

# Diocesan Stewardship Report

(July 1, 2013 to June 30, 2014)



## Diocesan Finance Officer Report

By Lisa Sakamoto

*“As each one has received a gift, use it to serve one another as good stewards of God’s varied grace.” (1 Pt 4:10)*

At a recent stewardship workshop at St. Elizabeth Church in Aiea, I was inspired to hear one speaker say, that as part of our discipleship journey, it was critical for a parish to regularly report on its financial condition and to conduct audits of parish and school records to provide transparency and accountability to parishioners. It reconfirmed the diocese’s commitment to ensure the efficient administration of the material goods of the church.

This Annual Report summarizes the financial activities of the diocese for the period July 1, 2013 through June 30, 2014, to keep you informed of the funds spent by the Diocese of Honolulu in following its call to be a witness to Jesus. I am again pleased to report that the Diocese of Honolulu received an unqualified (clean) opinion for the fiscal year ended June 30, 2014, from our independent auditors, CW Associates, CPAs.

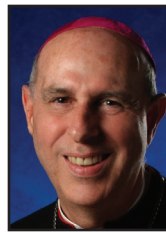
The Diocese of Honolulu received \$12,835,925 in ordinary funds and spent \$11,404,780 for the 12 months ending June 30, 2014, resulting in a net positive of \$1,431,145. The increase was primarily due to a strong performance in our investment portfolio and the timing of expenses incurred from the With Grateful Hearts capital campaign grants.

Our real estate and investment portfolios continued to perform well providing the much needed financial support given only 22 percent of our funding came from the assessments charged to our parishes. Your diocesan departments continued its focus on cost containment and improving operational efficiencies keeping operating expenses relatively flat from prior years.

Outside of its normal operations, the diocese also recognized \$3.1 million from the sale of real estate offset by a negative actuarial benefit adjustment of \$1.9 million resulting in a reportable increase in unrestricted net assets of \$2.6 million for the period ending June 30, 2014.

This past year, our office continued to implement best practices for proper stewardship of our precious resources. We remained focused on offer-tory collection audits (63 of our 66 parishes now follow best practices). We also helped parishes and schools improve their financial reporting to ensure consistent, accurate and timely reports to the faithful. In 2015, our office will be working on audit procedures required for all parishes and schools to be performed by an external CPA firm. Our goal is to have this audit implemented for the fiscal year ending June 30, 2016.

Thank you again for allowing our office to serve our bishop and more importantly, to serve all of you!



## Dear Sisters and Brothers:

“I give thanks to my God at every remembrance of you, ... because of your partnership for the gospel.” These words of St. Paul to the Philippians (1:3) express my own gratitude to all of you who have been partners in preaching the gospel by your stewardship of time, talent and treasure. It is a joyful task that has been entrusted to us. We may sometimes find it burdensome, with our commitments of time, our hard work in the various ministries of our parishes, schools and diocese, and with our participation in ministry by sharing our hard-earned money. But when all is said and done, there is, as Pope Francis points out, great joy in preaching the gospel. Thank you for your partnership in this joyful responsibility!

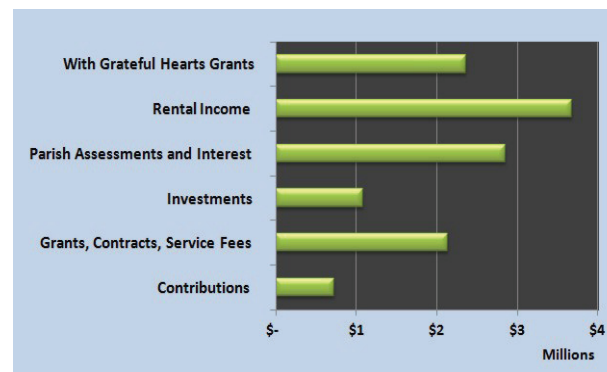
All the parishioners of all our parishes belong to one local church that encompasses all our beautiful Hawaiian islands. Although our primary focus is naturally on the local parish, there is much we can only do together, united as one in the love of Christ. Your generosity toward the Diocese of Honolulu helps us all to better fulfill our mission of giving witness to Jesus. Mahalo and many blessings!

