

The Catholic Key

November 19, 2010

Diocese of Kansas City — St. Joseph

Vol. 42 No. 38

BISHOP'S REPORT

My Dear Friends in Christ,

I am pleased to present this annual report on the finances and operations of the Diocese of Kansas City ~ St. Joseph. With this reporting, we have two goals:

- to provide better understanding of how the Church in Kansas City ~ St. Joseph does God's work; and,
- to express our thanks to everyone whose gifts of time, talent and treasure help to make this work possible.

As you will see from this report, it is the generosity of the Catholic faithful that enables us as the Body of Christ to live in faith, to experience hope, and to demonstrate our love of neighbor. At many times during the past year, you have shown great generosity for others. Your parishes and schools responded overwhelmingly on behalf of the suffering people in Haiti, donating more than \$324,000 for earthquake relief. Because of your support, the Bishop's Annual Appeal achieved and surpassed its goal, allowing us to continue the life-sustaining social services, ministries, and educational initiatives of the diocese.

A parable near the end of Matthew's Gospel gives insight into Jesus' thoughts about stewardship. In this passage, "a man who was going on a journey" leaves his wealth to be tended by three servants. Two respond wisely and invest the money and make a return. They are commended by their master. The third guards the treasure and earns nothing; he is rebuked.

These silver pieces can represent much in our own lives. All temporal and spiritual blessings are created by and come from God. Faith, hope, and love; talents of body and mind; cherished relationships with family and friends; all are blessings that will require an accounting to God.

Assuring you of my deep personal gratitude for your stewardship and of my prayers, I remain

In Christ and Mary,

+ Robert W. Finn

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



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Be firm and steadfast; go to work without fear or discouragement, for the Lord God, my God, is with you. He will not fail you or abandon you before you have completed all the work for the service of the house of the Lord.
1 chronicles 28:20



Faith
hope
love of neighbor

By the Numbers

Parishes and Missions | 98
Catholics | 134,752

Diocesan Priests | 102
Active Ministry | 75
Retired | 27
Religious Order Priests | 85

Religious Women | 233
Religious Men | 33
Permanent Deacons | 65
Seminarians | 27

People Buried | 1,101
People Baptized | 2,597
First Reconciliation | 1,995
First Communicants | 2,482
Confirmations | 1,796
Marriages | 778

In 2002, the diocese launched safe environment training for all adults who work or volunteer with children. By requiring this training and background screening, the diocese sets a community standard for all interactions with children and youth in parish, school and programs.

Adults Trained in
Safe Environment Practices | 18,417
Virtus Workshops | 537

Early Childhood Students | 1,623
Elementary Students | 6,900
High School Students | 3,541
Total Students | 12,064

Catholic School Teachers | 1,164



hope OUR STRATEGIC PLAN FOR CATHOLIC SCHOOLS

Two years in the making, the strategic plan will strengthen the future of Catholic school education throughout the diocese.

“These have been two years of very hard work,” said Bishop Robert W. Finn. “We commissioned an exhaustive study, tapped the collective wisdom of hundreds, if not thousands, of people and addressed the many diverse issues we face.”

Bishop Finn said that the plan rests on three pillars – strong Catholic identity, continued academic excellence, and fiscal stability.

Distinctly Catholic

Catholic schools are the only schools that offer a Gospel-based education rooted in the teachings of the Catholic Church.

“The Catholic identity of our schools is our niche,” said Bishop Finn. “This is the added value that makes the choice of our schools worth the investment.”

Components of the strategic plan for Catholic identity include:

1. Every school will witness the faith to students, their families and the community.
2. Every school will follow a standard religious education curriculum.
3. The diocese will certify teachers of religious education.
4. School staff will model Catholic teachings and values in their professional and personal lives.

Academically Excellent

By engaging students in rigorous instruction and employing current resources, Catholic schools will continue to reach for academic excellence. The strategic plan identifies standards that include:

1. Opportunities for students to learn addressing a range of gifts and needs.
2. Teach critical thinking skills that inspire lifelong learners capable of next level success.
3. An ongoing, multi-year curriculum improvement plan at each school.
4. Technology to enhance teaching and learning.
5. Early education will provide enriching, high quality programs for infants and children.

Fiscally Stable

“Our goal also is to make our schools affordable for all,” said Bishop Finn. “Through the stewardship of every Catholic – those with children, those with grown children, and those who give generously to fund the mission of the Church – we can achieve a fiscally stable future.”

The plan for fiscal stability in Catholic schools rests on the principle of Christian stewardship and the offer of time, talent and treasure to further the work of the Church.

Adjusted Tuition

Critical to fostering a spirit of stewardship is the awareness that tuition only covers part of the true cost of educating a child in a Catholic school. Other costs are borne through fundraising, development, and direct and heavy support from parishes that sponsor schools.

As in many other dioceses, the plan will engage the entire diocese in the support of Catholic schools. Through a parish investment program, parishes without schools will contribute a portion of annual income to Catholic schools. Catholic elementary schools will receive support from this program based on need determined by enrollment and the median household income of students.

