

2012



YEAR OF FAITH 2012
2013

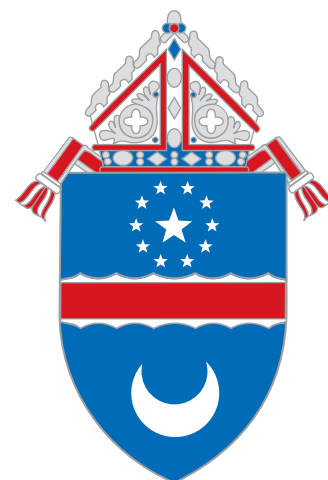
CATHOLIC DIOCESE OF ARLINGTON

Annual Report



“By faith, we too live: by the living recognition of the Lord Jesus, present in our lives and in our history.”

—Pope Benedict XVI, Porta Fidei



Introduction and Overview

Diocese of Arlington: At-A-Glance

- More than 453,000 registered Catholics
- 6,500 square miles, 21 counties and 7 independent cities
- 68 parishes and 6 missions
- 37 parishes that offer Masses in Spanish
- 256 priests (diocesan, religious and extern)
- 38 diocesan elementary schools, 2 independent elementary schools, 5 stand-alone preschools, 4 diocesan high schools, 2 independent high schools and 17,805 students
- Approximately 39,283 students involved in religious education (2011-2012 academic year)
- Approximately 15,000 youth involved in parish youth ministry programs
- 60 permanent deacons
- 37 seminarians currently studying for the diocese
- More than 35,000 men, women and children served by the outreach of Catholic Charities (2012)
- More than 1,000 refugees assisted by the Office for Refugee Resettlement (2012)
- 8,923 baptisms and Professions of Faith (2012)
- 6,538 confirmations (2011)
- 1,551 marriages (2012)



Dear Brothers and Sisters in Christ Jesus,

This year, starting in October, we entered into a Year of Faith initiated by Pope Benedict XVI to counteract what he called a “crisis of faith” in our society. Particularly during this year, I join with the Holy Father in recognizing “the need to rediscover the journey of faith so as to shed ever clearer light on the joy and renewed enthusiasm of the encounter with Christ” (Pope Benedict XVI, *Porta Fidei*, 2012).

Our diocesan family has embraced this journey of faith in a myriad of ways: by holding seminars and classes on the meaning of faith and the New Evangelization, by participating more fully in the liturgy and other prayer-filled events and by generously giving to those in need. Indeed, this Year of Faith is a time to reaffirm all that we believe and hold dear about the Catholic faith and to enter ever more deeply into the life of the Church.

Therefore, it is with a thankful heart that I recognize the generosity that has prompted so many of you to contribute to the work of the Catholic Diocese of Arlington. Through donations of your time, talent and treasure, you are truly faithful stewards of the Bride of Christ, the Church.

In looking at this past fiscal year (July 1, 2011 to July 1, 2012), it is clear that your generosity has enabled our diocesan offices to focus on programs and initiatives that faithfully carry out the mission of the Church. In this report, you will find information about the Bishop’s Lenten Appeal, parish finances, and diocesan income and expenses. I remain ever grateful for your continued faithful stewardship and assure you of my prayers daily for you and your family.

Faithfully in the Heart of Christ,

+ Paul S. Loverde
Most Rev. Paul S. Loverde



Dear Fellow Members of our Diocesan Church,

On behalf of Bishop Paul S. Loverde and the Diocesan Finance Council, I am pleased to submit to you, the faithful of the Catholic Diocese of Arlington, this annual financial report for the fiscal year ended June 30, 2012.

We have entered into the Year of Faith, as proclaimed by our Holy Father Pope Benedict XVI, and are called to take this “opportunity to usher the whole Church into a time of particular reflection and rediscovery of the faith” (Pope Benedict XVI, *Porta Fidei*). It is my desire, therefore, to reflect that call in this report that details the finances of our diocese and to provide an accounting of the assets entrusted to the Bishop in support of his fundamental mission of transmitting the faith. As I have often heard Bishop Loverde so passionately proclaim to those of us who serve the diocese, we must all perform our own roles -- whether directly in ministry programs or through administrative or technical support -- with the light of evangelization permeating throughout.

You will note that the continued generosity of the faithful of the Diocese has allowed for increased funding in all areas of program services (Pastoral, Religious Personnel Development, Education, and Social Services). Appropriate stewardship of this increased funding has ensured that the financial position of the Diocese’s Central Administrative Offices remains on a sound footing, such that we may continue navigating the uncertain economic environment facing us locally and nationally. Current initiatives are underway to increase resources dedicated to educational support through our tuition assistance endowment, support for Catholic Charities and the programs that support the neediest among us: capital needs at some of our aging facilities, closing the gap in the funding status of the priest pension fund and assisting with implementing parish and diocese-wide evangelization efforts.

In light of the Year of Faith and our call to evangelization, I invite you to review this report and, if you wish, also to view our complete audited financial statements by visiting the diocesan website at www.arlingtondiocese.org/offices/finance.php. Please feel free to contact my office with any questions, suggestions, or concerns regarding these reports.