Sincerely yours in Christ,

*+ Larry Silva*

Most Reverend Larry Silva  
Bishop of Honolulu

## Sources of Revenue



Category	Amount
Contributions	\$724,241
Grants, Contracts, Service Fees	\$2,138,408
Investments	\$1,079,230
Parish Assessments and Interest	\$2,850,756
Rental Income	\$3,682,904
With Grateful Hearts Grants	\$2,360,386
<b>Total</b>	<b>\$12,835,925</b>

### TERMS FOR “SOURCES OF REVENUE”

**Contributions:** Consists of monetary donations to the Bishop’s Circle and various Diocesan departments.

**Grants, Contracts, Service Fees:** Primarily includes grants and revenues from Office of Social Ministry, Hawaii Catholic Schools fees, Hawaii Catholic Herald subscriptions and advertising, Department of Religious Education workshops, etc.

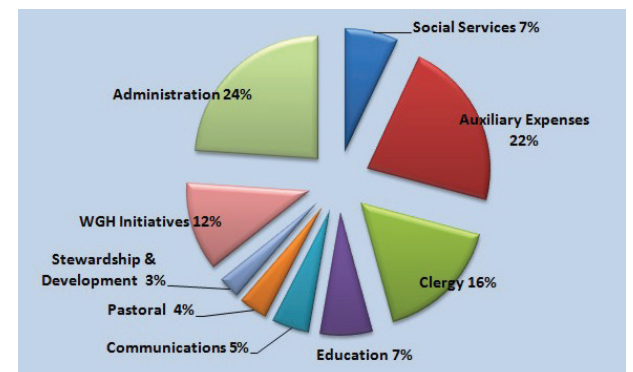
**Investments:** Includes unrealized and realized gains and losses on investment portfolio.

**Parish Assessments and Interest:** \$2.7 million assessment represents approximately 8.5% of total parish revenues for support of diocesan-wide operations. Interest of \$137,557 received on loans to a diocesan school.

**Rental Income:** Represents rental income on all diocesan owned property held for investment purposes (excludes \$3.1 million gain on sale of investment real estate property)

**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	\$791,454
Auxiliary Expenses	\$2,531,972
Clergy	\$1,897,733
Education	\$788,879
Communications	\$555,274
Pastoral	\$428,964
Stewardship and Development	\$336,122
WGH Initiatives	\$1,343,445
Administration	\$2,730,937
<b>Total</b>	<b>\$11,404,780</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, real property expenses, depreciation, post-retirement expense, and professional fees (excludes actuarial benefit adjustment of \$1.9 million).

**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 of Pastoral Planning.

**Stewardship and Development:** 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, 2014)



## Stewardship and Development Director's report

By Mark Clark

Mahalo to our generous and faithful donors! This report covers the activity of the **With Grateful Hearts (WGH)** capital campaign from December 2008 through Dec. 31, 2014. Together, nearly \$35 million has been received to date, of which more than \$15 million was distributed to fund diocese-wide ministries and special endowments, and over \$13 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 Dec. 31, 2013, and is currently preparing for the 2014 calendar year audit.

The **WGH** funds highlighted in this report are strategic in supporting the Catholic mission of the Diocese of Honolulu, its parishes and the many people served throughout the state of Hawaii. Although many parishes have reached or exceeded their goals, pledge redemption continues and is vital to the overall success of the campaign. Thank you for your stewardship of time, talent and treasure.

