

DIOCESE OF PALM BEACH

January 2010

Dear Brothers and Sisters in Christ,

A new decade is upon us and we look with prayerful hope at what this next year will bring. Surely, the year just past was filled with extraordinary challenges, and on this occasion we can recap how the Diocese of Palm Beach was affected by these most difficult financial times.

As is customary at this time, we are pleased to provide you with this special four-page supplement to the Palm Beach edition of the *Florida Catholic*. It contains the financial results of the Administrative Offices of our Diocese of Palm Beach for the fiscal year ended June 30, 2009. The "Report on Audits of Financial Statements," from which this information was derived, was once again prepared by the independent accounting firm of Templeton & Company LLP. While we do not present the actual report, the format of the financial information contained herein has been well received for the past several years and it is our hope that it will once again be clear, meaningful and informative.

An examination of diocesan revenues clearly indicates that the annual Diocesan Services Appeal represents the foundation upon which our various charitable and educational programs and services rely. Notwithstanding the economic downturn in 2009, we were indeed heartened by the extraordinary generosity of the faithful who contributed almost \$7.6 million to the Appeal. While other sources of revenue understandably declined and we sustained some market losses in our invested reserves, the success of the Appeal and our ongoing efforts to control

costs, helped to minimize the negative impact on our financial results. We look forward to improved results in the current fiscal year.

Despite all of the challenges of this past year, we successfully concluded the 25th anniversary of our diocese as a particular Church here in south Florida. Together we witnessed the richness which makes us

such a vibrant diocese as we continue to build the "City of God." Indeed, we are currently engaged in several important construction projects throughout the diocese including churches and other facilities which will provide the faithful with wonderful opportunities to express their true love

of God. Once again, these new structures are made possible through the extraordinary generosity and commitment of God's people. Our growth continues and we look to the future with tremendous hope!

Should you have any specific questions or comments regarding this financial supplement, I invite you to contact the diocesan Finance Office directly. Our commitment to full accountability and transparency is unwavering.

Again, I thank you for your prayers and support as we go forward in the name of Christ.