Along with Bishop Loverde and the Diocesan Finance Council, I remain committed to providing open and transparent accountability. In addition, we are steadfast in employing the highest of standards in safeguarding the assets and patrimony entrusted to the Diocese.

With much prayer, I remain,
Sincerely in Christ,

Timothy R. Cotnoir

Timothy R. Cotnoir, CPA, Diocesan Finance Officer

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Communities from many different nations and cultures have found their home in Northern Virginia and our diocesan family of faith. The Office of Multicultural Ministries reaches out to truly "welcome the stranger" and recognize the unity and diversity of our Catholic Church (photo credit: Bronius Cikotas).

Ministries and Programs Funded by the BLA Include:

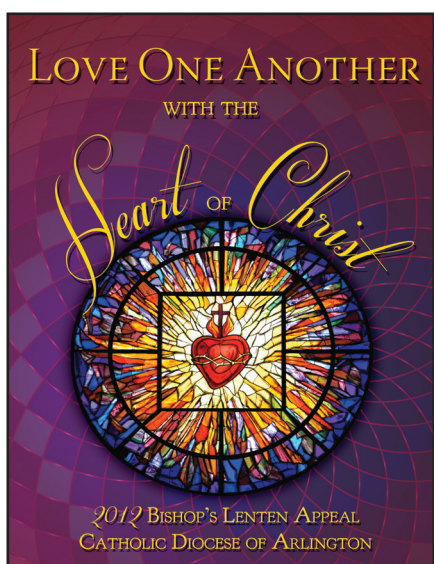
- Vocation awareness and discernment groups; room, board, tuition and health care expenses for seminarians
- Support for the permanent diaconate program and for active and retired priests
- Office of Youth Ministry and Office of Catholic Schools religious education programs
- Evangelization efforts and pastoral ministries including College Campus Ministries, Hospital ministries, Peace and Justice Commission and our Dominican Republic mission parishes
- Office for Family Life initiatives: Marriage Preparation, Young Adult Ministries, Project Rachel, Gabriel Project
- The Tribunal and the Respect Life Office
- Spanish Apostolate and Multicultural Ministries
- San Damiano Spiritual Life Center
- Support to the Virginia Catholic Conference; parish programs and other offices that support all diocesan parishes, missions and schools
- Catholic Charities, Victim Assistance and other charitable works



Catholic Charities in the Diocese of Arlington serves thousands each year through food banks, emergency assistance, adoption services, senior services (pictured above) and many other essential forms of outreach.



Each year, the Office for Family Life invites spouses celebrating 25 or 50 years of marriage to renew their vows at a Marriage Jubilee Mass with Bishop Loverde.



Bishop's Lenten Appeal Exceeds Goal and Provides Emergency Assistance

The 2012 Bishop's Lenten Appeal (BLA) exceeded \$15.7 million in pledges, with \$13.7 million paid to date from more than 45,500 parish households. This is an increase from the 2011 BLA, which had \$15 million in pledges. We are grateful to all who sacrificially support the BLA.

The BLA exceeded its diocesan goal this year, creating the opportunity for a special emergency assistance fund for parish and diocesan critical needs. This special fund provides a direct line of assistance from the diocese to parishes and includes emergency aid for parishioners such as: food, clothing, utilities, rental or mortgage assistance, Catholic school tuition assistance and Catholic Charities funding. For the fiscal year ended June 30, 2012, \$341,000 was distributed for emergency assistance. In the first few months of Fiscal Year 2013, more than \$250,000 has been disbursed for emergency needs from this fund.

In the Fall of 2011, Bishop Loverde asked us to join him in spending a year focused on the Heart of Christ. The 2012 BLA theme asked parishioners to love one another through the Heart of Christ as demonstrated by stewardship of time, talent and treasure.

The Bishop's Lenten Appeal is the main source of funding for programs, ministries and offices coordinated by the diocese.

Parish Financial Information

“By wisdom the house shall be built, and by prudence it shall be strengthened” (Proverbs 24:3). It is this wisdom, strengthened by prudence, that we continue to rely upon as we employ a high level of stewardship with regard to assets entrusted to the Church by the faithful. The continuing enhancement of parish finances is an essential part of building a culture of accountability and transparency. Through the years, the Church on all levels has broadened its understanding of the need to gather our collective wisdom and share responsibility for financial matters.