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

### HCCF BOARD OF DIRECTORS

**Linda Nishigaya** ..... President  
**John Brogan** ..... Secretary  
**Mark Pillori** ..... Treasurer  
**Calvert Chipchase** ..... Director  
**Sister William Marie Eleniki, OSF** ..... Director

### DIOCESAN FINANCE COUNCIL

**Robert S. Harrison** ..... Chairperson  
**James Severson** ..... Vice-chair  
**Todd Taniguchi** ..... Secretary  
**Janessa Bonifacio, CPA** ..... Member  
**Rev. Francisco de los Reyes, SSS** ..... Member  
**Paul deVill** ..... 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



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

## With Grateful Hearts Diocesan Initiatives

Total Disbursed as of Dec. 31, 2014 ..... \$15,286,851

### CLERGY RETIREMENT

Total Allocated ..... \$2,396,215  
 Funds deposited directly for the diocesan priest retirement plan

### VOCATION ENDOWMENT

Total Allocated ..... \$2,396,215  
 Support for the education and training of our seminarians.

### TUITION ASSISTANCE ENDOWMENT

Total Allocated ..... \$1,597,476  
 Funds released directly to the Augustine Educational Foundation for grants to Catholic school families

### SOCIAL SERVICES

Total Allocated ..... \$1,998,521  
 Funding for Office of Social Ministry, Hope Services Hawaii and Catholic Charities to provide homeless housing and services

### FAITH FORMATION

Total Allocated ..... \$1,101,327  
 Funding for Deacon Formation, Parish Faith Formation Leaders, Maui Catholic Radio, and Year of Consecrated Life events

### YOUTH & YOUNG ADULT MINISTRY

Total Allocated ..... \$1,339,107  
 Funding for the Youth & Young Adult Ministry Office, Diocesan/Vicariate Youth Days and special programs

### CATHEDRAL OF OUR LADY OF PEACE RESTORATION

Total Allocated ..... \$1,198,107  
 Funding to help restore the 171-year-old "mother church" of the Hawaiian Islands

### LEADERSHIP DEVELOPMENT

Total Allocated ..... \$1,261,924  
 Training for clergy, staff, lay leaders, Catholic schools and stewardship to better provide transparency and accountability

### LAND ASSET MANAGEMENT & PARISH FACILITIES

Total Allocated ..... \$1,997,959  
 Funding for the diocesan Real Estate Office, Land Acquisition and Consultant Studies

### NATIONAL COLLECTIONS

Year ended June 30, 2014

**Latin America** ..... \$34,255  
**Black & Indian Missions** ..... \$36,627  
**Catholic Relief Services** ..... \$91,155  
**Holy Land** ..... \$76,128  
**Catholic Communication** ..... \$28,474  
**Holy Father (Peter's Pence)** ..... \$62,545  
**Catholic University** ..... \$56,647  
**Campaign for Human Development** ..... \$57,567  
**Rice Bowl** ..... \$92,573  
**Propagation of the Faith** ..... \$68,860  
**Religious Retirement** ..... \$94,737  
**Total** ..... **\$699,568**