Along with the continued support of the sponsoring parishes, the investment from parishes without schools will help each school adjust tuition to meet the annual operating budget while keeping Catholic education affordable. Each school will communicate the adjusted tuition cost to families later this year.

Diocesan Supports

To further the goal of affordability, the diocese is building a family of funds to help families with the cost of education. An Honoring Family Scholarship program will offer tuition grants to families with multiple children enrolled in Catholic schools. The scholarship is available to diocesan Catholic high school students who also have a sibling enrolled in a diocesan school.

The Strong City School Fund assumed the mission of the Central City School Fund and will continue needs-based assistance for low-income children in Kansas City’s urban core. The Fund currently supports children at Holy Cross, Our Lady of the Angels and Our Lady of Guadalupe schools.

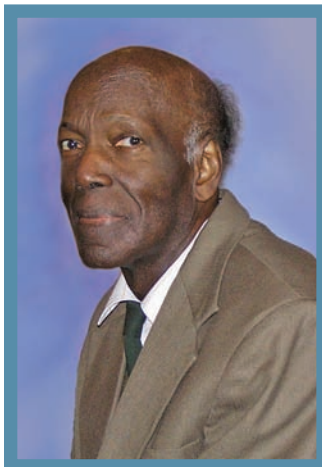
As support grows, a diocesan tuition assistance program will be established to help families after parishes and schools exhaust funds. The diocese also recognizes that populations have shifted to areas under-served by current Catholic schools. With broad support, the diocese will be able to fund feasibility studies for parishes considering opening a school.



**NELSON GIPSON,
MORE THAN 51 WORDS**

Love of neighbor

When he passed, his obituary was 51 words long. And yet, there was a lot more to Nelson Gipson than those words. In his living and dying, Gipson found the way to live as Jesus taught.



Growing up African American in Pleasant Hill, Nelson Gipson was the only child of Lelia Gipson, teacher at the school for Pleasant Hill's black children. Once the courts struck down the separate but equal doctrine, Miss Lelia wrote the last chapter on the school. Before so doing, she molded and shaped the minds of her community and found time to teach children and her son how to play the piano. When Nelson completed grade school, Miss Lelia sent him off to high school in Sedalia, as Pleasant Hill had no high school for black students.

Nelson Gipson came from hardy stock. In 1950, he graduated from the University of Kansas with degrees in business and economic administration. Most certainly, he was one of only a handful of African Americans on campus at the time.

After college, Gipson came home to live in the house his grandfather had built. Until he retired in 1982, he took his work ethic Monday through Friday to the Social Security Administration. Nearly every Sunday morning for over 50 years, he played "God's music" at St. Bridget Catholic Church.

Monsignor Bradley Offutt recalled being Gipson's pastor. After the congregation built a new church and was contemplating how to fund an organ, Gipson quietly volunteered to pay for the \$30,000 instrument outright.

"Nelson was the most eloquent testimony to the power of humility that I have ever known. He was so steady, so decent, so good," observed Msgr. Offutt.

Nelson Gipson loved music, reading biographies and tending his yard. Along with his music ministry, he served on the Board of Directors for the Pleasant Hill Historical Society. He was profoundly private and avoided all personal attention.

On the day before he died in May 2009 and knowing that he would soon cross the finish line, Nelson Gipson called a friend and asked for help with his last will and testament. To her amazement, she listened as he softly disposed of his worldly treasure – his home, the surrounding land, and four rental houses worth a combined \$350,000 to St. Bridget Parish; \$120,000 to the Pleasant Hill Historical Society; and to honor his grandparents and mother, he set aside \$800,000 to endow scholarships at the University of Kansas in their names.

"He took what God gave him, and he did good for others," said Vicar General and St. Bridget pastor, Monsignor Robert Murphy. "Nelson Gipson was a good man."



*we give
thanks*

| Last November, more than 20,000 teens raised the roof at the Sprint Center. Hosted by the Youth Office, the National Catholic Youth Conference gave witness to Pope Benedict's statement, "The Church is alive. And, the Church is young."

| Catholic Charities was the hands of the Body of Christ last year, providing emergency assistance to more than 150,000 people.

| With prayer, encouragement and financial support, the people of the diocese gave thanks for the blessing of 27 seminarians studying for the priesthood.

| Proving that each makes a difference, Catholic school students offered more than 300,000 volunteer hours to a universe of needs.

| R.C.I.A., religious education, evangelization, and advocacy for the poor was buttressed last year at 20 parishes with \$225,000 in parish ministry grants.

| The Bishop Helmsing Institute reached more than 600 people in life-giving adult faith formation opportunities. Courses taught in Spanish reached another 47 adults.

| To strengthen and support marriage, the Family Life Office delivered programs to 778 engaged couples last year.

| Called to signs of the Servant Jesus in the world, the 65 deacons of the diocese remind us to be people of service and ministers of justice. This year, nine men answered the call and entered formation.

| Over the last three years, involvement in Young Adult and Campus Ministry programs has grown by 200%.

| To grow in awareness and solidarity, over 200 people from our diocese attended the Gospel of Life Conference co-sponsored by the Respect Life Office.

| Because education is the best poverty prevention measure, you opened the doors to neighborhood Catholic schools for low-income students with tuition assistance from the Central City School Fund.



