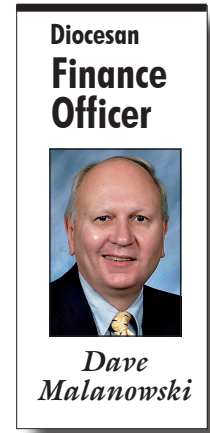


# Budget by Cost Category

	2019/2020 ALLOCATION	OTHER INCOME	TOTAL BUDGET
<b>SCHOOL OFFICE</b>			
Office	429,686	187,175	616,861
<b>Subtotal</b>	<b>429,686</b>	<b>187,175</b>	<b>616,861</b>
<b>DIRECT SCHOOL ALLOCATIONS</b>			
Bright Futures Fund General Allocation	455,000	0	455,000
High Schools	488,000	0	488,000
<b>Subtotal</b>	<b>943,000</b>	<b>0</b>	<b>943,000</b>
<b>SOCIAL MINISTRY</b>			
CCEAC Collection	75,000	0	75,000
Charities Allocation	232,500	10,000	242,500
Housing & Community Services	6,000	15,000	21,000
Human Rights	113,676	5,500	119,176
Ministry to Disabled	30,000	10,000	40,000
Restorative Justice	21,000	0	21,000
<b>Subtotal</b>	<b>478,176</b>	<b>40,500</b>	<b>518,676</b>
<b>MINISTRIES</b>			
Campus Ministry, NWMSU	159,860	130,638	290,498
Campus Ministry, St. Joseph	63,814	28,950	92,764
Campus Ministry, UMKC	75,344	10,536	85,880
Campus Ministry, Warrensburg	86,200	15,000	101,200
Criminal Justice Committee	2,000	0	2,000
Diaconate Formation	128,735	1,250	129,985
Family Life Office	196,409	54,500	250,909
Hispanic Ministry	115,881	11,730	127,611
Journey to Bethany - Planning	20,000	0	20,000
Office of Catechesis & Faith Formation	263,718	79,500	343,218
Office of Worship	152,782	10,980	163,762
Parish Based Ministry	135,000	0	135,000
Pastoral Care Committee	2,000	1,500	3,500
Permanent Diaconate Office	42,750	1,574	44,324
Priestly Life/Ministry	67,250	17,000	84,250
Respect Life	99,336	36,750	136,086
Tribunal	396,225	14,000	410,225
Young Adult Ministry	133,000	74,022	207,022
Youth Office/Hispanic Youth Office	118,000	20,000	138,000
<b>Subtotal</b>	<b>2,258,304</b>	<b>507,930</b>	<b>2,766,234</b>
<b>COMMUNICATIONS</b>			
Catholic Key	95,000	519,709	614,709
<b>Subtotal</b>	<b>95,000</b>	<b>519,709</b>	<b>614,709</b>
<b>SUPPORT OF PRIESTS &amp; SEMINARIANS</b>			
Bishop's Residence	74,066	0	74,066
Major/Minor Seminarians	743,802	396,000	1,139,802
Priests on Special Assignment	299,000	17,000	316,000
Reserve Plan	170,000	0	170,000
Retired Priests' Health Insurance & LTC	85,000	400,000	485,000
Vocation Office	20,527	187,000	207,527
<b>Subtotal</b>	<b>1,392,395</b>	<b>1,000,000</b>	<b>2,392,395</b>
<b>EXTERNAL ALLOCATIONS</b>			
Catholic University	8,250	0	8,250
Holy See Support	23,000	0	23,000
MO Catholic Conference	97,000	0	97,000
USCCB	67,600	0	67,600
<b>Subtotal</b>	<b>195,850</b>	<b>0</b>	<b>195,850</b>
<b>DIOCESAN ADMINISTRATION</b>			
Archives	215,268	0	215,268
Bishop's General Administration	64,170	1,700	65,870
Bishop's Office	216,723	14,000	230,723
Bishop's Presbyteral Council	3,320	3,400	6,720
Bishop Emeritus	16,361	0	16,361
Bright Futures School Fund (Dev.)	15,000	307,077	322,077
Chancellor's Office/VG for Administration	153,524	14,000	167,524
Chancery/Catholic Center	415,381	1,114,317	1,529,698
Comprehensive Resource Study	40,000	50,000	90,000
Doubtful Accounts Allowance	60,000	0	60,000
Finance Office	355,595	57,850	413,445
Human Resources	301,158	103,153	404,311
Information Systems	108,375	139,000	247,375
Office of Catholic Health Care	0	100,000	100,000
Office of Consecrated Life	29,485	0	29,485
Office of the General Counsel	176,159	100,000	276,159
Printing/Mailroom	28,300	123,500	151,800
Professional Services	80,000	14,000	94,000
Property Management	225,157	0	225,157
Reserve Plan	25,000	0	25,000
Stewardship & Development/Annual Appeal	519,240	0	519,240
Vicar General	75,741	70,000	145,741
Other	72,000	0	72,000
<b>Subtotal</b>	<b>3,195,957</b>	<b>2,211,997</b>	<b>5,407,954</b>
<b>GRAND TOTAL</b>	<b>8,988,368</b>	<b>4,467,311</b>	<b>13,455,679</b>

