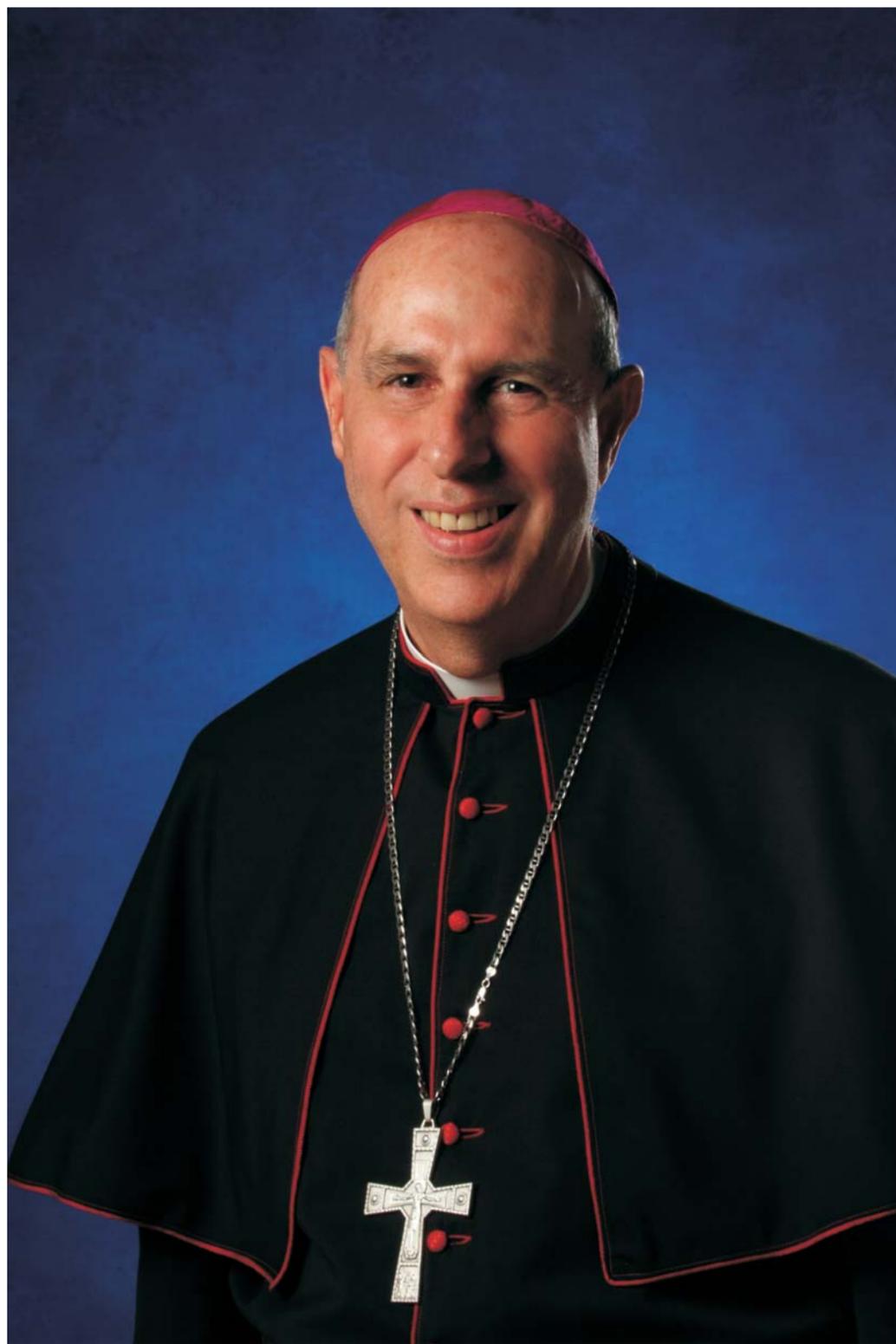




Diocesan Financial Report

Stewardship Report (July 1, 2007 to
June 30, 2008)



Letter from Bishop Larry to the People of the Diocese of Honolulu

Brothers and Sisters:

"All good gifts around us are sent from heaven above!"

