




# **The Catholic Foundation of the Diocese of Colorado Springs, Inc.**

## **Independent Auditor's Report and Financial Statements**

June 30, 2024 and 2023



**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Contents**  
**June 30, 2024 and 2023**

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<b>Independent Auditor’s Report</b> .....	<b>1</b>
---	----------

**Financial Statements**

Statements of Financial Position.....	3
Statement of Activities – 2024.....	4
Statement of Activities – 2023.....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7

## Independent Auditor's Report

Board of Directors  
The Catholic Foundation of the Diocese of Colorado Springs, Inc.  
Colorado Springs, Colorado

### ***Opinion***

We have audited the financial statements of The Catholic Foundation of the Diocese of Colorado Springs, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits 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 the Foundation 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that these 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 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 GAAS 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 financial statements.

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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's 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.

**Forvis Mazars, LLP**

Colorado Springs, Colorado  
January 28, 2025

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash	\$ 19,049	\$ 19,002
Investments	1,602,717	1,553,373
Investments limited as to use, designated for Parish	108,762	72,555
Investments held for others	2,281,940	2,010,132
Contributions receivable from remainder trusts	60,860	56,731
Investments restricted for endowment	9,343,278	8,296,978
<b>Total Assets</b>	<b>\$ 13,416,606</b>	<b>\$ 12,008,771</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable - trade	\$ -	\$ 95
Annuities payable	121,541	122,917
Funds held for others	2,281,940	2,010,132
<b>Total Liabilities</b>	<b>2,403,481</b>	<b>2,133,144</b>
<b>Net Assets</b>		
Without donor restrictions		
Board-designated for Parish	108,762	72,555
Undesignated	1,489,626	1,439,170
Without donor restrictions	1,598,388	1,511,725
With donor restrictions - for Parishes and other organizations	9,414,737	8,363,902
<b>Total Net Assets</b>	<b>11,013,125</b>	<b>9,875,627</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,416,606</b>	<b>\$ 12,008,771</b>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains and Other Support</b>			
Contributions	\$ 143,250	\$ 377,239	\$ 520,489
Change in value of split-interest annuity agreements	(16,281)	4,129	(12,152)
Management fee income	53,486	-	53,486
Investment return, net	194,846	971,605	1,166,451
Net assets released from restrictions - for Parishes and other organizations	302,138	(302,138)	-
<b>Total Revenues, Gains and Other Support</b>	<b>677,439</b>	<b>1,050,835</b>	<b>1,728,274</b>
<b>Expenses</b>			
Program and affiliated distributions to Parishes and other organizations	382,745	-	382,745
General and administrative services			
Professional fees	47,714	-	47,714
Grant to the Diocese for administrative expenses	160,317	-	160,317
	208,031	-	208,031
<b>Total Expenses</b>	<b>590,776</b>	<b>-</b>	<b>590,776</b>
<b>Change in Net Assets</b>	<b>86,663</b>	<b>1,050,835</b>	<b>1,137,498</b>
<b>Net Assets, Beginning of Year</b>	<b>1,511,725</b>	<b>8,363,902</b>	<b>9,875,627</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,598,388</b>	<b>\$ 9,414,737</b>	<b>\$ 11,013,125</b>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains and Other Support</b>			
Contributions	\$ 30,488	\$ 736,764	\$ 767,252
Change in value of split-interest annuity agreements	(8,398)	(2,193)	(10,591)
Management fee income	46,952	-	46,952
Investment return, net	160,287	740,730	901,017
Net assets released from restrictions - for Parishes and other organizations	248,222	(248,222)	-
<b>Total Revenues, Gains and Other Support</b>	<b>477,551</b>	<b>1,227,079</b>	<b>1,704,630</b>
<b>Expenses</b>			
Program and affiliated distributions to Parishes and other organizations	247,692	-	247,692
General and administrative services			
Professional fees	12,261	-	12,261
Grant to the Diocese for administrative expenses	103,403	-	103,403
	115,664	-	115,664
<b>Total Expenses</b>	<b>363,356</b>	<b>-</b>	<b>363,356</b>
<b>Change in Net Assets</b>	<b>114,195</b>	<b>1,227,079</b>	<b>1,341,274</b>
<b>Net Assets, Beginning of Year</b>	<b>1,397,530</b>	<b>7,136,823</b>	<b>8,534,353</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,511,725</b>	<b>\$ 8,363,902</b>	<b>\$ 9,875,627</b>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Activities</b>		
Change in net assets	\$ 1,137,498	\$ 1,341,274
Items not requiring (providing) operating activities cash flows		
Change in value of split-interest annuity agreements	12,152	10,591
Contributions received restricted for long-term investment	(377,239)	(736,764)
Net realized and unrealized gain on investments reported at fair value	(1,001,876)	(758,158)
Changes in		
Contributions receivable from remainder trusts	(4,129)	2,193
Prepaid and other	-	3,442
Accounts payable - trade	(95)	(17,604)
Annuities payable	(13,528)	(19,202)
<b>Net Cash Used in Operating Activities</b>	<u>(247,217)</u>	<u>(174,228)</u>
<b>Investing Activities</b>		
Purchase of investments	(952,634)	(1,537,432)
Proceeds from sale of investments	822,659	991,403
<b>Net Cash Used in Investing Activities</b>	<u>(129,975)</u>	<u>(546,029)</u>
<b>Financing Activities</b>		
Proceeds from contributions restricted for long-term investment	377,239	736,764
<b>Net Cash Provided by Financing Activities</b>	<u>377,239</u>	<u>736,764</u>
<b>Increase in Cash</b>	47	16,507
<b>Cash, Beginning of Year</b>	<u>19,002</u>	<u>2,495</u>
<b>Cash, End of Year</b>	<u>\$ 19,049</u>	<u>\$ 19,002</u>



## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

### ***Nature of Operations***

The Catholic Foundation of the Diocese of Colorado Springs, Inc. (the Foundation) was established in May 1991 for the sole and exclusive benefit of the Diocese of Colorado Springs (the Diocese), its parishes, schools and other related organizations designated by the Foundation's Board of Directors. Activity of the Foundation began in February 1992.

The primary objectives of the Foundation are to provide financial and other assistance and support to these entities; to accept, hold, invest, reinvest and administer any gifts, bequests, devises, beneficial trusts and property of any kind or nature and disburse or donate the income or principal; to acquire, own, manage, develop, rehabilitate, sell, lease, encumber or transfer real or personal property; and to participate in charitable arrangements of all kinds, which would benefit the Diocese and its related organizations.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

### ***Investments and Net Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

### ***Funds Held for Others***

The Foundation has agreements with parishes and other related parties of the Diocese, whereby the Foundation will manage the assets contributed to these funds and charge an initial setup fee and periodic management fee as described in the agreements.

### ***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for certain designated purposes.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

### **Contributions**

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor 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 statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

### **Management Fee Income**

The Foundation assesses a fee to the endowment funds. The Foundation's fee is 0.5% per annum, which is calculated and funded from the pooled investment portfolio on a monthly basis. This fee is to compensate the Foundation for the various financial, regulatory and administrative requirements of the endowment portfolio.

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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***Functional Allocation of Expenses***

As the cost of supporting the programs of the Foundation are limited to the direct grants and in-kind services provided, no personnel costs or other costs have been allocated to program services. As such, separate statements of functional expenses are not presented.

***Income Taxes***

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. There was no significant unrelated business income during 2024 and 2023.

***Subsequent Events***

Subsequent events have been evaluated through January 28, 2025, which is the date the financial statements were available to be issued.

**Note 2. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, comprise the following:

	<u>2024</u>	<u>2023</u>
<b>Financial Assets</b>		
Cash	\$ 19,049	\$ 19,002
Investments	<u>13,336,697</u>	<u>11,933,038</u>
	<u>13,355,746</u>	<u>11,952,040</u>
<b>Donor, Legal or Other Restrictions and Designations</b>		
Funds held for others	2,281,940	2,010,132
Donor imposed restrictions	<u>9,414,737</u>	<u>8,363,902</u>
	<u>11,696,677</u>	<u>10,374,034</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,659,069</u>	<u>\$ 1,578,006</u>

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. To achieve this target, the Foundation forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended June 30, 2024 and 2023, the level of liquidity and reserves were managed within the policy requirements.

