

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**

**Combined Financial Statements and
Supplementary Information**

June 30, 2025

(With Independent Auditor's Report Thereon)



Independent Auditor's Report

Board of Directors

Catholic Charities and Community Services of the Archdiocese of Denver, Inc.

Opinion

We have audited the accompanying combined financial statements of Catholic Charities and Community Services of the Archdiocese of Denver, Inc. and affiliates (Catholic Charities) which comprise the combined statement of financial position as of June 30, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities as of June 30, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catholic Charities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Catholic Charities' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

**Board of Directors
Catholic Charities and Community Services of the Archdiocese of Denver, Inc.**

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Catholic Charities' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Catholic Charities' 2024 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated November 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Kundinger, Corder & Montoya, P.C.

November 17, 2025

**Catholic Charities and Community Services of
the Archdiocese of Denver, Inc.**
Combined Statement of Financial Position
June 30, 2025
(With Summarized Comparative Totals for 2024)

	2025	2024
Assets		
Cash and cash equivalents	\$ 5,262,573	8,160,249
Accounts receivable, net	973,389	968,927
Contributions and grants receivable (note 3)	2,652,602	2,814,274
Restricted cash (note 4)	2,305,109	2,254,535
Development fees receivable—affiliates (note 17)	1,091,260	998,597
Investments (notes 5 and 6)	11,484,248	11,935,199
Predevelopment costs reimbursable	1,060,090	289,392
Other assets	201,575	212,117
Investment in subsidiaries (note 7)	(801,273)	(674,210)
Beneficial interest in assets held by others (notes 6 and 8)	1,821,866	1,584,416
Notes and accrued interest receivable (note 9)	9,122,178	5,077,129
Property and equipment, net (notes 10 and 13)	23,170,797	23,437,460
Operating lease right-of-use assets (note 11)	918,130	1,127,485
Total assets	\$ 59,262,544	58,185,570
Liabilities		
Accounts payable	\$ 1,029,923	695,306
Accrued expenses	2,549,181	3,057,012
Refundable advances	62,371	391,610
Liabilities under annuity agreements (note 12)	186,930	193,104
Operating lease liabilities (note 11)	966,289	1,180,317
Notes payable (note 13)	3,100,063	770,196
Total liabilities	7,894,757	6,287,545
Net Assets		
Net assets without donor restrictions		
Property and equipment, net of related debt	22,512,734	22,667,264
Development fees, notes, and subsidiaries	9,412,165	5,401,516
Undesignated	15,801,564	20,665,160
Total net assets without donor restrictions	47,726,463	48,733,940
Net assets with donor restrictions (note 14)	3,641,324	3,164,085
Total net assets	51,367,787	51,898,025
Commitments and contingencies (notes 16 through 19)		
Total liabilities and net assets	\$ 59,262,544	58,185,570

See the accompanying notes to the combined financial statements.

**Catholic Charities and Community Services of
the Archdiocese of Denver, Inc.**
Combined Statement of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Public support, revenue and gains				
Public support				
Direct contributions	\$ 2,175,484	7,064,987	9,240,471	9,121,219
Wills and bequests	882,229	1,259,349	2,141,578	262,003
Contributed nonfinancial assets (note 15)	2,937,460	–	2,937,460	2,751,336
Archbishop's Catholic Appeal and other (note 17)	–	1,200,000	1,200,000	1,200,000
Government and private grants	18,327,600	4,622,687	22,950,287	20,855,043
Federated campaigns	35,385	91,037	126,422	105,154
Change in net present value of annuities	(14,919)	–	(14,919)	(22,718)
Fund raising events revenue	44,750	265,290	310,040	267,218
Direct benefits to donors	(32,483)	(312,991)	(345,474)	(293,639)
Net assets released from restrictions (note 14)	13,944,229	(13,944,229)	–	–
Total public support	<u>38,299,735</u>	<u>246,130</u>	<u>38,545,865</u>	<u>34,245,616</u>
Revenue and gains				
Program service fees	9,149,842	–	9,149,842	8,703,665
Development fees	204,616	–	204,616	539,766
Rental income and subsidy	969,952	–	969,952	984,395
Investment return	1,502,262	231,109	1,733,371	1,201,616
Net loss on disposals of property	(10,103)	–	(10,103)	(28,759)
Equity in loss of subsidiaries (note 7)	(127,063)	–	(127,063)	(894,283)
Miscellaneous income	84,669	–	84,669	501,839
Total revenue and gains	<u>11,774,175</u>	<u>231,109</u>	<u>12,005,284</u>	<u>11,008,239</u>
Total public support, revenue and gains	<u>50,073,910</u>	<u>477,239</u>	<u>50,551,149</u>	<u>45,253,855</u>
Expenses				
Program services				
Family & Children Services	14,023,702	–	14,023,702	14,330,542
Shelter & Community Outreach Services	20,430,306	–	20,430,306	19,415,308
Western Slope	1,439,145	–	1,439,145	954,985
Weld County	2,748,204	–	2,748,204	1,878,449
Larimer County	2,130,280	–	2,130,280	1,776,793
Farm Labor Housing Corporation	1,034,117	–	1,034,117	1,017,443
Archdiocesan Housing, Inc.	1,286,797	–	1,286,797	759,496
Marisol Health, Inc.	858,541	–	858,541	325,254
Total program services	<u>43,951,092</u>	<u>–</u>	<u>43,951,092</u>	<u>40,458,270</u>
Supporting services				
General and administrative	4,254,424	–	4,254,424	3,591,345
Fund raising	2,875,871	–	2,875,871	2,953,982
Total supporting services	<u>7,130,295</u>	<u>–</u>	<u>7,130,295</u>	<u>6,545,327</u>
Total expenses	<u>51,081,387</u>	<u>–</u>	<u>51,081,387</u>	<u>47,003,597</u>
Change in net assets	<u>(1,007,477)</u>	<u>477,239</u>	<u>(530,238)</u>	<u>(1,749,742)</u>
Net assets at beginning of year	<u>48,733,940</u>	<u>3,164,085</u>	<u>51,898,025</u>	<u>53,647,767</u>
Net assets at end of year	<u>\$ 47,726,463</u>	<u>3,641,324</u>	<u>51,367,787</u>	<u>51,898,025</u>

See the accompanying notes to the combined financial statements.

Catholic Charities and Community Services of the Archdiocese of Denver, Inc.
Combined Statement of Functional Expenses
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Catholic Charities											2025 Total	2024 Total
	Family & Children Services	Shelter & Community Outreach Services	Western Slope	Weld County	Larimer County	General and admin- istrative	Fund raising	Catholic Charities Total	Farm Labor Housing Corp.	Arch- diocesan Housing, Inc.	Marisol Health, Inc.		
Salaries	\$ 8,676,362	9,907,902	462,492	1,154,795	1,375,330	2,237,905	1,597,163	25,411,949	74,034	529,250	390,261	26,405,494	24,576,490
Benefits and payroll taxes	2,371,859	2,556,213	143,774	346,451	379,681	597,743	402,199	6,797,920	41,258	107,137	109,877	7,056,192	6,365,714
Food	225,650	613,598	—	32,780	7,427	1,188	—	880,643	—	—	—	880,643	882,140
Specific assistance	393,115	3,477,999	772,756	845,265	46,336	—	37,019	5,572,490	—	—	3,113	5,575,603	4,451,488
Professional services and contract labor	801,248	677,583	1,801	21,773	62,444	899,292	280,182	2,744,323	96,601	183,004	77,045	3,100,973	3,291,934
Rent, utilities and building maintenance	588,117	1,213,513	18,102	69,781	55,803	125,130	200	2,070,646	529,112	—	14,531	2,614,289	2,476,290
Printing	11,412	12,383	191	3,866	2,208	3,423	133,779	167,262	—	—	2,288	169,550	194,964
Publicity and marketing	36,285	10,702	—	227	1,575	—	33,095	81,884	—	—	10,000	91,884	113,262
Travel and transportation	24,826	71,943	2,751	14,223	9,022	15,072	1,574	139,411	—	—	8,247	147,658	150,783
Telephone	69,072	29,604	6,564	18,393	14,773	40,926	—	179,332	—	—	2,220	181,552	173,844
Office and program supplies	246,809	461,677	922	40,239	43,970	16,014	4,762	814,393	12,806	97,024	13,657	937,880	992,469
Equipment, maintenance and repairs	72,701	113,719	262	12,105	12,176	35,134	2,060	248,157	—	—	4,716	252,873	220,337
Postage and freight	607	1,963	73	917	140	6,180	61,168	71,048	—	—	230	71,278	101,330
Insurance	131,486	167,884	7,784	56,394	45,709	86,621	—	495,878	94,566	278	23,721	614,443	566,680
Dues, memberships and subscriptions	24,031	19,359	300	468	498	30,863	75,858	151,377	—	—	2,412	153,789	130,515
Interest and bank fees	59,601	21	—	—	—	94,204	154,424	308,250	42,721	—	98	351,069	285,532
Conferences and training	106,303	67,255	700	4,285	7,359	41,309	13,444	240,655	—	8,518	7,371	256,544	317,362
Occupancy allocation	39,108	384,043	—	13,206	13,206	(513,839)	64,276	—	—	—	—	—	—
Other expenses	5,949	4,808	237	1,600	3,132	77,255	348,842	441,823	29,782	491,456	8,140	971,201	506,890
Total expenses before depreciation	13,884,541	19,792,169	1,418,709	2,636,768	2,080,789	3,794,420	3,210,045	46,817,441	920,880	1,416,667	677,927	49,832,915	45,798,024
Depreciation	139,161	638,137	20,436	111,436	49,491	217,218	11,300	1,187,179	226,153	—	180,614	1,593,946	1,499,212
Total expenses	14,023,702	20,430,306	1,439,145	2,748,204	2,130,280	4,011,638	3,221,345	48,004,620	1,147,033	1,416,667	858,541	51,426,861	47,297,236
Less expenses netted with revenues on statement of activities	—	—	—	—	—	—	(345,474)	(345,474)	—	—	—	(345,474)	(293,639)
Total expenses included in expense section in statement of activities	\$ 14,023,702	20,430,306	1,439,145	2,748,204	2,130,280	4,011,638	2,875,871	47,659,146	1,147,033	1,416,667	858,541	51,081,387	47,003,597

See the accompanying notes to the combined financial statements.

