latino and non-Latino—into one mutually supportive Catholic community with the help of a large donation for this specific project. We are pleased to announce the creation of a formal program called "One Family Under God," which will be implemented within the pastoral offices of the archdiocese itself and at five parishes spread throughout northern Colorado during 2010. Based on lessons learned from these pilot efforts, we intend to broaden the program to other parishes and agencies within the archdiocese in the years to come.

The Office of Communications introduced a new archdiocesan Web site, www.archden.org, and created a

new cover design for the *Denver Catholic Register*. We continue to develop our communications strategies to include multimedia, such as Internet video streaming for major events, online audio recordings of lectures and homilies, and engagement in online social networking Web sites.

Safety of Our Children

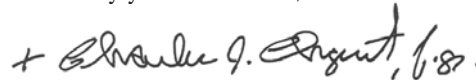
We remain vigorously committed to the safety of our children and young people. A separate office oversees compliance with the Safe Environment Program throughout the archdiocese.

As of the date of this report, we continue to work on resolving the five remaining lawsuits involving allegations of past sexual abuse by three priests between 1962 and 1970. Resolution of these remaining cases, four of which arose after settlements were reached in most other cases in July of 2008, will require the continued use of archdiocesan resources. As stated in the past, no funds from the Archbishop's Catholic Appeal are, or will be, used for litigation-related payments and/or legal defense costs in these cases.

Despite the challenges we face, we look forward with confidence. The archdiocese is financially sound and poised for the future. We are very grateful to 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. We are grateful to the many employees of the parishes, the schools, the seminaries and the cemeteries, the Pastoral Center and all of the related entities and agencies throughout the Archdiocese of Denver for their dedication. We acknowledge the many sacrifices of these dedicated people, especially in view of a 2009 suspension of salary increases occasioned by the lean economy.

Thank you for your continuing financial generosity to the various ministries of the archdiocese. Our gratitude is even greater this year, when so many have been burdened by the economic downturn. Never has the need for outreach by the various archdiocesan parishes, entities and agencies been more vital than during these tough economic times.

Gratefully yours in Christ,


Most Rev. Charles J. Chaput, O.F.M. Cap.
Archbishop of Denver


Most Rev. James D. Conley, S.T.D.
Auxiliary Bishop of Denver



MOST REVEREND
Charles J. Chaput,
O.F.M. Cap.



MOST REVEREND
James D. Conley

YEAR FOR PRIESTS / JUNE 19, 2009 - JUNE 19, 2010

PLEASE PRAY FOR PRIESTS

Dear Lord,

We pray that the Blessed Mother wrap her mantle around your priests and through her intercession strengthen them for their ministry.

We pray that Mary will guide your priests to follow her own words,

"Do whatever He tells you" (Jn 2:5).

May your priests have the heart of St. Joseph, Mary's most chaste spouse.

May the Blessed Mother's own pierced heart

inspire them to embrace all who suffer at the foot of the cross. May your priests be holy, filled with the fire of your love seeking nothing but your greater glory and the salvation of souls. Amen.

St. John Vianney, pray for us.



ARCHDIOCESE OF DENVER

PRAYER PROVIDED BY USCCB SECRETARIAT FOR CLERGY, CONSECRATED LIFE AND VOCATIONS

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.

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 Charles J. Chaput, O.F.M. Cap.

The AFC provides policy guidance for the work of subcommittees. Currently, 15 individuals serve on the AFC, including 12 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 committees that are intended to advise the archbishop on significant financial matters.

Council members represent a broad cross section of Catholic senior 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 have served on their respective parish councils, Catholic agencies or other nonprofit boards of directors. It should also be noted the archdiocese 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 as well. The work of the four subcommittees of the AFC is an

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

While these 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 and the Priest Retirement and Lay Pension Committees** are also integral to the ongoing stewardship efforts of the Archdiocese of Denver.

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
William E. Keefe, Chair	John A. Ikard	Jennifer L. Neppel, CFA/CCM; Chair	William G. Trainor, CPA; Chair	James S. Harrington, Chair	Brooke B. Leer, Chair
Most Rev. James D. Conley	Brooke B. Leer	Mike W. Beermann	Stanley DiCicco	Rev. David Bluejacket	Karl Berg
Rev. Msgr. Thomas S. Fryar	Steve Markel	Rev. Msgr. Thomas S. Fryar	David A. Fantz, CPA	George Connolly	Robert Eck
Reid Godbolt	Jennifer L. Neppel	Kathleen M. Lutito, CFA	Rev. Msgr. Thomas S. Fryar	Peter Furstenberg	Rev. Msgr. Leo Horrigan
Lowell A. Hare	Michael L. O'Donnell	Larry Luchini, CFA	Elizabeth M. Sellyei, CPA	Sam N. Perry	Steve Roesinger
James S. Harrington	Michael J. Polakovic	Eric Zellweger, CFA	Heath Hill, CPA	Jennifer Reicher	Brian Soukup
David A. Holden	Jeff Schmitz			George Shaw	
	William G. Trainor			Walt Wostenberg	

GLOSSARY OF TERMS

The following glossary defines certain terminology and financial accounting concepts used in this report that are unique to the Church and other nonprofit organizations.

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 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.

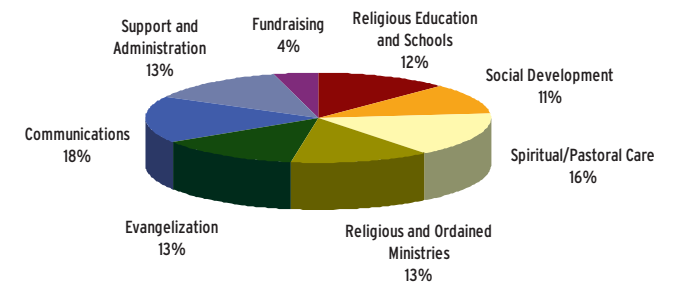
Temporary restrictions. A donor-imposed restriction that permits the archdiocese to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the archdiocese.

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

ARCHDIOCESE OF DENVER - CHANCERY



Distribution of Funds in Fiscal Year 2009



Statement of Financial Position

As of June 30,

	2009	2008
Assets:		
Cash & cash equivalents	\$ 7,985,803	\$ 8,926,060
Short term investments	2,731,939	2,664,935
Total cash & investments	10,717,742	11,590,995
Prepaid expenses & other assets	175,918	23,702
Notes, contributions & accounts receivable, net	20,236,389	21,454,380
Due from parishes & other related entities, net	659,747	1,009,728
Investments	15,814,236	17,839,635
Property & equipment, net	28,976,555	27,392,831
Total assets	\$ 76,580,587	\$ 79,311,271
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 1,451,195	\$ 1,955,472
Funds held in trust for others	1,136,962	796,857
Other liabilities	640,398	1,182,090
Notes & bonds payable	18,094,678	20,002,320
Total liabilities	21,323,233	23,936,739
Net assets:		
Unrestricted	\$ 45,255,292	\$ 44,847,332
Temporarily restricted	9,951,779	10,476,917
Permanently restricted	50,283	50,283
Total net assets	55,257,354	55,374,532
Total liabilities & net assets	\$ 76,580,587	\$ 79,311,271