With every prayerful wish, I am

Sincerely yours in Christ,



Most Reverend Gerald M. Barbarito
Bishop of Palm Beach

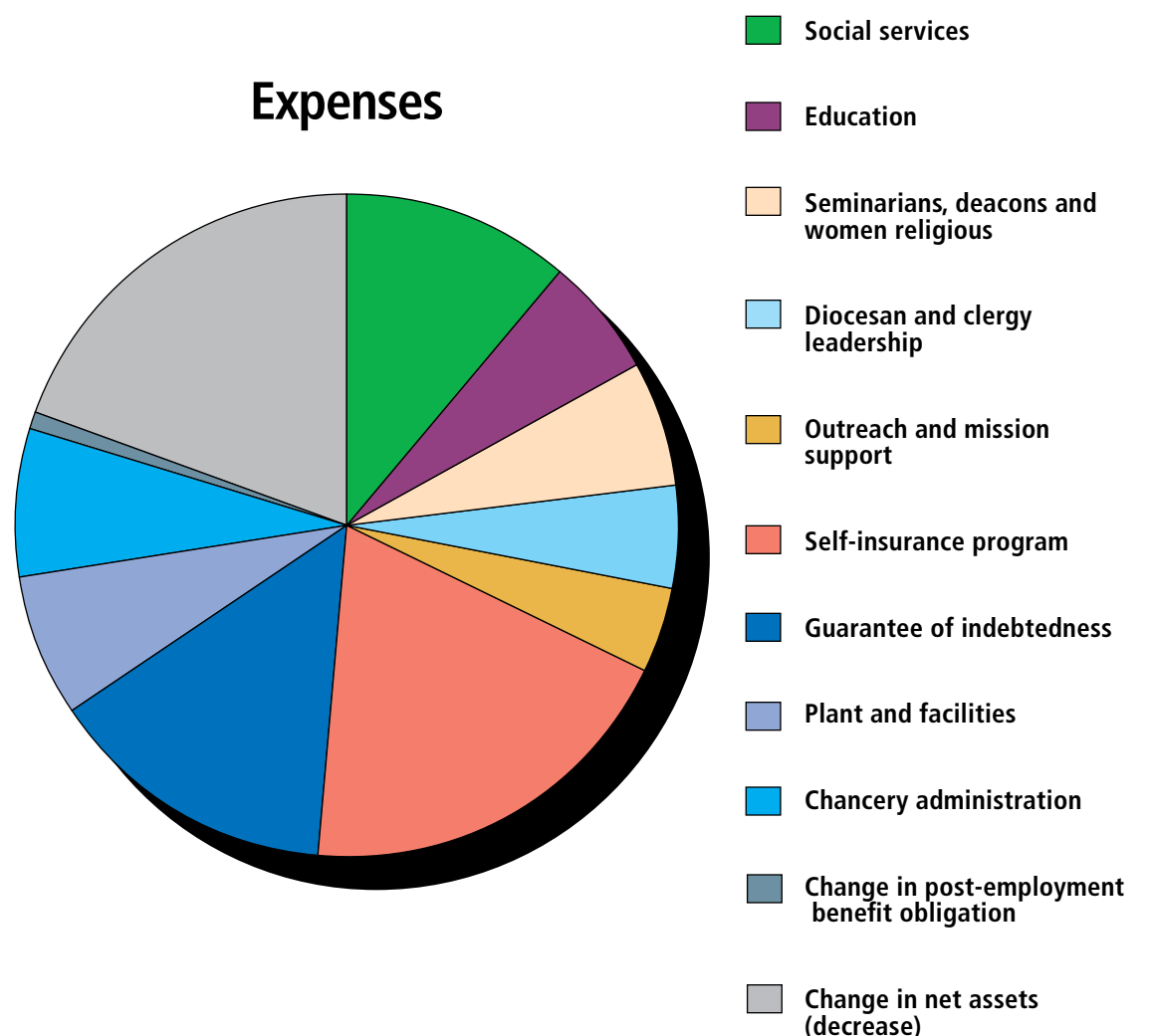
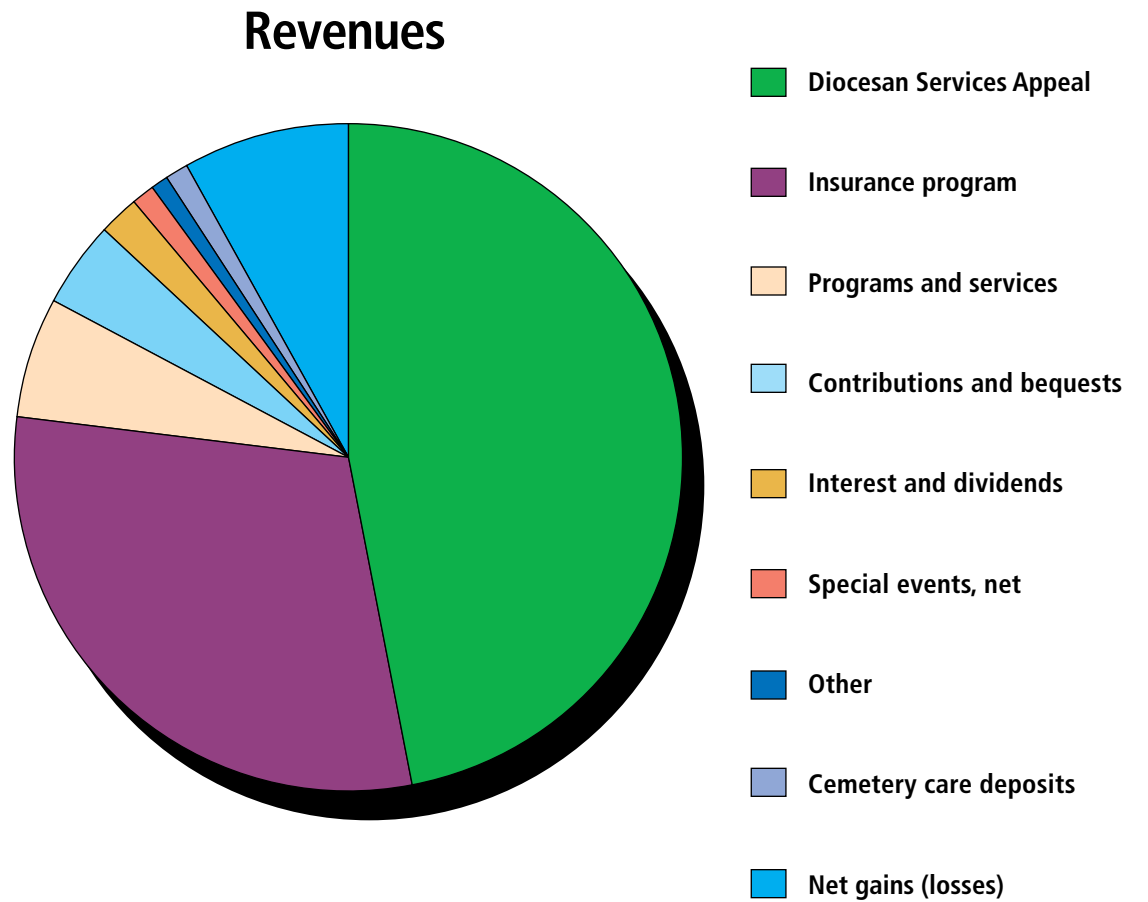