**Catholic Charities and Community Services of
the Archdiocese of Denver, Inc.**
Combined Statement of Cash Flows
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (530,238)	(1,749,742)
Equity in loss of subsidiaries	127,063	894,283
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities		
Depreciation	1,593,946	1,499,212
Amortization	33,387	38,313
Loss on disposals of property and equipment	10,103	28,759
Operating leases right-of-use assets and liabilities noncash expense	(4,673)	594
Investment return on contributions restricted for long-term purposes	(231,109)	(157,713)
Contributions restricted for capital projects	–	(654,069)
Realized and unrealized gains on investments	(812,948)	(668,567)
Change in net present value of annuities	14,919	22,718
Changes in operating assets and liabilities		
Accounts receivable	(4,462)	(71,578)
Contributions and grants receivable	161,672	(524,384)
Development fees receivable–affiliates	(92,663)	177,986
Predevelopment costs reimbursable	(770,698)	839,008
Other assets	22,493	(122,009)
Accounts payable and accrued expenses	(233,214)	1,009,294
Refundable advances	(329,239)	129,757
Net cash (used in) provided by operating activities	<u>(1,045,661)</u>	<u>691,862</u>
Cash flows from investing activities		
Issuance of note receivable	(4,057,000)	(50,000)
Investment in subsidiary	–	(92,040)
Net sales (purchases) of investments	1,026,449	(10,468,287)
Purchases of property and equipment	(1,337,386)	(1,857,961)
Net cash used in investing activities	<u>(4,367,937)</u>	<u>(12,468,288)</u>
Cash flows from financing activities		
Investment return on contributions restricted for long-term purposes	231,109	157,713
Proceeds from contributions restricted for capital projects	–	1,020,380
Charitable gift annuity activity	(21,093)	(24,780)
Proceeds from note payable	2,442,000	–
Payments on notes payable	(85,520)	(96,532)
Net cash provided by financing activities	<u>2,566,496</u>	<u>1,056,781</u>
Net decrease in cash and cash equivalents and restricted cash	<u>(2,847,102)</u>	<u>(10,719,645)</u>
Cash and cash equivalents and restricted cash at beginning of year	<u>10,414,784</u>	<u>21,134,429</u>
Cash and cash equivalents and restricted cash at end of year	<u>\$ 7,567,682</u>	<u>10,414,784</u>
Supplemental disclosures		
Noncash investing and financing activity		
Operating leases assets and liabilities noncash expense	\$ <u>(4,673)</u>	<u>594</u>
Operating leases right-of-use assets	<u>918,130</u>	<u>1,127,485</u>
Operating leases liabilities	<u>966,289</u>	<u>1,180,317</u>
Other cash flow information		
Interest paid	\$ <u>27,873</u>	<u>11,586</u>

See the accompanying notes to the combined financial statements.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements
June 30, 2025**

(1) Summary of Significant Accounting Policies

(a) Organization

Catholic Charities and Community Services of the Archdiocese of Denver, Inc. (Catholic Charities) is organized as a Colorado not-for-profit corporation and was formed on April 27, 1928. Under the 1983 Code of Canon Law of the Roman Catholic Church, Catholic Charities is also a *public juridic person* and accordingly, is subject to its Canonical Statutes. Catholic Charities operates various programs to assist and promote charitable, welfare, educational, health, and social services in the Denver-Metropolitan area, Weld and Larimer counties and in Western Slope counties within the territory of the Archdiocese of Denver (the Archdiocese). Some of the major programs in operation are:

Family and Children Services – Denver Metro provides adoptive, child welfare, and counseling services to birth parents with unplanned pregnancies. It also provides services and referrals to relatives raising children as well as services to the elderly and disabled. In addition, Family and Children Services provide daycare programs and Head Start in metro Denver through several childcare centers including the *Margery Reed Mayo Center, Child Development Center, Mariposa Center, and Quigg Newton Center*.

Shelter and Community Outreach Services – Denver Metro provides temporary shelter and meals as well as case management for homeless persons and homeless Veterans. It also provides employment referrals and assistance, transitional housing services to individuals and families, and immigration assistance. In addition, emergency assistance is provided to individuals and families in need of basic necessities in metro Denver.

Catholic Charities – Western Slope provides family transitional housing services, immigration assistance and advocacy, and emergency assistance to individuals and families in need of basic necessities including food, rent, and utilities to clients in the Glenwood Springs and surrounding western slope of Colorado.

Catholic Charities – Weld County provides temporary shelter and meals as well as case management for homeless persons at the *Guadalupe Shelter* in Greeley. In addition, it also provides services to low-income seniors, and emergency assistance to individuals and families in need of basic necessities in Weld County and the surrounding area.

Catholic Charities – Larimer County provides temporary shelter and meals as well as case management for homeless persons at *The Mission* in Fort Collins. In addition, it also provides transitional housing services, services to low-income seniors, and emergency assistance to individuals and families in need of basic necessities in Larimer County and the surrounding area.

Farm Labor Housing Corporation (FLHC) is a not-for-profit corporation, formed in 1993 to provide farm labor housing that is safe, clean and affordable and to act as a catalyst to building more farm labor housing. The initial project for FLHC, *Plaza del Milagro*, consists of a 40-unit housing complex, which includes a community center and child-care center located in Greeley, Colorado. *Plaza del Sol* consists of 42 independent housing units, housing up to 144 single occupants, and is located adjacent to *Plaza del Milagro*. FLHC is controlled by Catholic Charities through the selection of FLHC board members.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Organization, Continued

Archdiocesan Housing, Inc. (AHI) is a Colorado nonprofit corporation incorporated on December 17, 1968 to provide affordable housing for low- and moderate-income families and seniors where no adequate housing exists for such persons. AHI is controlled by Catholic Charities as they are the sole voting member of AHI. Included with the accounts of AHI are the following wholly-owned subsidiaries (of which AHI is the sole member): AHI Courtyard Commons, LLC; AHI Development, LLC; AHI Trust, LLC; AHI Development Silverthorne, LLC; AHI Development Guadalupe, LLC; AHI Mount Loretto, LLC; AHI GP St. Valentine, LLC; Immaculata Plaza Apartments GP, LLC; CCH GP The Benedict, LLC; and All Saints Apartments GP, LLC.

AHI is also affiliated with, but does not consolidate in its financial statements, the following Colorado nonprofit entities because AHI does not have both control and an economic interest in the entities.

- Archdiocesan Family Housing, Inc. (Denver Family Sites)
- Cathedral Plaza, Inc. (Cathedral)
- Catholic Charities & Community Svcs. of the Archdiocese of Denver, Inc. (CCCS)
- Colorado Affordable Catholic Housing Corporation (CACHC)
- Golden Spike, Inc. (Golden Spike)
- Higgins Plaza, Inc. (Higgins)
- Holy Cross Village, Inc. (Holy Cross)
- Holy Family Plaza, Inc. (Holy Family)
- Housing Management Services, Inc. (HMS)
- Machebeuf Apartments, Inc. (Machebeuf)
- Madonna Plaza, Inc. (Madonna)
- Marian Plaza, Inc. (Marian)
- Prairie Rose Plaza, Inc. (Prairie Rose)
- St. Martin Plaza, Inc. (St. Martin)
- Villa de Santa Lucia, Inc. (VSL)
- Villa Sierra Madre, Inc. (VSM)

AHI Development, LLC is the Managing Member in Courtyard Commons, LLC (Courtyard) at .005% ownership, the General Partner in St. Joseph Golden, LLLP (SJG) at .01% ownership and the General Partner in Broadway Affordable, LLLP (BA) at .01% ownership. AHI is the Administrative Special Limited Partner in The Villas in Southgate, LLLP (VSG) at .005% ownership. AHI Development Silverthorne, LLC is the General Partner in Villa Sierra Madre II LLLP (VSMII) at .01% ownership. AHI Development Guadalupe, LLC is the Managing General Partner in Guadalupe Apartments, LLLP (GA) at .005% ownership, and AHI is the Administrative General Partner in GA at .005% ownership. AHI GP St. Valentine, LLC is the General partner in St. Valentine, LLLP at .01% ownership. Immaculata Plaza Apartments GP, LLC is the General Partner in Immaculata Plaza, LLLP (IMM2) at .005 ownership. CCH GP The Benedict, LLC is the general partner in Benedict, LLLP at .01% ownership. AHI (Administrative General Partner) and All Saints Apartments GP, LLC (General Partner) each have an ownership interest of .005% in All Saints Apartments.

Each of the above for-profit partnerships in which AHI is the general or managing partner are not consolidated in AHI's financial statements as the limited partners in these partnerships have substantive participating rights in the partnership and, therefore, AHI does not have control. Due to the insignificant investment balances of the general or managing partner's interest in the for-profit corporations which are not consolidated, AHI accounts for these entities using the cost method of accounting, which approximates the consolidation method.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Organization, Continued

AHI Mount Loretto, LLC became the Substitute Member of Mount Loretto LLC at 99.99% ownership, effective July 1, 2020. AHI Courtyard Commons, LLC became the Investor Member of Courtyard Commons, LLC at 99.99% ownership, effective December 31, 2020. AHI consolidates both entities. On March 1, 2022, AHI was assigned a portion of the existing Limited Partner's interest in VSG, such that VSG is now owned by AHI (49%) and the General Partner (51%). AHI accounts for its ownership interest in VSG using the equity method of accounting.

