



# The Catholic Key

November 18, 2011

Diocese of Kansas City — St. Joseph

Vol. 43 No. 38

## We are One Body



*How shall we  
make a return to God,  
for goodness unsurpassing?*

This saving cup we shall hold high  
and call out God's name.

We are the body of Christ, broken and  
poured out, promise of life from death,  
*we are the body of Christ.*



MICHAEL W. MILLER  
WILLIAM H. MILLER  
JAMES M. MONTEMAYOR  
BILLY R. MOORE  
CHARLES J. MOORE  
JAMES E. MOORE  
JESSE L. MOORE  
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JOAN TOLSON  
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DANNY  
CARROLL  
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JOHN E.  
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RUSSEL  
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FREDERICK  
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DANNY  
JACK S.  
THOMAS  
MICHAEL  
MICHAEL



John Caulfield, Photographer



Stories *Inside* The Key  
tell how you  
honor families,  
serve community,  
and rebuild trust.



## The Bishop's REPORT TO THE PEOPLE 2011

My Dear Friends in Christ,

**Once again**, I offer you an update of what we accomplished this past year in the name of Our Lord Jesus. When I say "we," I mean all of us. In this, we are partners not only with each other but with those we serve.

The times we live in cry out for reconciliation -- in our world, in our country, in our Church and in our diocese. I look back over this past year and pray that we not just heal the wounds we've suffered, but that we come together in sincere reconciliation.

Despite the challenges we face, our diocese continues to accomplish many good things to care for the mind, body and spirit of our people. Among notable examples last year are:

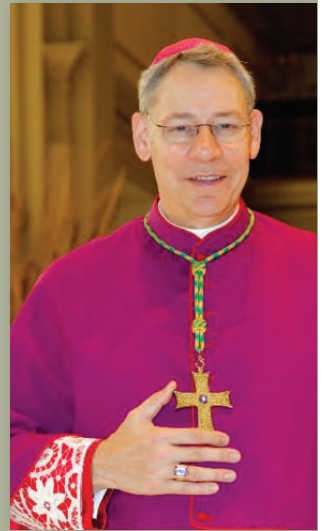
- Our parish food pantries and emergency assistance centers provided more than \$1.9 million in food to assist neighbors in need.
- Through our Family Life Office, more than 200 people turned to Retrouvaille, a program that offers support and guidance to troubled marriages.
- The Bright Futures Fund provided \$1.6 million in assistance to diocesan Catholic schools and scholarships for over 900 students.

Within this report, we offer a financial accounting of our diocesan stewardship -- our work together. Quite simply, our ability to serve comes through you -- through your parish and through the Bishop's Annual Appeal. Our unified effort is what distinguishes us as Christians and Catholics and brings the good works we do --- as a group --- to our communities.

Each day we have the opportunity of a lifetime --to be agents of God's mercy. Together, we build a better tomorrow. Your support of the work of our Church is one way we accomplish things together that none of us can accomplish singularly. For you, and for your many good works, I am eternally grateful.

In Christ and Mary,  
+ *Robert W. Finn*

Most Reverend Robert W. Finn  
Bishop of Kansas City ~ St. Joseph





*Dave Malanowski*  
*Diocesan Finance Officer*

**Our Diocese** is committed to proper stewardship of and accountability for the financial resources of the Diocese, and we continue our practice of full disclosure of the financial status of the Diocesan Central Financing Operation (DCFO). The DCFO represents the functions that are operated from the Catholic Chancery as well as our campus ministry locations. The figures here are from the 10/11 annual audit performed by McGladrey & Pullen and reviewed/approved by the Diocesan Finance Council at its October 24th meeting. Since 1965, our DCFO has undergone an annual audit and publicized its complete financial statements. This is an important expression of accountability, and it represents the commitment of Bishop Finn, our Diocesan Finance Council and the staff of the Finance Office to report openly the sources of our funds and how these funds are used, along with the overall financial condition of the DCFO. This is important in today's world, where continued attention and scrutiny is given to the financial practices of the Catholic Church, not-for-profits and other institutions.

Once again the auditors have given the DCFO a "clean" opinion, meaning that there are no qualifications and the financial statements "represent fairly, in all material respects, the financial position of the DCFO as of June 30, 2011 and ....are in conformity with accounting principles generally accepted in the U.S." In addition, the auditors issued no management letter, meaning there were no internal control deficiencies identified within the scope of the audit.