Combined Statement of Parish Financial Activities

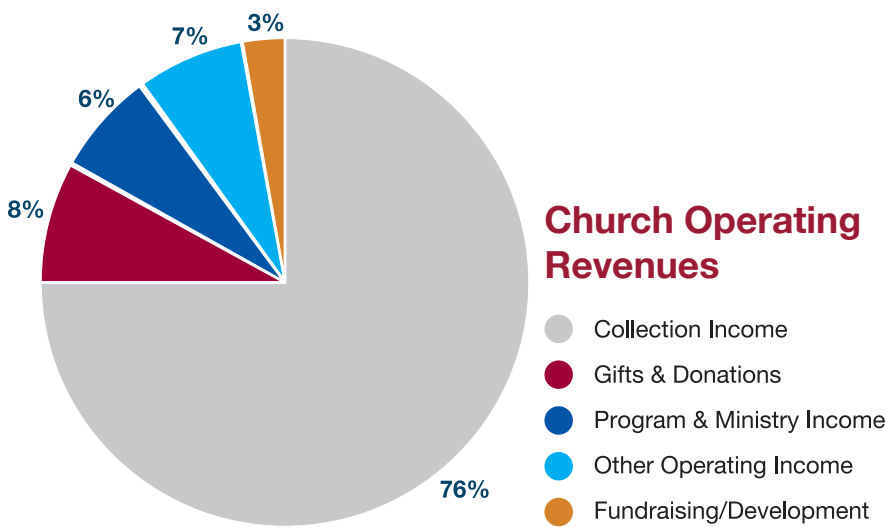
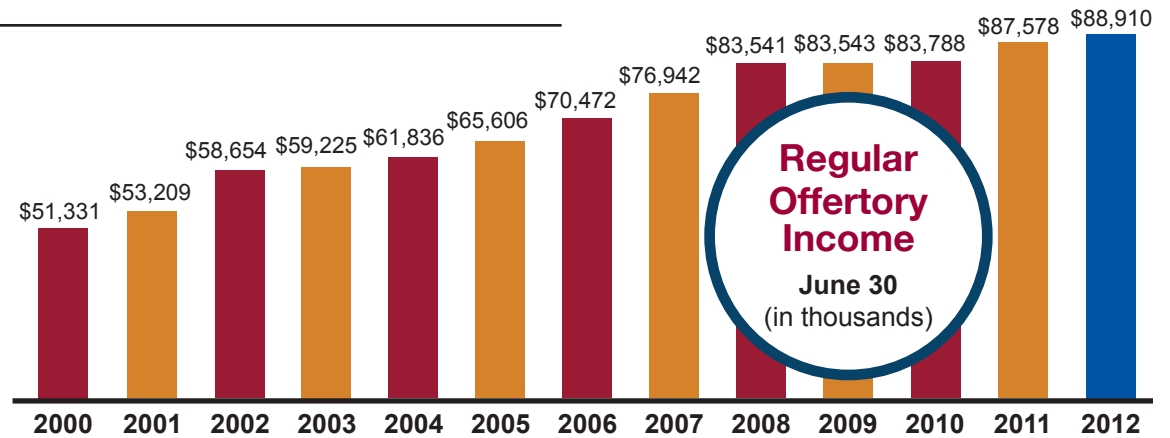
Total parish revenue from all sources, including parish schools, was in excess of \$210 million. Over 93% of our parishes and missions ended the year with an operating surplus.

Comparative Combined Statement of Financial Activities (Unaudited)

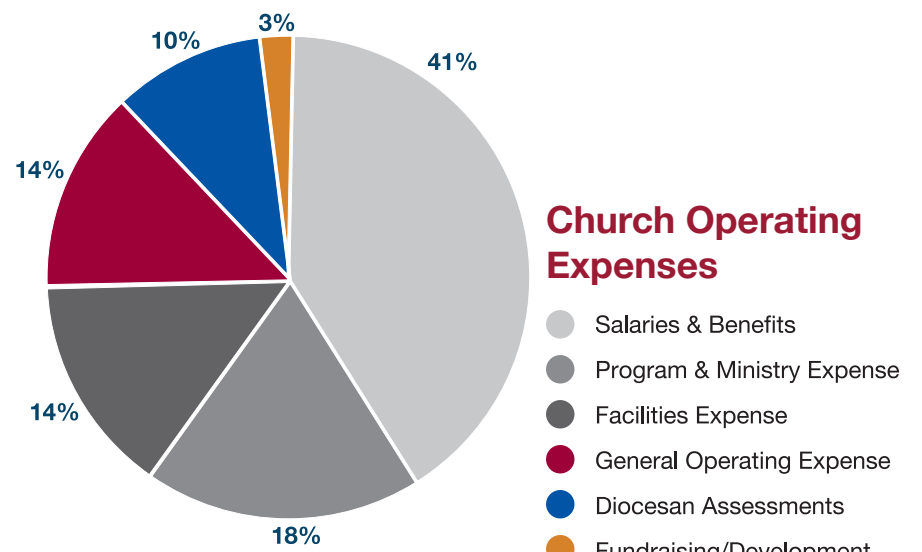
Fiscal Year Ending June 30 (Unaudited)	Church		School		Parish	
	2012	2011	2012	2011	2012	2011
Regular Offertory/Tuition Related Income	\$88,909,837	\$87,578,002	\$60,955,188	\$58,634,194	\$149,865,025	\$146,212,196
Other Income/Donations	27,366,863	29,434,072	23,741,746	22,707,464	51,108,609	52,141,536
Total Operating Income	116,276,700	117,012,074	84,696,934	81,341,658	200,973,634	198,353,732
Personnel Expense	41,753,350	40,761,164	63,115,048	60,208,375	104,868,398	100,969,539
Other Operating Expense	59,758,484	59,391,486	19,984,663	19,206,873	79,743,147	78,598,359
Total Operating Expense	101,511,834	100,152,650	83,099,711	79,415,248	184,611,545	179,567,898
Operating Surplus	14,764,866	16,859,424	1,597,223	1,926,410	16,362,089	18,785,834
Capital Campaign/Other Extraordinary Income	9,896,924	13,834,954	67,961	598,143	9,964,885	14,433,097
Capital Improvement/Major Repair/Renovation	12,681,704	15,712,476	1,207,906	1,919,858	13,889,610	17,632,334
Net Other (Expense)	(2,784,780)	(1,877,522)	(1,139,945)	(1,321,715)	(3,924,725)	(3,199,237)
Net Surplus (Deficit)	\$11,980,086	\$14,981,902	\$457,278	\$604,695	\$12,437,364	\$15,586,597

