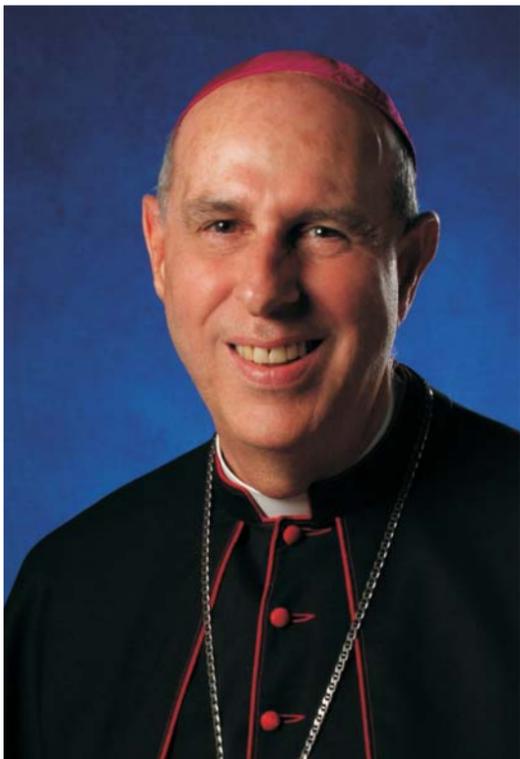




Diocesan Financial Report

Stewardship Report (July 1, 2008 to June 30, 2009)



Letter from Bishop Larry Silva

Brothers and Sisters:

"Give thanks to the Lord for he is good. His love endures forever!" (Psalm 107:1)

Like everyone in our community, the diocese felt the hardship of a tough economy. This past fiscal year, we experienced a significant operating deficit due primarily to the losses incurred in our investment portfolio. In addition our diocese made a \$1 million contribution to establish the clergy retirement fund and a \$500,000 subsidy to the Hawaii Island Food Bank as they worked to establish themselves as a separate entity. We began investing in our future too with the introduction of the Diocesan Road Map and the start of its implementation phase. The success of the With Grateful Hearts Campaign will help to turn our diocese around so that we can fruitfully continue to do God's work. We are very grateful to all of you who have continued to support the operations of the diocese during these challenging times. We give thanks to God for our blessings and we give thanks to you for giving your time, talent, and treasure so that we can serve the many needs of our church and our wider community.

It should be noted that these financial statements do not include pledges collected from the capital campaign. Those go to the Hawaii Catholic Community Foundation to assure that they are distributed to diocesan programs for the purposes outlined in the Road Map and the capital campaign case statement. No significant contributions were made to the operating budget of the diocese during the fiscal year.

A more detailed report is available for viewing at www.catholichawaii.org. I want to thank our diocesan offices and the members of the Diocesan Finance Council in particular for assisting us with the stewardship of our financial resources. May the Lord bless you all as we continue to give witness to Jesus!

+ Larry Silva
+ Most Reverend Larry Silva
Bishop of Honolulu

STORIES FROM FISCAL YEAR JULY 1, 2008 TO JUNE 30, 2009

Two local men ordained priests

During fiscal year 2008-09, Bishop Larry Silva ordained two men who were born in Hawaii.

Marvin Bearis was ordained a Capuchin Franciscan priest at age 30 on June 13, 2009, in the Co-Cathedral of St. Theresa in Honolulu.

Jon Cabico of Pearl City became a priest on June 29, 2009, at the Cathedral of Our Lady of Peace.

Born and raised in Ewa Beach, Father Bearis joined the Capuchin Franciscans in 2000, their first local recruit in the order's 25 years in Hawaii. He is a member of the Capuchin's

vice-province of Our Lady, Star of the Sea, which encompasses Guam and Hawaii.

Father Bearis studied in Boston where he completed two master's degrees, one in divinity and the other in theology.

He now lives at St. George Church in Waimanalo and works as a campus minister at Damien Memorial School.

Father Cabico was the first local-born priest to be ordained for the Diocese of Honolulu in 17 years.

He had received a bachelor's de-

gree in biology from Pacific University and was employed as a control mechanic for The Gas Company in Hawaii when he began to recommit himself to Catholicism, going on retreats and becoming active in his parish. He entered the seminary at age 36.

Ordained at age 41, he is now the associate pastor at St. Elizabeth Parish in Aiea.