Marisol Health, Inc. is a nonprofit corporation formed in 2023 that consists of a network of women's medical clinics in Colorado. Catholic Charities is the sole voting member of Marisol Health, Inc. and has both control and an economic interest. Therefore, the activities of Marisol Health, Inc. are consolidated with Catholic Charities.

(b) Basis of Accounting

The accompanying combined financial statements of Catholic Charities have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(c) Financial Statement Presentation

Reporting Entity

The accompanying combined financial statements include the accounts of FLHC, AHI, and Marisol Health, Inc., which are separate not-for-profit corporations over which Catholic Charities has control and an economic interest. All material inter-organizational transactions have been eliminated in combination. Management of Catholic Charities annually reassesses the limited partner's rights in the for-profit partnerships (in which AHI is the general partner) to determine whether to consolidate the partnerships.

Basis of Presentation

Catholic Charities is required to present information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Catholic Charities. These net assets may be used at the discretion of Catholic Charities' management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Catholic Charities or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

(d) Cash and Cash Equivalents and Restricted Cash

Catholic Charities considers all highly liquid investments with an initial maturity of three months or less, and which are not held as part of the investment portfolio or subject to donor restrictions for long-term purposes, to be cash equivalents. Restricted cash consists of cash required to be held in reserve accounts (note 4). Restricted cash is combined with cash and cash equivalents for purposes of the combined statement of cash flows.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Cash and Cash Equivalents and Restricted Cash, Continued

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the combined statement of financial position to the total of the same such amounts in the combined statement of cash flows as of June 30, 2025:

Cash and cash equivalents	\$ 5,262,573
Cash restricted by financial institution, AHI (note 4)	1,525,497
Cash restricted for reserves, FLHC (note 4)	<u>779,612</u>
Total cash and cash equivalents and restricted cash shown in the combined statement of cash flows	\$ <u>7,567,682</u>

Funds held on behalf of others consist of cash that is being held to administer a program on behalf of the Archdiocese of Denver.

(e) Concentrations

Financial instruments which potentially subject Catholic Charities to concentrations of credit risk consist principally of cash, cash equivalents, investments, notes receivable, development fees receivable, accounts receivable and contributions and grants receivable. Catholic Charities places its cash and cash equivalents with creditworthy, high-quality financial institutions. At times, a portion of these balances may exceed the limits for insurance by the FDIC or similar entity.

Investments which potentially subject Catholic Charities to concentrations of credit risk include \$406,210 held by the Archdiocese of Denver Irrevocable Revolving Fund Trust (Revolving Fund Trust) and \$1,821,866 held at The Catholic Foundation, and invested on behalf of Catholic Charities. Catholic Charities also holds various other investments that are subject to changes in value due to market factors. Investment managers engaged by Catholic Charities make investments, and management of Catholic Charities monitors the investments. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that its investment policy is prudent for the long-term welfare of Catholic Charities.

In addition, Catholic Charities is subject to concentrations of credit risk resulting from notes receivable and accrued interest totaling \$9,122,178 (see note 9), and development fee receivable-affiliates of \$1,091,260 (see note 17).

Catholic Charities is subject to the risk of loss from certain government receivables if the government determines that certain amounts are unallowable reimbursements, although this has not happened to date. Credit risk associated with contributions and grant receivable is limited due to the number and creditworthiness of the governments, foundations and individuals that comprise the contributor base.

(f) Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Fair value is more fully discussed below. Management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Investments

Investment return consists of Catholic Charities' distributive share of any interest, dividends, and capital gains and losses generated from sales of investments. Gains and losses attributable to investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statement of activities.

(g) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles (GAAP) establish a fair value hierarchy that prioritizes investments based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Assets are grouped at fair value in three levels based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2 and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not an indication of risk or liquidity.

Investments in marketable equity and fixed income securities with readily determinable fair values are reported at fair value based on quoted prices in active markets. Investments held in the Revolving Fund Trust consist of marketable securities that are also valued based on quoted prices in active markets. The market value of Catholic Charities' beneficial interest in assets held at The Catholic Foundation is based on information reported by The Catholic Foundation, which holds the funds.

The market values for alternative investments represents Catholic Charities' pro rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers or on the basis of other information evaluated periodically by Catholic Charities. Alternative investments are not publicly traded on national security exchanges, are generally illiquid, and may be valued differently should readily available markets exist for such investments. Because of inherent uncertainties of the valuation of the limited partnerships, the recorded market values of such investments may differ significantly from values that would have been used had a readily market existed.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Property and Equipment

Property and equipment with initial cost or value of more than \$5,000 are capitalized at cost or, if donated, the estimated fair market value of the asset at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Equipment leased under capital leases is recorded at the present value of the lease payments. Amortization of capitalized leases is included with depreciation on the combined financial statements.

(i) Leases

Catholic Charities has adopted the provisions of Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. In accordance with the standard, Catholic Charities has elected not to record in the combined statement of financial position a lease whose term is twelve months or less and does not include a purchase option that Catholic Charities is reasonably certain to exercise. Catholic Charities has elected to use the risk-free rate of return as of the lease commencement date to determine the present value of the lease payments for the purpose of calculating the right of use asset and lease liability. In addition, Catholic Charities has elected the practical expedient not to separate lease and non-lease components.

(j) Revenue Recognition

Public support

Public support on the combined statement of activities mainly consists of contributions and grants revenue. Contributions and grants are recognized when cash, securities or other assets, and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met. Should Catholic Charities substantially meet the conditions in the same period that the contribution was received, and barring any further donor-imposed restrictions, Catholic Charities has elected to recognize the revenue in net assets without donor restrictions. Payments received in advance of conditions being met are recorded as refundable advances in the combined statement of financial position. At June 30, 2025, there were no conditional contributions receivable outstanding relating to these grants.

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Catholic Charities uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible contributions and grant receivable at June 30, 2025.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Revenue Recognition, Continued

Public support, continued

Government grants are treated as contributions that are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2025, conditional contributions relating to government grants, totaling \$5,976,483, have not been recognized in the accompanying combined financial statements. Amounts received in advance under these grants have been recognized in refundable advances on the combined statement of financial position.

Contributed nonfinancial assets

Contributed nonfinancial assets are recorded as contributions and corresponding expenses in the accompanying statements at their estimated values at date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Catholic Charities. Many individuals volunteer their time and perform a variety of tasks that assist Catholic Charities in its programs and general operations. However, the value of this contributed time is not reflected in the accompanying combined financial statements as it does not meet the criteria of recognition under GAAP. See also note 15.

Fund raising events revenue

Special events revenue consists of ticket sales and sponsorships for various special events. Ticket sales and sponsorships may be received in advance of the event taking place and are recorded as deferred revenue. These amounts are recorded as revenue the day the event takes place.

Program service fees

Program service fees consist of fee-for-service and other contract revenue earned as a result of childcare, counseling, housing and other services provided by Catholic Charities. This revenue is earned primarily from certain government agencies, private organizations and the general public. Program service fees are deemed to be earned and are reported as revenue when Catholic Charities has performed services in compliance with the provisions of the respective service agreements. Cash received for contracts in advance of being earned is recorded as unearned revenue.

Accounts receivable represent amounts due resulting from the performance of these services to other organizations or individuals. The allowance for credit losses is based on past experience and on analysis of the collectability of current accounts receivable. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Accounts receivable are considered to be past due based on contractual terms. At June 30, 2025, accounts receivable includes an allowance of \$1,816. Management believes the existing allowance for doubtful accounts at June 30, 2025 is adequate.

Development fees

AHI has agreements with affiliates and/or entities managed or controlled by affiliates whereby they earn development fees for services rendered in connection with the investigation, due diligence, development, financing, construction and permitting of related affordable housing projects. These development fees are recognized as revenue when the performance obligations are met. Fees received in advance are reported as deferred revenue until earned.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Revenue Recognition, Continued

Rental income and subsidy

FLHC's primary sources of revenue consist of rental income received from tenants and rental subsidies received from the USDA under leases of residential property of one year or less. Lease agreements require tenants to contribute a portion of the contract rent based on formulas prescribed by the USDA. The difference from the rental rate and calculated tenant contribution is then subsidized by the USDA. FLHC accounts for the rental subsidies received from the USDA as third-party payments on behalf of identified customers to existing exchange transactions. As such, revenue from both parties is recognized when performance obligations are complete, or when housing is provided to tenants in accordance with lease agreements. Any amounts received prior to completing performance obligations are reported as deferred revenue in the combined statement of financial position. At June 30, 2025, FLHC has no deferred revenue.

Catholic Charities does earn rental income on portions of its buildings that are rented for program purposes. This rental income is recognized when housing is provided to tenants in accordance with lease agreements.

(k) Advertising

Catholic Charities uses advertising to promote certain programs and products. The costs of advertising are expensed as incurred. During fiscal year 2025, advertising costs totaled \$91,884.

(l) Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the combined statement of functional expenses. Catholic Charities incurs expenses that directly relate to, and can be assigned to, specific programs or supporting activities. Catholic Charities also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e., fund raising and general and administrative activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel.

(m) Estimates

The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Income Taxes

Catholic Charities, FLHC, AHI, and Marisol Health, Inc. are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code through their inclusion in the United States Conference of Catholic Bishops group ruling and listing in the Official Catholic Directory. Accordingly, contributions to these organizations qualify for the charitable contribution deduction. Income from activities not directly related to Catholic Charities', FLHC's, AHI's, or Marisol Health, Inc.'s tax exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income subject to tax in the current year.