Total Unrestricted Net Assets increased by \$2.6 million to \$14.55 million. This was due to a) receipt of certain large unrestricted gifts and b) a gain on the sale of the former Catholic Chancery at 300 E. 36th Street. Unrestricted/Undesignated Net Assets in the Current Fund decreased by \$4.7 million, but this relates directly to the accounting connected with the purchase of the new Catholic Center (formerly the New York Life Building), located at 20 W. 9th Street. Funds are moved from the Current Fund to the Plant Fund to properly reflect this new property asset in the Plant Fund. The Bishop's Annual Appeal stayed the same (when compared to 09/10) at approximately \$2.1 million. This figure can also be compared to the budget amount for 10/11, which was \$2.03 million. This positive variance, coupled with offices and programs adhering to budgets, positive net investment income and unrealized investment gains helped offset the negative effect of an increase in the accumulated post retirement benefit obligation (health insurance and long term care insurance for retired priests) of \$650,000 and ultimately contributed to the increase in Unrestricted Net Assets.

Endowment Funds increased by \$194,000 to \$12.88 million. The three major ministerial areas in our budget funded by the earnings of these endowments are seminarian education, youth ministry and our allocation to Catholic Charities. The total aggregate balance of parish loans at June 30, 2011 was \$27.1 million, down from \$31.7 million the previous year. Primary loaning activity for the year was for Good Shepherd Parish in Smithville. The total High School loan balance increased by \$136,000 to \$850,000.

The purchase of the New York Life Building took place on October 1, 2010. The cost was a net \$11.4 million, and was funded by a \$7 million mortgage on the property plus liquidation of approximately \$5 million of investments. Subsequently, \$738,000 was expended in 10/11 for capital improvements for floors to be used by the Chancery and the Bishop as well as the floor leased by Catholic Charities. (Please note: additional funds were expended in July-September of 2011 for the Chancery and Bishop's Residence space.)

The Chancery used as much of the furniture from our previous location as possible. All the work stations at the new Chancery in the Catholic Center are reconditioned/used. In addition, we had furniture donated from a local bank that helped furnish ten offices and some small conference rooms. We also furnished three offices with used furniture from the former Catholic Charities location on Broadway. Furniture for the seven first floor conference rooms was purchased new. Total cost of all furnishings (used and new) was \$247,000.

The Diocese sold the former Chancery at 300 E. 36th Street to a not-for-profit called Cornerstones of Care; the price was \$500,000. The Diocese was pleased that it was able to sell to another not-for-profit that is dedicated to the Kansas City community.

The case of Shawn Ratigan, which surfaced in late May 2011, caused the Diocese to incur certain legal costs in 10/11. The total amount was \$80,513, and related solely to the Diocese, not Ratigan personally. The Diocesan Central Financing Operation participated in no legal costs for Shawn Ratigan but did pay him priestly compensation from 1/31/11 to 5/27/11. These Diocesan legal costs, while accounted for in the Statement of Activities in the Insurance/Auxiliary Services line item, ultimately get recorded in the financial statements of the Self Insurance Operation. The statements from the Review of the Insurance Operation are on our Diocesan website.

Accounts Receivable increased by \$97,000 to \$1.84 million. These are amounts that parishes and schools owe to the DCFO for normal monthly bills (Diocesan Assessment, employee benefits, property and casualty insurance premiums, school per pupil assessment, etc.). It is important to monitor this receivable amount and work with parishes and schools so they don't get too far behind and dig a hole that becomes difficult to escape. The receivable amount is an important gauge of parish or school financial health.

Anyone wishing to see the complete copy of the DCFO Audit approved by the Bishop and the Diocesan Finance Council, or anyone having questions, may contact me at (816)-756-1850, ext. 236 or [Malanowski@diocesekcsj.org](mailto:Malanowski@diocesekcsj.org); I will be happy to assist you. Again, this year, we will publish the DCFO Audit and the Diocesan Insurance Review on our Diocesan website: [www.diocese-kcsj.org](http://www.diocese-kcsj.org).