# Highlights of the 2019/2020 Diocesan Chancery Operation Budget

The Diocesan Finance Council, at its meeting on June 3rd, recommended approval of the operating budget of the Diocesan Chancery Operation for the 2019/2020 fiscal year, which began July 1, 2019. Bishop James V. Johnston, Jr. subsequently accepted the recommendation. The review and approval of this 'balanced' budget by the Diocesan Finance Council is one of the two primary responsibilities of a Diocesan Finance Council which are stipulated in Canon Law, the other being the review of the annual audit. Thus, it is a significant and extremely important responsibility. Equally important is the responsibility of Bishop Johnston, his advisors and staff to present to the Faithful of our Diocese the content of the annual budget in that it is funded largely from your direct contributions through the Annual Catholic Appeal (ACA) and, indirectly, through an assessment of contributions (the "Cathedraticum" assessment) made at the parish level. Bishop Johnston and I have a responsibility to be clear in describing for you where the money comes from and how it is allocated. It is in this spirit of disclosure and financial accountability that we present here information regarding the 2019/2020 Operating Budget of the Diocesan Chancery Operation.



The operating budget of the Diocesan Chancery Operation reflects the functions and ministries coordinated at the Chancery Offices/Catholic Center and the four campus ministry locations. It is sometimes informally referred to as the Diocesan Budget or the budget of the Diocesan Administrative Offices. It does not include Catholic Charities, Catholic Cemeteries, the Diocesan Insurance Program, and the Deposit and Loan Trust, as well as our parishes and schools, all of which are separate entities that have their own budgets. Bishop Johnston's Administrative Cabinet functions as the "budget committee" and I, as the Finance Officer, chair the budget process, which started in January with a three-month discussion of the significant topics and issues. This discussion of the 'macro' issues led to crafting specific budget directives which were used by office and program directors to complete line item budgets. The resulting balanced budget was, and is always, a true collaborative effort.

The total Diocesan Chancery Operation Budget for 2019/2020 is \$13.46 Million, which is a 4.0% increase from 2018/2019. The budget, as it has been for at least the last 27 years, is a balanced budget and, in fact, could be considered a surplus budget, with a small surplus going to enhance certain key

reserve areas relating to seminarian education, priests on special assignment and the care and upkeep of certain properties. Salary actions are consistent with our Diocesan Salary Scale Plan for lay and religious employees and the Diocesan Clergy Compensation Plan.

There are five primary sources of income which fund the operational budget (see pie chart). The largest source of income is the Diocesan Cathedraticum Assessment, which is an assessment on parish income based on a defined formula approved by the local bishop after consulting with the Presbyteral Council and the Diocesan Finance Council. The Diocesan Cathedraticum Assessment amount for 2019/2020 is \$6,560,000, which is an increase of \$220,000 from 2018/2019. It represents 49% of our total income.

A second important source of income is the Annual Catholic Appeal, which raises funds for several of our important programs and ministries. For 2019/2020, the Annual Catholic Appeal is budgeted at \$1,875,000. These funds go entirely toward our programs for education, catechesis and faith formation, vocations and seminarian education, all areas of pastoral ministry and social services/out-reach. The total cost of these areas alone exceeds \$3.0 million.

User fees, outside income (rentals, advertising etc.), grants, certain diocesan-wide collections, internal transfers and miscellaneous contributions make up a collective third source of income (\$4,024,000). Included in this amount is \$180,000 budgeted for the 'Tomorrow's Priests' Diocesan Collection to be conducted in May 2020 to help address the increasing costs for seminarian support and education, as well as to assist in funding the work of the Vocations Office. Total grant income is approximately \$90,000.