Churches

Parish regular collection income increased 1.5% in the fiscal year ended June 30, 2012, to \$88.9 million. While the majority of the parishes had increases in their income, ongoing costs such as facilities and employee benefits continue to grow. Your continued generosity enables the Church to carry out her mission.



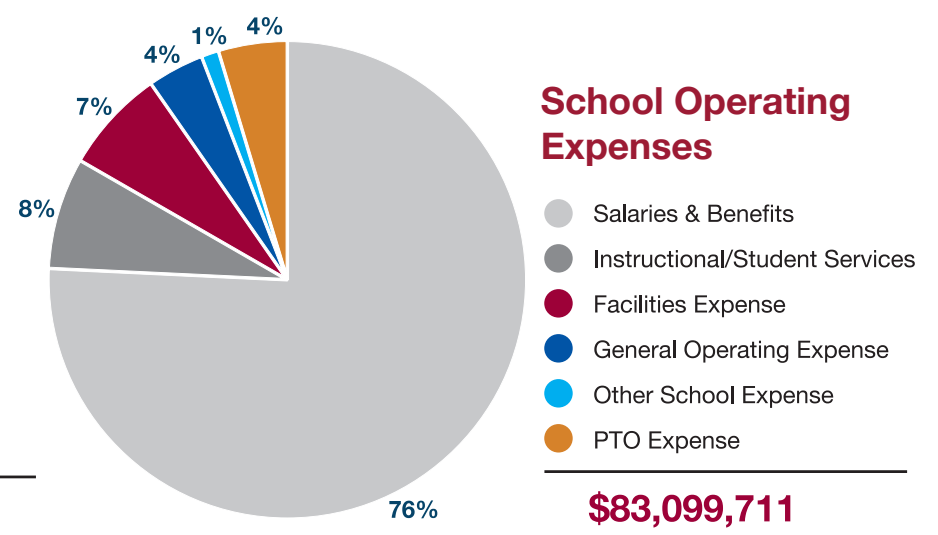
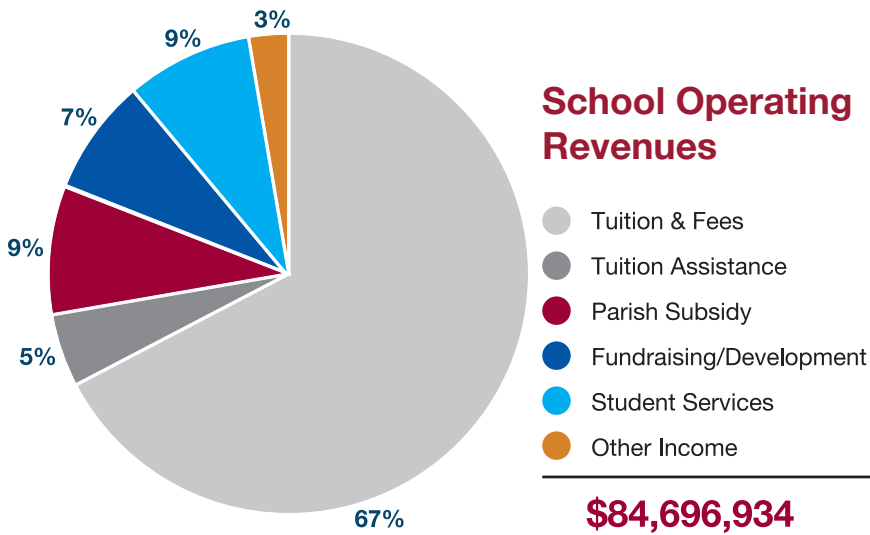
\$116,276,700



\$101,511,834

Schools

During the 2012-2013 academic year, the 38 parish elementary schools provided an academically excellent education emphasizing Catholic values to more than 13,000 students. Parish schools' operating revenue for 2012 totaled \$84.7 million. Tuition and fees accounted for 72% of the total, with the balance made up through tuition assistance, parish subsidy, student services and local development and fundraising efforts. Total tuition assistance for Fiscal Year 2012 was \$4.4 million.