Parishes assist in Molokai's hard times

Parishes on Oahu and Maui came to the financial aid of the people of economically-stressed Molokai during fiscal year 2008-09.

The 2008 closing of Molokai Ranch, the island's largest private employer and land owner, hit the small town of Maunaloa on the west end of the island particularly hard. Of the approximately 100 laid off, 38 were

from Maunaloa's community of about 140 families.

In November of 2008, the diocese's Office for Social Ministry and several Oahu parishes helped organize an early Thanksgiving meal and distribution of food at St. Vincent Ferrer Church in Maunaloa.

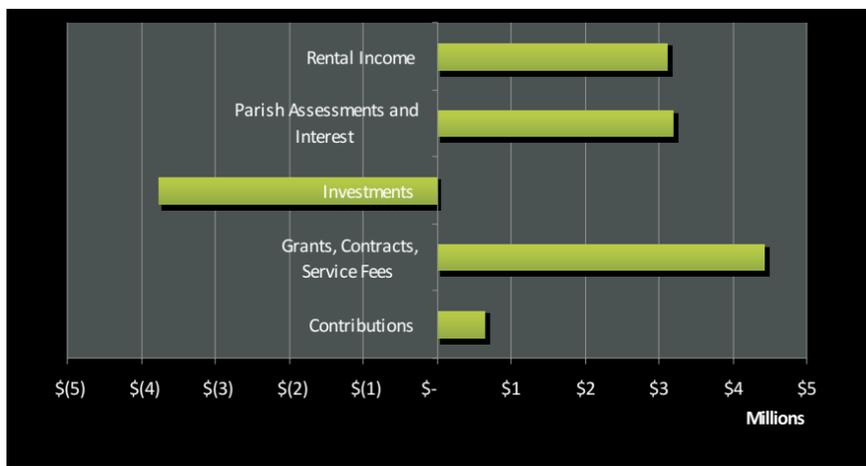
Other efforts included the distribution of school supplies and Christmas toys.

Iwie Tamashiro, co-director of the office's Parish Social Ministry, headed up the diocese's efforts, working with Molokai's social ministry coordinators and the pastor of then-Blessed Damien Parish which covers the entire island except for Kalaupapa.

"It's very important that we send a message to the community that, 'We're here with you, we're not here for you,'" Tamashiro said. "We need to treat each person that we're offering a



Sources of Revenue



Category	Amount
Contributions	\$642,660
Grants, Contracts, Service Fees	\$4,419,795
Investments	\$(3,775,562)
Parish Assessments and Interest	\$3,187,109
Rental Income	\$3,117,648
Total	\$7,591,650

STORIES FROM FISCAL YEAR JULY 1, 2008 TO JUNE 30, 2009

gift to with dignity and respect.”

The number of assisting Oahu parishes has since grown along with the number of volunteers on Molokai. A food pantry has been built in the back of St. Vincent Church and grant money is coming in.

Major new hires carry out Road Map

As it began to implement its Road Map strategic plan, the diocese hired a number of new employees in the areas of land management, human resources, information technology and development during fiscal year 2008-09.

The diocese hired a new finance officer, Lisa Sakamoto, to oversee the business activities of the diocese. She replaced an interim finance officer.

The diocese brought on board its first full-time human resources director, Dara Perreira.

The diocese hired Marlene De Costa as its director of real estate, another newly created position.

Diane Lamosao took the new position of financial systems analyst, adding an expertise in systems technologies. Not replaced was the business office position of internal auditor, whose function will be performed by the

business office staff.

Cynthia Lallo became the diocese’s new full-time development director, replacing a part-time director who retired.

Facilities Services Manager was the new diocesan title given to Vincent Vernay who oversees maintenance and construction projects in the diocese. He replaced the former diocesan construction services director.