Another primary source of funding is "net" interest income, budgeted in 2019/2020 at \$96,000. This income source is a net combination of three components: 1) the "net" interest income amount approved by the Board of Trustees of the separate Deposit and Loan Trust to be transferred to the Diocesan Chancery Operation (\$350,000), 2) total interest and investment income of the Diocesan Chancery Operation less interest paid on deposits and internal endowments associated with the Diocesan Chancery Operation (\$46,000), and 3) an allocation to the Property and Casualty Fund as directed by the Diocesan Finance Council (\$300,000).

Also, there is an amount of income (\$900,000) from interest/earnings on restricted and designated endowments, as well as the use of certain designated funds.



Megan Marley/Key photos

The Diocesan Finance Council (from left to right) John Destefano, George McLiney, Jeremy Lillig, Bishop Johnston, Alan Lankford, Christine DeMarea, Fr. Ron Elliot, Theresa Hupp, David Brain, Margo Shepard, and Eileen Hutchinson. (Not pictured: Tom McCullough, Fr. Pat Rush and Jim VanDyke.)

## Highlights of Budget cont.

The chart shows the operating budget by eight (8) major cost categories.

**School Office Operation** - income and expense associated with the office that oversees the administration of 24 elementary, 3 high schools, and 8 early childhood centers.

**Direct School Allocation** - direct payments to our Bright Futures schools, the Bright Futures Fund and the three Diocesan high schools.

**Social Ministry** - primarily a direct subsidy payment to Catholic Charities, as well as the operation of the Human Rights Office, our Restorative Justice Program subsidy, the subsidy for the Ministry to the Disabled and certain housing initiatives.

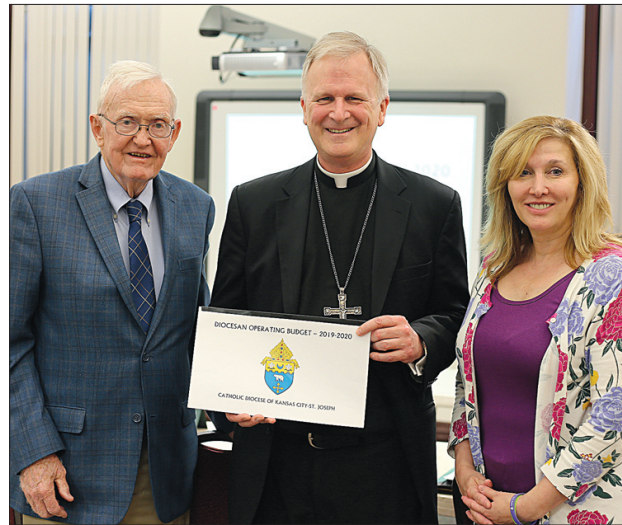
**Pastoral Ministries** - operation of those offices that train and support pastoral ministers as well as offer many direct formational opportunities to the people and parishes of the Diocese. These offices include Worship, Family Life, Youth, Campus Ministry, Young Adult, Permanent Diaconate, Respect Life, Hispanic Ministry and Evangelization/ Faith Formation.

**Communications** - primarily *The Catholic Key* newspaper operation, which includes the Communications/Media Relations function.

**Support of Priests/Seminarians** - costs relating to (1) the canonical mandates of care and support of priests, (2) support and education of seminarians, (3) vocation awareness and development, (4) Bishop's residence.

**External Allocations** - direct payments to support entities of the broader Church outside the Diocese. These entities range from the Missouri Catholic Conference to the U. S. Conference of Catholic Bishops to the Holy Sec.

**Diocesan Administration** - those administrative and systems costs that allow the Bishop to effectively oversee



George McLiney and Christine DeMarea present the Budget to Bishop Johnston.

the 100-plus parishes, schools and other operations of the Diocese.

Included in the 2019/2020 Diocesan Chancery Operation Budget are several efforts directly related to our completed Diocesan Shared Mutual Vision and Pastoral Plan. First is \$90,000 to fund a Comprehensive Resource Study to help the Diocese ascertain how it can best equip itself for its Mission long term. Restricted contributions are to be used to partially offset this cost. Second is \$20,000 allocated to funding the study of and planning for 'Journey to Bethany', a healing center/function in the Diocese to respond to both the abuse scandal in the Church as well as other challenges people bear which might require healing and pastoral care. A third area is \$5,000 allocated to the property search process

*continued on next page*

## What is the Diocesan Finance Council?

The Diocesan Finance Council is a consultative body that provides advice to the Bishop in areas of finance and business, as well as certain acts of extraordinary administration, in ways similar to how a parish finance council advises a pastor. While advisory in nature, there are certain matters in financial administration that require actual consent of the Finance Council, for example, certain types of property transactions and changes to the Diocesan assessment formula. As mandated in Canon Law, members of the Council are skilled in civil law, business and financial affairs, as well as possessing an understanding of and dedication to the Mission of the Church.