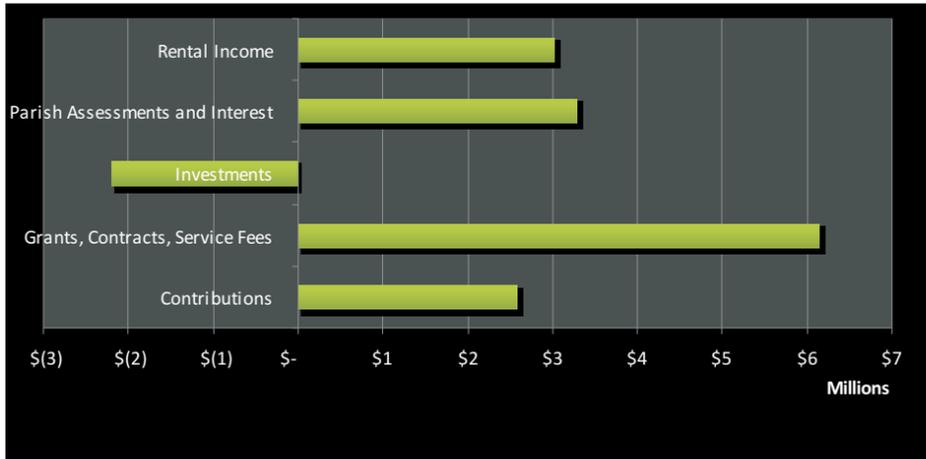
We are grateful to the people and the parishes of the Diocese of Honolulu who fund the operations of the Diocese so that we can better serve you. I know your support is an expression of your faith in the mission that the Lord Jesus has entrusted to us here in Hawaii. Mahalo!

We are happy to present this financial report to you to give you an accounting of our stewardship. A more detailed report is available for viewing at www.catholicahawaii.org. I am grateful to our Business Office and to the members of the Diocesan Finance Council. They provide us an invaluable service in the management of our resources. May the Lord bless you all as we continue to give witness to Jesus!

+ Larry Silva

*+ Most Reverend Larry Silva
Bishop of Honolulu*

Sources of Revenue



Sources of Revenue

Category	Amount
Contributions	\$2,579,047
Grants, Contracts, Service Fees	\$6,146,007
Investments	\$(2,202,254)
Parish Assessments and Interest	\$3,284,480
Rental Income	\$3,028,534
Total	\$12,835,814

National Collections (Year ended June 30, 2008)

Latin America	\$35,196
Black & Indian Missions	\$26,945
Catholic Relief Services	\$49,164
Holy Land	\$78,251
Catholic Communication	\$20,895
Holy Father (Peter's Pence)	\$55,928
Catholic University	\$38,282
Campaign for Human Development	\$57,503
Rice Bowl	\$51,345
Propagation of the Faith	\$52,476
Religious Retirement	\$65,889
Total	\$531,874

Terms for Sources of Revenue

Contributions: Consists of food items for the Hawaii Island Food Bank operated by the diocese and monetary donations to various 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.



The Office for Social Ministry dedicates five Big Island facilities

It began with a woman, a plan, and then two Volkswagen vans. The woman was Carol Ignacio, appointed in 1986 by Bishop Joseph A. Ferrario to be a community organizer on the Big Island.

The plan was to find out what the island's social needs were and figure out what the church could do about them.

That was the origin of the Office for Social Ministry. The vans — donated — came five years later. Two men drove them around the Big Island helping the homeless.

By 2007, Care-A-Van Homeless Programs had grown to 13 vans — and much more. In 2006, it helped 1,664 homeless people, receiving \$2.3 million in county, state and federal funding for the fiscal year 2006-07. Housing placement, life skills courses, grant assistance, services for the mentally ill and Social Security counseling come under the Care-A-Van umbrella.

Brandee Menino, Care-A-Van's pro-

gram director, described the office as "the only agency provider out in the bushes and in the streets linking the homeless to community programs, employment and housing."

Since June of 2006, the program has taken over four properties in Hilo and one in Kona that assist the homeless. Bishop Larry Silva blessed the Hilo sites on Aug. 21, 2007, and vicar general Father Marc Alexander blessed the Kona location the following day.

Beyond Shelter, a transitional housing program, was one of those Hilo sites. It has one studio, one 1-bedroom, and six 2-bedroom units serving families ready for more independent living.

Another place is Ponahawaiola, a residential program for former inmates, men and women, to help them become well-adjusted members of the community. Ponahawaiola, translated "Circle of Life-Giving Water," received its first resident on Aug. 6, 2006.

Diocese buys three properties in Honolulu for expansion

The Diocese of Honolulu acquired a building on the Fort Street Mall adjacent to the Cathedral of Our Lady of Peace in downtown Honolulu that once belonged to the Sacred Hearts Sisters in the early 1900s.