Statement of Activities

ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Support:		
Archbishop's Catholic Appeal contributions, net	\$ 6,864,284	\$ 7,964,120
Parish assessments, net	6,118,526	5,898,746
Grants & contributions	2,436,377	4,496,065
Other support	86,518	83,268
Total support	15,505,705	18,442,199
Revenue:		
Advertising	878,409	938,209
Program & service, net	873,673	2,018,586
Investment income (loss), net	(719,506)	838,412
Other income	1,315,425	436,768
Total revenue	2,348,001	4,231,975
Total support & revenue	17,853,706	22,674,174
Expenses:		
Program expenses:		
Religious education & schools	1,828,646	2,939,057
Catholic communications	3,085,334	2,938,066
Social development & world peace	1,978,385	1,646,376
Spiritual & pastoral concerns	2,874,759	2,599,627
Religious & ordained ministries	1,316,052	1,400,719
Evangelization	2,192,980	2,174,211
Gifts & grants	1,617,926	4,518,712
Interest expense	627,345	768,970
Total program expenses	15,521,427	18,985,738
Support & administrative expenses:		
Support & administrative expenses	1,691,167	1,664,956
Development & fundraising	758,290	761,759
Total expenses	17,970,884	21,412,453
Increase (decrease) in net assets	\$ (117,178)	\$ 1,261,721

All ministries of the Archdiocese of Denver (the archdiocese and/or the Chancery), a Colorado nonprofit 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 Office of the Archbishop, his vicars, directors and others who collaborate in the administration and oversight of various archdiocesan programs.

The Archbishop's Catholic Appeal (ACA) has reflected a decrease in donations in 2009. The decrease in donations to the ACA campaign is due to a decline in the number of people pledging to this year's campaign combined with this year's campaign commencing in April of 2009, almost three weeks later than the 2008/2009 appeal. While the average pledge to this year's campaign has increased over last year, we have had a decline of almost 2,100 pledges from last year's total of 30,000 participants.

During the year ended June 30, 2009, the Chancery realized an increase in parish assessments. This increase in parish assessments is directly attributable to the continued growth in parishioners' donations to their local parishes throughout northern Colorado for the fiscal year ending June 30, 2008, the measurement date for which the 2009 annual parish assessments were calculated. Based on recent compilations of parish offertory trends through June 30, 2009, total parish assessments in 2010 are anticipated to be consistent with 2009.

Grants and contribution revenues decreased by almost \$2.1 million in 2009, as compared to 2008. This decrease primarily reflects the non-recurrence of contributions from Family of Nazareth, Inc. and Redemptoris Mater House of Formation to fund a seminary expansion project on the John Paul II Center Campus. The expansion of the Redemptoris Mater Seminary was completed and dedicated in May of 2009. Program and service revenues, which comprise fees for conferences, retreats and related programs, decreased from \$2 million in 2008 to \$873,000 in 2009. This decrease was primarily attributable to the occurrence of two Steubenville of the Rockies conferences during the fiscal year ended June 30, 2008.

Investment income declined by almost \$1.5 million in

2009 from 2008 due to the economic downturn and related stock market decline that took place during fiscal 2009. During 2009, the Chancery recognized unrealized losses from its investment portfolio of more than \$700,000. Overall, the Chancery's portfolio declined by 5.8 percent during the year ended June 30, 2009.

While total expenses were down in 2009 from 2008 levels for a variety of reasons, significant efforts were taken to reduce all non-essential expenses after the economic downturn during the fall of 2008. Such efforts are ongoing until more assurance is attained regarding the state of the local and national economies. Specifically, the decline in religious education and schools expenses is attributable to the incurrence of expenses for two Steubenville of the Rockies conferences in 2008 and none in 2009. Expenses increased in our support for both social development and world peace as well as spiritual and pastoral concerns. Such programming increases were primarily attributable to an increase in grants for special funding initiatives, including "Get Out the Vote," as well as grants to parishes for emergency needs, primarily repairs for safety needs at schools.

Gifts and grants expenditures decreased by almost \$2.9 million in 2009. This decrease primarily reflects the non-recurrence of a \$3.3 million grant made by the Chancery in 2008 to the Archdiocese of Denver Risk Management/Property & Casualty Insurance Trust to fund the payment and settlement of 18 claims in July of 2009.

A significant number of capital projects were substantially completed during fiscal 2009, including the purchase of Centro San Juan Diego from Sacred Heart Parish, and the completion and dedication of the additions to Redemptoris Mater Seminary. In addition, the construction for the expansion of St. John Vianney Seminary was started. Total capital expenditures were approximately \$2.8 million in fiscal 2009. Consistent with our efforts to decrease operating expenses, various capital expenditures were postponed due to the uncertain economy.

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 Seminary 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.

Five men were ordained priests in fiscal year 2009, two of whom will serve within the territory of the archdiocese. In addition, four men were ordained as transitional deacons in contemplation of being ordained as priests in the coming year. Presently, there are 82 men at St. John Vianney and, when combined with 30 men at Redemptoris Mater, the total enrollment of 112 seminarians reflects an increase of six men over the prior year. Also, nine permanent deacons were ordained in fiscal 2009.

During 2009, St. John Vianney received a restricted grant of \$4.3 million from The Catholic Foundation of the Roman Catholic Church in Northern Colorado (The Catholic Foundation). This grant, all of which was recognized as revenue in fiscal 2009, will be used in its entirety to fund the construction of a Spirituality Year House that will include a chapel and will have rooms to house two priests as well as 24 first-year seminarians. Construction commenced in April of 2009 and is anticipated to be completed in March of 2010. Total construction costs incurred in 2009 were \$856,763 and, accordingly, a related grant was made to the archdiocese to fund such construction on the campus of the John Paul II Center.

St. John Vianney investments are traditionally maintained in long-term certificates of deposits. At June 30, 2009, all such investments had matured and were temporarily included in cash and cash equivalents for financial reporting purposes.

The operations of St. John Vianney Seminary for both 2009 and 2008 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 ACA campaign, Mount

Olivet Cemetery, the Archdiocese of Denver Mortuary at Mount Olivet, and from various restricted endowments owned by The Catholic Foundation. In-kind contributions were also received from the Chancery for services and overhead costs at the John Paul II Center.

Overall, the improvement in operations in 2009, as compared to 2008, of almost \$3.1 million is attributable to an increase in grants and contributions combined with ongoing cost containment efforts as a result of the poor economy.

PHOTO: St. John Vianney seminarians participate in the daily celebration of the Mass in Christ the King Chapel on the John Paul II Center campus.