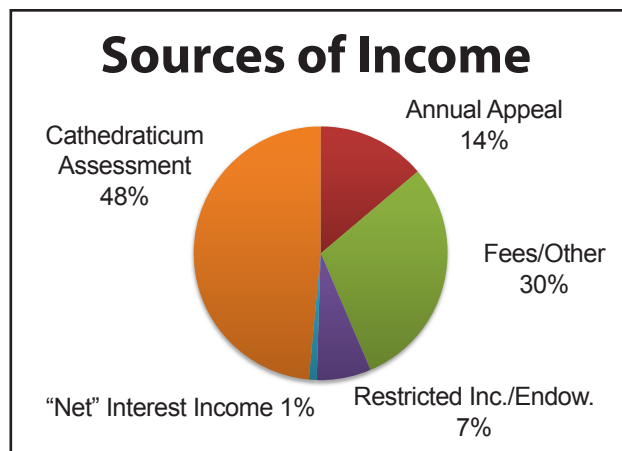
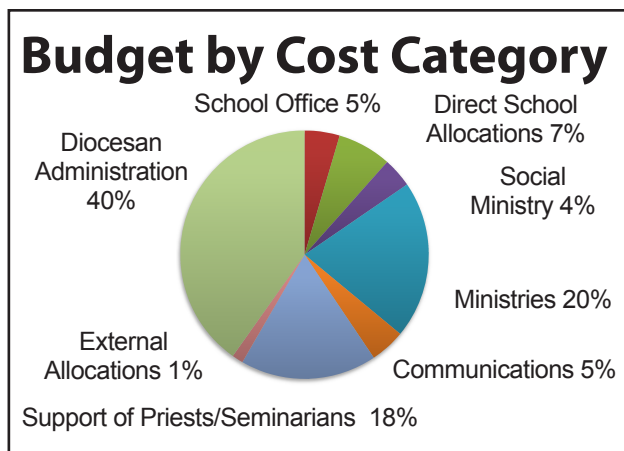
Two major responsibilities of the Finance Council are (1) to review and approve the annual operating budget, and (2) to review and approve the annual Diocesan Audit.

Our Finance Council is currently a 14-member body:

- Most Reverend James V. Johnston, Jr.** – Bishop, Catholic Diocese of Kansas City-St. Joseph;
- David Brain** – CEO, Brown Cow Capital, LLC
- John Crowe** - self employed;
- Christine DeMarea** – Partner, Husch Blackwell, LLP;
- John DeStefano** - Retired Senior Vice President of Finance and Treasurer, Great Plains Power, Inc.;
- Rev. Ron Elliott** – Pastor, St. John LaLande Parish, Blue Springs;
- Theresa Hupp** - Retired Director of Employee Relations and Staff, Hallmark Cards;
- Eileen Hutchinson** – Retired Vice President of Finance/CFO, Government Employees Health Assoc., Inc.
- Alan Lankford** – President, Lankford and Associates;
- Thomas McCullough** – Retired Executive Vice President; DST Systems, Inc.;
- George McLiney** – Chairman Emeritus, McLiney & Company;
- Rev. Patrick Rush** – Retired Diocesan Priest
- Margo Shepard** - Senior Vice President, Wells Fargo Advisors;
- Jim VanDyke** – Retired Partner; BKD, LLP CPA's and Advisors;
- Jeremy Lillig** –Diocesan Director of Stewardship and Development/Director of Strategic Planning (ex officio).

The Diocese has had a Diocesan Investment Committee since 1995. Tracey Lewis chairs this committee, and is joined by Katheigh Degen, Kevin Emmendorfer, Ray Evans, Marlin Fiola, Linda Hanson, Raleigh Lang, Joseph Massman and Joe Nastasi. The Investment Committee continually reviews the investment policies, objectives and performance of the Priest Retirement Trust, the Lay Employee Retirement Trust, the Charitable Gift Annuity Trust, the Deposit and Loan Fund and certain other Diocesan investments/trusts.