Management is required to evaluate tax positions taken by Catholic Charities and recognize a tax liability (or asset) if Catholic Charities has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the combined financial statements and determined there are none. Catholic Charities is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Catholic Charities' tax returns for the three previous tax years remain subject to examination.

(o) Prior Period Information

The accompanying combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Catholic Charities' combined financial statements for the year ended June 30, 2025, from which the summarized information was derived.

(p) Subsequent Events

Management has evaluated subsequent events through November 17, 2025, the date the combined financial statements were available to be issued.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(2) Liquidity and Availability of Financial Assets

The following reflects the financial assets as of June 30, 2025 that are available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year, or when restricted by donors for purposes more limited than general expenditures.

Financial assets at year-end	
Cash and cash equivalents	\$ 5,262,573
Accounts receivable, net	973,389
Contributions and grants receivable	2,652,602
Investments	11,484,248
Beneficial interest in assets held by others	<u>1,821,866</u>
Total financial assets	22,194,678
Less endowment funds	<u>(1,453,626)</u>
Financial assets available for expenditure within one year	\$ <u>20,741,052</u>

As part of Catholic Charities' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Catholic Charities invests cash in excess of daily requirements in short-term investments. To manage liquidity, Catholic Charities maintains two lines of credits that are drawn upon as needed during the year to manage cash flows (as further discussed in note 16). Catholic Charities considers donor restricted contributions for on-going programs to be available for expenditure, provided they are available for expenditure within the next twelve months.

(3) Contributions and Grants Receivable

Contributions and grants receivable consist of the following at June 30, 2025:

	<u>Due in one year</u>	<u>Due in two to five years</u>	<u>Total</u>
Government grants receivable	\$ 2,530,432	-	2,530,432
Contributions receivable			
Catholic Charities - Samaritan House	75,000	-	75,000
Marisol Health, Inc.	<u>47,170</u>	<u>-</u>	<u>47,170</u>
Total	\$ <u>2,652,602</u>	<u>-</u>	<u>2,652,602</u>

Amounts due in more than one year have not been discounted to net present value as it was determined by management that this did not have a material effect in the combined financial statements.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(4) Restricted Cash

FLHC is required to make monthly payments to a reserve account for *Plaza del Milagro* until the balance reaches \$400,000. The funds may be used with the approval of the USDA for repair, replacement, or improvement of the property, to meet payments on loan obligations, or to promote the loan or grant purpose. For the year ended June 30, 2025, no payments and no withdrawals were made from this reserve account. A similar account is required at *Plaza del Sol*. FLHC was originally required to make annual payments of \$41,380 to the reserve account for the *Plaza del Sol* until the balance reaches \$413,800; however, the USDA has reduced the annual payment requirement to \$25,000. Payments totaling \$25,000 were made to the *Plaza del Sol* reserve during the year ended June 30, 2025; no withdrawals were made in 2025.

The following is a summary of the required reserve accounts at June 30, 2025:

<i>Plaza del Milagro</i>	\$ 407,343
<i>Plaza del Sol</i>	<u>372,269</u>
Total reserve cash	\$ <u>779,612</u>

AHI is required by a financial institution to set aside \$1,500,000 for its Benedict project until construction is completed. Restricted cash was \$1,500,000 at June 30, 2025. AHI also has \$25,497 in restricted contributions at June 30, 2025.

(5) Investments

Investments are comprised of the following at June 30, 2025:

Equities	\$ 2,639,649
Mutual funds invested in equities	2,896,317
Fixed income	961,475
Alternative investments	2,456,940
Mutual funds invested in fixed income	628,605
Exchange traded funds (ETFs)	1,178,621
Cash and cash equivalents	190,812
Investments with the Revolving Fund Trust	406,210
Real estate investment trusts (REITs)	<u>125,619</u>
	\$ <u>11,484,248</u>

The Revolving Fund Trust enables parishes and other Catholic entities within the territory of the Archdiocese to pool financial resources to obtain competitive terms for depositing, withdrawing and borrowing money. The Revolving Fund Trust holds title to the assets of the trust. However, the equitable and beneficial ownership of the assets of the trust belong to and are owned by each entity participating in the Revolving Fund Trust pursuant to the terms and conditions of the trust agreement.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(6) Fair Value Measurements

The following table summarizes Catholic Charities' investments by the fair value hierarchy levels as of June 30, 2025:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Equities	\$ 2,639,649	2,639,649	–	–
Mutual funds invested in equities	2,896,317	2,896,317	–	–
Fixed income Mutual funds invested in fixed income	961,475	–	961,475	–
Exchange traded funds	628,605	628,605	–	–
Cash and cash equivalents	1,178,621	1,178,621	–	–
Revolving Fund Trust	190,812	190,812	–	–
REITs	406,210	406,210	–	–
Alternative investments (a)	125,619	125,619	–	–
	<u>2,456,940</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total investments	11,484,248	8,065,833	961,475	–
Investments held at The Catholic Foundation	<u>1,821,866</u>	<u>–</u>	<u>1,821,866</u>	<u>–</u>
Total	<u>\$13,306,114</u>	<u>8,065,833</u>	<u>2,783,341</u>	<u>–</u>

(a) Certain investments that are measured using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Cash equivalents, marketable securities, and mutual funds are valued based on quoted prices in active markets. Fixed income securities are valued based on other observable inputs. Alternative investments are valued using the net asset value per share practical expedient. There were no changes in valuation techniques during the year.

The following table summarizes the significant information required by ASU No. 2009-12 as of June 30, 2025:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Ironwood Institutional Multi-Strategy Fund, LLC (a)	\$ 698,384	–	Semi-annual	90 days
Willshire Quinn (b)	224,932	–	Monthly	30 days
Baseline CRE Income (c)	167,322	–	Quarterly	30 days
CAZ Gen Partner Fund (d)	365,543	–	See note (d)	See note (d)
Barings Core Property Fund, LP (e)	258,710	–	Quarterly	60 days
Ascension Priv. Credit Strat. (f)	310,407	290,000	See note (f)	See note (f)
RCP Cayman (g)	55,355	187,500	N/A	N/A
Goldman Sachs Private Credit (h)	199,046	–	Quarterly	30 days
Brookfield Infrastructure (i)	<u>177,241</u>	–	Quarterly	40 days
Total alternative investments	<u>\$ 2,456,940</u>			

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(6) Fair Value Measurements, Continued

- (a) Ironwood's investment objective across all funds is to deliver an attractive real rate of return (i.e. mid-to-high single digits over a 36-month period) in a repeatable and low-volatility manner (i.e. target standard deviation of 3-5%) with little to no beta to equities or credit. Ironwood focuses on institutional quality managers who invest in historically uncorrelated strategies such as relative value, event-driven, market neutral & hedged equity, and distressed and credit securities.
- (b) The fund targets control investments in lower middle-market businesses in the Analytical Tools sector utilizing a hands-on, transformative investment strategy. The fund has an expected ten-year term with two consecutive one-year extensions by the General Partner and one additional one-year extension by the General Partner with the consent of the Advisory Board.
- (c) The fund's primary investment objective is to achieve a high level of current income and attractive risk-adjusted returns, relative to more liquid fixed income alternatives, with an emphasis on the preservation of capital. The fund seeks to achieve its objectives primarily by obtaining indirect leveraged exposure to: (i) U.S. middle market, senior secured, floating rate loans directly originated by Golub Capital Finance; and (ii) secondarily, broadly syndicated loans primarily acquired from unaffiliated third parties. The fund may also invest in opportunistic investments. The fund has an expected ten-year life, subject to two two-year extensions at the election of the general partner.
- (d) The CAZ General Partner Ownership Fund (GPO) owns a diversified and growing portfolio of minority equity stakes in 62 distinct private market asset managers. The ownership of these assets is expected to provide: attractive cash flow yield created by robust cash flow generation from management fees, carried interest and balance sheet returns; upside optionality from growth of enterprise value, as private managers continue to grow their businesses; downside protection and consistent revenue generation from contractually-obligated management fees; and substantial diversification across size, sector, style, geography and vintage exposure. This investment is subject to a 3-year lock-up period, after which redemptions are subject to a 5% semi-annual tender, with 60-days' notice.
- (e) BCPF is Barings LLC's (Barings) U.S. core, commingled, private equity real estate flagship fund. The Fund seeks to provide competitive risk adjusted returns and attractive levels of distributable income derived from a diversified U.S. private equity real estate portfolio. The Fund consists primarily of wholly owned, stabilized assets, with limited non-core investments and prudent debt levels, resulting in a lower risk fund. These assets are selected with guidance from Barings' proprietary research and are actively managed to maximize portfolio value.
- (f) The investment objective is long-term growth of capital. Historically, the fund takes a "barbell approach" by investing in niche managers that have the skillset to take advantage of narrow or sector specific opportunities and managers with a large multi-billion asset base that have broad sourcing abilities and can allocate capital to public and private markets based on their determination of the attractiveness of each opportunity set. Redemptions are not allowed and follow a traditional drawdown structure offering annual vintages.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(6) Fair Value Measurements, Continued

