



# Diocesan Financial Report

## Stewardship Report (July 1, 2009 to June 30, 2010)

### DIOCESAN FINANCE OFFICER REPORT



**Effectively, efficiently managing the diocese's financial resources**

By Lisa Sakamoto

The Diocese of Honolulu received an unqualified (clean) opinion from its independent auditors CW Associates for the fiscal year ending June 30, 2010.

The annual report on these pages shows a decrease in net assets of \$3.1 million for the 12-month period July 1, 2009, through June 30, 2010. The decrease was due primarily to the approximately \$5 million expensed toward retirement obligations for clergy and lay employees. Excluding this expense, the diocese would have seen an increase in net assets of approximately \$1.9 million thanks to better returns from our investment portfolio.

The diocesan Finance Office continues to work hard to manage more effectively and efficiently the diocese's financial resources. The chancery still operates with a deficit despite funding from parish assessments, rental income from real estate holdings, and donations. The diocese continues to rely on investment income — not always a reliable source of funds — to balance the chancery budget. Further, while the retirement obligations are recorded as a liability according to generally accepted accounting principles, the diocese is working to fund these obligations. Clergy retirement needs an additional \$6.4 million to fully fund its pension plan.

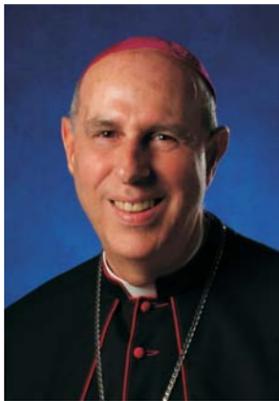
The money generated by the With Grateful Hearts Campaign was distributed after July 1, 2010, and therefore is not seen in this report. These funds are restricted for Road Map activities, their distribution governed by the Hawaii Catholic Community Foundation.

For the fiscal year ending June 30, 2011, this annual report will show chancery operations separate from With Grateful Hearts Campaign funding to offer transparency in how funds are being spent.

### NATIONAL COLLECTIONS

(Year ended June 30, 2010)

Latin America.....	\$27,854
Black & Indian Missions.....	\$30,741
Catholic Relief Services.....	\$72,736
Holy Land.....	\$73,504
Catholic Communication.....	\$27,081
Holy Father (Peter's Pence).....	\$55,975
Catholic University Campaign for Human Development.....	\$36,535
Rice Bowl.....	\$37,054
Propagation of the Faith.....	\$57,163
Religious Retirement.....	\$83,457
Total.....	\$542,462



Dear Brothers and Sisters of the Diocese of Honolulu:

Peace be with you!

I am happy to present to you our report for the fiscal year July 1, 2009 to June 30, 2010. I am grateful to our Diocesan Finance Officer, Lisa Sakamoto, and the Finance Office staff, for their work on this report and all they do throughout the year so that we can be good stewards of the funds you entrust to us for our ministries. I am also grateful to the members of the Diocesan Finance Council, who give us invaluable advice from their different

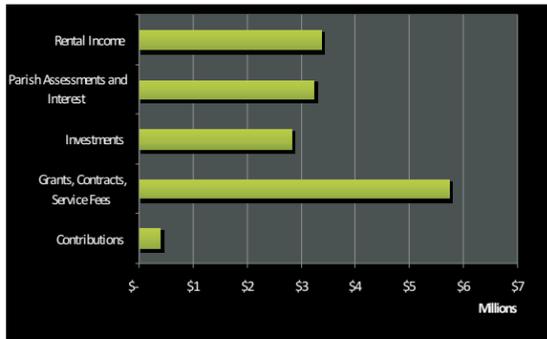
fields of expertise.

Most of all, I am grateful to all of you, the parishioners of our diocese, who take seriously our mission to Witness to Jesus, and who give so generously of your financial resources, your time, and your love. Although these are challenging economic times for all of us, God provides, and we are most grateful to Him for his blessings.

Sincerely yours in Christ,

*+ Larry Silva*  
Most Reverend Larry Silva  
Bishop of Honolulu

## Sources of Revenue



Category	Amount
Contributions . . . . .	\$399,084
Grants, Contracts, Service Fees . . . . .	\$5,738,851
Investments . . . . .	\$2,825,907
Parish Assessments and Interest. . . . .	\$3,238,720
Rental Income . . . . .	\$3,374,281
<b>Total. . . . .</b>	<b>\$15,576,843</b>

### TERMS

**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.

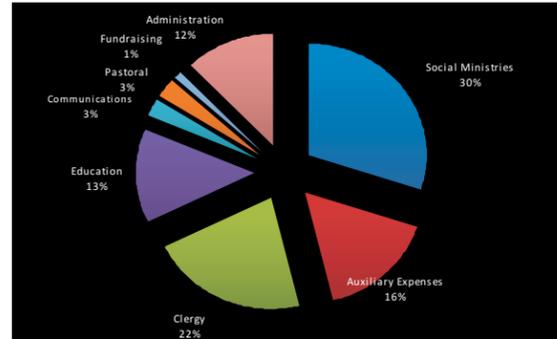
**Parish Assessments and Interest** Assessments represent approximately 8.5% of total parish revenues for support of diocesan operations. Interest is amount received on loans to parishes from the diocese.

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

### DIOCESAN FINANCE COUNCIL

Robert Harrison.....	Chairperson
Sr. Davilyn Ah Chick, OSF.....	Secretary
Marlene De Costa.....	Member
Marilyn Fischer.....	Member
Robert Bruce Graham Jr., Esq.....	Member
Lawrence Lasua.....	Member
Vesy Pascual.....	Member
Taryn Schuman, CPA.....	Member
James Severson.....	Member
Most Rev. Larry Silva.....	ex-officio
Very Rev. Marc Alexander.....	ex-officio
Lisa Sakamoto, Finance Officer.....	ex-officio

## Uses of Our Resources



Category	Amount
Social Ministries . . . . .	\$5,686,353
Auxiliary Expenses . . . . .	\$3,005,340
Clergy . . . . .	\$4,141,367
Education. . . . .	\$2,529,870
Communications. . . . .	\$489,840
Pastoral . . . . .	\$523,530
Fundraising. . . . .	\$223,390
Administration. . . . .	\$2,303,088
<b>Total. . . . .</b>	<b>\$18,902,778</b>

### TERMS

**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.