Financial assets available to meet cash needs for general expenditures within one year, above, includes board-designated net assets as this reserve could be drawn upon for expenditure following board resolution.

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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**Note 3. Investments**

Investments held at June 30 are summarized as follows:

	<b>Market Value</b>	
	<b>2024</b>	<b>2023</b>
<b>Financial Position Classification</b>		
Investments limited as to use, designated	\$ 108,762	\$ 72,555
Investments	1,602,717	1,553,373
Investments restricted for endowment	9,343,278	8,296,978
<b>Total Foundation Earning Investments</b>	11,054,757	9,922,906
<b>Investments Held for Others</b>	2,281,940	2,010,132
<b>Total Investments</b>	<u>\$ 13,336,697</u>	<u>\$ 11,933,038</u>

**Note 4. Disclosures About Fair Value of Assets and Liabilities**

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

***Recurring Measurements***

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30:

<b>2024</b>					
<b>Fair Value Measurements Using</b>					
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Investments Measured at NAV (A)</b>	
<b>Fair Value</b>					
<b>Assets</b>					
Investments					
Money market fund held by brokers	\$ 328,092	\$ 328,092	\$ -	\$ -	\$ -
CUIT					
Magnus 60/40 blended fund (A)	12,873,786	12,873,786	-	-	-
Mission Diocese fund (B)	134,819	134,819	-	-	-
	<u>13,336,697</u>	<u>13,336,697</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contributions receivable from remainder trusts	60,860	-	60,860	-	-
<b>Liabilities</b>					
Funds held for others	<u>\$ 2,281,940</u>	<u>\$ -</u>	<u>\$ 2,281,940</u>	<u>\$ -</u>	<u>\$ -</u>
<b>2023</b>					
<b>Fair Value Measurements Using</b>					
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Investments Measured at NAV (A)</b>	
<b>Fair Value</b>					
<b>Assets</b>					
Investments					
Money market fund held by brokers	\$ 239,079	\$ 239,079	\$ -	\$ -	\$ -
CUIT					
Magnus 60/40 blended fund (A)	11,568,514	11,568,514	-	-	-
Mission Diocese fund (B)	125,445	125,445	-	-	-
	<u>11,933,038</u>	<u>11,933,038</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contributions receivable from remainder trusts	56,731	-	56,731	-	-
<b>Liabilities</b>					
Funds held for others	<u>\$ 2,010,132</u>	<u>\$ -</u>	<u>\$ 2,010,132</u>	<u>\$ -</u>	<u>\$ -</u>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. See below for significant changes in the valuation techniques during the year ended June 30, 2024.

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. At June 30, 2024, this included money market funds and the CUIT funds.

The objective of investments in each of these classifications is:

- (A) To achieve current income and long-term capital appreciation through investment of approximately 60% in return-seeking securities and approximately 40% to risk-reducing securities with a bias towards “active” management in the equity portion of the portfolio.
- (B) To provide long-term capital appreciation through investing primarily in a broadly diversified portfolio.

***Contributions Receivable from Remainder Trusts***

Fair value is estimated at the present value of the future payments expected to be received over the expected term of the trust agreements. Due to the nature of the valuation inputs obtained by management, the interest is classified within Level 2 of the hierarchy.

***Funds Held for Others***

Inputs used to measure funds held for others liabilities are highly correlated with the inputs used to measure the related investments. However, given that there is not a readily available market to measure a price that would otherwise need to be paid to transfer this liability, inputs utilized are capped at Level 2. As a result, at June 30, 2024 and 2023, this liability was measured using significant other observable inputs (Level 2).

**Note 5. Contributions Receivable**

***Contributions Receivable from Remainder Trusts***

The Foundation has been named as the sole benefactor to various charitable remainder trusts for the benefit of Foundation endowment funds and Parish endowment funds, administered by the Foundation. The charitable remainder trusts provide for the payment of distributions to the Foundation upon the termination of the Trust. The Foundation’s interest in the charitable remainder trusts are recorded at present value, which approximates fair value of \$60,860 and \$56,731 as of June 30, 2024 and 2023, respectively, in the Foundation’s statements of financial position. The present value of the estimated future payments is calculated using a discount rate of 6% and applicable mortality tables. The Foundation recognized gains with donor restrictions of \$0 on these charitable remainder trusts during the years ended June 30, 2024 and 2023, which are recorded in the change in value of split-interest trust agreements on the statements of activities.