- (g) The objective of the Firm's Investment Team is to develop a diversified product with top quartile performance, using a pool of underlying funds with superior risk-adjusted return potential. RCP generally works with North American buyout fund managers sponsoring private equity funds of between \$250 million and \$1 billion in committed capital. These fund managers then seek to invest in lower middle-sized companies – typically, with \$10 million to \$250 million in enterprise value. In its management of Fund XVIII, RCP plans to employ the same focus and specialization with the goal of generating superior returns for its investors by acquiring a diversified portfolio of established lower middle market private equity funds.
- (h) Under normal circumstances, at least 80% of the total assets are invested in private credit instruments, which may include loans, notes, bonds and other corporate debt securities issued by corporate issuers. If there is a change in the 80% test, stockholders will be provided with at least 60 days' notice of such change. The fund primarily will hold directly originated, first lien senior secured, floating rate debt of companies located primarily in the United States and, to a lesser extent, in non-U.S. jurisdictions. The fund may also invest, to a lesser extent, in second lien loans, unsecured, subordinated or PIK debt and equity and equity-like instruments. The fund also invests a portion of the portfolio in more liquid investments, such as broadly syndicated loans and other fixed-income securities, to provide the portfolio with additional liquidity.
- (i) Brookfield Infrastructure (BII) is a newly launched open-ended tender-offer wrapper for Brookfield's global suite of infrastructure investments. BII has the right of first refusal to coinvest alongside any of the deals within the five closed-end funds that make up Brookfield's \$359 Billion infrastructure arm. This structure allows them to reap the benefits of the 470-person infrastructure team sourcing deals in 30 countries around the world with a wrapper that is convenient for our clients. They do not re-underwrite the assets in these funds but rather cherry-pick the most attractive investments from the due diligence that the Brookfield team has already completed. Those funds invest in a wide range of assets, from equity to debt, but most assets will provide essential services, exhibit high barriers to entry, have long operational lives, and include contracted and/or regulated revenues with inflation-protected cash flows

(7) Investment in Subsidiaries

AHI's investment in subsidiaries were \$200 for AHI Development, LLC, \$600,050 for AHI Development Guadalupe, LLC, \$182,054 for Immaculata Plaza Apartments GP, LLC, and \$92,040 for AHI GP St. Valentine LLC at June 30, 2025. Investment in these entities is accounted for under the cost method by AHI. Management of AHI annually reassesses the limited partner's rights in the for-profit partnerships (in which AHI is the general partner) to determine whether to consolidate the partnerships.

Effective March 1, 2022, a 49% ownership interest in The Villas in Southgate, LLLP (VSG) was contributed to AHI. As VSG had a net deficit at date of donation, and at June 30, 2025, no amounts have been recorded in the accompanying combined financial statements for this investment which is accounted for on the equity method. AHI recognizes the earnings and losses of its equity method partnerships to the extent of its respective ownership interests.

Effective July 1, 2020, AHI Mount Loretto, LLC became the Substitute Member in Mount Loretto, LLC and a 99.99% ownership interest was contributed on that day totaling \$480,324. The investment balance at June 30, 2025 was (\$1,172,035). Equity in loss of subsidiary for the year ended June 30, 2025 was (\$40,832).

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(7) Investment in Subsidiaries, Continued

Effective December 31, 2020, AHI Courtyard Commons, LLC became the Investor Member in Courtyard Commons, LLC and a 99.99% ownership interest was contributed on that day totaling \$316,651. The investment balance at June 30, 2025 was (\$503,582). Equity in loss of subsidiary for the year ended June 30, 2025 was (\$86,231).

(8) Beneficial Interest in Assets Held by Others

Catholic Charities has entered into an agreement with The Catholic Foundation for the Roman Catholic Church in Northern Colorado (the Foundation), to hold and invest certain endowed funds. The funds deposited at the Foundation are to be held in perpetuity by the Foundation, to which variance power has been given. The Foundation shall distribute annually to Catholic Charities as much of the net income of the fund as Catholic Charities requests and the Foundation deems consistent with the agreement and the distribution policies of the Foundation. At June 30, 2025, the investments had a fair market value of \$1,821,866.

(9) Notes and Accrued Interest Receivable

At June 30, 2025, AHI had notes receivable and accrued interest receivable consisting of the following:

	<u>Interest rate</u>	<u>Date due</u>	<u>Note receivable</u>	<u>Interest receivable</u>
Broadway Affordable, LLLP	3.94%	June 30, 2050	\$ 774,621	586,611
Allowance-BA			-	(586,611)
St. Valentine, LLLP	8.00%	July 14, 2064	740,000	191,298
Allowance-STA			-	(70,614)
Villa Sierra Madre II, LLLP	6.00%	December 31, 2045	350,000	312,711
Allowance-VSMII			-	(312,711)
Guadalupe Apartments, LLLP	6.50%	December 31, 2056	300,000	191,117
Allowance-GA			-	(191,117)
Immaculata Plaza Apartments, LLLP	3.11%	June 30, 2038	2,744,698	228,616
Allowance-IMM2			-	(228,616)
Prairie Rose, Plaza, Inc.	5.00%	N/A	29,000	6,175
Benedict, LLLP	1.00%	June 5, 2065	1,615,000	-
All Saints Apartments, LLLP	1.00%	August 23, 2078	<u>2,442,000</u>	<u>-</u>
			<u>\$ 8,995,319</u>	<u>126,859</u>

AHI's \$774,621 note from Broadway Affordable, LLLP (BA) earns interest at 3.94%, compounded annually, and is unsecured. The note requires payments of principal and interest made annually, 90 days following the end of each fiscal year of BA, solely from and to the extent of cash flow remaining, if any, in the priority set forth in the Third Amended and Restated Agreement of Limited Partnership. If not paid sooner, the principal sum and all interest accrued thereon is due and payable in full on June 30, 2050. Interest earned on this note during the year ended June 30, 2025 was \$56,648. An allowance was recorded for \$56,648 for interest earned in fiscal year 2025, due to the cash flow calculation for BA historically reflecting no funds being available to pay the interest. No payments were made in 2025.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(9) Notes and Accrued Interest Receivable, Continued

AHI's \$740,000 note from St. Valentine, LLLP (STV) earns interest at 8%, compounded annually, and is unsecured. The note requires payments of interest and principal annually, beginning in 2024, from cash flow or capital proceeds, with all payments applied first to accrued but unpaid interest and then to principal. Unless paid sooner, the principal sum and all interest accrued thereon is due and payable in full on July 14, 2064. Interest earned on this note during the year ended June 30, 2025 was \$70,614. An allowance was recorded for \$70,614 for interest earned in fiscal year 2025 due to the cash flow calculation for BA historically reflecting no funds being available to pay the interest. No payments were made in 2025.

AHI's \$350,000 note from Villa Sierra Madre II, LLLP (VSM II) earns interest at 6%, compounded annually, and is secured by the property, subordinate to the mortgage. The note requires payments of 100% of the available cash flow as defined in the related Partnership Agreement. If not paid sooner, the principal sum and all interest accrued thereon is due and payable in full on December 31, 2045. Interest earned on this note during the year ended June 30, 2025 was \$41,291. An allowance was recorded for \$41,291 for interest earned in fiscal year 2025 due to the cash flow calculation for VSM II reflecting no funds being available to pay the interest.

In June 2018, AHI acquired a \$300,000 note from Guadalupe Apartments, LLLP (GA) which earns interest at 6.5%. The note requires payments of the available cash flow as defined in the related Partnership Agreement. Principal and accrued interest are due and payable on December 31, 2056. Interest earned on this note during the year ended June 30, 2025 was \$41,211. An allowance was recorded for \$41,211 for interest earned on this note during the year ended June 30, 2025 due to the cash flow calculation for GA reflecting no funds being available to pay the interest.

On June 30, 2022, Immaculata Plaza, Inc. (IMM) entered into an agreement to sell its property – both the existing structure and related cash flows, the adjacent land, liabilities and remaining net assets – to IMM2 for \$2,940,000. Of that amount, IMM received \$1,145,302 in cash to settle both of its debt obligations, with the balance of \$1,794,698 taken back as a seller-financed note. At that same date, IMM assigned the \$1,794,698 note receivable to AHI, which effectively liquidated IMM on that date. The note bears interest at 3.11% and principal and interest on the note are due within 90 days after the earlier of (1) the date the property ceases to be a low-income building (as defined) or (2) June 30, 2038. In June, 2023, a \$900,000 loan with the same terms was issued to IMM2. In May 2024, an additional \$50,000 was added to the \$900,000 loan. Interest earned on both IMM2 notes during the year ended June 30, 2025 was \$86,539. An allowance was recorded for \$86,539 for interest earned on this note during the year ended June 30, 2025, respectively, due to the cash flow calculation for IMM2 reflecting no funds being available to pay the interest.

On January 19, 2021, AHI entered into a residual receipts note with Prairie Rose Plaza, Inc. that bears interest at 5% per annum. Payments due under this note are payable only from residual receipts, sources other than Prairie Rose income or assets. The balance of principal plus accrued interest has no due date. Interest earned on this note during the year ended June 30, 2025 was \$1,573.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(9) Notes and Accrued Interest Receivable, Continued

On June 5, 2024, AHI entered into a \$1,700,000 promissory note with Benedict LLLP, related to the construction of the Benedict Apartments, which bears interest at 1% per annum. Payments of interest and principal are payable annually from net cash flow. The aggregate principal balance, together with any unpaid interest, shall be due and payable in full on or before June 5, 2065. At June 30, 2025 the loan balance is \$1,615,000. No interest was recorded on this note during the year ended June 30, 2025.

On August 23, 2023, AHI entered into a \$2,452,000 loan with All Saints Apartments LLLP related to the construction financing for All Saints Apartments. A \$562,000 cash flow loan that bears interest at 1% per annum, and a \$1,890,000 zero interest performance loan. Annual payments of accrued interest and principal are due to the extent of cash flow. All unpaid principal and accrued interest on the loans shall be due August 23, 2078. At June 30, 2025 the loan balance is \$2,442,000. This is a pass-through of funds loaned to AHI from the City and County of Denver Department of Housing Stability. No interest was recorded on this note during the year ended June 30, 2025.