FINANCIAL STATEMENT

Statement of Activities, for the fiscal year ended June 30, 2009

Revenues		
Diocesan Services Appeal	\$ 7,586,995	55%
Insurance program	\$ 4,914,596	35%
Programs and services	\$ 1,051,850	8%
Contributions and bequests	\$ 609,590	4%
Interest and dividends	\$ 402,886	3%
Special events, net	\$ 198,689	1%
Other	\$ 171,123	1%
Cemetery care deposits	\$ 108,950	1%
Net gains (losses)	\$ (1,152,848)	-8%
Totals	\$ 13,891,831	100%

Expenses		
Program services:		
Social services	\$ 2,445,989	18%
Education	\$ 1,491,298	11%
Seminarians, deacons and women religious	\$ 1,330,233	10%
Diocesan and clergy leadership	\$ 1,211,923	9%
Outreach and mission support	\$ 1,035,553	7%
Supporting services:		
Self-insurance program	\$ 4,409,025	32%
Guarantee of indebtedness	\$ 3,320,770	24%
Plant and facilities	\$ 1,714,002	12%
Chancery administration	\$ 1,596,974	11%
Change in post-employment benefit obligation	\$ (325,953)	-2%
Change in net assets (decrease)	\$ (4,337,983)	-32%
Totals	\$ 13,891,831	100%