PHOTOS BY JAMES BACA/DCR

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 1,411,680	\$ 207,410
Prepaid expenses & other assets	326,358	341,300
Contribution & accounts receivable, net	2,973,000	50,718
Investments	-	869,607
Property & equipment, net	729,887	797,112
Total assets	\$ 5,440,923	\$ 2,266,147
Liabilities & net assets:		
Accounts payable & accruals	\$ 297,098	\$ 264,635
Funds held in trust for others	61,329	61,615
Deferred tuition income	101,590	101,394
Total liabilities	460,017	427,644
Net assets:		
Unrestricted	1,284,350	1,533,343
Temporarily restricted	3,671,556	280,160
Permanently restricted	25,000	25,000
Total net assets	4,980,906	1,838,503
Total liabilities & net assets	\$ 5,440,923	\$ 2,266,147

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Support:		
Grants & contributions	\$ 6,610,559	\$ 3,201,309
Revenue:		
Program & service	85,811	115,260
Fundraising	460,740	20,328
Tuition income	1,816,801	1,681,677
Investment & other income, net	13,758	47,846
Total revenue	2,377,110	1,865,111
Total revenue & support	8,987,669	5,066,420
Expenses:		
Religious education & schools	944,062	1,064,612
Religious & ordained ministries	3,485,659	3,378,963
Grant expenditures for construction improvements	856,763	-
Support & administrative expenses	383,029	358,120
Development & fundraising	175,753	220,053
Total expenses	5,845,266	5,021,748
Increase in net assets	\$ 3,142,403	\$ 44,672

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 to prepare men for the priesthood, who come ready to serve the Catholic Church all over the world, according to the direction of *Presbyterorum Ordinis* No. 10. 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, and the increasing globalization of the world, candidates from all over the world help to create an open environment without any discrimination of language, culture or race. Presently, there are 30 men, representing 18 different countries, at Redemptoris Mater. In 2009, Redemptoris Mater ordained three men to the priesthood, all of whom will serve within the territory of the archdiocese.

The operations of Redemptoris Mater for both 2009 and 2008 were supported by contributions from the general public, including a share of the proceeds from the annual parish seminary appeal, grants from the archdiocese made possible through the annual ACA campaign, Mount Olivet Cemetery and the Mortuary at Mount Olivet. In addition, in-kind contributions were also received from the archdiocese for services and overhead costs incurred at the John Paul II Center. In 2009, Redemptoris Mater also received a grant of \$500,000 from The Catholic Foundation to repay certain indebtedness and expenditures related to the expansion of its seminary facilities.

Overall, the significant improvement in the decrease in net assets in 2009, as compared to 2008, is attributable to an increase in grant funding from the archdiocese

in 2009 and a decrease in Redemptoris Mater providing restricted grants from donors to the archdiocese to fund construction costs for the expansion of its seminary facilities on the campus of the John Paul II Center. The new seminary facilities were dedicated in May 2009.

PHOTO: In all, five men were ordained to the priesthood for the Archdiocese of Denver in fiscal year 2009. The four men pictured were ordained to the priesthood in May of 2009. One priest was ordained in December of 2008.



Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 20,630	\$ 5,845
Accounts receivable	108	5,809
Property & equipment, net	26,411	44,479
Total assets	\$ 47,149	\$ 56,133
Liabilities & net assets:		
Accounts payable & accruals	\$ 11,394	\$ 169,514
Notes payable	-	354,289
Total liabilities	11,394	523,803
Net assets (deficit):		
Unrestricted	32,351	(472,178)
Temporarily restricted	3,404	4,508
Total net assets	35,755	(467,670)
Total liabilities & net assets	\$ 47,149	\$ 56,133

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Support:		
Grants & contributions	\$ 2,169,749	\$ 1,607,396
Fundraising	186,363	-
Total revenue & support	\$ 2,356,112	\$ 1,607,396
Expenses:		
Program expenses	1,584,473	1,400,192
Grant expenditures for construction improvements	114,672	630,976
Support & administrative expenses	151,306	103,628
Development and fundraising	2,236	2,423
Total expenses	1,852,687	2,137,219
Increase (decrease) in net assets	\$ 503,425	\$ (529,823)

FAMILY OF NAZARETH, INC.



PHOTO BY JAMES BACA/DCR

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.

Statement of Financial Position

As of June 30,

	2009	2008
Assets:		
Cash & cash equivalents	\$ 231,396	\$ 589,326
Prepaid expenses & other assets	-	380,931
Property & equipment, net	978,451	962,399
Total assets	1,209,847	1,932,656
Liabilities		
Accounts payable & accruals	\$ 5,354	\$ 4,415
Deferred revenue	-	311,759
Total liabilities	5,354	316,174
Net assets:		
Unrestricted	1,000,150	1,259,111
Temporarily restricted	204,343	357,371
Total net assets	1,204,493	1,616,482
Total liabilities & net assets	\$ 1,209,847	\$ 1,932,656

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Support:		
Grants & contributions	\$ 316,941	\$ 740,119
Revenue:		
Program & service income	311,370	36,445
Investment & other income	6,157	53,939
Total revenue	317,527	90,384
Total revenue & support	634,468	830,503
Expenses:		
Program expenses	664,511	658,181
Grants expenditures	360,926	2,080,215
Support & administrative expenses	21,020	19,739
Total expenses	1,046,457	2,758,135
Decrease in net assets	\$ (411,989)	\$ (1,927,632)

SPECIAL REPORT FROM THE OFFICE OF CATHOLIC SCHOOLS

Catholic Schools in the Archdiocese of Denver exist to cultivate in students and the whole school community a love for Jesus Christ, fidelity to His Church, and commitment to the dignity of the human person. They seek to assist parents in forming their children in moral and academic excellence. In developing the talents of every student to the fullest, they seek to evangelize and serve the wider community in the name of the Gospel. The Archdiocese of Denver Catholic Schools is an investment in the future of our children and our Catholic faith.

The Archdiocese of Denver Catholic Schools is the largest private school system in the state of Colorado with more than 10,000 students receiving a quality, Catholic education based on faith formation, rigorous academics, nurturing community and reinforcement of family environment. The Archdiocese of Denver Catholic Schools system is comprised of 37 parish elementary schools and two archdiocesan high schools. Archdiocesan Catholic schools are located in 18 cities in northern Colorado. Archdiocese of Denver Catholic Schools student demographics for the 2008-2009 school year are:

- Enrolled students - 10,208.
- Faith background - 92% Catholic; 8% other faiths.
- Gender - 49% male; 51% female.
- Ethnicity - 66% Caucasian; 20% Hispanic; 6% multi-racial; 4% African American; 4% Asian; and less than .5% for both Native American and Hawaiian/Pacific Islander.
- 1,473 students - 14% of the student population qualify for free and reduced lunch benefits as determined by the federal government guidelines.

The parish and archdiocesan Catholic schools are funded through tuition, fundraising, parish support, grant support and philanthropic support. A portion of the monies collected through the ACA fund both personnel costs and other services provided by Office of Catholic Schools to the Catholic schools ministry. Services provided to the Catholic schools ministry include policy promulgation, safety guidelines, financial reviews, legal advice, teacher licensure, school accreditation, principal formation and teacher development.

In the last 12 years, Catholic schools serving families in need of financial assistance and other services have received more than \$60 million in support. For the 2009-2010 school year, Catholic schools with families in

need will receive \$3 million in grant support including up to \$500,000 in funding from the Archdiocese of Denver.

The Catholic schools within northern Colorado provide an unsurpassed academic education with a Catholic world view throughout the curriculum, all of which is provided at a significantly lower cost than public education.

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. The teachers in the archdiocese are, without question, the most valuable asset of our education system. Our teachers, who are highly qualified and state certified, are compensated at a level less than public school teachers. They provide their service as a personal investment in the mission of our schools and our Church. To help offset some of the budget deficit anticipated for the 2009-2010 school year and, in response to the challenging economic times, a teacher salary freeze was implemented by the pastors of our 37 parish schools and the respective boards of the two high schools all in solidarity with one another.

