

# Diocesan Stewardship Report

(July 1, 2012 to June 30, 2013)



## Diocesan Finance Officer Report

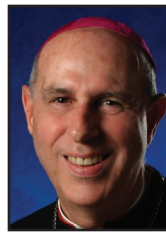
By Lisa Sakamoto

Our Finance Office is entrusted to assist our Bishop in the oversight of financial matters of the Diocese of Honolulu. We are grateful for your generosity which enables the mission of our church to be carried out in the State of Hawaii. This Annual Report summarizes the financial activities of the diocese for the period July 1, 2012, through June 30, 2013, to keep you informed of the funds spent by the Diocese of Honolulu in furthering our call to be a Witness to Jesus. I am happy to report once again that the Diocese of Honolulu received an unqualified (clean) opinion for the fiscal year ended June 30, 2013, from our independent auditors, CW Associates, CPAs.

The Diocese of Honolulu received \$12,416,052 in funds and spent \$10,362,123 for the 12 months ending June 30, 2013, resulting in an increase in net assets of \$2,053,929. This compares to last year when the Diocese of Honolulu received \$11,177,719 in funds and spent \$14,129,794 for the 12 months ending June 30, 2012, resulting in a decrease in net assets of \$(2,952,075). Our funding increased from last year by approximately 11% primarily due to the improved performance of our investment and real estate portfolios. Our expenses decreased from last year by approximately 26% primarily from a favorable actuarial adjustment for our retirement plans due to changes in actuarial assumptions, and a continued focus on cost containment and improving operational efficiencies. The diocese continues to rely heavily on generating income from our real estate and investment portfolios to balance the budget which can fluctuate greatly from year to year due to the volatility in the market place. Only 21.8% of our funding came from the assessments charged to our parishes. The diocese received \$2.5 million in grants from the Hawaii Catholic Community Foundation (HCCF) this year compared to \$2.4 million last year. This enabled the diocese to continue implementing the initiatives established from the With Grateful Hearts Campaign which are highlighted in this report as well.

This past year, our office has continued to diligently implement best practices to provide for the proper stewardship of our precious resources. The unannounced cash collection audits at every parish were performed by AcCuity LLP, assuring our parishioners that funds given generously were handled properly. Our new financial system will give us the ability to standardize our financial reporting in a consistent and timely manner and we hope to have this operational by July 1, 2014. Next year, we hope to expand our Annual Report to include the other significant components of the Roman Catholic Church in the State of Hawaii with the new financial system up and running. Again, this will provide greater transparency and accountability to our faithful.

Our office continues to be committed to serving the church in the most efficient and effective manner possible. We are here to serve our Bishop, our priests, our laity and most of all our faithful. Thank you for allowing us to serve you and our faith. I assure you our office will remain focused on being good stewards of our precious resources that God entrusted to us.



Dear Sisters and Brothers,

Peace be with you!

As good stewards of the contributions you have entrusted to the Diocese of Honolulu for the fulfillment of our common mission, we present here our diocesan financial report for the fiscal year 2013. Thank you for all you do to be good stewards, too, sharing your resources not only with your parishes but with the wider Church to which you belong in the Diocese of Honolulu. May God reward and bless you!

We are doing our best to serve you with our many offices and programs, and we are aware that there is always much more to do. Our priority of improving the affordable housing market; our acquisition of much needed land in Leeward Oahu; the renovation of our beautiful and historic Cathedral, where St. Damien and St. Marianne worshipped and are honored today; the loans we anticipate will be needed for major parish construction projects — all these demand that we be good stewards in the joyful mission that God has entrusted to us of giving witness to Jesus. We put our trust in God and our grateful confidence in all our parishioners that all we need for our mission will be provided for us.

Blessings in abundance on you and your families!

Sincerely yours in Christ,

*Larry Silva*

Most Reverend Larry Silva  
Bishop of Honolulu

## Sources of Revenue



Category	Amount
Contributions.....	\$444,737
Grants, Contracts, Service Fees .....	\$1,100,608
Investments.....	\$1,461,081
Parish Assessments and Interest.....	\$2,837,569
Rental Income .....	\$4,029,041
With Grateful Hearts Grants .....	\$2,543,016
<b>Total .....</b>	<b>\$12,416,052</b>

### 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.

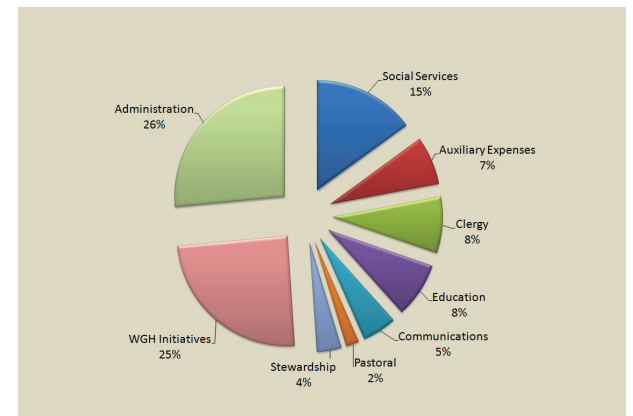
**Investments:** Includes earnings on investment accounts and cash deposits.