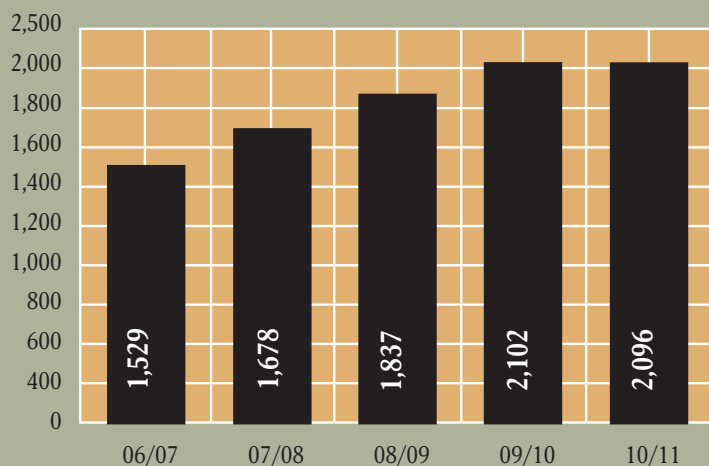
Thank you for your support. This report hopefully shows that your support helps in many important ways.

Dave Malanowski  
*Diocesan Finance Officer*

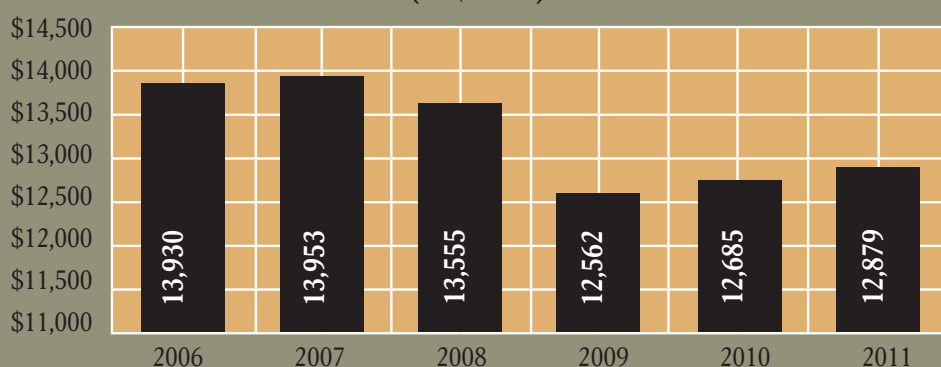
# 2010/2011. *Financial* Report



**Bishop's Annual Appeal - 2007 - 2011**  
Pledges (in \$000's)



**Diocese of Kansas City~St. Joseph - Endowment Funds**  
(in \$000's)



**Diocesan Central Financing Operations**  
*Statement of Activities June 30, 2011*

Change in Unrestricted Net Assets CURRENT FUND (in \$000's)	
<b>UNRESTRICTED REVENUE</b>	
Bishop's Annual Appeal	\$ 2,096
Diocesan Collections	80
Diocesan Share - National Collections	47
Assessments	6,339
Bequests	318
Contributions	2,389
Fees	482
Auxiliary Services (Insurance & Key)	13,464
Other	1,648
<b>TOTAL REVENUE</b>	<b>\$ 26,863</b>
<b>EXPENSES</b>	
Pastoral Services	\$ (2,800)
Religious Personnel Development	(1,104)
Education	(2,921)
Social Services	(658)
Diocesan Administration	(4,466)
Auxiliary Services	(13,480)
<b>SUBTOTAL</b>	<b>\$ (25,429)</b>
<b>TRANSFERS</b>	
To Plant Fund	\$ (6,045)
To Unrestricted Endowments	(70)
From Deposit/Loan Fund	2,002
<b>TOTAL TRANSFERS</b>	<b>\$ (4,113)</b>
<b>Change in Post Employment Benefits Liability</b>	<b>(651)</b>
<b>Change in Unrestricted Net Assets</b>	<b>\$ (3,330)</b>