Jesus said to his disciples:
"Take care not to perform righteous deeds in order that people may see them; otherwise, you will have no recompense from your heavenly Father.
...
when you give alms, do not let your left hand know what your right is doing, so that your almsgiving may be secret. And your Father who sees in secret will repay you."



Peace I leave with you; my peace I give to you. Not as the world gives do I give it to you. Do not let your hearts be troubled or afraid.

John 14:27

financial report TO THE PEOPLE 2009

Our Diocese is committed to proper stewardship of and accountability for the 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 09/10 annual audit performed by McGladrey & Pullen and reviewed/approved by the Diocesan Finance Council at its October 25th meeting. Since 1965, our DCFO has undergone an annual audit and publicized its 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, other churches, not-for-profits and businesses in general.

invested in mutual funds and not invested internally, as well as the Charitable Gift Annuity Fund. The increase also includes our Diocese's share of the proceeds from the Support Our Seminarians Annual Dinner. The internal endowments generate interest income to fund ministries and programs, as well as our charitable gift annuities. Three major ministerial areas (in the DCFO budget) funded by these endowments are seminarian education, youth ministry and our annual allocation to Catholic Charities.

The total aggregate balance of parish and school loans at June 30, 2010 was \$31.7 million, down from \$34.7 million the previous year. Total principal payments exceeded new loans during the year by close to \$3 million. Parish deposits were \$16.9 million, an increase of \$558,000 from the previous year. These deposits, along with internal endowments and other long term deposits, form the dollars available to loan to parishes and schools.

The Diocese executed the sale of 20 acres in Platte County that were originally purchased in 1992 for future parish development. In light of the Northland Study completed a couple of years ago, these 20 acres were deemed to be excess and not in the desired location.

Accounts receivable increased by \$80,000 to \$1.65 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.

Gross pledge income from the Bishop's Annual Appeal in 09/10 was \$2.102 million. This was an increase of \$265,000, or 14%, from the previous year. Fiscal year 09/10 was the third year of the new format of the Bishop's Annual Appeal, a format that had all parishes conducting the Appeal in October, rather than doing it at different times of the year, which was the previous practice. It is our continued hope that all parishioners of our Diocese have become aware of the more than 30 important ministries and programs that are supported by the Appeal. The goal for 10/11 is \$2.2 million!

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; I will be happy to assist you. Again, this year, we will publish the DCFO Audit on our Diocesan website: www.diocese-kcsj.org.

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

David A. Malanowski



Dave Malanowski
Diocesan Finance Officer



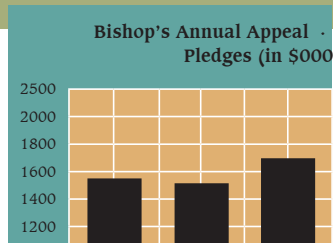
Once again the auditors have given the DCFO a "clean" opinion, meaning that there are no qualifications and the financial statements "represent fairly, in all material respects, the financial position of the DCFO as of June 30, 2010 andare in conformity with accounting principles generally accepted in 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.

Unrestricted/Undesignated net assets in the Current Fund increased by \$824,942. Unrestricted/Designated net assets increased by \$140,189, resulting in a total increase in Unrestricted net assets of \$965,131. (See chart.) The Bishop's Annual Appeal increased by 14% to \$2.102 million. This, coupled with offices and programs adhering to budgets, positive net investment income, unrealized investment gains and an accounting adjustment relating to one of the Charitable Gift Annuities, helped offset the negative net effect of changes to the retired priest healthcare/long term care accrual and a provision for doubtful accounts.

Endowment Funds (designated, temporarily restricted and permanently restricted) increased by \$100,000 to \$12.7 million. This increase in asset value was due to unrealized gains associated with the small portion of the Seminarian Endowments that is

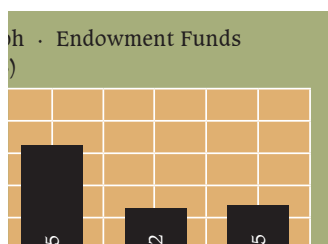
May the Lord
bless and
protect you;
may he Lord's
face radiate with
joy because of
you; may he be
gracious to you,
show you his
favor, and give
you his peace.
numbers
6:24-26

financials INSIDE THE KEY



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Diocesan Central Financing Statement of Activities

Change in Unrestricted CURRENT FUND (

UNRESTRICTED REVENUE

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Statement of Activities

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CITY-ST. JOSEPH CENTRAL FINANCING Statement of Financial Position at June 30, 2010

Plant	Custodian	Endowments
\$460	\$153,317	

Statement of Financial Position

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