Catholic Charities

On April 4, 2006, Catholic Charities sold its property at 1122 Pearl Street, Denver, known as Courtyard Commons. The property was sold to Courtyard Commons, LLC, a limited liability company whose managing member is AHI Development, LLC. The property was sold for \$840,000 comprised of \$202,731 in payment of the existing CHFA mortgages on the property, and a promissory note of \$637,269. The promissory note bears interest of 4.79% and requires that Courtyard Commons LLC make annual payments of \$1,000, cash flows permitting. Because payment of the note is uncertain, Catholic Charities has determined that a gain on sale will be recorded under the cost recovery method only when payments are received. The balance of the note and accrued interest total \$400,687 at June 30, 2025 and is due and payable in full in 2045.

(10) Property and Equipment

Property and equipment used in continuing operations consisted of the following at June 30, 2025:

	<u>Catholic Charities</u>	<u>FLHC</u>	<u>Marisol Health, Inc.</u>	<u>Total</u>
Land and land improvements	\$ 4,187,791	1,252,359	–	5,440,150
Buildings and improvements	26,568,963	7,164,491	2,390,792	36,124,246
Construction in progress	174,138	–	–	174,138
Furniture and equipment	<u>4,160,706</u>	<u>544,152</u>	<u>402,505</u>	<u>5,107,363</u>
	35,091,598	8,961,002	2,793,297	46,845,897
Less accumulated depreciation	<u>(17,396,504)</u>	<u>(6,066,631)</u>	<u>(211,965)</u>	<u>(23,675,100)</u>
Property and equipment, net	\$ <u>17,695,094</u>	<u>2,894,371</u>	<u>2,581,332</u>	<u>23,170,797</u>

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(11) Leases

Catholic Charities leases certain facilities and equipment at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through March 2030. The leases do not provide renewal options. Certain leases do provide for increases in future minimum annual rental payments. Under certain facilities agreements, Catholic Charities is required to pay for certain operating costs.

The weighted-average discount rate is based on the discount rate implicit in the lease. Catholic Charities has elected the option to use the risk-free rate determined during a period comparable to the lease terms as the discount rate where the implicit rate is not readily determinable. The risk-free rate option has been applied to all classes of assets.

Total lease expenses for the year ended June 30, 2025 was \$463,953.

The weighted-average term and discount rates for the operating leases outstanding as of June 30, 2025 are as follows:

Weighted-average term (years)	1.93
Weighted-average discount rate	4.77%

Future payments due under the operating leases as of June 30, 2025 are as follows:

Undiscounted cash flows due in:

2026	\$ 384,715
2027	265,390
2028	176,022
2029	52,181
2030	37,636
Thereafter	<u>39,091</u>
Total undiscounted cash flows	955,035
Impact of present value discount	<u>11,254</u>
Lease liability	\$ <u>966,289</u>

(12) Charitable Gift Annuities

Catholic Charities has received several charitable gift annuity contracts. These contracts require Catholic Charities to make fixed payments to the beneficiaries over their lifetimes. The obligation to make the periodic disbursements to the beneficiary becomes a general obligation of Catholic Charities. This liability is recorded at the net present value of the expected future payments, discounted at interest rates ranging from 1% to 6% over the expected lives of the beneficiaries, and totaled \$186,930 at June 30, 2025.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(13) Notes Payable

FLHC has received five loans with interest rates below market. These notes have been discounted, depending on the market rate for similar loans at the time of borrowing. The discounts have been deducted from the face value of the notes and were recorded as restricted contributions in the years in which the loans were received. The discount totals \$173,267 at June 30, 2025. As this discount is amortized, a corresponding amount is released from net assets with donor restrictions. At June 30, 2025, notes payable consisted of the following:

Note payable to USDA Rural Development, interest at 1%, monthly payments of \$1,575 to be made through September 2031, secured by first lien on property- <i>Plaza del Milagro</i>	\$ 112,977
Note payable to Weld County, interest at 3%, monthly payments of \$1,194 through June 2033, secured by deed of trust - <i>Plaza del Milagro</i>	107,411
Note payable to USDA Rural Development, including accrued interest, interest at 1%, monthly payments of \$4,078 to be made over 33 years, secured by deed of trust- <i>Plaza del Sol</i>	458,124
Note payable to Colorado Housing and Finance Authority, interest at 1%, monthly payments of \$1,608 to be made over 30 years - <i>Plaza del Sol</i>	<u>152,818</u>
Face value of below market rate notes payable	831,330
Less discount	<u>(173,267)</u>
FLHC notes payable	658,063
AHI note payable to City and County of Denver (a)	<u>2,442,000</u>
Total notes payable	<u>\$ 3,100,063</u>

The future principal payments on these notes for years ending June 30 are:

2025	\$ 70,748
2026	75,968
2027	77,455
2028	82,186
2029	87,251
Later years	<u>2,706,455</u>
	<u>\$ 3,100,063</u>

In August 2024, AHI entered into a \$2,452,000 promissory note with the City and County of Denver related to the construction financing for All Saints Apartments (see note 9). The note bears simple interest at 1% on the outstanding unpaid balance. The \$562,000 cash flow portion of the note requires annual principal payments based on cash flow. If not paid sooner, the cash flow portion, plus any accrued interest, shall be due and payable on August 23, 2041.

In 2004, FLHC entered into a \$60,000 promissory note with Catholic Charities for *Plaza del Sol*. The note is payable in annual installments of \$10,000 at 0% interest. Because this is an inter-organizational transaction, it has been eliminated in combination.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(13) Notes Payable, Continued

Repayment of principal and accrued interest on the \$1,890,000 performance portion of the note shall be deferred and forgiven by the City on August 23, 2083, so long as AHI is in compliance with all terms and conditions of the loan agreement. At June 30, 2025, the loan balance is \$2,442,000. The loan proceeds were subsequently loaned to All Saints Apartments LLLP. No interest was recorded on this note during the year ended June 30, 2025. No discount was recorded related to the below market interest rate as it would be immaterial.

(14) Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2025 consist of the following:

<i>Catholic Charities</i>	
Restricted for program activities, but not yet expended	\$ 1,223,473
Unspent endowment earnings	775,462
Endowment funds	<u>1,453,626</u>
Subtotal	3,452,561
<i>FLHC</i>	
Unamortized loan discount (note 13)	173,267
<i>AHI</i>	
Improvements at Marian Plaza	<u>15,496</u>
Total net assets with donor restrictions	<u>\$ 3,641,324</u>

Net assets released from restrictions during fiscal year 2025 consisted of the following:

<i>Catholic Charities</i>	
Restricted contributions expended per donor instructions	\$ 13,910,842
<i>FLHC</i>	
Amortization of below market rate note payable	<u>33,387</u>
Total net assets released from restrictions	<u>\$ 13,944,229</u>

In addition, net assets without donor restrictions generated by FLHC projects are restricted for use by that particular housing project.

Endowment Funds

Net assets with donor restrictions include endowment fund assets that are subject to restrictions requiring that the principal be invested in perpetuity and only the income be used. Endowment net assets consist of the following funds at June 30, 2025:

Catholic Charities Endowment Fund-Samaritan House	\$ 1,000,000
Catholic Charities Endowment Fund-operations	100,000
General Endowment	50,000
South West Emergency Assistance	26,707
Marjory Reed Mayo - equipment	25,000
Samaritan House - capital improvements	<u>251,919</u>
Total endowment net assets	<u>\$ 1,453,626</u>

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.
Notes to Combined Financial Statements, Continued**

(14) Net Assets with Donor Restrictions, Continued

Endowment Funds, Continued

Catholic Charities follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Catholic Charities has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation and in the absence of explicit donor stipulations to the contrary, Catholic Charities classifies as net assets with donor restrictions (a) the original value of gifts donated to the restricted endowment, (b) the original value of subsequent gifts to the restricted endowment, and (c) accumulations to the restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The unspent portion of the donor-restricted endowment fund is classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Catholic Charities considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Catholic Charities and the donor-restricted endowment funds
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other Catholic Charities resources
- (7) The investment policies of Catholic Charities.

Following are the changes in the endowment net assets for the year ended June 30, 2025:

Endowment net assets at beginning of year	\$ 1,997,979
Investment return, net	231,109
Contributions	—
Expenditure of endowment earnings	<u>—</u>
Endowment net assets at end of year	\$ <u>2,229,088</u>

Return Objectives and Risk Parameters

Catholic Charities' assets include donor-restricted funds that Catholic Charities must hold in perpetuity. Catholic Charities has adopted investment policies for endowment assets that attempt to provide a reasonable, predictable, stable and sustainable level of income that supports current needs and provides for growth in assets and income over time. Catholic Charities' spending policies reflect donor restrictions on the original gift.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(14) Net Assets with Donor Restrictions, Continued

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Catholic Charities relies on a total return strategy, in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). In addition, Catholic Charities relies on the strategies of the Catholic Foundation where a portion of the endowment is held. Catholic Charities targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Distribution Policy and How the Investment Objectives Relate to Distribution Policy

Catholic Charities has a policy of appropriating for distribution each year that amount of investment income which it deems prudent. No distributions were made during 2025.

(15) Contributed Nonfinancial Assets

During the year ended June 30, 2025, Catholic Charities received the following contributed nonfinancial assets:

Food	\$ 1,410,580
Program supplies	1,517,193
Building space	<u>9,687</u>
Total	<u>\$ 2,937,460</u>

All contributed nonfinancial assets were utilized as part of Catholic Charities' programs. There were no donor-imposed restrictions associated with the contributed nonfinancial assets. Catholic Charities does not sell contributed nonfinancial assets and only uses the contributed nonfinancial assets for its own programs. Donated supplies and food are valued at the price the organization would have paid if it had purchased a similar quantity of the same product from a local vendor. Catholic Charities also receives the use of donated facilities for its program operations. Fair value is estimated using the average price per square foot of rental listing in the service area.