In contrast, the majority of revenue for public schools comes from taxpayers, whether they are users of the services or not. Accordingly, there is a significant gap between the expenses of the Catholic schools in northern Colorado and the current revenue sources. Some of this gap is filled by the generosity of the faithful through the Catholic Schools Assessment fund, grants from The Catholic Foundation, The Seeds of Hope Charitable Trust and the Archdiocese of Denver itself. However, as noted in the accompanying chart, this gap is being met primarily by school parish revenue, which too often threatens the financial health of the parish. In addition, other important costs, like maintaining the infrastructure of the aging school and parish buildings, tend to be deferred by the respective parish communities so that they can maintain their financial health.

Therefore, Catholics throughout northern Colorado are called to increase their investment in the ministry of Catholic school education for the future of our children and our Church. The recent accreditation of all Catholic schools in northern Colorado by the nationally recognized service, AdvancED, reinforces and strengthens the fact that our Catholic schools are a sound investment in

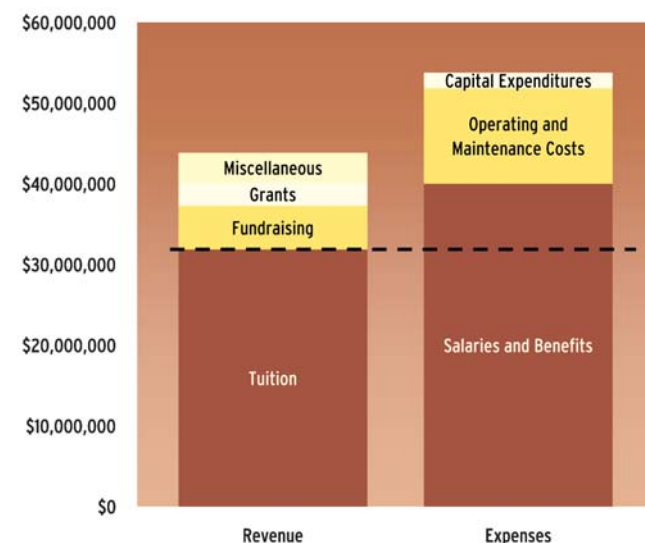
the future of our children and the Church. Receiving the highest accreditation mark was the standard of "Vision" citing a powerful and pervasive sense of Catholic identity being cultivated within the Archdiocese of Denver Catholic schools.

A wide range of information addressing investment opportunities and frequently asked questions about our Catholic schools is available on the Archdiocese of Denver Web site: www.archden.org/index.cfm/ID/2231/Frequently-Asked-Questions/. In addition, Richard Thompson, superintendent for the Office of Catholic Schools, can be contacted at Richard.Thompson@archden.org. Likewise, each school pastor and his respective school principal are always receptive to comments, suggestions and financial support.

Archdiocese of Denver Catholic Schools

(excluding high schools)

REVENUE VS. EXPENSES OF JUNE 30, 2009



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. Over 4,600 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. 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 2009, HFHS graduated 108 seniors, who were offered \$6.2 million in merit-based scholarships to attend colleges and universities. In 2009, one student sang at Carnegie Hall while another donated toys valued at more than \$12,000 to the oncology unit at Children's Hospital. The girls' basketball team won back-to-back state championships while the Mission Club collected and delivered more than 3,000 packages to a food distribution center at Immaculate Heart of Mary Parish. Finally, the National Honor Society assisted 350 elderly people with low incomes in the "Adopt an Elder Program." For the current school year, HFHS is at capacity, educating 575 students, which is consistent with the prior school year.

Overall, the school's loss from operations declined in 2009 from 2008 due to increased enrollment and ongoing cost containment efforts. Absent depreciation charges, HFHS generated a modest positive cash flow from its operations during both 2009 and 2008. This cash flow is being set aside for future school needs, including capital and maintenance expenditures. While enrollment increased modestly between the years, tuition rates were maintained at the 2008 levels. Finally, HFHS's investment portfolio, which is restricted for teacher salaries and tuition assistance to needy students, reflected losses of almost \$479,000 as a result of the economic downturn during 2009.



PHOTOS BY JAMES BACA/DCR

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 1,250,684	\$ 717,086
Tuition receivable, net	1,348	2,388
Contributions receivable, net	223,962	403,774
Investments	2,342,741	2,832,652
Property & equipment, net	11,383,418	11,757,324
Total assets	\$ 15,202,153	\$ 15,713,224
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 374,206	\$ 265,528
Funds held in trust for others	94,757	99,210
Tuition & fees paid in advance	355,519	266,433
Total liabilities	824,482	631,171
Net assets:		
Unrestricted	11,485,369	11,565,993
Temporarily restricted	731,452	605,396
Permanently restricted	2,160,850	2,910,664
Total net assets	14,377,671	15,082,053
Total liabilities & net assets	\$ 15,202,153	\$ 15,713,224

The Holy Family: *A Growing Tradition* capital campaign, which started in October 2006, has achieved many of the goals originally set forth in the campaign. Such goals included growing endowment fund, enhancing campus security with outdoor lighting and adding an overflow parking lot. The campaign's success is due to the support of 360 generous families, including some of the newest families to Holy Family.

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Operating revenues:		
Tuition income, net	\$ 3,853,722	\$ 3,604,192
Interparish school assistance	427,500	432,323
Student fees & other operating revenues	485,101	547,448
Total operating revenue	4,766,323	4,583,963
Operating expenses		
Educational salaries & direct expenses	3,156,356	2,850,508
Facilities & educational administration	1,598,953	1,698,258
Support & administration	259,523	300,018
Total operating expenses	5,014,832	4,848,784
Net loss from operations	(246,509)	(264,821)
Non-operating support & expenses:		
Capital campaign, net	52,782	152,580
Grants & other contributions	71,465	12,392
Special events, net of expenses	199,430	234,251
Investment income (loss), net	(478,593)	(101,487)
Development, fundraising & other expenses	(300,957)	(388,664)
Net non-operating support (expenses)	(455,873)	(90,928)
Decrease in net assets	\$ (704,382)	\$ (355,749)

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, a Colorado nonprofit corporation established in 1999, was initially founded in 1958 as a coeducational Catholic school for students in grades nine through 12. BMHS's vision is to continue to become a dynamic educational community in the Catholic tradition, recognized for its commitment to faith, academic excellence, ethnic diversity and service to others.

BMHS takes great pride in being the only Catholic high school in Colorado to be recognized as one of the Top 50 Catholic High Schools in the United States by the Acton Institute and the Catholic High School Honor Roll for the years 2006, 2007, 2008 and 2009. Students who succeed at BMHS are the ones who strive to make a difference, both as individuals and as members of this academic community of faith. A BMHS education is an investment in the future of our students.

The Bishop Machebeuf: *Building on a Tradition of Excellence* campaign, which commenced in the spring of 2008, has received more than \$1.5 million in gifts and pledges through June 30, 2009. All of the gifts to the

campaign will provide for either an endowment fund for tuition assistance or a stewardship fund to support ongoing facility improvements, enhancements to the school's technology infrastructure and operating expenses.