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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**Note 6. Annuities Payable**

The Foundation has been the recipient of several gift annuities which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. The Foundation has recorded a liability at June 30, 2024 and 2023 of \$121,541 and \$122,917, respectively, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate of 6%. The Foundation recognized losses without donor restrictions of \$(16,281) and \$(8,398) and gains (losses) with donor restrictions of \$4,129 and \$(2,193) on these annuities during the years ended June 30, 2024 and 2023, respectively, which are recorded in the change in value of split-interest annuity agreements on the statements of activities.

**Note 7. Funds Held for Others**

The Foundation holds funds for others in accordance with specifications of underlying agreements consisting of the following:

	<u>2024</u>	<u>2023</u>
Ave Maria	\$ 46,203	\$ 41,181
Catholic Charities of Colorado Springs	36,792	32,796
Divine Redeemer Parish	8,316	7,413
Jaeger	1,441	1,329
Monsignor Harrington Fund – St. Paul's	399,056	355,711
Our Lady of Guadalupe	176,478	157,310
Sacred Heart – Cheyenne Wells	37,097	33,068
St. Augustine	26,664	23,767
St. Benedict	105,529	-
St. Dominic	32,687	29,137
St. Francis – Castle Rock	63,071	56,220
St. Francis – Colorado Springs	208,306	185,680
St. Gabriel	130,259	302,712
St. Joseph – Colorado Springs	870,230	661,082
St. Mary of the Rockies	74,388	64,410
St. Michael's	65,423	58,316
	<u>\$ 2,281,940</u>	<u>\$ 2,010,132</u>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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**Note 8. Net Assets**

***Board-Designated Net Assets***

Net assets of \$108,762 and \$72,555 at June 30, 2024 and 2023, respectively, have been internally designated for specific parishes.

***Net Assets With Donor Restrictions***

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose		
Parishes and other organizations	\$ 10,599	\$ 10,193
Subject to the passage of time		
Contributions receivable from remainder trusts	60,860	56,731
Endowments		
Subject to appropriation and expenditure		
when a specified event occurs		
Restricted by donors for Parish and other organizations	1,680,716	1,011,655
Subject to endowment spending policy and		
appropriation as held in perpetuity		
Restricted by donors for Parish and other organizations	7,662,562	7,285,323
Total endowments	9,343,278	8,296,978
	<u>\$ 9,414,737</u>	<u>\$ 8,363,902</u>



**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

***Additional Net Assets Information***

Net assets at June 30 consist of the following:

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
Operating	\$ 1,372,396	\$ -	\$ 1,372,396
Board-designated for a Parish	108,762	-	108,762
Gift annuities – unrestricted	117,230	13,389	130,619
Ave Maria	-	137,581	137,581
Camous Endowment	-	20,775	20,775
Carlson Endowment	-	13,617	13,617
Catholic Charities	-	13,879	13,879
Catholic Foundation	-	24,313	24,313
Cloud Family Tuition Assistance	-	7,790	7,790
Corpus Christi	-	15,475	15,475
Cursillo Movement Endowment	-	353,239	353,239
Diocesan	-	477,721	477,721
Divine Redeemer	-	29,297	29,297
Divine Redeemer Scholarship Endowment	-	23,929	23,929
Father Tim Cronin Endowment	-	435,357	435,357
St. Joseph – Colorado Springs (George Madril Estate)	-	501,009	501,009
Fred A. Hoffman Endowment Fund	-	9,828	9,828
Holy Apostles	-	150,498	150,498
Holy Apostles Catholic Education Tuition Assistance	-	444,402	444,402
Holy Family – Leadville	-	681	681
Holy Rosary	-	337	337
Holy Trinity	-	27,302	27,302
Holy Trinity Religious Education	-	50,551	50,551
Immaculate Conception	-	633	633
James H. Ladowski Endowment Fund	-	21,351	21,351
James V. Varrone Endowment	-	109,592	109,592
John Venezia Catholic Schools Endowment Fund	-	275,122	275,122
Life Support Center	-	3,663	3,663
Mater Filius	-	58,581	58,581
Our Lady of Guadalupe	-	688	688
Our Lady of Perpetual Help	-	337	337
Our Lady of the Pines	-	915	915
Our Lady of the Woods	-	9,178	9,178
Our Lady of Visitation	-	532	532
P. Sofia Memorial Fund (St. Mary's High School)	-	259,350	259,350
P. Sofia Memorial Fund (TCE - Campus)	-	96,488	96,488
Pax Christi	-	36,873	36,873
People with Disabilities Endowment Fund	-	43,261	43,261
Reaves Memorial School Building Fund	-	212,885	212,885
Sacred Heart – Cheyenne Wells	-	21,583	21,583