**Parish Assessments and Interest:** \$2.7 million assessment represent approximately 8.5% of total parish revenues for support of diocesan-wide operations. Interest of \$137,569 received on loans to diocesan schools.

**Rental Income:** Represents rental income on all diocesan owned property held for investment purposes and a gain of \$440,479 on the sale of real estate assets.

**With Grateful Hearts Grant:** Represents amount received from Hawaii Catholic Community Foundation for diocesan initiatives as set forth in the With Grateful Hearts ("WGH") Capital Campaign.

## Use of Our Resources



Category	Amount
Social Services .....	\$1,547,177
Auxiliary Expenses .....	\$736,008
Clergy .....	\$853,943
Education .....	\$837,583
Communications.....	\$524,506
Pastoral.....	\$200,118
Stewardship and Development.....	\$373,270
WGH Initiatives .....	\$2,543,016
Administration.....	\$2,746,502
<b>Total .....</b>	<b>\$10,362,123</b>

### TERMS FOR "USE OF OUR RESOURCES"

**Social Ministries:** Includes diocesan support of the Office of Social Ministry, HOPE Services, Inc, Catholic Charities Hawaii and other programs.

**Auxiliary Expenses:** Includes subsidies to parishes, real property expenses, depreciation, clergy retirement and pension expenses, and professional fees, depreciation and post-retirement expense accruals.

**Clergy:** Costs include seminarian education expense, retired clergy living and medical expenses, hospital ministry, clergy and vocation offices, the annual priest convocation, and priest 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.

**Stewardship:** Consists of the Diocesan Office of Stewardship and Development.

**WGH Initiatives:** Includes expenses incurred by the diocese to carry out the diocesan initiatives as set forth in the WGH capital campaign (See WGH annual report for details).

**Administration:** Diocesan administration includes the offices of the Bishop, Vicar General, Chancellor, Tribunal and Canonical Affairs, Finance, Human Resources, Real Estate, Facilities, Strategic Planning, Youth & Young Adult, Safe Environment, Diocesan Services, and St. Stephen Diocesan Center.

# With Grateful Hearts Report

(December, 2008 to December 31, 2013)



## Stewardship and Development Director's report

By Mark Clark

MAHALO to our generous and faithful donors!

This report covers activity of the **With Grateful Hearts** (WGH) capital campaign from December, 2008 through December 31, 2013. Together, over \$32 million has been received to date, with more than \$13 million distributed to help fund diocesan-wide ministries and special endowments, and nearly \$12 million returned to parishes. The balance of funds received is allocated for future campaign elements and paid campaign expenses.

All WGH funds restricted to the **Witness to Jesus Diocesan Road Map** intentions are governed by the **Hawaii Catholic Community Foundation (HCCF)**. We are happy to report that the HCCF has received an unqualified (clean) opinion from its independent auditors CW Associates for the year ending December 31, 2012 — and is currently preparing for the calendar year 2013 audit.

The **WGH** funds highlighted in this report are strategic in supporting the Road Map priorities of the Diocese of Honolulu and its parishes. Clearly, the success of the capital campaign is enhancing the legacy of commitment to further the ministry of Christ and the tradition of our Catholic faith throughout the Hawaiian Islands. Thank you again for your generous stewardship and continued support.

**For more information please visit "Stewardship" on the diocesan website at: [www.catholicahawaii.org](http://www.catholicahawaii.org)**



*With Grateful Hearts*  
Me ka Na'au Ho'omaika'i

## Diocesan Initiatives

**Total Disbursed as of Dec. 31, 2013** .....\$13,056,292

### VOCATION ENDOWMENT

**Total Allocated** .....\$2,051,112  
Support for the education and training of our seminarians.

### LEADERSHIP DEVELOPMENT

**Total Allocated** .....\$1,112,388  
Training for Clergy, Staff, Lay Leaders, Catholic Schools & Stewardship

### SOCIAL SERVICES

**Total Allocated** .....\$1,667,921  
Funding for the Office of Social Ministry, Hope Services Hawaii & Catholic Charities to provide Homeless Housing & Services

### FAITH FORMATION

**Total Allocated** .....\$891,827  
Funding for Deacon Formation, Parish Faith Formation Leaders, Year of Faith Events & Maui Catholic Radio

### TUITION ASSISTANCE ENDOWMENT

**Total Allocated** .....\$1,367,408  
Funds released directly to the Augustine Educational Foundation for grants to Catholic school families

### YOUTH & YOUNG ADULT MINISTRY

**Total Allocated** .....\$1,263,615  
Funding for the Youth & Young Adult Ministry Office, Diocesan/Vicariate Youth Days & Special Programs