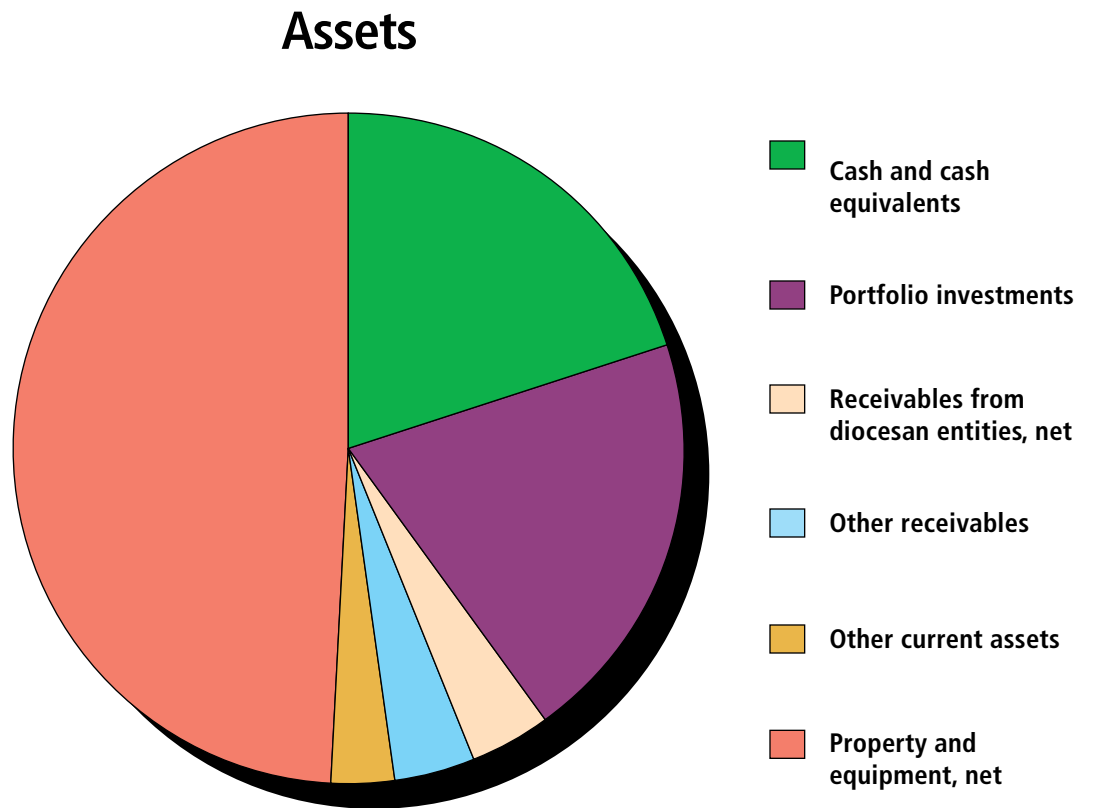


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Bishop of Palm Beach

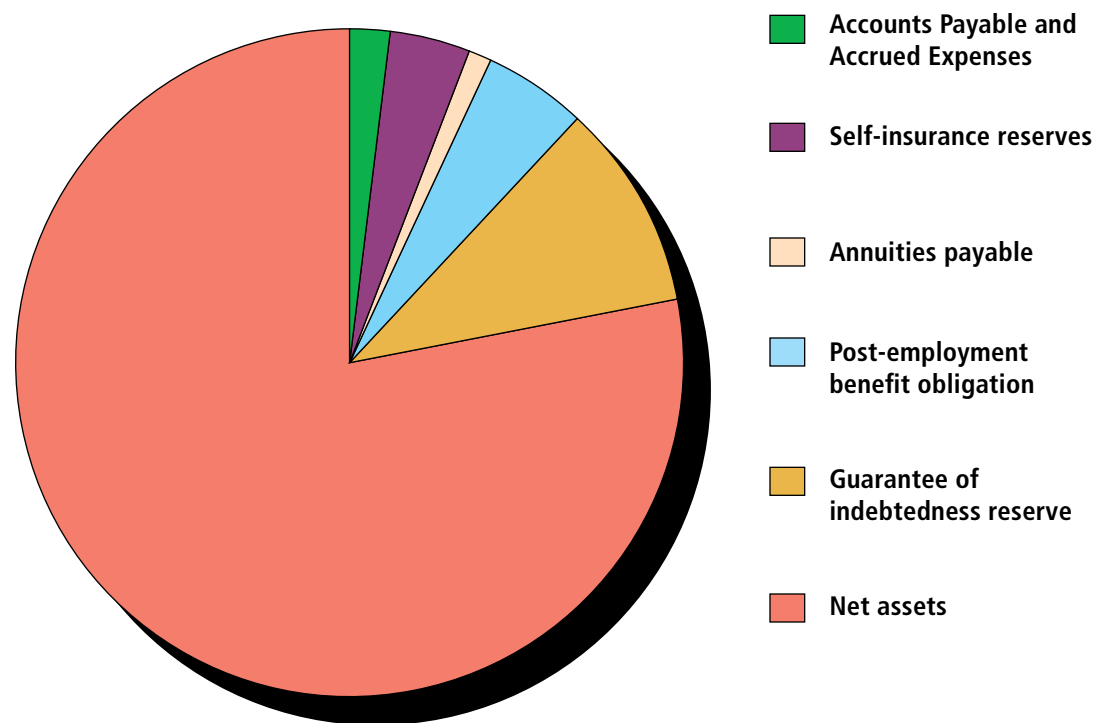
Statement of Financial Position at June 30, 2009