Parish Growth: At-A-Glance

- 51 completed parish projects in the last 9 years at a total cost of \$220 million
- 13 parish projects in various phases of construction with estimated costs of over \$20 million

Current Parish Projects Under Construction

- Good Shepherd, Alexandria, Renovation and Expansion Project
- All Saints, Manassas, Parish Activity Center Project
- St. Bridget of Ireland, Berryville, New Social Hall Project



Arlington Diocesan Investment and Loan Corporation (DIAL Corp)

DIAL Corp was established for the benefit of participants and functions as a savings and loan for the parishes. The investment and loan program administered by DIAL Corp is a collaborative effort where participants deposit excess funds in return for a fixed and stable interest rate, and may request and obtain loans for construction, renovation or operating needs that also bear a fixed and stable interest rate. The participants of DIAL Corp include the parishes, missions and schools of the Catholic Diocese of Arlington, along with other entities such as the Catholic Charities of the Diocese of Arlington and the Arlington Catholic Herald. The Central Administrative Offices of the Catholic Diocese of Arlington is a separate and distinct entity and is not a participant in, and therefore does not have deposit accounts or loans owed to, DIAL Corp.

As of June 30, 2012, deposits earned interest at 2.5% per annum, and loans accrued interest at 5.75% per annum. Interest rates are reviewed at least annually, and are adjusted as necessary.

DIAL Corp is a participant in the diocesan investment pool; approximately \$52 million of investments, as of June 30, 2012, are held in the pool. Although investment losses subsequent to incorporation have resulted in negative unrestricted net assets, they are unrealized. Current real income (interest and dividends) continues to be more than sufficient to cover operational costs.

Arlington Diocesan Investment and Loan Corp

	June 30, 2012	June 30, 2011
Cash and cash equivalents	\$4,500,459	\$2,464,111
Investments	63,442,579	63,724,324
DIAL loans receivables	42,536,878	41,620,056
Other receivables	81,460	306
Total assets	\$110,561,376	\$107,808,797
Accounts payable	\$4,167	\$-
DIAL deposits payable	\$111,064,990	\$108,643,214
Unrestricted net assets	(507,781)	(834,417)
Total liabilities and net assets	\$110,561,376	\$107,808,797



Statement of Activities

Operating Expenses

Pastoral includes Youth and Campus Ministry, the Office for Family Life, the Respect Life Office, the Spanish Apostolate, the Office of Multicultural Ministries, Evangelization, the Permanent Diaconate, Tribunal and Parish Subsidies, the Virginia Catholic Conference, the diocese's two missions in the Dominican Republic, St. Rose of Lima Priests' Retirement Villa and the San Damiano Spiritual Life Center.

Religious Personnel Development includes the Office of Vocations and other religious personnel development programs.

Education includes the Office of Catholic Schools, the Office of Catechetics and the Tuition Assistance Program.

Social Services include the diocesan subsidy to Catholic Charities, the Office of Child Protection and Safety and other charitable causes.

Operating Income

Bishop's Lenten Appeal (BLA) accounted for more than \$14.8 million in income in 2012 to support ministries and programs throughout the diocese. BLA contributions fund pastoral programs, religious personnel development, education, and social services as well as contribute to the administrative support of ministries and offices at the diocesan level. The continuing generosity of the faithful of the diocese is clearly demonstrated by the more than 6% increase over the prior year.

Parish Assessment accounted for over \$7 million in operating income in 2012. This income is calculated and paid by parishes as a function of the regular parish offertory. Eight percent of the parish offertory, as of June 30th is computed and paid monthly in the subsequent year. Total assessment increased 4% over the prior year, with some parishes reporting an increase in parish offertory and others reporting a decrease. This income supports offices that serve parish, school and diocesan administration (e.g. Office of the Bishop).

Investment Income for Programs totaling \$1.25 million reflects the budgetary amount anticipated from the investment returns of diocesan reserves. Actual investment returns may or may not be indicative of that which is budgeted and utilized for operational need.

Program Revenue includes registration and professional development fees for a variety of initiatives including Youth Ministry's WorkCamp, World Youth Day, Conferences for the Engaged and catechetical certification. Amounts contributed and received by the Tribunal are also included in program revenue.

Donations, Bequests and Misc. Contributions totalled approximately \$6 million. Current year donations and collection of prior year pledges continue to be a source of funds for donor supported projects. Because of the unpredictable nature of this type of income, the budget excludes this from estimation.