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	<b>2024 (Continued)</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
Sacred Heart – Colorado Springs	-	14,144	14,144
HOB Seminarian Support	-	848,614	848,614
Schmitz Endowment	-	62,448	62,448
Sr. Marianella Scholarship Fund	-	61,695	61,695
St. Andrew Kim	-	407	407
St. Anthony	-	752	752
St. Augustine	-	17,026	17,026
St. Benedict	-	1,626	1,626
St. Catherine	-	752	752
St. Charles	-	6,912	6,912
St. Dominic	-	11,416	11,416
St. Francis – Castle Rock	-	58,102	58,102
St. Francis – Colorado Springs	-	13,448	13,448
St. Gabriel	-	2,105	2,105
St. Joseph – Colorado Springs	-	15,878	15,878
St. Joseph – Fairplay	-	1,186	1,186
St. Joseph – Salida	-	752	752
St. Mark	-	586	586
St. Mary of the Rockies	-	16,531	16,531
St. Mary's – Colorado Springs	-	106,765	106,765
St. Mary's – Flagler	-	752	752
St. Michael's	-	18,597	18,597
St. Patrick's	-	15,128	15,128
St. Patrick's – Lemelin Endowment	-	106,832	106,832
St. Paul's	-	1,829,016	1,829,016
St. Peter – Monument	-	760	760
St. Rose of Lima	-	281,962	281,962
TCE Endowment	-	19,829	19,829
Catholic School Tuition Assistance Endowmt	-	180,109	180,109
Suthers Family Education Fund	-	111,123	111,123
Vietnamese Holy Martyrs	-	725	725
William & Kathleen Jaeger Memorial Scholarship Fund	-	260,059	260,059
Ave Maria Catholic School Foundation Fund	-	256,243	256,243
Catholic Extension Seminarian Endowment Mission Diocese Fund	-	134,819	134,819
Carolyn M. Erdle Endowment	-	459,854	459,854
Bishop Sheridan Endowment	-	560,101	560,101
Orff Endowment Fund	-	35,681	35,681
	<u>\$ 1,598,388</u>	<u>\$ 9,414,737</u>	<u>\$ 11,013,125</u>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
Operating	\$ 1,330,468	\$ -	\$ 1,330,468
Board-designated for a Parish	72,555	-	72,555
Gift annuities – unrestricted	108,702	2,782	111,484
Ave Maria	-	128,911	128,911
Camous Endowment	-	19,547	19,547
Carlson Endowment	-	12,813	12,813
Catholic Charities	-	12,372	12,372
Catholic Foundation	-	20,619	20,619
Cloud Family Tuition Assistance	-	7,411	7,411
Corpus Christi	-	13,795	13,795
Cursillo Movement Endowment	-	314,871	314,871
Diocesan	-	449,501	449,501
Divine Redeemer	-	27,566	27,566
Divine Redeemer Scholarship Endowment	-	22,515	22,515
Father Tim Cronin Endowment	-	388,069	388,069
St. Joseph – Colorado Springs (George Madril Estate)	-	471,413	471,413
Fred A. Hoffman Endowment Fund	-	8,761	8,761
Holy Apostles	-	141,607	141,607
Holy Apostles Catholic Education Tuition Assistance	-	418,150	418,150
Holy Family – Leadville	-	607	607
Holy Rosary	-	300	300
Holy Trinity	-	25,689	25,689
Holy Trinity Religious Education	-	47,565	47,565
Immaculate Conception	-	564	564
James H. Ladowski Endowment Fund	-	19,032	19,032
James V. Varrone Endowment	-	97,688	97,688
John Venezia Catholic Schools Endowment Fund	-	258,870	258,870
Life Support Center	-	3,265	3,265
Mater Filius	-	32,935	32,935
Our Lady of Guadalupe	-	613	613
Our Lady of Perpetual Help	-	300	300
Our Lady of the Pines	-	816	816
Our Lady of the Woods	-	8,181	8,181
Our Lady of Visitation	-	474	474
P. Sofia Memorial Fund (St. Mary's High School)	-	244,030	244,030
P. Sofia Memorial Fund (TCE - Campus)	-	90,788	90,788
Pax Christi	-	32,868	32,868
People with Disabilities Endowment Fund	-	38,562	38,562
Reaves Memorial School Building Fund	-	190,610	190,610
Sacred Heart – Cheyenne Wells	-	20,308	20,308

