Sept. 16, 2021

Message by
Archbishop Michael J. Byrnes

The Peace of Jesus Christ be with you.

In these challenging times for the Church on Guam and humanity in general, I am pleased to present updated information on-line regarding the finances of the Archdiocese of Agaña.

We are stewards of God’s creations and that most certainly encompasses care and accounting of the monies that allow our Archdiocese to carry out its mission of serving the people of God through the many activities, ministries and initiatives of our Church.

In 2017, early in my leadership as shepherd of the faithful on Guam, I declared that it was important to provide to the faithful and in fact the community in general, a public report of the finances of our Archdiocese.

I recall stating these words in a message during a July 17 presentation by the Archdiocesan Finance Council (AFC) and our Finance Office: “What was done, or not done, in the past, will no longer be acceptable. It is my intention to implement Best Practice Standards so this Archdiocese can be compared to the best managed dioceses in the mainland. The faithful of Guam deserve a church that is open and transparent and works effectively for them at every level.”

The work in progress continues. However, with the Lord as our guide we have set our sights and there are good, hardworking people throughout our Archdiocese who are toiling in earnest toward this goal.

Our financial footing today is marked by the daunting realities of bankruptcy -- Chapter 11 Reorganization – that the Archdiocese assumed in January 16, 2019. As painful as it has been, filing for bankruptcy was necessary as our Church openly acknowledges the grave wrong it committed to scores of youngsters entrusted to the diocese in the past. Nothing can compare to the pain and suffering of these abuse victims.
Our motivation for taking this path has been and still is our desire to bring the greatest measure of justice and consolation to those who have suffered at the hands of Guam’s Catholic clergy in the past. We take responsibility for the sins of the past.

With the diligent and dedicated work of Finance Officer Josie Villanueva, members of our Finance Office and the valuable expertise of the Archdiocesan Finance Council, we present a snapshot of the Archdiocese of Agana’s finances here on our archdiocesan website, archagana.org.

The work of our Finance Office now entails added responsibilities required by the bankruptcy court such as ensuring that operating reports are filed monthly as part of Chapter 11 Reorganization. Last fiscal year, the accounting office was also very much involved in the legal process known as “discovery” which involved long hours working with our legal team compiling information required by the bankruptcy court.

Given the endless stream of work required of our Finance Office during this bankruptcy period, I am most grateful for the work its members have spent in preparing this on-line picture of the Archdiocese’s finances.

We must and shall do the right things to correct the wrongs of our past. We will carry this out with the utmost trust in Our Lord. As now Saint John Paul II said, “Have no fear of moving into the unknown. Simply step out fearlessly knowing that I am with you, therefore no harm can befall you; all is very, very well. Do this in complete faith and confidence.”

In Jesus’ name,

Most Rev. Michael J. Byrnes, S.T.D.
Archbishop of Agaña
Archdiocese of Agana
Financial Update
As of June 30, 2021
CHANCERY OPERATION
Major source of funds for chancery operation is from parish assessments at 45%

Grants were from Catholic Extension Society and GEDA (Pandemic)

Donations were from Inetnon Geftao online giving and some direct payments received from individual and organization donors
Note that the amounts presented above remain subject to change. FY20 and FY21 is scheduled to be reviewed by external accountant. Petition for the hiring of the professional external accountant is in the process subject to courts approval.

Assessments presented is based on the actual invoiced amounts for the period but does not represent the actual cash collections.

Proceeds from the sale of properties are excluded from the above sources of funds summary.

FY2020 covers fiscal year from July 1, 2019, to June 30, 2020, which is the same cycle for FY21.
USES OF FUNDS

- Information remain subject to change and has not undergone external accountant review.
- Employee cost was reduced in FY21 compared to FY20 as a result of some employee movements.
- Professional fees excludes bankruptcy related expenses.