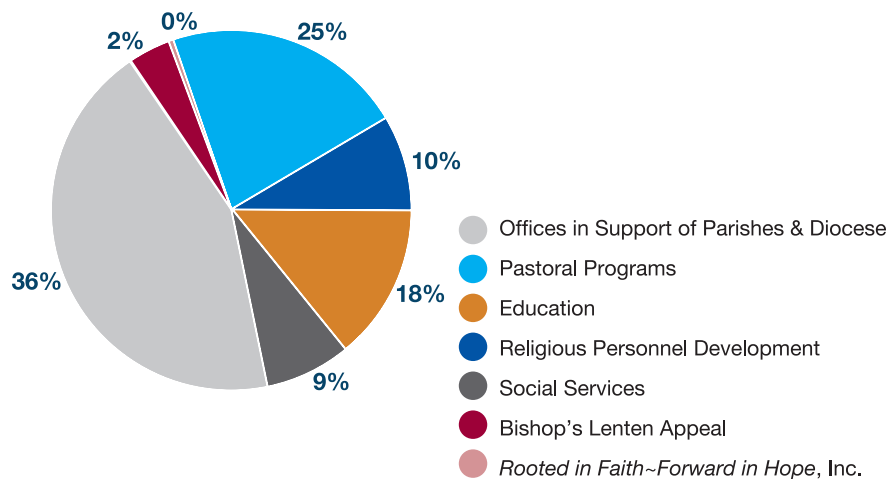
Statement of Activities Highlights

Operating income for Fiscal Year 2012 is demonstrative of the continued generosity of the faithful within the Diocese of Arlington. Individuals responded to the call to increase their Bishop's Lenten Appeal (BLA) donations, which provided more than \$14.8 million to support the pastoral, vocational, educational and social services ministries of the diocese. The continued growth of the BLA also allowed for an increase in emergency assistance to parishes and schools. Although other donations and bequests accounted for a smaller percentage of income, results in this area continue to exceed expectations. In particular, major gifts and bequests, which were significant in Fiscal Year 2011, continue to be a source for the many projects of the diocese, but conservatively are not budgeted to meet annual budgeted needs of the Central Office. Parish assessments, investment income and direct program revenue, all served to fund their respective offices in accordance with the approved budget. The decline in restricted contributions in 2012 reflects the fact that the *Rooted in Faith~Forward in Hope (RIF-FIH)* campaign is coming to a close. Endowments created as a result of this campaign have been fully funded and are currently providing endowment income in support of educational programs and Catholic Charities.

This fiscal year's investment performance resulted in a net loss, although unrealized. Spending policies remained consistent to provide a predictable stream of funding to programs, yet at a level which was supported by interest, dividends and realized gains. Although the market trend may continue to be volatile throughout the next fiscal year, we remain confident in the long term view of the market as it pertains to our investment horizon for those assets invested, as well as the prudent investment policies and oversight exercised by the various diocesan financial advisory committees. Insurance programs (health and risk management) netted positive results, increasing reserves to cover future claims and market increases. The negative change in the priests' pension and postretirement health obligation was primarily the result of actuarial adjustments due to a reduction in discount rates used in determining benefit obligations and a lower than anticipated rate of return of investments. The Central Office has advanced funds to Pope John Paul the Great High School periodically since its opening in 2008, to supplement tuition in covering operating costs. A reserve was established on the loan in 2012. This reserve may change as school enrollment and fundraising activities increase.

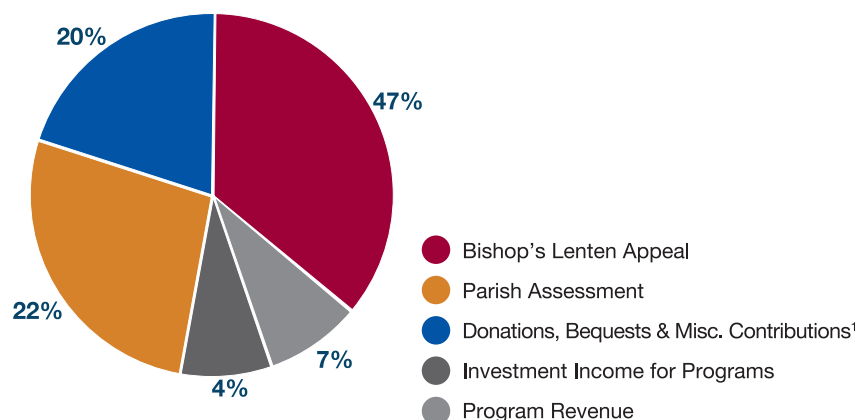
Results from operations reflects a surplus of revenue over expenses amounting to almost \$1 million which was better than expected. Overall, the Chancery ended the year with a decrease in net assets due to unrealized losses and other adjustments (pension related and loan reserve). Following several years of increases in property and equipment, completion of significant projects and annual provision for depreciation has resulted in a decrease in this component of net assets in 2012.

