

Parishioners exude generosity, even in difficult times

Dear friends, The fruit of gratitude is joy. I recently saw an idea that will foster gratitude and joy and can be used in place of one of those New Year's resolutions we are not always so faithful in keeping.

Why we give

In heaven, money will not matter; in fact, there will be no need for it to exist. Our chief financial officer says this is her definition of heaven: There is no money and there are no money problems!

Money and its meaning

Naturally, this letter is about money, because it is about our annual financial report. We can analyze the finances in many ways, and indeed, this is a very detailed report.

To get the big picture, there is something to be said for looking at the numbers at a higher level. For example, one might be concerned that the archdiocesan chancery operations lost over \$5 million in fiscal year 2020-21.

I am grateful that the people of the archdiocese continued, even in uncertain and difficult times, to be generous givers. That generosity bears fruit every day on college campuses, at Villa St. Francis, in rural youth activities, at Prairie Star Ranch and its associated camps and retreats, in the catechesis of children, in our parish schools, with various consultants providing help and leadership to parish staffs, through Catholic Charities in its many locations throughout the archdiocese and its summer food program and resource bus and to every parish that participated in



the One Faith, One Family, One Future in Christ campaign. It is amazing what is accomplished through the collective generosity of so many people. I believe there is no limit to what we can do to worship Jesus and to be his hands and feet in today's world.

One Faith, One Family, One Future in Christ update

The solicitation phase of the One Faith, One Family, One Future in Christ campaign is complete, and I appreciate your commitment to fulfilling your pledge to this vital effort. To date, we have funded and distributed cases for Evangelization, the Priest Retirement Residence and Endowment, the Villa St. Francis building improvements and a portion of the Priest Pension Plan funding.

On the horizon

In December, you received a letter from me about our efforts to secure funding for our Respect Life ministries, including our programs Walking with Moms in Need and the Gabriel Project that support women who



FROM THE CHIEF FINANCIAL OFFICER

Transparency

The financial information you see on these pages shows you the sources (revenue) and uses (expense) of the funds at the archdiocese for the most recent fiscal year and the year prior. A comparison of the two years and explanations of differences over \$100,000 and 10% are provided. This statement agrees in total to the audited annual financial report posted on the archdiocesan website at: archkck.org/administration/finance-office/.

There are essentially four classifications of sources of funds: Fees and Other Income, ACTS (Archbishop's Call to Share Annual Appeal), Assessments and Collections and Cathedralricum. Following is a brief description of each.

ACTS: This annual appeal is conducted each January-March to raise funds for the following fiscal year. Based on analysis and information produced by a committee of laity and priests, the Presbyteral Council makes a recommendation to the archbishop for the allocation of funds.

Assessments and Collections: Includes amounts assessed to parishes or regions for Savior Pastoral Center and Youth Formation, as well as the Catholic Charities Christmas Collection and Priesthood Present and Future Collection.

Cathedralricum: Annual tax as provided under Canon Law Section 1263 for the bishop to fund the administrative costs of the diocese. The amount and method varies by diocese.

The uses of the above funds are listed down the page and are divided by categories which correspond to the Five Pastoral Priorities of the archbishop. A short explanation of each priority is provided under each heading. Additionally, use of funds for each line item is broken down between columns based on the origin of the funds received to pay for the spending.

The bottom line is the net of the income sources and uses. In cases where the net is negative, balances saved from previous years are used. It is also important to know that all funds received with donor restrictions are accounted for to ensure that those funds are used only for the purpose the donor intends.

The results

Overall, fiscal years 2020 yielded a positive bottom line while fiscal year 2021 shows a loss of over \$5 million. These results were due to the influx of capital campaign pledges in fiscal year 2020 and the beginning of distributions to the campaign cases in fiscal year 2021.

Capital campaigns usually have at least two years of raising pledges, three+ years of receiving pledges and then another few years of spending the campaign funds to execute the campaign cases. Because accounting rules require that we record the pledges when received, we have a mismatch of results because in the years when the pledges are made, we record the revenue, but we have not spent the money (and may not have even received the money yet). Then, once all of the funds have been received, we start to spend the money. In those years, we have no capital campaign revenue, but we will be recording the capital campaign distributions as expenses, yielding bottom line losses. This can make the reading of the financial statements in the years of capital campaigns very confusing!

2020 Summary: Of the \$66,705,840 in revenue in 2020, \$16,628,999 was campaign income, and Of the \$52,544,519 in expenses in 2020, \$5,603,601 was campaign expense.