(16) Lines of Credit

Catholic Charities has a \$2,000,000 revolving line of credit with a bank that expires June 28, 2026. Borrowings on the line bear interest at the Wall Street Journal Prime rate minus 0.75%, not to be less than 6%. At June 30, 2025, no amounts were outstanding on the line of credit.

Catholic Charities has established a \$1,500,000 line of credit with a related entity, Colorado Affordable Catholic Housing Corporation (CACHC), that expires October 1, 2026. Borrowings on the line bear interest at the Wall Street Journal Prime rate minus 75 basis points. At June 30, 2025, no amounts were outstanding on the line of credit.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(17) Related Party Transactions – Archdiocese and Related Organizations

Catholic Charities has as its general purpose, the promotion of the charitable causes of the Archdiocese. In addition to investments in the Revolving Fund Trust, the following related party transactions existed with the Archdiocese and other related organizations for the year ended June 30, 2025:

- (a) The Archdiocese of Denver contributed \$1,200,000 to Catholic Charities through the Archbishop's Catholic Appeal and other support.
- (b) Effective July 1, 2014, Catholic Charities discontinued their self-insurance program and was admitted to The Archdiocese of Denver Welfare Benefits Trust Plan. Expense for the insurance plan for the year totaled \$4,098,711.
- (c) Archdiocesan Housing, Inc. and its affiliates share a building with Catholic Charities and use Catholic Charities' payroll services for their employees. AHI and affiliates reimbursed Catholic Charities a total of \$6,110,570 for salaries and related expenses, including \$189,201 in employer matching under their 403(b)-retirement plan. Also included in this total are charges amounting to \$739,748 related to health insurance provided by the Archdiocese of Denver (see note (b) above).
- (d) The Archdiocese of Denver Risk Management and Property/Casualty Insurance Trust (the Trust) currently procures worker's compensation, property and general liability insurance coverage for Catholic Charities. Catholic Charities paid \$819,392 to the Trust during the year ended June 30, 2025.
- (e) Catholic Charities has contracted with the Archdiocese of Denver's Office of Development to provide certain fundraising and donor development services to Catholic Charities. During the year ended June 30, 2025, Catholic Charities incurred \$200,000 in expense for these services.
- (f) AHI performs management services for Villas in Southgate, LLLP and those fees totaled \$16,047 in 2025. AHI performs management services for Courtyard Commons, LLC and those fees totaled \$5,295 in 2025. AHI also provides management services to Villa Sierra Madre II and those fees totaled \$7,500 in 2025.
- (g) AHI Development Golden West, Inc. (GW), an affiliate wholly owned by AHI, owned a minority stake in Golden West IL LLLP, a 501(c)(3) charitable organization. On January 1, 2025, GW sold its minority interest in Golden West IL LLLP for \$345,000 and has no further involvement with the project. As such, effective August 29, 2025, GW was dissolved. The \$345,000 has been recorded in program service fees at June 30, 2025.
- (h) AHI has agreements with affiliates and/or entities managed or controlled by affiliates whereby AHI earns development fees for services rendered in connection with the investigation, due diligence, development, financing, construction and permitting of related affordable housing projects. The development fees are paid dependent upon third party investor agreements (which may include interest) and amounts due at June 30, 2025 totaled \$392,354 due from Guadalupe Apartments, LLLP and \$698,906 due from IMM2. During the year ended June 30, 2025, development fees earned from affiliates totaled \$204,616.
- (i) At June 30, 2025, various affiliates owed AHI under notes receivable arrangements. See note 9 for details of these balances.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(18) Retirement Plan

Catholic Charities has established a retirement plan under section 403(b) of the Internal Revenue Service Code that is available to employees. Catholic Charities contributes 4% of employee salaries for employees with a year or more service. In addition, Catholic Charities matches 50% of the employee's elective deferral amount that does not exceed 2% of the total employee's compensation. Total employer contributions under this plan for Catholic Charities employees were \$828,853 for the year ended June 30, 2025.

(19) Land Use Restrictions, Project Guarantees, and Commitments

Guadalupe Shelter

Catholic Charities received grants totaling \$600,000 from Greeley Urban Renewal Authority (GURA) for the purchase of land and construction of the new Guadalupe Center Homeless Shelter. If Catholic Charities ceases to use the property for this purpose, Catholic Charities must transfer the property to GURA or reimburse GURA for the fair market value of the portion of the property attributable to this grant at the time the property ceases to be used for this purpose. Additionally, the project received funding from the State of Colorado totaling \$600,000 with the commitment to provide housing for moderate, low and very low-income persons for 30 years after the close out of the project.

Mission Building-Fort Collins

In conjunction with the renovation of the Mission building in Ft. Collins that was partially funded by a grant of \$46,235 from the City of Ft. Collins in 2006, Catholic Charities has agreed to continue to operate the building as a Community Development Block Grant eligible public facility for 90 years or refund the grant.

Smith Road

On October 12, 2016, Catholic Charities purchased property at 6240 Smith Road in Denver, for \$2,500,000, to be used as an overnight shelter space and short-term transitional housing for women. Part of the property also serves as an office building for administration. Catholic Charities received \$1,000,000 in funding from the City and County of Denver, which was applied to the purchase. Repayment of the loan shall be deferred as long as the property is used as a non-profit community facility for a term of 35 years. Should this condition not be met during the 35-year period, the \$1,000,000 must be repaid.

Farm Labor Housing Corporation

FLHC has received various loans with interest at rates below market (see note 13). The loans require that the *Plaza del Milagro* and *Plaza del Sol* be maintained as low-income housing.

AHI

AHI has agreements with certain affiliated partnerships to oversee the development and construction of their respective low- and moderate-income housing complexes. At June 30, 2025, AHI had guaranteed any general partner calls for capital contributions by the limited partnerships for operations. Since inception of the partnerships, there have been no additional cash contributions required from the general partner corporations.

AHI has received funding over time from various sources to build and maintain low-income housing projects (including Mount Loretto, St. Joseph, Courtyard Commons, Broadway Affordable, Prairie Rose Plaza, Villa Sierra Madre II, and Benedict LLLP) that must be rented to low-income occupants for varying periods of time ranging up to 50 years. Should this condition not be met during the required period, the grants received for the respective project must be repaid by AHI.

**Catholic Charities and Community Services
of the Archdiocese of Denver, Inc.**
Notes to Combined Financial Statements, Continued

(19) Land Use Restrictions, Project Guarantees, and Commitments, Continued

Mount Loretto, LLC

AHI has assumed from CCCS the responsibility for the Mount Loretto project and has agreed to indemnify CCCS for any claims made against the project.

St. Joseph Golden, LLLP

AHI has assumed from CCCS the joint responsibility (along with CACHC) for the St. Joseph Golden project and has agreed to indemnify CCCS for any claims made against the project.

St. Valentine Apartments, LLLP

As part of the financing for the St. Valentine Apartments project, AHI has made several guarantees, including an Unconditional Guaranty ensuring the repayment of the loan obtained by St. Valentine, LLLP from FirstBank, a Carve-Out Guaranty covering specific liabilities related to the loan, and guarantees covering the General Partner's obligations, such as lien-free construction completion, coverage of cost overruns, and payment of all development costs. These guarantees demonstrate AHI's financial responsibility for the successful completion and fulfillment of the project's financial obligations.

All Saints Apartments, LLLP

On July 28, 2021, AHI entered into a 75-year ground lease option agreement with the Archdiocese of Denver as trustee for the benefit of All Saints Catholic Parish in Denver (All Saints). On August 23, 2023, the lease option was exercised, and the construction financing closed. AHI developed the property with 75 units of low-income senior apartments.

As part of the financing for the All Saints Apartments project, AHI has made several guarantees, including a Completion Guaranty ensuring the completion of all construction work as per the agreement with FirstBank, an Unconditional Guaranty securing the repayment of certain loans obtained by All Saints Apartments, LLLP, and a Carve-Out Guaranty covering specific liabilities related to the loan. These guarantees demonstrate AHI's financial responsibility for the successful completion and fulfillment of the project's financial obligations.

Benedict, LLLP

On May 31, 2024, AHI entered into an agreement with BlueLine Development, Inc. for management consultation services related to the development and new construction of 34 units of affordable housing in Glenwood Springs, Colorado. AHI's share of the development consultation services fee shall be equal to 50%, or \$1,250,000 of the \$2,500,000 developer fee included in the low-income housing tax credit (LIHTC) application for the project. The LIHTC was awarded in May 2023. The financing for this project closed on June 5, 2024, and construction on the project began on that date. BlueLine and AHI were each paid \$242,266 of their share of the developer fee at closing of the construction loan. The developer fee split with BlueLine only occurs as the developer fee is paid. Development of the property has not yet been fully completed.

As part of the financing for the Benedict Apartments project, AHI has made several guarantees. These include a Construction Loan Guaranty to ensure the completion of the project, an Unconditional Guaranty for the repayment of the loan, and a Carve-Out Guaranty covering specific liabilities. These guarantees demonstrate AHI's financial responsibility for the successful completion and fulfillment of the project's financial obligations.