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	<b>2023 (Continued)</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
Sacred Heart – Colorado Springs	-	12,607	12,607
HOB Seminarian Support	-	798,519	798,519
Schmitz Endowment	-	55,666	55,666
Sr. Marianella Scholarship Fund	-	57,100	57,100
St. Andrew Kim	-	383	383
St. Anthony	-	671	671
St. Augustine	-	16,020	16,020
St. Benedict	-	1,449	1,449
St. Catherine	-	671	671
St. Charles	-	6,161	6,161
St. Dominic	-	10,741	10,741
St. Francis – Castle Rock	-	51,791	51,791
St. Francis – Colorado Springs	-	11,987	11,987
St. Gabriel	-	1,877	1,877
St. Joseph – Colorado Springs	-	14,153	14,153
St. Joseph – Fairplay	-	1,116	1,116
St. Joseph – Salida	-	671	671
St. Mark	-	522	522
St. Mary of the Rockies	-	671	671
St. Mary's – Colorado Springs	-	95,168	95,168
St. Mary's – Flagler	-	671	671
St. Michael's	-	16,577	16,577
St. Patrick's	-	14,235	14,235
St. Patrick's – Lemelin Endowment	-	100,521	100,521
St. Paul's	-	1,719,866	1,719,866
St. Peter – Monument	-	677	677
St. Rose of Lima	-	22,421	22,421
TCE Endowment	-	17,676	17,676
Catholic School Tuition Assistance Endowment	-	160,360	160,360
Suthers Family Education Fund	-	51,895	51,895
Vietnamese Holy Martyrs	-	646	646
William & Kathleen Jaeger Memorial Scholarship Fund	-	222,587	222,587
Ave Maria Catholic School Foundation Fund	-	228,410	228,410
Catholic Extension Seminarian Endowment Mission Diocese Fund	-	125,445	125,445
Carolyn M. Erdle Endowment	-	410,383	410,383
Bishop Sheridan Endowment	-	527,015	527,015
Orff Endowment Fund	-	31,805	31,805
	<u>\$ 1,511,725</u>	<u>\$ 8,363,902</u>	<u>\$ 9,875,627</u>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2024</u>	<u>2023</u>
Restricted purpose spending-rate distributions and appropriations		
Restricted by donors for Parish and other organizations	<u>\$ 302,138</u>	<u>\$ 248,222</u>

***Additional Net Assets Released from Restrictions Information***

Net assets released from restriction during the years ended June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Ave Maria Parish	\$ 3,609	\$ -
Bishop Sheridan Endowment	26,351	-
Camous Endowment Fund	977	940
Carolyn M. Erdle Endowment	454	-
A&B Carlson Endowment	641	-
Cursillo Endowment Fund	-	15,142
Diocesan	22,475	21,616
Divine Redemmer	1,378	-
Divine Redemmer School	1,126	-
Holy Apostles	7,080	-
Tuition Assistance	20,907	-
Holy Trinity Religious Education	3,662	3,522
John Ross Annuity	525	429
John Venezia Catholic Schools Endowment Fund	12,943	12,449
Madril Endowment Fund	23,571	22,669
Mary O'Hayes	380	264
P. Sofia Memorial Fund (St. Mary's High School)	12,201	11,735
P. Sofia Memorial Fund (TCE - Campus)	4,539	-
Reaves Memorial School Building Fund	9,530	8,664
Sacred Heart Parish	1,015	-
Seminary Burse	39,926	38,662
Seminarian Mission Endowment	12,545	11,837
Sr. Marianella Tuition Assistance	2,000	2,700
St. Andrew Kim	19	-
St. Augustine	801	-
St. Francis – Castle Rock	-	2,491
St. Dominic	537	517
St. Joseph	56	54
St. Patrick	712	685
St. Patrick's Parish – Lemelin	5,026	4,834