Absent the funds received for the campaign, the school's loss from operations decreased from \$626,989 in 2008 to \$542,851 in 2009. This is attributed to a slight increase in tuition fees combined with ongoing cost containment efforts. For the school year ending June

30, 2009, BMHS graduated 80 seniors who were awarded merit-based scholarships totaling \$2.3 million. The school had one national merit finalist, one national merit commendation and three Daniels Fund scholars. With a current enrollment of 363, BMHS is proud of its diversity in culture, socio-economic level and academic ability and, when combined with the *Building on a Tradition of Excellence* campaign, BMHS is poised for future growth and academic excellence.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 275,818	\$ 161,344
Tuition receivable, net	26,270	19,646
Prepaid expenses & other assets	22,162	18,222
Contribution receivables	304,810	169,333
Funds held by Catholic Foundation	561,370	432,038
Property & equipment, net	8,942,128	9,378,183
Total assets	\$ 10,132,558	\$ 10,178,766
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 274,225	\$ 257,439
Due to other related entities	85,614	84,136
Tuition & fees paid in advance	268,667	259,178
Funds held in trust for others	64,466	59,736
Note payable to archdiocese	753,989	604,573
Total liabilities	1,446,961	1,265,062
Net assets:		
Unrestricted	7,766,172	8,231,579
Temporarily restricted	919,425	682,125
Total net assets	8,685,597	8,913,704
Total liabilities & net assets	\$ 10,132,558	\$ 10,178,766

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Operating revenues:		
Tuition income, net	\$ 2,772,032	\$ 2,714,178
Interparish school assistance	196,650	217,358
Student fees and other operating revenues	341,156	347,126
Total operating revenue	3,309,838	3,278,662
Operating expenses		
Educational salaries & direct expenses	1,982,055	2,036,153
Facilities & educational administration	1,458,322	1,441,436
Support & administration	412,312	428,062
Total operating expenses	3,852,689	3,905,651
Net loss from operations	(542,851)	(626,989)
Non-operating support and expenses:		
Capital campaign, net	348,500	544,871
Grants & other contributions	106,706	92,797
Special events, net of expenses	87,894	68,459
Investment & other income	1,371	4,449
Development, fundraising & other expenses	(229,727)	(289,930)
Net non-operating support	314,744	420,646
Decrease in net assets	\$ (228,107)	\$ (206,343)



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 more than 11,000 students of all faiths with more than \$19 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 six Schools in Urban Neighborhoods (S.U.N.) schools and seven Focus schools, during the 2008-2009 school year, assistance was provided to students in 37 parish schools in northern Colorado. During the year ended June 30, 2009, Seeds of Hope provided more than \$2.7 million of assistance to more than 1,400 students.

In 2009, Seeds of Hope's decrease in net assets increased by more than \$500,000 from the prior year. This decrease is attributable to the investment losses incurred within the endowment portfolio which experienced a 21 percent decline in fiscal 2009. However, in both 2008 and 2009, Seeds of Hope realized significant losses from its operations. Such losses are attributable to the board's ongoing commitment to provide adequate grant funding to parish schools in the archdiocese. Mindful of the growing need of Denver's inner-city schools, both management and the board of trustees embarked on various fundraising initiatives during 2009, successfully raising over \$1 million in a special *100 Day Campaign*. The generosity of our faithful donors was a true blessing to the parish recipients and, ultimately, to the students and their families who benefited from such funds.

While Seeds of Hope is fortunate to maintain various endowment funds totaling more than \$6.1 million as of June 30, 2009, the annual spending limitations of such endowments will limit the amount of grant awards that can be made in 2010, absent a dramatic increase in the financial markets. Going forward, when considering the spending limitations along with the present economy, Seeds of Hope is presented with a significant fund raising challenge or, an incredible opportunity to present to the greater Catholic community of northern Colorado the critical role that Catholic education can have for economically disadvantaged children.

Ultimately, the mission of Seeds of Hope is best captured in a note to one of our generous donors from Julian, a fifth grader at St. Rose of Lima school: *"Thank you for the money you give to help me and my friends stay at St. Rose of Lima school. Your generosity is really*



PHOTO BY JAMES BACA/DCR

important because most of us will be in bad schools. I hope you can make it to heaven. Once again, thank you and God bless you."

Visit www.seedsofhopetrust.org for more information.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 208,053	\$ 231,931
Parish assessments receivables, net	44,341	68,689
Contribution receivables	710,255	422,126
Investments	6,140,994	8,460,409
Other asset, net	13,551	18,002
Total assets	\$ 7,117,194	\$ 9,201,157
Liabilities & net assets:		
Accounts payable & accruals	\$ 28,078	\$ 49,958
Grants payable	16,250	15,000
Total liabilities	44,328	64,958
Net assets:		
Unrestricted	106,689	865,565
Temporarily restricted	778,955	617,570
Permanently restricted	6,197,222	7,653,064
Total net assets	7,072,866	9,136,199
Total liabilities & net assets	\$ 7,117,194	\$ 9,201,157

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support and revenue:		
Gifts and grants, net	\$ 2,022,456	\$ 1,044,265
Special events, net	434,932	609,988
Parish assessments	247,969	243,501
Total support and revenue	2,705,357	1,897,754
Expenses		
Grants to schools and students	2,651,565	2,764,020
Grant making expenses	115,815	103,658
Total program expenses	2,767,380	2,867,678
Supporting services		
Management and general	128,431	116,421
Development and fundraising	145,209	159,818
Total supporting services	273,640	267,239
Total expenses	3,041,020	3,143,917
Loss from operations before investment return	(335,663)	(1,246,163)
Investment income (losses), net	(1,727,670)	(292,956)
Decrease in net assets	\$ (2,063,333)	\$ (1,539,119)

MORTUARY AND CEMETERIES

MOUNT OLIVET CEMETERY ASSOCIATION

Mount Olivet Cemetery Association (Mount Olivet) is a Colorado nonprofit corporation, which 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, 2009 and 2008, Mount Olivet provided funeral services to 1,370 and 1,424 families respectively. However, total cemetery sales revenue reflected a modest increase in 2009 due to the mix of funeral services provided and modest price increases. Included in the funeral services data above are services to the County Social Services offices for 258 cases in 2009 and 223 cases in 2008. Accordingly, Mount Olivet contributed more than \$796,000 and \$553,000 in care services to the poor and their families in 2009 and 2008 respectively.

Investment income decreased from the previous year due to unfavorable investment returns between the two periods.