Assets		
Cash and cash equivalents	\$ 11,231,869	20%
Portfolio investments	\$ 10,983,733	20%
Receivables from diocesan entities, net	\$ 2,070,798	4%
Other receivables	\$ 2,102,348	4%
Other current assets	\$ 1,789,497	3%
Property and equipment, net	\$ 27,232,473	49%
Totals	\$ 55,410,718	100%
Liabilities and Net Assets		
Accounts Payable and Accrued Expenses	\$ 970,587	2%
Self-insurance reserves	\$ 1,962,753	4%
Annuities payable	\$ 352,440	1%
Post-employment benefit obligation	\$ 2,974,638	5%
Guarantee of indebtedness reserve	\$ 5,467,770	10%
Net assets	\$ 43,682,530	78%
Totals	\$ 55,410,718	100%



Liabilities and Net Assets

Diocesan Collections		
July 2008	Catholic Relief Services	\$ 96,619
Aug. 2008	Church in Latin America/ Church in Africa	\$ 89,948
Sept. 2008	Respect Life / Migrants	\$ 100,538
Sept. 2008	Hurricanes International — Latin America and Caribbean	\$ 108,287
Oct. 2008	Hurricanes National — Gustav and Ike	\$ 44,999
Oct. 2008	Propagation of the Faith (World Mission Sunday)	\$ 115,884
Nov. 2008	Campaign for Human Development	\$ 122,792
Dec. 2008	Retired Religious	\$ 196,612
Jan. 2009	Catholic schools support	\$ 135,190
March 2009	Education of seminarians and priestly formation	\$ 165,087
March 2009	Holy Land (Good Friday)	\$ 117,414
April 2009	Peter's Pence	\$ 148,417
May 2009	Catholic Communication/ Catholic University	\$ 92,879
June 2009	Black and Indian missions/ Home missions	\$ 90,252