2021 Summary: Of the \$58,847,965 in revenue in 2021, \$5,296,467 was campaign income, and Of the \$64,643,476 in expenses in 2021, \$18,950,115 was campaign expense.

Therefore, of the (\$5,795,511) in net loss, (\$14,653,648) is from the capital campaign.

Gratefully yours in Jesus, the Lord of Life,

Handwritten signature of Archbishop Joseph F. Naumann

Archbishop Joseph F. Naumann Archbishop of Kansas City in Kansas

Additional information

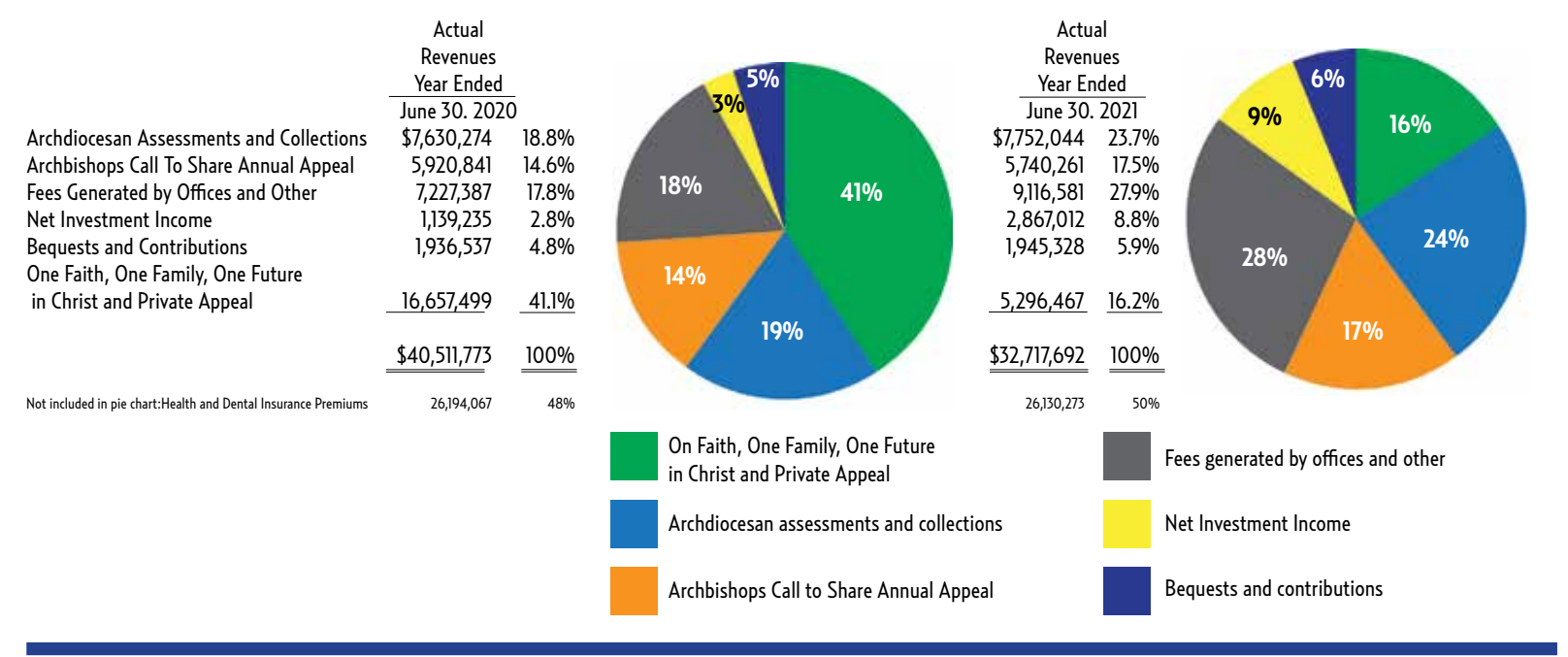
In addition to the operating statement presented, there are funds, including national collections and special emergency collections, we call pass-through funds, which are collected at each parish, sent to the archdiocese and then forwarded on to their final destination. This schedule shows the reach of our collective generosity beyond the boundaries of our parishes and our archdiocese.

The sidebar on Transparency is included to shed light on the funds used in our efforts to protect children and vulnerable adults through background checks and training all employees and volunteers in the archdiocese who have interactions with children in the scope of their duties. When an allegation of abuse is made, there are also costs associated with victim assistance and canonically-required assistance for the priest.