Mount Olivet's board approved respective grants of \$178,000 and \$272,000 to St. John Vianney and Redemptoris Mater seminaries in fiscal 2009 as compared to respective grants of \$245,000 and \$205,000 in 2008. In addition, management of Mount Olivet contin-

ues to evaluate and plan for the construction of a new mausoleum on the grounds of Mount Olivet, with an

anticipated construction start in the spring of 2010 and an opening in 2011.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 2,157,219	\$ 2,059,642
Inventories	1,109,707	989,835
Accounts receivable, net	2,908,056	2,774,484
Due from parishes & related entities, net	941,985	866,561
Investments	5,844,223	6,348,126
Property & equipment, net	3,260,541	3,387,668
Total assets	\$ 16,221,731	\$ 16,426,316
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 431,024	\$ 217,205
Pre-need trust	4,763,783	4,559,308
Total liabilities	5,194,807	4,776,513
Net assets:		
Unrestricted	11,026,924	11,649,803
Total liabilities & net assets	\$ 16,221,731	\$ 16,426,316

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Cemetery sales	\$ 4,121,308	\$ 3,916,668
Miscellaneous support, net	81,065	76,470
Rental income	259,364	270,758
Total support & revenue	4,461,737	4,263,896
Expenses:		
Gifts & grants	450,000	450,208
Cemetery operating costs	3,266,761	2,914,293
Support & administrative expenses	672,042	657,846
Total expenses	4,388,803	4,022,347
Income from operations before investment return	72,934	241,549
Investment income (loss), net	(695,813)	(261,358)
Decrease in net assets	\$ (622,879)	\$ (19,809)

ARCHDIOCESE OF DENVER MORTUARY AT MOUNT OLIVET, INC.



PHOTO BY JAMES BACA/DCR

The Archdiocese of Denver Mortuary (the Mortuary) 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, 2009, and 2008, the Mortuary provided funeral services to 647 and 621 families respectively. This modest increase in the number of funeral services when combined with increases in

the price of the Mortuary's services, resulted in an increase in mortuary sales revenues. Included in these numbers are services to the County Social Services offices for 90 cases in 2009 and 77 cases in 2008. Accordingly, the Mortuary contributed more than \$255,000 and \$193,000 in care services to the poor and their families in 2009 and 2008 respectively.

Investment income decreased from the previous year due to unfavorable investment returns between the two periods.

The Mortuary's board approved respective grants of \$197,000 and \$303,000 to St. John Vianney and Redemptoris Mater seminaries in fiscal 2009 as compared to respective grants of \$245,000 and \$206,000 in 2008.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 1,267,735	\$ 1,424,536
Accounts receivable, net	1,445,129	1,490,823
Prepaid expenses & other	76,432	109,801
Investments	11,017,121	12,210,094
Property & equipment, net	42,814	45,610
Total assets	\$ 13,849,231	\$ 15,280,864
Liabilities & net assets:		
Accounts payable & accrued liabilities	\$ 155,313	\$ 165,288
Pre-need trust	9,163,747	8,921,925
Total liabilities	9,319,060	9,087,213
Net assets:		
Unrestricted	4,530,171	6,193,651
Total liabilities & net assets	\$ 13,849,231	\$ 15,280,864

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Mortuary sales	\$ 2,810,714	\$ 2,656,589
Miscellaneous	2,225	6,138
Total support & revenue	2,812,939	2,662,727
Expenses:		
Mortuary operating expenses	2,179,664	2,016,216
Gifts & grants	500,000	450,183
Support & administrative expenses	381,772	390,585
Total expenses	3,061,436	2,856,984
Loss from operations before investment return	(248,497)	(194,257)
Investment income (loss), net	(1,414,983)	(626,651)
Decrease in net assets	\$ (1,663,480)	\$ (820,908)

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 adequacy of such funding is evaluated on an annual basis by the management of the respective cemeteries. Accordingly, 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 perpetual care trust. During the years ended June 30,

2009, and 2008, the cemeteries did not contribute to the Perpetual Care Trust.

Investment income in 2009 for the Perpetual Care Trust decreased from the previous year due to unfavorable investment returns. In accordance with the purpose of the Trust, the Trust funded maintenance and renovations costs of \$83,250 at Mount Olivet Cemetery in fiscal 2009 and \$76,500 in fiscal 2008.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 144,833	\$ 44,600
Prepaid expenses	3,026	2,720
Investments	11,839,725	12,725,843
Total assets	11,987,584	12,773,163
Liabilities & net assets:		
Accounts payable	\$ 5,146	\$ 5,005
Net assets:		
Unrestricted	11,982,438	12,768,158
Total liabilities & net assets	\$ 11,987,584	\$ 12,773,163

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Investment income (loss), net	\$ (656,331)	\$ (120,828)
Expenses:		
Gifts & grants	83,250	76,529
Support & administrative expenses	46,139	53,414
Total expenses	129,389	129,943
Decrease in net assets	\$ (785,720)	\$ (250,771)

ST. SIMEON CEMETERY ASSOCIATION



PHOTO BY JAMES BACA/DCR

St. Simeon Cemetery (St. Simeon), located in Aurora, is a Colorado nonprofit corporation that was established in 2000. In 2009, St. Simeon provided funeral services to 109 families compared to 107 families during 2008. Of these funeral services, Social Service cases totaled 56 and 66 in 2009 and 2008 respectively. In essence, St. Simeon contributed more than \$186,000 and \$210,000 in care services to the poor and their families in 2009 and 2008 respectively.

In addition to at-need burial services, St. Simeon's staff offers opportunities for families to plan in advance, which relieves loved ones of having to plan funerals and burials while in a state of grief. Families are encouraged to take an

active part in the planning of their own arrangements and/or those of their loved ones.

The Board of Directors of St. Simeon and management anticipate that the financial results of St. Simeon will continue to generate operating losses, after depreciation and amortization. While losses are anticipated in these early years of operation, we anticipate that they will diminish as awareness of St. Simeon grows. Demographic trends, advertising and referrals have increased interest in the cemetery which, in turn, have generated increases in revenue. Careful management of operating costs continues to be a top priority.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 531	\$ 1,000
Prepaid assets	1,331	-
Accounts receivable, net of allowances	85,176	88,984
Inventories	868,037	887,015
Investments	35,255	16,607
Property & equipment, net	4,338,084	4,425,800
Total assets	\$ 5,328,414	\$ 5,409,406
Liabilities & net assets:		
Accounts payable	\$ 9,400	\$ 23,953
Due to AOD & related entities	941,985	866,561
Pre-need trust	54,803	29,175
Total liabilities	1,006,188	919,689
Net assets:		
Unrestricted	4,319,621	4,487,612
Temporarily restricted	2,605	2,105
Total net assets	4,322,226	4,489,717
Total liabilities & net assets	\$ 5,328,414	\$ 5,409,406

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Cemetery sales	\$ 390,357	\$ 469,173
Gifts & grants	2,995	1,779
Investment income (loss), net	(418)	(3,692)
Other income	246	281
Total support & revenue	393,180	467,541
Expenses:		
Cemetery operating costs	415,673	462,150
Support & administrative expenses	144,998	149,980
Total expenses	560,671	612,130
Decrease in net assets	\$ (167,491)	\$ (144,589)

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 finance, payroll, accounting, real estate, construction, planning, human resources, and other management services to the archdiocese, its parishes and its related ecclesiastical entities, pursuant to service agreements.

During 2009, the Management Corporation's operating expenses increased by \$349,000 or 7.2 percent over fiscal 2008. This increase primarily reflected increases in personnel costs, offset by cost containment efforts.

Significant services provided during 2009, included the following:

- Construction management services for parishes and related ecclesiastical entities involving the oversight of 34 new projects with an estimated value of \$13.7 million in 2009 as compared to \$26.2 million in 2008. In 2009, 33 construction projects were completed within northern Colorado with a value of approximately \$20.6 million.