The \$2.5 million purchase of 1159 Fort Street Mall closed on Dec. 19, 2007.

The Cathedral of Our Lady of Peace is using it as a parish gathering space and for diocesan events, according to cathedral rector Father John Berger.

"For the life of the parish, I think we really need a parish hall," he said. "The [new building] location is perfect for us."

Diocesan finance officer at the time Bill Burton described the purchase as an once-in-a-lifetime opportunity.

"There won't be another chance," he said, pointing out that most of the buildings surrounding the cathedral and the Diocese of Honolulu's chancery next

door at 1184 Bishop Street are leased to Hawaii Pacific University or rarely come up for sale.

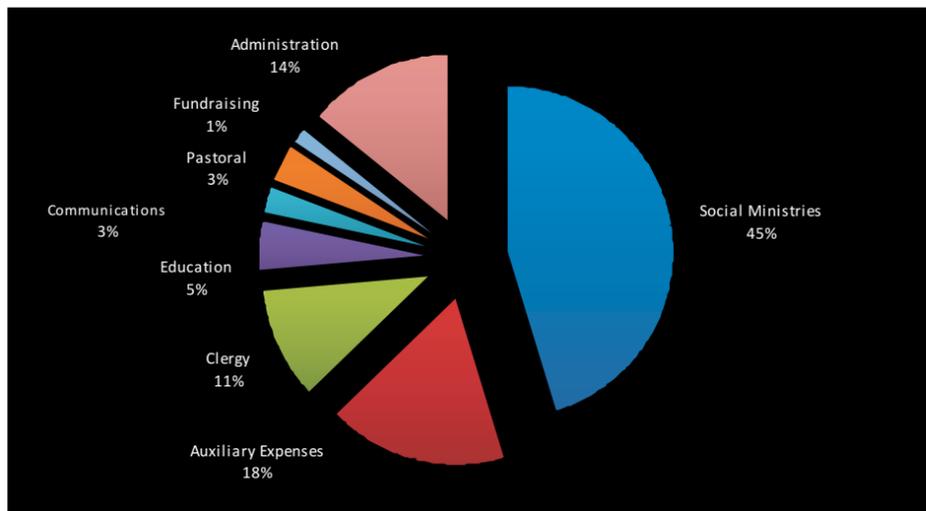
The Diocese of Honolulu also bought two more properties, one for diocesan use and one on behalf of a city parish. The purchase of a lot next to the old Catholic Charities Hawaii's Vineyard Street office is part of the diocese's long term planning, according to vicar general Father Marc Alexander.

The immediate plan is to resurface it and lease it for parking to generate income. The purchase closed on Nov. 16, 2007, for \$1.175 million.

"That's a big dream that we'd like to consolidate all of our major diocesan offices," said Father Alexander. "We know that we need to acquire the property now while it's available."

The diocese also closed a \$1.1 million purchase of two lots next to Blessed Sacrament Parish in Pauoa Valley on Oct. 26.

Uses of Our Resources



Use of Our Resources

Category	Amount
Social Ministries	\$7,521,848
Auxiliary Expenses	\$2,925,534
Clergy	\$1,809,780
Education	\$755,418
Communications	\$450,438
Pastoral	\$568,301
Fundraising	\$235,105
Administration	\$2,370,930
Total	\$16,637,354

Terms for Use of Our Resources

Social Ministries: Includes diocesan support of Catholic Charities Hawaii, operation of Care-A-Van, Mobile Care, Hawaii Island Food Bank 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.

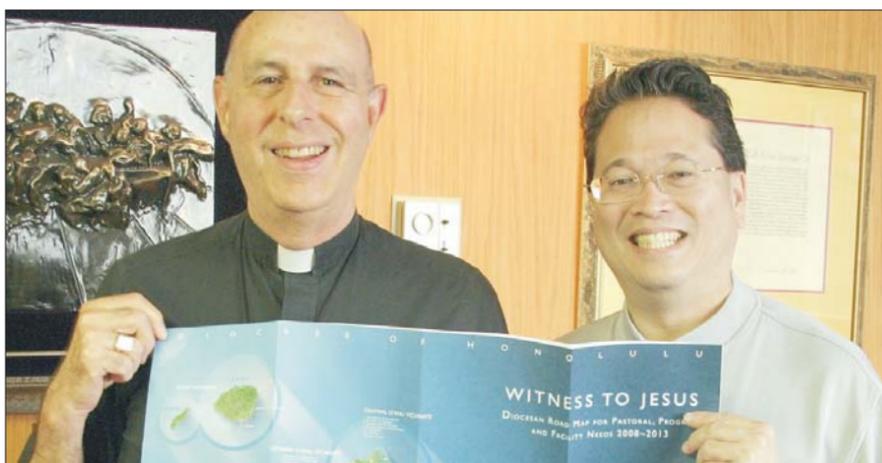
Pastoral: Consists of the Office of Worship and the Office for Parish Resources.