## Parish Disbursements

### PARISH SHARE

Total Disbursed as of Dec. 31, 2014 ..... \$13,242,746

### PARISH RESULTS

PARISH	% of Goal	Collected	ParishShare
Vietnamese Catholic Community	349%	\$348,742	\$207,353
St. Damien, Molokai	284%	\$355,251	\$192,455
Blessed Sacrament, Honolulu	242%	\$326,737	\$165,169
St. Stephen, Nuuanu	212%	\$285,987	\$132,586
Co-Cathedral of St. Theresa	187%	\$822,532	\$338,230
Sacred Heart, Hawi	178%	\$329,349	\$130,771
St. Anthony, Kalihi	176%	\$396,792	\$157,825
Annunciation, Kamuela	166%	\$673,247	\$243,144
St. Benedict, Honaunau	151%	\$263,517	\$87,118
St. Joseph, Waipahu	150%	\$1,122,054	\$358,568
Our Lady of Sorrows, Wahiawa	149%	\$564,464	\$186,446
Immaculate Conception, Ewa	145%	\$253,230	\$77,848
St. Anthony, Papaaloa	145%	\$65,053	\$21,239
St. John Vianney, Kailua	143%	\$1,013,261	\$326,201
St. Philomena, Honolulu	141%	\$530,290	\$165,943
St. Anthony, Wailuku	141%	\$873,977	\$276,576
Holy Cross, Kalaheo	138%	\$399,452	\$126,529
St. Theresa, Mt. View	136%	\$196,808	\$61,439
Resurrection of the Lord, Waipio	135%	\$466,611	\$141,024
St. Roch, Kahuku	133%	\$133,230	\$40,935
St. Joseph, Hilo	130%	\$792,544	\$239,230
St. Catherine, Kapaa	123%	\$646,023	\$189,611
Holy Trinity, Honolulu	122%	\$886,788	\$258,594
Malia Puka O Kalani, Keaukaha	122%	\$60,950	\$17,738
Our Lady of Mt. Carmel, Waikane	120%	\$144,195	\$41,847
Our Lady of Perpetual Help, Ewa	119%	\$709,752	\$203,133
St. Michael, Waialua	118%	\$359,269	\$100,362
St. Patrick, Kaimuki	117%	\$563,285	\$156,864
St. Joseph, Makawao	116%	\$401,803	\$111,593
Holy Family, Honolulu	116%	\$197,802	\$53,931
Immac. Heart of Mary, Papaikou	115%	\$252,389	\$70,772
St. John Apos & Evan, Mililani	113%	\$1,180,046	\$324,960
Sacred Hearts, Lanai	113%	\$163,336	\$44,283
Immaculate Conception, Lihue	111%	\$316,096	\$86,631
St. Rita, Nanakuli	111%	\$331,880	\$89,833
St. Ann, Waihee	110%	\$93,672	\$24,605
St. John the Baptist, Kalihi	107%	\$277,465	\$72,333
Christ the King, Kahului	106%	\$614,546	\$157,783
St. Theresa, Kekaha	103%	\$237,041	\$59,746
Sacred Heart, Naalehu	102%	\$60,969	\$15,484
Korean Catholic Community	101%	\$318,210	\$80,130
Sacred Heart, Waianae	100%	\$295,750	\$72,584
St. Anthony of Padua, Kailua**	100%	\$1,727,992	\$1,129,895
St. Michael the Archangel, Kona**	100%	\$1,646,674	\$1,133,424
Star of the Sea, Honolulu	100%	\$937,435	\$229,701
St. George, Waimanalo	99%	\$344,858	\$84,635
Newman Center/Holy Spirit	97%	\$316,550	\$78,076
Our Lady of Lourdes, Honokaa	95%	\$161,834	\$40,270
Our Lady of Good Counsel, P. City**	95%	\$2,061,946	\$1,353,540
Sacred Heart, Punahou**	95%	\$1,238,697	\$836,737
St. Ann, Kaneohe**	95%	\$1,913,288	\$1,197,367
St. Pius X, Manoa	94%	\$168,915	\$42,015
St. Jude, Makakilo	93%	\$815,410	\$202,212
St. Raphael, Koloa	89%	\$196,195	\$48,955
Holy Rosary, Paia	89%	\$71,195	\$17,517
Our Lady of the Mount, Kalihi	89%	\$163,813	\$40,138
St. Rita, Haiku	81%	\$84,867	\$21,111
Our Lady Queen of Angels, Kula	78%	\$112,476	\$27,767
Cathedral of Our Lady of Peace	77%	\$627,226	\$156,228
Holy Rosary, Pahala	72%	\$46,865	\$14,397
Maria Lanakila, Lahaina	72%	\$471,979	\$117,477
St. Elizabeth, Aiea	71%	\$689,415	\$169,460
St. Theresa, Kihei	70%	\$564,539	\$140,712
Sts. Peter & Paul, Honolulu	67%	\$534,949	\$131,380
St. Mary, Hana	66%	\$49,570	\$12,210
St. Augustine, Waikiki	59%	\$375,974	\$93,440
Sacred Heart, Pahoa	41%	\$59,448	\$14,636

\*Based on cash received as of December 31, 2014

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