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
St. Paul	85,000	80,000
St. Peter Forensic Lab Endowment	-	1,454
St. Rose of Lima	1,121	1,078
Suthers Family Education Fund	1,031	-
TCE Endowment	-	850
William & Kathleen Jaeger Memorial Scholarship Fund	-	5,630
	<u>\$ 302,138</u>	<u>\$ 248,222</u>

**Note 9. Endowment**

The Foundation's governing body is subject to the State of Colorado Prudent Management of Institutional Funds Act (UPMIFA). As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

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

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The Foundation's endowment consists of approximately 80 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

The composition of net assets by type of endowment fund at June 30:

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	\$ -	\$ 7,662,562	\$ 7,662,562
Accumulated investment gains	-	1,680,716	1,680,716
	<u>\$ -</u>	<u>\$ 9,343,278</u>	<u>\$ 9,343,278</u>
	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	\$ -	\$ 7,285,323	\$ 7,285,323
Accumulated investment gains	-	1,011,655	1,011,655
	<u>\$ -</u>	<u>\$ 8,296,978</u>	<u>\$ 8,296,978</u>

Changes in donor-restricted endowment funds for the years ended June 30:

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds, beginning of year	\$ -	\$ 8,296,978	\$ 8,296,978
Investment return, net	-	971,199	971,199
Contributions and deposits	-	377,239	377,239
Appropriation for expenditure	-	(302,138)	(302,138)
Endowment funds, end of year	<u>\$ -</u>	<u>\$ 9,343,278</u>	<u>\$ 9,343,278</u>

**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds, beginning of year	\$ -	\$ 7,068,302	\$ 7,068,302
Investment return, net	-	740,730	740,730
Contributions and deposits	-	736,168	736,168
Appropriation for expenditure	-	(248,222)	(248,222)
Endowment funds, end of year	<u>\$ -</u>	<u>\$ 8,296,978</u>	<u>\$ 8,296,978</u>

***Investment and Spending Policies***

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Foundation's policies, endowment assets are invested in a manner that is intended to produce an average rate of return of approximately 7% annually while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a spending policy of appropriating for expenditure each year 5% of its endowment fund's fair value on June 30 preceding the year in which the expenditure is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

***Underwater Endowments***

The governing body of the Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of:

- (A) the original value of initial and subsequent gift amounts donated to the fund and
- (B) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

At June 30, 2024, the HOB Seminarian Support fund with an original gift value of \$865,595, fair value of \$848,614, and deficiencies of \$16,981, was reported in net assets with donor restrictions. These deficiencies resulted from continued appropriation for certain purposes that was deemed prudent by the governing body.



**The Catholic Foundation of the Diocese of Colorado Springs, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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At June 30, 2023, the HOB Seminarian Support fund with an original gift value of \$865,595, fair value of \$798,519, and deficiencies of \$67,076, was reported in net assets with donor restrictions. These deficiencies resulted from continued appropriation for certain purposes that was deemed prudent by the governing body.

The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor stipulations or laws and regulations.

## **Note 10. Related-Party Transactions**

The Foundation made grant payments to the Diocese of \$241,317 and \$103,403 during 2024 and 2023, respectively. Amounts remitted were to reimburse the Diocese for various administrative services received. These costs are recorded in grant to the Diocese for administrative expenses on the statements of activities.

The Diocese made contributions to the Foundation of \$496,941 during 2023 for establishment of the Bishop Sheridan Endowment fund.

## **Note 11. Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

### ***Contributions***

Approximately 70% of all contributions were received from two donors in 2024, and approximately 65% of all contributions were received from two donors in 2023.

### ***Investments***

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.