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

The Diocesan Finance Council, in accord with the Code of Canon Law, is made up of at least three members of the faithful, appointed to 5 year renewable terms, who are experts in finance, civil law and general business matters and who are people of impeccable integrity. The purpose of the council is to provide assistance and guidance to the Bishop of Honolulu in his administration of temporal good of the Diocese of Honolulu and in his supervision of the administration of the temporal goods of parishes and other juridic persons subject to him. The council is also charged to prepare each year, according to the directions of the bishop, the budget of income and expenditures of the diocese and examines the accounting of the revenues and expenses. The current chair of the Diocesan Finance Council is Mr. Robert S. Harrison, Vice Chairman of First Hawaiian Bank.



Diocesan strategic planning enters implementation mode

Imagine a Google map for the Diocese of Honolulu charting the church's course from 2008 to 2013. It illustrates the step-by-step directions on how to "witness to Jesus." It can zoom in on the detailed picture of each of the six priority needs of the diocese.

This is in fact what the diocese has created with its Diocesan Road Map for Pastoral, Program, and Facility Needs. It summarizes the findings from more than a year of surveying Hawaii Catholics about the future of their parishes and the diocese.

The road map was introduced to Hawaii Catholics the weekend of Feb. 9-10, 2008, through a 1.5-by-2-foot foldout "poster," designed and printed at the estimated cost of \$20,000, handed out to every parish family. On one side of the handout was a full-color map of the state's vicariates, parishes and missions.

But Bishop Silva said that one of the plan's challenges is not to say, "Well,

now we have a strategic plan. There's this pretty map we made and now we can post it up on the wall and that's it."

"A map is extremely important on any journey, but the map is not the journey," he wrote in his introductory message for the Road Map.

Vicar general Father Marc Alexander, who led the Strategic Planning Committee with director of planning Tom Papandrew, said, "We want people to feel that they are participants, and that we need them to give witness to Jesus in order to get to our goal."

The strategic planning process began in fall 2006 with parish meetings on all the islands conducted by Father Alexander and Papandrew, which asked people what they saw as the top five or six priorities the diocese should have.

After every parish on a particular island was surveyed, a vicariate meeting took place that prioritized the top six "recommended actions" for the diocese.



Hundreds of Catholic youth head for World Youth Day in Australia

Kuliouou's Holy Trinity School Band performed at World Youth Day 2008 in Sydney, Australia. The group was just one of many Hawaii groups that worked extremely hard to raise money to get to event hosted by Pope Benedict XVI.

The Diocese of Honolulu sponsored a travel group of 103. Patty Kaluau had the difficult task of arranging the travel, food, accommodations and other particulars involved in sending a large group to a week in a foreign country.

The group stayed at hostels and other venues. Forty-five people in the diocesan group also visited New Zealand for a few days before going to Sydney.

St. Catherine Parish in Kapaa, Kauai, sent six.

A combined group from St. Michael Church, Waialua, and Sts. Peter and Paul Mission, Waimea, raised money by asking for a \$5 donation per car to park in the mission's lot across from the legendary Waimea Bay surfing beach.

Some 125 more Hawaii World Youth Day-bound Catholics chose to make their own travel arrangements through their parishes or other pilgrim groups.

One of the larger independent groups, headed by Big Islander Edwina Fujimoto, included 10 Catholics from the Big Island parishes of St. Benedict in Honaunau, Immaculate Heart of Mary in Papaikou, St. Joseph in Hilo, and Sacred Heart in Hawi, plus 22 Tongan Youth Ministry members from Maria Lanakila Parish in Lahaina, Maui.

Big Island group member Catherine Galan, 17, said she's going to World Youth Day "because it brings you closer to your faith and it teaches you how other people and cultures celebrate Mass."

Another independent group is Maria Lanakila's Youth Ministry group of 18 mostly high school-aged pilgrims who raised money by selling Molokai Bread, leis, chocolate, kalua pig, and CDs.