Statement of Activities, by fund, for the fiscal year ended June 30, 2009

	Operating Fund	Plant Fund	Self-Insurance Fund	Eliminating Entries	Summary
Revenues					
Diocesan Services Appeal	\$ 7,586,995	\$ —	\$ —	\$ —	\$ 7,586,995
Insurance program	\$ —	\$ —	\$ 5,032,271	\$ (117,675)	\$ 4,914,596
Programs and services	\$ 1,514,553	\$ —	\$ —	\$ (462,703)	\$ 1,051,850
Contributions and bequests	\$ 609,590	\$ —	\$ —	\$ —	\$ 609,590
Interest and dividends	\$ 256,387	\$ 7,211	\$ 139,288	\$ —	\$ 402,886
Special events, net	\$ 198,689	\$ —	\$ —	\$ —	\$ 198,689
Other	\$ 38,740	\$ 123,263	\$ 9,120	\$ —	\$ 171,123
Cemetery care deposits	\$ 108,950	\$ —	\$ —	\$ —	\$ 108,950
Net gains (losses)	\$ (2,423,534)	\$ 1,270,686	\$ —	\$ —	\$ (1,152,848)
Totals	\$ 7,890,370	\$ 1,401,160	\$ 5,180,679	\$ (580,378)	\$ 13,891,831
Expenses					
Program services					
Social services	\$ 2,458,798	\$ —	\$ —	\$ (12,809)	\$ 2,445,989
Education	\$ 1,499,334	\$ —	\$ —	\$ (8,036)	\$ 1,491,298
Seminarians, deacons and women religious	\$ 1,351,817	\$ —	\$ —	\$ (21,584)	\$ 1,330,233
Diocesan and clergy leadership	\$ 1,222,154	\$ —	\$ —	\$ (10,231)	\$ 1,211,923
Outreach and mission support	\$ 1,052,282	\$ —	\$ —	\$ (16,729)	\$ 1,035,553
Supporting services					
Self-insurance program	\$ —	\$ —	\$ 4,871,728	\$ (462,703)	\$ 4,409,025
Guarantee of indebtedness	\$ 3,320,770	\$ —	\$ —	\$ —	\$ 3,320,770
Plant and facilities	\$ 614,959	\$ 1,132,298	\$ —	\$ (33,255)	\$ 1,714,002
Chancery administration	\$ 1,612,005	\$ —	\$ —	\$ (15,031)	\$ 1,596,974
Change in post-employment benefit obligation	\$ (325,953)	\$ —	\$ —	\$ —	\$ (325,953)
Change in net assets (decrease)	\$ (4,915,796)	\$ 268,862	\$ 308,951	\$ —	\$ (4,337,983)
Totals	\$ 7,890,370	\$ 1,401,160	\$ 5,180,679	\$ (580,378)	\$ 13,891,831

Statement of Financial Position, by fund, at June 30, 2009

	Operating Fund	Plant Fund	Self-Insurance Fund	Eliminating Entries	Summary
Assets					
Cash and cash equivalents	\$ 8,496,711	\$ —	\$ 2,735,158	\$ —	\$ 11,231,869
Portfolio investments	\$ 10,983,733	\$ —	\$ —	\$ —	\$ 10,983,733
Receivables from diocesan entities, net	\$ 2,070,798	\$ —	\$ —	\$ —	\$ 2,070,798
Other receivables	\$ 137,439	\$ 1,254,187	\$ 780,285	\$ (69,563)	\$ 2,102,348
Other current assets	\$ 39,893	\$ —	\$ 1,749,604	\$ —	\$ 1,789,497
Property and equipment, net	\$ —	\$ 27,232,473	\$ —	\$ —	\$ 27,232,473
Due from funds	\$ 5,550,335	\$ —	\$ —	\$ (5,550,335)	\$ —
Totals	\$ 27,278,909	\$ 28,486,660	\$ 5,265,047	\$ (5,619,898)	\$ 55,410,718
Liabilities and Net Assets					
Accounts Payable and Accrued Expenses	\$ 701,384	\$ 120,097	\$ 218,669	\$ (69,563)	\$ 970,587
Self-insurance reserves	\$ —	\$ —	\$ 1,962,753	\$ —	\$ 1,962,753
Annuities payable	\$ 352,440	\$ —	\$ —	\$ —	\$ 352,440
Post-employment benefit obligation	\$ 2,974,638	\$ —	\$ —	\$ —	\$ 2,974,638
Guarantee of indebtedness reserve	\$ 5,467,770	\$ —	\$ —	\$ —	\$ 5,467,770
Due to funds	\$ —	\$ 5,550,335	\$ —	\$ (5,550,335)	\$ —
Net assets	\$ 17,782,677	\$ 22,816,228	\$ 3,083,625	\$ —	\$ 43,682,530
Totals	\$ 27,278,909	\$ 28,486,660	\$ 5,265,047	\$ (5,619,898)	\$ 55,410,718