- Real estate services for parishes and related entities included the purchase of seven new properties, the sale and/or pending sales of real estate valued at \$3.1 million, 107 leasing transactions, three property donations and various other transactions valued at \$1.5 million.

- The Internal Audit department visited 82 parishes and issued 72 reports in 2009 as compared to 57 parish visits and 50 reports in 2008.

- The Office of Parish Finance continues to oversee the implementation of a standardized accounting software package for the parishes/missions in northern Colorado. As of June 30, 2009, the total number of parishes/missions using this software package was 127. All told, more than 93 percent of the total parishes/missions within the territory of the archdiocese are now utilizing the same stan-

dardized accounting software.

- The Controller's Office and the Information Systems department continued to work together to improve operating efficiencies and enhance decision-making capabilities. In fiscal 2009, these offices finalized the selection process for a new accounting software system for the archdiocese and certain of its related entities. This system will be implemented in fiscal 2010. In addition, in the wake of economic developments in the fall of 2008, the Controller's Office conducted extensive research regarding investment related activities, the safety and security of archdiocesan depository

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 92,663	\$ 57,816
Prepaid expenses & other assets	51,820	73,264
Accounts & other receivables, net	65,748	113,839
Due from other related entities & parishes	111,294	122,161
Property & equipment, net	432,991	324,012
Total assets	\$ 754,516	\$ 691,092
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 602,585	\$ 526,949
Funds held in trust for others	536	799
Due to other related entities	83,837	149,041
Total liabilities	686,958	676,789
Net assets	67,558	14,303
Total liabilities & net assets	\$ 754,516	\$ 691,092

relationships, and, in turn, repositioned various investment portfolios of the archdiocese.

- The Human Resources department (HR) continues to streamline the benefits administration system used by various entities within the archdiocese. In addition, it has expanded its educational and advisory services to assist parishes, missions and schools in areas of personnel administration. Human Resources also replaced paper versions of new hire orientation benefits information and related compliance information with electronic versions generating future cost savings for the Church of northern Colorado. In the wake of economic downturn during fiscal 2009, Human Resources coordinated with Wells Fargo, the trustee for the Archdiocese of Denver Lay Employees' Money Purchase Pension Plan, both on-site and on-line training for plan participants.

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Program & service income	\$ 5,119,584	\$ 4,831,821
Miscellaneous, net	1,532	1,068
Total support & revenue	5,121,116	4,832,889
Expenses:		
Support & administrative expenses	5,067,861	4,818,586
Total expenses	5,067,861	4,818,586
Increase in net assets	53,255	\$ 14,303

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 Trust coordinates safety, compliance with environmental law and risk-awareness programs for parishes, schools and other ecclesiastical organizations within the territory of the archdiocese.

The Risk Management Trust realized a decrease in net assets of \$237,000 during 2009, a change of almost \$2.5 million from 2008. This change is primarily attributable to the archdiocese's contribution of \$3.3 million to the trust during June of 2008 which was made to replenish the cash reserves of the trust and fund the costs associated with the settlement of 18 claims in July 2009.

The premium renewal negotiated for fiscal 2010 for Workman's Compensation and Property and Casualty

coverage reflects a modest increase of 4.9 percent in rates. The renewal for Workman's Compensation cover-

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 2,445,456	\$ 1,586,471
Prepaid expenses & other assets	68,818	6,008
Accounts receivable	25,000	595,625
Contributions receivable	-	624,375
Due from parishes & other related entities, net	141,139	126,685
Property & equipment, net	1,568	936
Total assets	\$ 2,681,981	\$ 2,940,100
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 170,702	\$ 210,894
Due to other related entities	94,987	11,215
Claims payable	2,599,147	2,663,783
Total liabilities	2,864,836	2,885,892
Net assets (deficit):		
Unrestricted	(182,855)	54,208
Total liabilities & net assets	\$ 2,681,981	\$ 2,940,100

age resulted in a 3.3 percent premium decline, reflecting favorable views by our carrier of our loss control programs. As to Property and Casualty lines of coverage, the overall increase was 6.5 percent in spite of significant increases in property values.

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Support & revenue:		
Self insurance premiums & insurance billings	\$ 4,950,108	\$ 4,813,854
Investment income	4,890	56,547
Grants & contributions	-	3,345,209
Miscellaneous	976	5,470
Total support & revenue	4,955,974	8,221,080
Expenses:		
Self insurance claims, premiums, settlements & other costs	4,845,761	5,543,005
Support & administrative expenses	347,276	357,609
Total expenses	5,193,037	5,900,614
Increase (decrease) in net assets	\$ (237,063)	\$ 2,320,466

ARCHDIOCESE OF DENVER WELFARE BENEFITS TRUST

The Archdiocese of Denver Welfare Benefits Trust (Welfare Benefits Trust) provides access to quality health care to over 1,710 archdiocesan, parish and other ecclesiastical related entities' employees along with the Diocese of Colorado Springs (the Diocese) and the employees of its parishes and related ecclesiastical entities. Entities and parishes within the territories of the Archdiocese of Denver (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 Committee (the Committee) of the archdiocese, comprised of parish representatives and staff of both the archdiocese and the Diocese, have taken significant steps to mitigate the impact of rising medical rates and control rising health care premiums. Since 2005, the Committee's primary goals have been to establish and implement financial guidelines to evaluate the adequacy of the trust's cash and investment reserves and most importantly, improve communications to the employee participants, minimize costs to its participants, and preserve current participant benefit levels.

As the Advisory Committee evaluated the renewal for the fiscal 2010 plan year, it focused on such goals as much as possible. Unfortunately, after three years of positive claims experience, the trust experienced an unfavorable trend in medical claims during the year ended June 30, 2009, due in part to the following factors:

- Paid medical claims are up 33 percent over the same

time period last year.

- There have been a significant increase in large claimants (paid medical claims that exceed \$25,000 in a plan year) than the same time period last year.
- The average cost per large medical claimant is \$12,300 higher than in 2008.

Accordingly, a medical premium increase of 5 percent was implemented for the premiums paid to the trust for 2010. While the healthcare consultant to the trust recommended

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 7,454,140	\$ 5,925,950
Prepaid expenses & other assets	5,000	11,125
Accounts receivable - other	411,446	54,214
Due from parishes & other related entities, net	122,511	61,529
Investments	6,310,593	9,153,881
Total assets	\$ 14,303,690	\$ 15,206,699
Liabilities & net assets:		
Accounts payable	147,355	57,692
Claims payable	2,014,000	1,890,000
Total liabilities	2,161,355	1,947,692
Net assets:		
Unrestricted	12,142,335	13,259,007
Total liabilities & net assets	\$ 14,303,690	\$ 15,206,699

a 15 percent increase for the overall medical insurance premium for fiscal 2010, the Advisory Committee was able to limit such increase based solely on the adequacy of the trust's existing cash and investment reserves. At the same time, the trust was able to maintain all of our current coverage levels for medical benefits.

As of June 30, 2009, the Welfare Benefits Trust cash and investment position had decreased by almost \$1.3 million since July 1, 2008. This decrease was due to the unfavorable trend in medical claims during 2009.