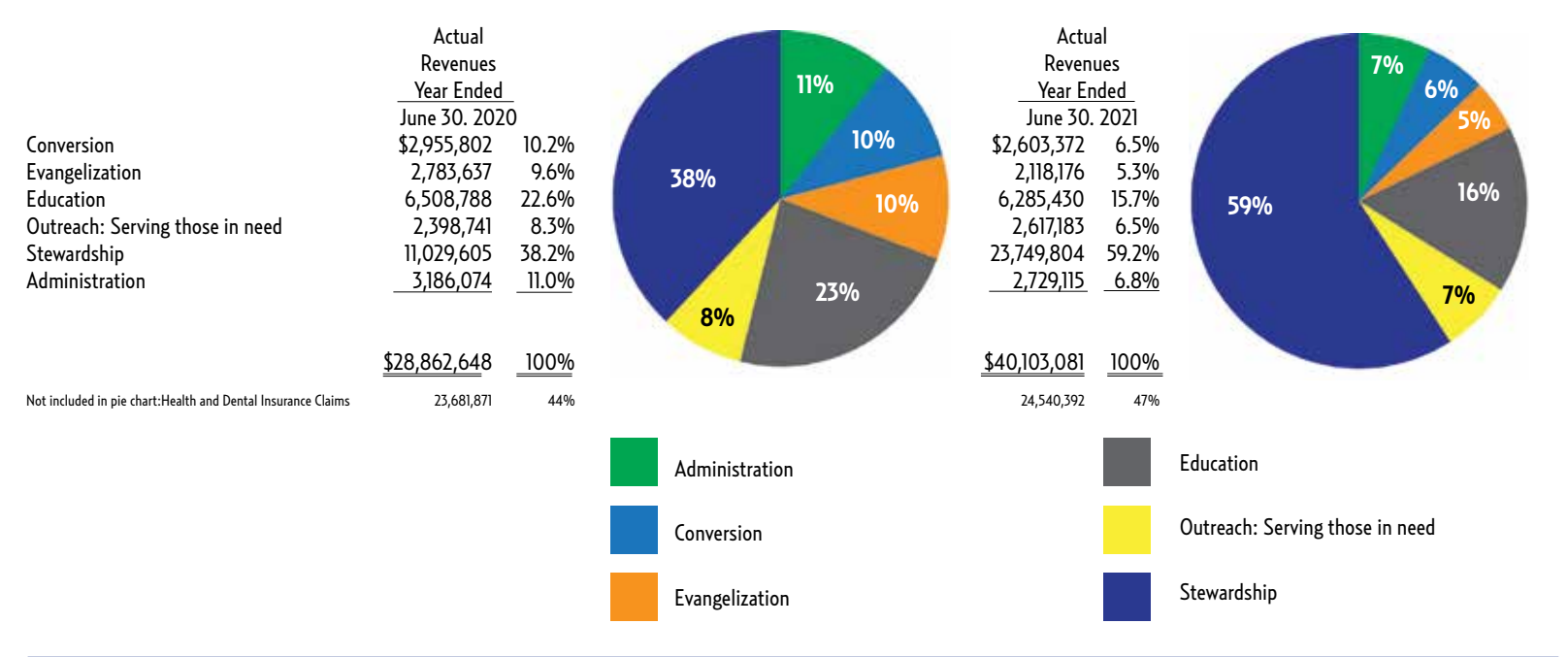
ARCHDIOCESE OF KANSAS CITY IN KANSAS OPERATING STATEMENT FOR 2020 AND 2021

Table with columns for Revenue, Expenses, and Net. Rows include Conversion, Education, Outreach, Stewardship, and Administration. Includes sub-totals and grand totals for 2020 and 2021.

ARCHDIOCESE OF KANSAS CITY IN KANSAS REVENUE ACTUAL 2020 vs 2021



ARCHDIOCESE OF KANSAS CITY IN KANSAS EXPENSES ACTUAL 2020 vs 2021



ARCHDIOCESE OF KANSAS CITY IN KANSAS HELP FOR THE NEEDY & DISASTER RELIEF

Table detailing financial support for the needy and disaster relief. Includes National Collections, Special Emergency Collections, Outreach by Archdiocesan Entities, and Tuition Assistance. Includes a 'Transparency' section with amounts spent on healing, victim settlement, child protection, and legal fees.