Dave Malanowski, as Diocesan Finance Officer, and Monica Adams as Internal Auditor/Risk Manager, staff both the Finance Council and the Investment Committee. □





Megan Marley/Key photos  
Bishop Johnston and Finance Council members listen at the meeting June 3.



Dave Malanowski, Diocesan Finance Officer, presents the 2019/2020 Chancery Operating Budget to the Diocesan Finance Council.

## Highlights of the 2019/2020 Diocesan Chancery Operation Budget cont.

*From page 9*  
for a future retreat center/camp facility within our Diocese. Finally, there are two areas being offset by a grant from the Knights of Columbus: \$20,000 for parish scholarships to the Amazing Parish Conference and \$10,000 to fund the creation of a program to help our baptized youth and adults discern spiritual gifts and charisms to serve the mission of the Church.

The seminarian education budget decreased by \$89,000 to approximately \$1,140,000 with the number of seminarians projected at 25. This represents 12 men in college and 13 men in Pre-Theology/Theology. This year the Chancery Operation will use approximately \$250,000 of seminarian reserves to assist in funding the overall seminarian education budget.

The budget includes funding for priest chaplains at our four Campus Ministry locations: Northwest Missouri State University, Western Missouri State University, Central Missouri State University and University of Missouri-Kansas City. All locations will have priests who will also have additional parish or Chancery assignments. NWMSU will be supported with a 50% priest chaplain, while the other three locations will be supported with a 10% priest chaplain.

The Chancery Operation continues its support of Catholic high school education and our three separately incorporated Diocesan high schools in the amount of \$488,000. The support for Bishop LeBlond will be \$130,000, the support for St. Pius X will be \$58,000 and the support for the new St. Michael

the Archangel will be \$300,000.

The Chancery Operation continues its support of parish ministry as well as support of its sister organization - Catholic Charities. Diocesan support increased from \$380,608 to \$399,500 (an increase of approximately \$19,000). This increase is totally related to our Ministry to the Disabled. The allocation for the Parish Based Ministry Grant Program (to assist parishes with the funding of ministerial positions) remains at \$135,000.

The Chancery Operation continues its support of the Bright Futures Fund at a level identical to last year - \$455,000. It represents a continued strong commitment to Catholic Education at Holy Cross School, Our Lady of Hope School and certain other schools in the KC metro area and in more rural areas.

Our Campus Ministry at Northwest Missouri State University in Maryville will look to expand its development and fundraising efforts in the hope of eventually enhancing its physical facilities to accommodate a thriving campus ministry program. Our Campus Ministry at Central Missouri State University in Warrensburg will be looking to do somewhat the same, but at a lesser level.

In 2018/2019, the Diocese had initiated a Diocesan School Assessment, which, following a formula reviewed by the Diocesan Finance Council and Presbyteral Council and approved by Bishop Johnston, assessed all parishes in 2018/2019 to make funds available in 2019/2020 for our Diocesan elementary schools. Now, in 2019/2020, the Diocese will be distributing funds (approximately \$940,000) while doing a second year of assessment for 2020/2021 distribution. A question could be asked-why isn't this assessment income included in the Diocesan Chancery Operation budget? The new School Assessment does not fund, in any way, costs contained in this budget. The income has a 'pass-thru' nature, so, while the Diocesan Chancery Operation will certainly be showing it in its audited financial statements, the Chancery does not include it in its Operating Budget.

The Diocesan School Office has increased its funding for the School Curriculum Coordinator

by \$28,000 to \$55,000. This position is not an employee, but rather an independent contractor.

An amount of \$42,000 was allocated to our Management Information Systems area to complete certain systems upgrades consistent with a consultant's recommendations. A strategic plan for our overall Information Systems needs is currently being finalized.

Allocations will continue for several important ministries which are reflective of our commitment to supporting our various efforts of faith formation, discipleship and evangelization involving youth, young adults and adults as well as serving the needs of the poor. These include the areas of Young Adult Ministry, Youth Ministry, Campus Ministry (four campus locations), the Office of Catechesis and Faith Formation, Family Life, Hispanic Ministry, Human Rights and Respect Life, as well as our support of Catholic Charities, the Bright Futures Fund and our Diocesan High Schools. The budget also continues to fund at appropriate levels those offices, cost centers and programs which are canonically required or necessary to administer an organization like ours.

If you have any questions about this budget or other aspects of the financial operation/condition of the Diocesan Chancery Operation, please contact me at 816-756-1850 or [malanowski@diocesekcsj.org](mailto:malanowski@diocesekcsj.org) □

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