**Catholic Charities and Community Services of
the Archdiocese of Denver, Inc.**
Combining Schedule of Financial Position
June 30, 2025

	Catholic Charities	Farm Labor Housing Corporation	Archdio- cesan Hous- ing, Inc.	Marisol Health, Inc.	Total
Assets					
Cash and cash equivalents	\$ 1,916,527	277,432	1,842,533	1,226,081	5,262,573
Accounts receivable, net	691,387	12,572	159,804	109,626	973,389
Contributions and grants receivable	2,605,432	-	-	47,170	2,652,602
Restricted cash	-	779,612	1,525,497	-	2,305,109
Development fees receivable	-	-	1,091,260	-	1,091,260
Due from (to) other fund	99,124	(60,000)	-	(39,124)	-
Investments	11,484,248	-	-	-	11,484,248
Predevelopment costs reimbursable	-	-	1,060,090	-	1,060,090
Other assets	193,177	7,366	-	1,032	201,575
Investment in subsidiaries	-	-	(801,273)	-	(801,273)
Beneficial interest in assets held by others	1,793,198	-	-	28,668	1,821,866
Notes and accrued interest receivable	-	-	9,122,178	-	9,122,178
Property and equipment, net	17,695,094	2,894,371	-	2,581,332	23,170,797
Operating lease right-of-use assets	918,130	-	-	-	918,130
Total assets	<u>\$ 37,396,317</u>	<u>3,911,353</u>	<u>14,000,089</u>	<u>3,954,785</u>	<u>59,262,544</u>
Liabilities					
Accounts payable	\$ 358,525	356,120	311,158	4,120	1,029,923
Accrued expenses	2,460,947	13,986	58,379	15,869	2,549,181
Refundable advances	62,371	-	-	-	62,371
Liabilities under annuity agreements	186,930	-	-	-	186,930
Operating lease liabilities	966,289	-	-	-	966,289
Notes payable	-	658,063	2,442,000	-	3,100,063
Total liabilities	<u>4,035,062</u>	<u>1,028,169</u>	<u>2,811,537</u>	<u>19,989</u>	<u>7,894,757</u>
Net Assets					
Net assets without donor restrictions					
Property and equipment, net of related debt	17,695,094	2,236,308	-	2,581,332	22,512,734
Development fees, notes, and subsidiaries	-	-	9,412,165	-	9,412,165
Undesignated	12,213,600	473,609	1,760,891	1,353,464	15,801,564
Total net assets without donor restrictions	<u>29,908,694</u>	<u>2,709,917</u>	<u>11,173,056</u>	<u>3,934,796</u>	<u>47,726,463</u>
Net assets with donor restrictions	3,452,561	173,267	15,496	-	3,641,324
Total net assets	<u>33,361,255</u>	<u>2,883,184</u>	<u>11,188,552</u>	<u>3,934,796</u>	<u>51,367,787</u>
Total liabilities and net assets	<u>\$ 37,396,317</u>	<u>3,911,353</u>	<u>14,000,089</u>	<u>3,954,785</u>	<u>59,262,544</u>

See the accompanying independent auditor's report.

Catholic Charities and Community Services of the Archdiocese of Denver, Inc.
Schedule of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Public support, revenue and gains				
Public support				
Direct contributions	\$ 1,854,550	7,064,987	8,919,537	8,454,763
Wills and bequests	882,229	1,259,349	2,141,578	262,003
In-kind contributions	2,937,460	-	2,937,460	2,745,990
Archbishop's Catholic Appeal and other support	-	1,200,000	1,200,000	1,200,000
Government and private grants	15,834,070	4,622,687	20,456,757	19,076,557
Federated campaigns	35,385	91,037	126,422	105,154
Change in net present value of annuities	(14,919)	-	(14,919)	(22,718)
Fund raising events revenue	44,750	265,290	310,040	267,218
Direct benefits to donors	(32,483)	(312,991)	(345,474)	(293,639)
Net assets released from restrictions	13,910,842	(13,910,842)	-	-
Total public support	<u>35,451,884</u>	<u>279,517</u>	<u>35,731,401</u>	<u>31,795,328</u>
Revenue and gains				
Program service fees	8,615,332	-	8,615,332	8,672,160
Rental income	92,686	-	92,686	118,753
Investment return	1,066,761	231,109	1,297,870	1,133,975
Net loss on disposals of property	(10,103)	-	(10,103)	(28,759)
Miscellaneous income	29,104	-	29,104	296,047
Total revenue and gains	<u>9,793,780</u>	<u>231,109</u>	<u>10,024,889</u>	<u>10,192,176</u>
Total public support, revenue and gains	<u>45,245,664</u>	<u>510,626</u>	<u>45,756,290</u>	<u>41,987,504</u>
Expenses				
Program services				
Family & Children Services	14,023,702	-	14,023,702	14,330,542
Shelter & Community Outreach Services	20,430,306	-	20,430,306	19,415,308
Western Slope	1,439,145	-	1,439,145	954,985
Weld County	2,748,204	-	2,748,204	1,878,449
Larimer County	2,130,280	-	2,130,280	1,776,793
Total program services	<u>40,771,637</u>	<u>-</u>	<u>40,771,637</u>	<u>38,356,077</u>
Supporting services				
General and administrative	4,011,638	-	4,011,638	3,191,479
Fund raising	2,875,871	-	2,875,871	2,953,982
Total supporting services	<u>6,887,509</u>	<u>-</u>	<u>6,887,509</u>	<u>6,145,461</u>
Total expenses	<u>47,659,146</u>	<u>-</u>	<u>47,659,146</u>	<u>44,501,538</u>
Change in net assets	(2,413,482)	510,626	(1,902,856)	(2,514,034)
Net assets at beginning of year	<u>32,322,176</u>	<u>2,941,935</u>	<u>35,264,111</u>	<u>37,778,145</u>
Net assets at end of year	<u>\$ 29,908,694</u>	<u>3,452,561</u>	<u>33,361,255</u>	<u>35,264,111</u>

See the accompanying independent auditor's report.

Farm Labor Housing Corporation
Schedule of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Revenue and support				
Rental income, tenants	\$ 595,464	–	595,464	583,757
Rental subsidy, USDA	281,802	–	281,802	281,885
Interest income	88	–	88	322
Royalties	208,374	–	208,374	–
Miscellaneous income	55,565	–	55,565	36,676
Net assets released from restrictions	33,387	(33,387)	–	–
Total revenue and support	<u>1,174,680</u>	<u>(33,387)</u>	<u>1,141,293</u>	<u>902,640</u>
Expenses				
Program services				
Plaza del Sol operations	542,186	–	542,186	531,595
Plaza del Milagro operations	491,931	–	491,931	485,848
Total program services expenses	<u>1,034,117</u>	<u>–</u>	<u>1,034,117</u>	<u>1,017,443</u>
Supporting services				
General and administrative	112,916	–	112,916	102,265
Total expenses	<u>1,147,033</u>	<u>–</u>	<u>1,147,033</u>	<u>1,119,708</u>
Change in net assets	27,647	(33,387)	(5,740)	(217,068)
Net assets at beginning of year	<u>2,682,270</u>	<u>206,654</u>	<u>2,888,924</u>	<u>3,105,992</u>
Net assets at end of year	<u>\$ 2,709,917</u>	<u>173,267</u>	<u>2,883,184</u>	<u>2,888,924</u>

See the accompanying independent auditor's report.

Archdiocesan Housing, Inc.
Schedule of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Revenue				
Contributions	\$ 2,040,338	–	2,040,338	1,772,236
Development fees	204,616	–	204,616	539,766
Partnership management fees	373,842	–	373,842	28,843
Interest income	171,543	–	171,543	167,612
Other income	–	–	–	1,182
Equity in loss of subsidiaries	(127,063)	–	(127,063)	(894,283)
Total revenue	<u>2,663,276</u>	<u>–</u>	<u>2,663,276</u>	<u>1,615,356</u>
Expenses				
Program services				
Development activities	1,286,797	–	1,286,797	759,496
Total program services	<u>1,286,797</u>	<u>–</u>	<u>1,286,797</u>	<u>759,496</u>
Supporting services—general and administrative	129,870	–	129,870	297,601
Total expenses	<u>1,416,667</u>	<u>–</u>	<u>1,416,667</u>	<u>1,057,097</u>
Change in net assets	1,246,609	–	1,246,609	558,259
Net assets at beginning of year	<u>9,926,447</u>	<u>15,496</u>	<u>9,941,943</u>	<u>9,383,684</u>
Net assets at end of year	<u>\$ 11,173,056</u>	<u>15,496</u>	<u>11,188,552</u>	<u>9,941,943</u>

See the accompanying independent auditor's report.

Marisol Health, Inc.
Schedule of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Public support, revenue and gains				
Public support				
Direct contributions	\$ 320,934	–	320,934	666,456
In-kind contributions	–	–	–	5,346
Government and private grants	453,192	–	453,192	6,250
Total public support	<u>774,126</u>	<u>–</u>	<u>774,126</u>	<u>678,052</u>
Revenue and gains				
Program service fees	160,668	–	160,668	2,662
Investment return	55,496	–	55,496	67,641
Total revenue and gains	<u>216,164</u>	<u>–</u>	<u>216,164</u>	<u>70,303</u>
Total public support, revenue and gains	<u>990,290</u>	<u>–</u>	<u>990,290</u>	<u>748,355</u>
Expenses				
Program services				
Medical care	858,541	–	858,541	325,254
Total program services	<u>858,541</u>	<u>–</u>	<u>858,541</u>	<u>325,254</u>
Total expenses	<u>858,541</u>	<u>–</u>	<u>858,541</u>	<u>325,254</u>
Change in net assets	131,749	–	131,749	423,101
Net assets at beginning of year	<u>3,803,047</u>	<u>–</u>	<u>3,803,047</u>	<u>3,379,946</u>
Net assets at end of year	<u>\$ 3,934,796</u>	<u>–</u>	<u>3,934,796</u>	<u>3,803,047</u>

See the accompanying independent auditor's report.