**CATHOLIC DIOCESE OF KANSAS CITY-ST. JOSEPH CENTRAL FINANCING OPERATIONS**

**Statement of Financial Position**  
*at June 30, 2011*

ASSETS	Current	Plant	Custodian	Endowment	Deposit & Loan	2011	2010
Cash and Cash Equivalents	\$1,136,643	\$73,191	\$149,015	\$145,194	-	\$1,504,043	\$2,406,845
Loans and Accounts Receivable, net	2,707,923	-	-	324,658	28,519,706	31,552,287	35,350,552
Pledges Receivable, net	197,599	-	-	-	-	197,599	255,983
Land, Buildings and Equipment, net	-	14,793,191	-	-	1,551,334	16,344,525	3,716,886
Beneficial Interest in Others	-	-	-	505,128	-	505,128	421,413
Investments	6,339,853	-	-	11,903,522	-	18,243,375	18,810,624
<b>Total Assets</b>	<b>\$10,382,018</b>	<b>\$14,866,382</b>	<b>\$149,015</b>	<b>\$12,878,502</b>	<b>\$30,071,040</b>	<b>\$68,346,957</b>	<b>\$60,962,303</b>
<b>LIABILITIES</b>							
Accounts Payable	\$358,997	-	-	-	-	\$358,997	\$447,409
Notes Payable	-	6,894,630	-	-	2,500,000	9,394,630	3,900,000
Parish Deposits	-	-	-	-	15,358,533	15,358,533	16,908,114
Other Short Term Deposits	-	-	149,015	-	3,041,233	3,190,248	3,678,259
Annuities Payable	-	-	-	1,086,599	-	1,086,599	1,326,634
Long-Term Deposits Payable:							
Cemetery Perpetual Care Funds	-	-	-	-	6,051,156	6,051,156	5,909,066
Property and Casualty Reserves	-	-	-	-	2,495,574	2,495,574	1,969,377
Long-Term Disability Reserves	-	-	-	-	624,544	624,544	609,963
Retired Priests Benefits Obligations	7,108,526	-	-	-	-	7,108,526	6,457,601
Deferred Revenue	291,677	-	-	-	-	291,677	290,141
<b>Total Liabilities</b>	<b>7,759,200</b>	<b>6,894,630</b>	<b>149,015</b>	<b>1,086,599</b>	<b>30,071,040</b>	<b>45,960,484</b>	<b>41,496,564</b>
<b>NET ASSETS</b>							
Unrestricted:							
Designated Funds	2,143,910	73,191	-	4,014,238	-	6,231,339	4,489,717
Designated for Annuities	-	-	-	84,160	-	84,160	184,703
Expended for Plant	-	7,898,561	-	-	-	7,898,561	2,165,552
Undesignated Reserve	341,348	-	-	-	-	341,348	5,114,311
<b>Total Unrestricted Net Assets</b>	<b>2,485,258</b>	<b>7,971,752</b>	<b>-</b>	<b>4,098,389</b>	<b>-</b>	<b>14,555,408</b>	<b>11,954,283</b>
Restricted							
Temporarily							
Other	137,560	-	-	-	-	137,560	125,709
Endowments	-	-	-	4,383,557	-	4,383,557	4,121,279
<b>Total Temporarily Restricted Net Assets</b>	<b>137,560</b>	<b>-</b>	<b>-</b>	<b>4,383,557</b>	<b>-</b>	<b>4,521,117</b>	<b>4,246,988</b>
Permanently							
Endowments Permanently Restricted	-	-	-	3,309,948	-	3,309,948	3,264,468
<b>Total Net Assets</b>	<b>2,622,818</b>	<b>7,971,752</b>	<b>-</b>	<b>11,791,903</b>	<b>-</b>	<b>22,386,473</b>	<b>19,465,739</b>
<b>Total Liabilities and Net Assets</b>	<b>\$10,382,018</b>	<b>\$14,866,382</b>	<b>\$149,015</b>	<b>\$12,878,502</b>	<b>\$30,071,040</b>	<b>\$68,346,957</b>	<b>\$60,962,303</b>

# By the Numbers 2010/2011

- 98 Parishes and Missions
- 133,305 Catholics
- 98 Diocesan Priests
- 68 Active Ministry
- 30 Retired
- 115 Religious Order Priests
- 219 Religious Women
- 33 Religious Men
- 24 Seminarians
- 1,117 People Buried
- 2,504 Baptized
- 1,995 First Reconciliation
- 2,482 First Communicants
- 2,273 Confirmations
- 788 Marriages

## Catholic Schools

- 556 Early Childhood Students
- 7,788 Elementary Students
- 3,488 High School Students
- 11,832 Total Students
- 1083 Catholic School Teachers

## Safe Environment Training

- 21,177 Adults Since 2002
- 2,760 Adults Last Year
- 8,613 School Children
- 7,017 Parish Children

## Emergency Outreach to Neighbors in Need

- \$1.9 million Food
- \$1.6 million Shelter, Utilities, Medical
- 163,474 People Assisted



# The Catholic Center

With the opening of The Catholic Center in April 2011, the diocese brought together more than 30 ministries and essential community services under one roof. Since April, Twenty West Ninth has become a genuine center for Catholics in the diocese.

**Spring Through Fall - Meetings, Classes and Receptions more than 7,000 guests**