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Revenue:		
Self insurance premiums & insurance	\$ 15,999,226	\$ 16,895,846
Investment income	204,660	444,068
Other income	114	2,790
Total revenue	16,204,000	17,342,704
Expenses:		
Self insurance claims, premiums, costs	16,946,498	13,806,360
Support & administrative expenses	374,174	296,155
Total expenses	17,320,672	14,102,515
Increase (Decrease) in net assets	\$ (1,116,672)	\$ 3,240,189

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 Archdiocesan Seminary, Our Lady of Mercy Convent and the Cardinal Stafford Theological Library, which contains 140,000 volumes and is considered the finest such theological resource between Chicago and Los Angeles.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets		
Property & equipment, net	\$ 2,492,552	\$ 2,505,321
Liabilities & net assets:		
Liabilities	\$ -	\$ -
Unrestricted assets	2,492,552	2,505,321
Total liabilities & net assets	\$ 2,492,552	\$ 2,505,321

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Revenue:		
Grants & contributions	\$ -	\$ 20,000
Total revenue	-	20,000
Expenses:		
Program expenses		
Grants & contributions	-	20,000
Depreciation expense	12,769	12,770
Total expenses	12,769	32,770
Decrease in net assets	\$ (12,769)	\$ (12,770)

CAMP ST. MALO CATHOLIC RETREAT, CONFERENCE AND SPIRITUAL CENTER



PHOTO BY JAMES BACA/DCR

Camp St. Malo Retreat Center (St. Malo) is a Colorado nonprofit corporation that provides an inspirational setting for religious and spiritual gatherings. Located on 160 acres at the base of Mount Meeker, it is surrounded by the Roosevelt National Forest and Rocky Mountain National Park. Pope John Paul II stayed at St. Malo in 1993 and hiked a trail that now bears his name.

With 49 rooms, four conference rooms, a large gathering area and two chapels, it operates year-round and is easily accessible on Highway 7, close to Allenspark.

St. Malo is operated by the Christian Life Movement (CLM) and the *Sodalitium Christianae Vitae* (SCV), a society of apostolic life. Five consecrated laymen and a priest of SCV live on site and are dedicated to serving guests and providing retreats and spiritual exercises for groups and individuals. Daily Mass, confession and frequent adoration of the Blessed Sacrament are a blessing available to guests at St. Malo. Many weddings are held in St. Catherine's Chapel, the beautiful and historic chapel dating back to 1935, which is located at St. Malo.

During 2009, the board of Camp St. Malo amended

and restated the lease and operating agreements entered into with CLM/SCV in 2003. Terms of the amendments include the renewal of the lease term for an additional 15 years, with an option to renew for five years, the elimination of any future operating subsidies by Camp St. Malo and/or the chancery to either SCV or CLM, requires that SCV/CLM meet various conditions (including maintaining the Camp St. Malo facilities to certain quality standards) and requires the reimbursement of certain qualifying capital improvements funded by SCV/CLM should the lease be terminated. In light of these amendments, Camp St. Malo, while still owning the property, the equipment and related furnishings at Camp St. Malo, no longer reflects the operating activities of the facility (lodging and food revenues and related expenditures) in its financial statements.

The archdiocese, the SCV community and CLM continue to share in the goal of making St. Malo a leading Catholic retreat and spiritual center to serve the needs of the people of the archdiocese and the Catholic Church.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 7,986	\$ 47,943
Prepaid expenses	-	8,915
Inventories	-	68,177
Accounts receivable	-	79,611
Property & equipment, net	\$ 2,991,812	\$ 3,113,996
Total assets	2,999,798	3,318,642
Liabilities & net assets:		
Accounts payable & accrued expenses	\$ 24,763	\$ 53,348
Notes payable to archdiocese	-	150,000
Advance deposits on room rentals	-	42,645
Due to archdiocese	-	6,439
Total liabilities	24,763	252,432
Net assets:		
Unrestricted	2,969,045	3,061,598
Temporarily restricted	5,990	4,612
Total net assets	2,975,035	3,066,210
Total liabilities & net assets	\$ 2,999,798	\$ 3,318,642

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Revenue:		
Lodging & food service income	\$ -	\$ 805,891
Other	52,269	109,259
Total revenue	52,269	915,150
Expenses:		
Food service	-	122,712
Gift shop	-	27,909
Operations & housekeeping	-	519,368
Administrative & other	25,000	275,878
Total expenses	25,000	945,867
Income (loss) from operations before depreciation expense & non-operating support	27,269	(30,717)
Contributions from archdiocese	62,081	167,965
Depreciation expense	(180,525)	(177,515)
Decrease in net assets	\$ (91,175)	\$ (40,267)

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. 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.

Net interest income increased by \$688,401 from \$421,761 to \$1,110,163 when compared to last year. This increase in net interest income is a result of decreasing rates paid to our depositors coupled with the increase in the loan portfolio of the Trust over the comparable periods. The Trust also recognized a loss of \$121,320 from its short term investment portfolio during the year ended June 30, 2009. The Trust invests in very conservative and stable short-term bond and treasury funds managed by PIMCO and Vanguard and there is no exposure to equity stock holdings. Nevertheless, the Trust's investment portfolio incurred unrealized losses during Fiscal 2009 due to the universal decline in almost all investment asset classifications as a result of the econom-

ic downturn. Through June 30, 2009, the Trust realized net income of \$830,744 as compared to previous year which reflected net income of \$493,247.

During 2009, the Management Committee of the Trust, comprised of four priests and a lay member, approved seven new loans to parishes totaling more than \$4.1 million as compared to \$16.6 million in fiscal 2008. The loan to deposit ratio, adjusted for parish deposits that will be used in the short-term, was 85 percent as of June 30, 2009, as compared to 67 percent at June 30, 2008.

Statement of Financial Position

	As of June 30,	
	2009	2008
Assets:		
Cash & cash equivalents	\$ 7,034,391	\$ 9,874,409
Prepaid expenses & other	266	266
Loans receivable	24,170,629	18,784,432
Investments	15,301,734	14,742,939
Total assets	\$ 46,507,020	\$ 43,402,046
Liabilities & net assets:		
Due to related entities & other	\$ 21,382	\$ 20,928
Saving deposits	43,841,275	41,567,499
Total liabilities	43,862,657	41,588,427
Net assets:		
Unrestricted	2,644,363	1,813,619
Total liabilities & net assets	\$ 46,507,020	\$ 43,402,046

The Trust continues to have the ability to fund parish construction and renovation projects both currently and for the foreseeable future. Likewise, the Management Committee of the Trust continues to encourage parishes and other ecclesiastical entities within the territory of the archdiocese to support the Trust through deposits of their excess funds.

Statement of Activities

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Interest income:		
Investments	\$ 858,311	\$ 933,625
Loans	759,428	1,279,188
Total interest income	1,617,739	2,212,813
Interest expense	507,576	1,791,052
Net interest income	1,110,163	421,761
Income (loss) from investments, net	(121,320)	277,429
Other expenses, net:		
Trustee fees	55,992	66,882
General & administrative expenses	102,106	99,061
Parish assistance fund grants	-	40,000
Total other expenses	158,098	205,943
Increase in net assets	\$ 830,744	\$ 493,247