Uses of Funds Jul '20 - Jun 21

- Employment Cost 71%
- Contributions & Assessments 8%
- Professional Services 3%
- Supplies & Others 8%
- Insurance 2%
- Utilities & Repairs 8%
Professional fees includes audit fees, payroll fees, other non-employee payments and other operational expenses. It excludes legal and other professional fees related to bankruptcy and former sale of properties.

Supplies and others in FY19-20 includes bad debts expense that was written-off totaling to $233,698. All others were related to photocopier rental, Umatuna Printing, dues and subscription and other expenses. Some of this expenses were eliminated in FY20-21 specifically for Umatuna publication.

FY20 Leadership Development includes seminarian support related expenses such as tuition and admin fees. This was not present in FY21. The account also includes grants and program expenses which is offset by grants received and fundraising revenues.
Contributions and assessments composed of retired clergy support related expenses such as housing allowance, medical premiums and retreat expenses.

Debt services which was paid that is not included on the summary of the uses of funds includes:

1) Saint Thomas Aquinas debt services paid for FY19 - $113,391 and FY20 - $151,188. April 2020 to June 2020 was deferred that was allowed during the pandemic.

2) Catholic Cemeteries debt services paid for FY19 - $66,815.57 and on FY20 $222,276. In FY19 Catholic Cemeteries partially paid the debts but was not able to continues in FY20 as a result of the operational impact of the pandemic.

3) Agana Cathedral Basilica debt services paid on FY19 totaling to $216,617.30. Starting FY20 (July 2020), Cathedral Basilica started paying the debt services.
## RECAP ON PROCEEDS FROM SALE OF PROPERTY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Proceeds from the Sale of former Epicure Building</td>
<td>$1,794,906</td>
</tr>
<tr>
<td>Net Proceeds from the Sale of former Accion Hotel</td>
<td>$5,242,643</td>
</tr>
<tr>
<td><strong>Total Net Proceed from sale of properties</strong></td>
<td><strong>$7,037,548</strong></td>
</tr>
<tr>
<td>Less: FY2019 Bankruptcy Related Legal Fees</td>
<td>$751,723</td>
</tr>
<tr>
<td>FY2020 Bankruptcy Related Legal Fees</td>
<td>$1,772,962</td>
</tr>
<tr>
<td>FY2021 Bankruptcy Related Legal Fees</td>
<td>$1,623,327</td>
</tr>
<tr>
<td><strong>BALANCE OF PROCEEDS FROM SALE as of 06/30/2021</strong></td>
<td><strong>$2,411,206</strong></td>
</tr>
</tbody>
</table>
FY2019 covers fiscal year from July 1, 2018, to June 30, 2019, which is the same cycle for FY20 and FY21.

Note that the amounts presented remain subject to change. FY20 and FY21 is scheduled to be reviewed by external accountant. Petition for the hiring of the professional external accountant is in process subject to courts approval.

Balance of proceeds from the sale of property as of June 30, 2021, equals to the bank balance of the Bankruptcy Monthly Operating Report (MOR). This is under Temporary Restricted bank account that was established as directed by the court after the sale of the former Accion Hotel.
The FY2021 Legal fees is net of the retainers’ fees that was withheld as per court approval and is scheduled to be paid at a later date. Total amounts may vary due to the timing difference of accounting transaction (invoice/payments) posting of entries and court approvals.

In FY20, $537,000 was paid on professional fees such as commissions from agents as per court approval that was taken from the gross sales price of former Accion hotel.

Taken from the proceeds from sale also includes professional fees paid to US Trustee related to bankruptcy amounting to $ 59,855.00 for FY20 and $51,242 for FY21.
FY22 SOURCES OF FUNDS

Sources of funds from parish assessments, schools’ assessment and rental revenues does not account for potential uncollectible which is averaging at 33% of based on collection trends and operational impact of the pandemic from prior year.