Number of seminarians grows

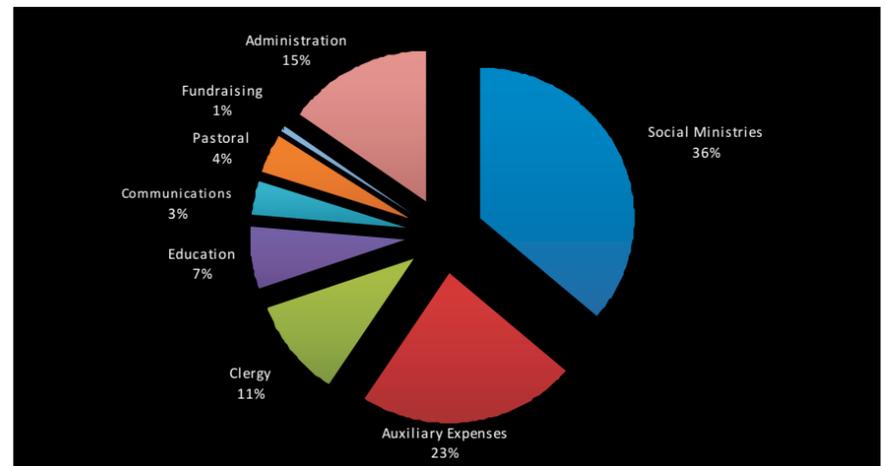
The diocese had seven seminarians during fiscal year 2008-09, five at the college level and two graduate students. It was the largest number of men the diocese had recruited to study for the priesthood in years.

All were in their 20s except for one who was 39 and another who was 45.

All except one were studying on the West Coast. The college-level students were at Mount Angel Seminary and Abbey, Saint Benedict, Ore. The graduate students in theology were at St. Patrick Seminary in Menlo Park, Calif., and Sacred Heart School of Theology in Hales Corners, Wis.

They are Anthony Rapozo, Nick Brown, Hung Le, EJ Resinto, David Soares, Anh Vu, and Alfred Guerrero.

Uses of Our Resources



Category	Amount
Social Ministries	\$5,231,717
Auxiliary Expenses	\$3,263,508
Clergy	\$1,516,119
Education	\$954,550
Communications	\$547,402
Pastoral	\$590,550
Fundraising	\$85,935
Administration	\$2,191,502
Total	\$14,381,283

Terms for “Sources of Revenue”

Contributions Consists of monetary donations to various Diocesan departments.

Grants, Contracts, Service Fees Primarily revenues from the Office of Social Ministry contracts administered by the Diocese. Also includes revenues from Hawaii Catholic Schools fees, Hawaii Catholic Herald subscriptions and advertising, Department of Religious Education workshops, etc.

Investments Includes earnings on diocesan investment accounts and cash deposits.

Parish Assessments and Interest Assessments represent approximately 8.5% of total parish revenues for support of diocesan operations. Interest is amount received on loans to parishes from the diocese.

Rental Income Represents rental income on all diocesan owned property held for investment or income purposes.

National Collections (Year ended June 30, 2009)

Latin America.....	\$29,639
Black & Indian Missions.....	\$27,991
Catholic Relief Services.....	\$77,776
Holy Land	\$78,504
Catholic Communication.....	\$18,829
Holy Father (Peter’s Pence).....	\$55,928
Catholic University.....	\$39,462
Campaign for Human Development.....	\$47,270
Rice Bowl	\$48,387
Propagation of the Faith	\$53,353
Religious Retirement.....	\$67,425
Total	\$544,564

Terms for “Use of Our Resources”

Social Ministries Includes diocesan support of Catholic Charities Hawaii, operation of Care-A-Van, Mobile Care, and other programs.

Auxiliary Expenses Primarily subsidies and interest to parishes. Also includes professional fees, property expenses, depreciation and post-retirement expense accruals.

Clergy Costs include seminarian education expense, living and medical expenses for retired clergy, the annual priest convocation, priest retreats and continuing education.

Education Consists of Hawaii Catholic Schools Office and the diocesan Department of Religious Education.

Communications Costs for publication and distribution of the Hawaii Catholic Herald.

Pastoral Consists of the Office of Worship and the Office for Parish Resources.

Fundraising Diocesan Office of Development.

Administration Diocesan administration includes the offices of the Bishop, Vicar General, Chancellor, Tribunal and Canonical Affairs, Finance, Strategic Planning, Diocesan Services, Chancery and St. Stephen Diocesan Center.

Diocesan Finance Council

Robert Harrison.....Chairperson
 Melvin VenturaCo-chairperson
 Sr. Davilyn Ah Chick, OSF.....Secretary
 Marlene De Costa.....Member
 Marilyn FischerMember
 Robert Bruce Graham Jr., Esq.....Member
 Lawrence LasuaMember
 Taryn Schuman, CPA.....Member
 James Severson.....Member
 Most Rev. Larry Silva.....ex-officio
 Very Rev. Marc Alexanderex-officio
 Lisa Sakamoto,
 Finance Officerex-officio