### CLERGY RETIREMENT

**Total Allocated** .....\$2,051,112  
Funds deposited directly for the diocesan priest retirement plan

### CATHEDRAL OF OUR LADY OF PEACE RESTORATION

**Total Allocated** .....\$1,025,556  
Funding to help restore the nearly 170 year old "mother church" of the Hawaiian Islands

### LAND ASSET MANAGEMENT & PARISH FACILITIES

**Total Allocated** .....\$1,625,353  
Funding for the diocesan Real Estate Office, Land Acquisition and Consultant Studies

### DIOCESAN FINANCE COUNCIL

**Robert S. Harrison** ..... chairperson  
**James Severson** ..... vice-chairperson  
**Todd Taniguchi**..... secretary  
**Janessa Bonifacio, CPA** .....member  
**Rev. Francisco de los Reyes, SSS** .....member  
**Paul deVille** .....member  
**Diane Murakami** .....member  
**Catherine Ngo** .....member  
**Vecy Pascual**.....member  
**Most Rev. Larry Silva** ..... ex-officio  
**Very Rev. Gary Secor** ..... ex-officio  
**Lisa Sakamoto**..... ex-officio  
**Marlene DeCosta** ..... ex-officio  
**Robert Bruce Graham, Jr., Esq.** .....of counsel

## Parish Disbursements

### PARISH SHARE\*

**Total Disbursed as of Dec. 31, 2013** .....\$11,556,127

\*Funds released directly to each individual parish

### PARISHES EXCEEDING GOAL

PARISH	Goal	% vs. Goal*
Vietnamese Community, Oahu.....	\$100,000	321%
St. Damien, Molokai .....	\$125,000	250%
Blessed Sacrament, Honolulu.....	\$135,000	237%
St. Stephen, Nuuanu.....	\$135,000	207%
Co-Cathedral of St. Theresa .....	\$440,000	167%
St. Anthony, Kalihi .....	\$225,000	164%
Sacred Heart, Hawi .....	\$185,000	159%
Annunciation, Kamuela .....	\$405,000	150%
Our Lady of Sorrows, Wahiawa.....	\$380,000	142%
St. Anthony, Papaaloo .....	\$45,000	141%
St. Benedict, Honaunau .....	\$175,000	140%
St. John Vianney, Kailua .....	\$710,000	133%
St. Anthony of Padua, Wailuku .....	\$620,000	132%
Holy Cross, Kalaheo.....	\$290,000	130%
St. Joseph, Waipahu .....	\$750,000	130%
St. Theresa, Mt. View.....	\$145,000	127%
St. Philomena, Honolulu .....	\$375,000	124%
Immaculate Conception, Ewa .....	\$175,000	122%
St. Joseph, Hilo.....	\$610,000	120%
Resurrection of the Lord, Waipio....	\$345,000	120%
St. Roch, Kahuku.....	\$100,000	119%
Holy Trinity, Honolulu .....	\$725,000	118%
St. Catherine, Kapaa .....	\$525,000	117%
Our Lady of Mt. Carmel, Waikane .....	\$120,000	115%
Immac Heart of Mary, Papaikou .....	\$220,000	111%
Our Lady of Perpetual Help, Ewa ....	\$595,000	110%
St. Patrick, Kaimuki .....	\$480,000	108%
Sacred Hearts, Lanai.....	\$145,000	108%
Malia Puka O'Kalani, Hilo.....	\$50,000	108%
Immaculate Conception, Lihue.....	\$285,000	107%
St. Michael, Waialua.....	\$305,000	107%
St. Rita, Nanakuli .....	\$300,000	106%
St. John Apos & Evan, Mililani .....	\$1,045,000	105%
St. Joseph, Makawao .....	\$345,000	105%
Holy Family, Honolulu .....	\$170,000	101%
Korean Community, Oahu.....	\$315,000	101%
Sacred Heart, Naalehu .....	\$60,000	100%
St. Michael the Archangel, Kona**.	\$515,000	100%

\*Based on cash received as of December 31, 2013

\*\*Parishes with combined campaigns, thus parish share is based on corresponding campaign policies.

### NATIONAL COLLECTIONS

Year ended June 30, 2013

Latin America .....	\$31,344
Black & Indian Missions.....	\$38,096
Catholic Relief Services .....	\$88,590
Holy Land .....	\$86,230
Catholic Communication .....	\$45,016
Holy Father (Peter's Pence) .....	\$61,497
Catholic University .....	\$53,280
Campaign for Human Development .....	\$64,978
Rice Bowl .....	\$97,664
Propagation of the Faith .....	\$67,335
Religious Retirement.....	\$95,786
<b>Total</b> .....	<b>\$729,816</b>

### HCCF BOARD OF DIRECTORS

**Linda Nishigaya** ..... President  
**Sr. Patricia Chang, CSJ** .....Vice President  
**John Brogan** ..... Secretary  
**Mark Pillori**..... Treasurer  
**Jim Walsh**..... Director