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>FY21-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parish Assessments</td>
<td>$1,044,227</td>
</tr>
<tr>
<td>Schools Assessments</td>
<td>$380,274</td>
</tr>
<tr>
<td>Rental Revenues</td>
<td>$437,995</td>
</tr>
<tr>
<td>Ministry to the Homeless &amp; KOLG Radio Station</td>
<td>$49,130</td>
</tr>
<tr>
<td>Fundraising &amp; Other Revenues</td>
<td>$55,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,966,626</strong></td>
</tr>
</tbody>
</table>
The FY21-22 budget for the chancery operation is projected to break-even, i.e., zero surplus or deficit as a result of potential uncollectible revenues estimated for the period. If there are any surplus cash, that will then cover debt services and other unanticipated expenditures.
PARISHES OPERATION
## SOURCES OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Offerary Collections</th>
<th>Special Collection/Occasional Offerings</th>
<th>Fundraising &amp; Rental Revenues</th>
<th>Gifts &amp; Bequest - Unrestricted</th>
<th>Temporary Restricted Donation</th>
<th>Permanently Restricted Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul '20 - Jun 21</td>
<td>3,905,473</td>
<td>973,829</td>
<td>82,392</td>
<td>660,670</td>
<td>180,353</td>
<td>13,169</td>
</tr>
<tr>
<td>Jul '19 - Jun 20</td>
<td>4,117,962</td>
<td>1,424,410</td>
<td>169,904</td>
<td>344,652</td>
<td>194,830</td>
<td>13,562</td>
</tr>
<tr>
<td>Jul '18 - Jun 19</td>
<td>4,536,530</td>
<td>1,633,271</td>
<td>356,960</td>
<td>550,357</td>
<td>304,182</td>
<td>-</td>
</tr>
</tbody>
</table>
FY20 and FY21 reports presented remain subject to change and is pending external accountant review.

Total revenues in FY20 is reduced by 15% compared to FY19 as a result of COVID-19 mandate and absence of fundraising efforts. This extended to FY21 which has 7% decreased in revenue compared to FY20 and 21% compared to FY19 normal operation.
USES OF FUNDS

Uses of Funds for parishes does not include debts services and capital expenditures during the fiscal year.
FY20 and FY21 reports presented remain subject to change and is pending external accountant review.

No significant change in uses of funds for the past 3-years comparison. Decrease in utilities and repairs and maintenance is as a result of full and partial closure of parishes during the height of the pandemic.
SOURCES OF FUNDS

Tuition and Fees

<table>
<thead>
<tr>
<th>Period</th>
<th>Tuition and Fees</th>
<th>School Programs, Assessment &amp; Functions</th>
<th>Fundraising &amp; Rental Revenues</th>
<th>Temporary Restricted Donation &amp; Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul '20 - Jun 21</td>
<td>11,515,827</td>
<td>358,494</td>
<td>258,119</td>
<td>855,598</td>
</tr>
<tr>
<td>Jul '19 - Jun 20</td>
<td>12,703,374</td>
<td>891,175</td>
<td>675,197</td>
<td>117,485</td>
</tr>
<tr>
<td>Jul '18 - Jun 19</td>
<td>13,215,093</td>
<td>1,026,565</td>
<td>691,124</td>
<td>171,382</td>
</tr>
</tbody>
</table>
FY20 and FY21 reports presented remain subject to change and is pending external accountant review.

Total revenues in FY20 is reduced by 5% compared to FY19 as a result of COVID-19 mandate and absence of fundraising efforts. This extended to FY21 which has 10% decreased in revenue compared to FY20 and 16% compared to FY19 normal operation.
USES OF FUNDS

Uses of Funds for schools does not include debts services and capital expenditures during the fiscal year.
USES OF FUNDS

FY20 and FY21 reports presented remain subject to change and is pending external accountant review.

No significant change in uses of funds for the past 3-years comparison. Decrease in utilities, supplies and miscellaneous expense (fundraising events) as a result of full and partial closure of schools during the height of the pandemic.
THANK YOU

We want to hear from you! Would you like to see any other information? Please let us know by emailing jvillanueva@archagana.org.