Total Expenses for Operations



\$30,470,544

Total Income for Operations



\$31,443,166

¹ Includes restricted income

Statement of Activities Highlights

	June 30, 2012	June 30, 2011
Operating Activities		
Operating income (including restricted amounts)	\$31,443,166	\$33,802,632
Operating expenses	(30,470,544)	(28,446,236)
Transfers of Contributions from RIF-FIH	-	160,000
Operational Surplus	972,622	5,516,396
Non-Operating Activities		
Investment income (loss), net of amounts in operations	(1,117,141)	21,068,531
Net change in insurance programs	1,087,202	2,534,237
Change in unfunded priests' pension and postretirement health obligation	(6,735,102)	1,427,149
Bond interest expense - net of related property income	456,070	440,851
Net property gains	64,717	3,006,541
Rental Income	142,559	132,871
Related parties contributions	-	(4,217,316)
Loan reserve increase-related party	(8,424,882)	-
Transfers of permanently restricted endowments from RIF-FIH Capital Campaign	-	86,000
Increase (decrease) in net assets	(\$13,553,955)	\$29,995,260
Increase (Decrease) in net assets related to		
Current Operations	(11,307,457)	25,989,110
Endowments, ADEF & Functioning as Endowment	(319,287)	6,731,840
Property, Plant & Equipment	(1,927,211)	(2,725,690)
Total Increase	(\$13,553,955)	\$29,995,260

Offices in support of the parishes and diocese include:

- **Office of the Bishop**
- **Employee Benefits and Human Resources**, which serve the nearly 3,500 employees of our parishes, schools and diocesan offices
- **Planning, Construction and Facilities Management**, which provides technical and fiduciary oversight in addition to project management for the physical development and maintenance of parish and diocesan properties
- **Communications Office**, which serves the diocese and parishes through media relations, the diocesan web site and other communications support
- **General Counsel**, which provides legal services to parishes and the diocese
- **Information Services**, which provides information technology support for diocesan ministries and offices
- **Offices of Finance and Accounting**, which serve as a resource to parishes with regard to financial matters, as well as overseeing parish internal audits and the administration of DIAL and diocesan financial administration
- **Office of Risk Management**, which provides oversight with regard to the diocesan property and casualty self-insurance program and assists the parishes and schools with related risk-mitigating initiatives
- **Development Office**, which assists in parish and diocesan stewardship programs

Current Operations

The diocese maintains assets for current operations to support current programs, ministries and future capital needs. Pledges and accounts receivable include major gifts receivables and Bishop Lenten Appeal pledges that will be used to fund programs into the next fiscal year. Investments have increased with an addition to the investment pool from positive results from operations. This investment pool also includes longer-term funds of DIAL Corp held in the investment pool. The decrease in net assets resulted from the establishment of a reserve on the advances made to Pope John Paul the Great High School and a change in discount rates used in determining pension related obligations (see Statement of Activities Highlights, previous page).

Permanent Endowments, ADEF and Functioning as Endowment

An endowment is a specific fund that generates investment returns to help an organization or specific program, while preserving the principal funds initially invested. Redemptions from *Rooted in Faith ~Forward in Hope* capital campaign pledges have provided endowment funding in excess of the \$20 million goal established for tuition assistance, school faculty development and catechetical programs, youth ministry and Catholic Charities operations. These endowments, overseen by the investment committee of the Diocesan Finance Council, provide annual income for these program initiatives. Although the *RIF-FIH* capital campaign has almost ended, it is anticipated that these endowments will continue to grow with the continued support of contributors to these programs. The Arlington Diocese Education Foundation (ADEF) serves as a means for parochial and regional schools, as well as the diocese, to provide additional annual funds for educational purposes. The original patrimony of the Diocese of Arlington, contributed at inception, has been preserved and invested to function as an endowment for operations. Collectively, all of these funds are managed as restricted investments with a predictable amount budgeted to be utilized annually to support the intended programs or ministries.

Property, Equipment and Related Debt

The diocese is required to report the real property, land and equipment that it holds for diocesan uses. This includes the land and the original buildings and grounds of the diocesan high schools and other affiliated organizations under the office of the diocesan bishop. The almost \$11 million in land for future parish and diocesan needs is demonstrative of the continual emphasis on growth and development, and the diocesan commitment toward that growth. As a result of the utilization of bond proceeds for the Pope John Paul the Great High School construction, the associated \$23 million debt is included as an offset to the asset.

Diocesan Finance Council

As required by canon law, the Diocesan Finance Council is made up of lay and clergy of the diocese. The finance council is charged with preparing the annual diocesan budget and making recommendations to Bishop Loverde on a number of financial issues including audits, construction projects, investments, and all other extraordinary financial matters. The current members are:

Most Rev. Paul S. Loverde – Chairman
Mr. Timothy R. Cotnoir –
Diocesan Finance Officer

Membership:

Rev. Kevin J. Larsen
Rev. Mark S. Mealey,
O.S.F.S., V.G.
Rev. Richard A. Mullins
Rev. Frank J. Ready, V.G.
Rev. Robert J. Rippy, V.F.
Ms. Joan M. Biehler

Mark E. Herrmann, Esq.
Mr. William Hummel
Mrs. Kathy McKinless
Mr. Paul S. Stevens

Audit & Budget Committee:

Mrs. Kathy McKinless (Chair)
Mrs. Ellen Goitia
Mr. Victor F. Sellier

Investment Committee:

Mr. Paul S. Stevens (Chair)
Mr. Val Hawkins
Mr. William Hummel

DIAL Corp Board of Directors

Rev. Mark S. Mealey (President)
Mr. Joseph J. Calabrese, III
Mr. Timothy R. Cotnoir
(Secretary/Treasurer)
Mr. Michael Donovan
Mr. Mark E. Herrmann (Registered Agent)
Mrs. Kathy McKinless (Chair)

Current Operations

	June 30, 2012	June 30, 2011
Cash and cash equivalents	\$12,466,319	\$11,117,801
Pledges and accounts receivable	5,962,554	6,983,860
Investments*	91,920,599	90,149,946
Loan receivable	4,734,286	11,192,809
Prepaid expenses and other assets	499,212	1,424,730
Total assets	\$115,582,970	\$120,869,146
Accounts payable and accrued expenses	\$4,410,224	\$4,275,035
Deposits held for others and other liabilities	2,029,621	3,487,721
Funds held for DIAL Corp. in investment pool	51,670,892	51,061,802
Accrued priests' pension liability and post retirement health obligation	17,268,885	10,533,783
Total liabilities	75,379,622	69,358,341
Unrestricted net assets	33,840,173	44,865,780
Temporarily restricted net assets	6,363,175	6,645,025
Total net assets	40,203,348	51,510,805
Total liabilities and net assets	\$115,582,970	\$120,869,146

*includes funds held for DIAL Corp

Permanent Endowments, ADEF and Functioning as Endowment

	June 30, 2012	June 30, 2011
Investments	\$45,203,723	\$44,472,609
Pledges receivable	497,425	979,294
Accrued interest receivable	18,369	20,398
Total assets	\$45,719,517	\$45,472,301
ADEF funds held for schools	\$2,386,801	\$2,515,401
Endowments held for others (Catholic Charities)	8,725,334	8,030,231
Total liabilities	11,112,135	10,545,632
Unrestricted net assets, including functioning as endowment	8,492,450	8,400,942
Temporarily restricted net assets	7,646,975	8,084,046
Permanently restricted net assets	18,467,957	18,441,681
Total net assets	34,607,382	34,926,669
Total liabilities and net assets	\$45,719,517	\$45,472,301

Property, Equipment and Related Debt

	June 30, 2012	June 30, 2011
Real property and improvements	\$117,244,335	\$117,048,884
Land held for future parish and diocesan sites	10,935,532	10,895,532
Land restricted for high school	14,500,000	14,500,000
Furniture and equipment	6,848,921	6,712,237
Less: accumulated depreciation	(24,497,854)	(21,894,850)
Loan Receivable	4,104,917	4,209,917
Unamortized bond costs	358,524	375,265
Total assets	\$129,494,375	\$131,846,985
Accounts payable	\$170,787	\$41,186
Bonds payable	22,650,000	23,205,000
Temporarily restricted net assets	14,500,000	14,500,000
Unrestricted net assets	92,173,588	94,100,799
Total liabilities and net assets	\$129,494,375	\$131,846,985

Evangelization and Outreach

During this Year of Faith, as a diocesan family of faith we are concerned not only with delving more deeply into our own relationship with Christ, but also with spreading the Good News to others. As Pope Benedict XVI writes in *Porta Fidei*, "it is the love of Christ that fills our hearts and impels us to evangelize. Today as in the past, he sends us through the highways of the world to proclaim his Gospel to all the peoples of the earth (cf. Mt 28:19)."



Bishop Lovarde meets with Pope Benedict XVI for his ad limina visit.

Focus on the New Evangelization

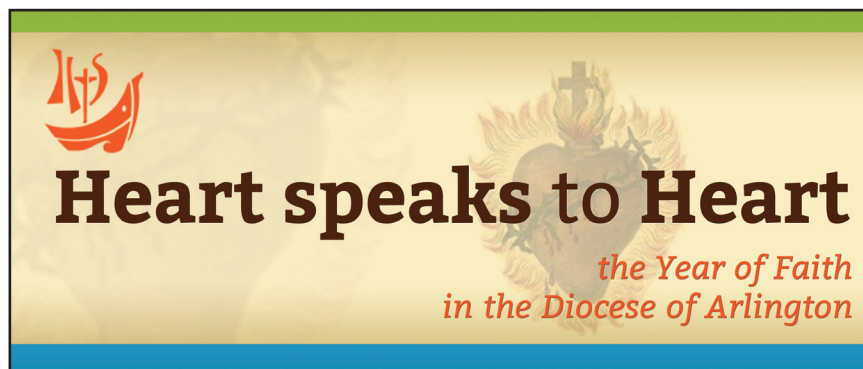
Newly appointed Special Assistant for Evangelization and Media, Soren Johnson, has begun to support the parishes in their response to Pope Benedict XVI's call for the New Evangelization. By facilitating a sharing of evangelization initiatives already in place, as well as cultivating new ones, the Diocese of Arlington is striving to "cast into the deep."

World Mission Sunday and Canonizations

This October, the diocese celebrated the canonizations of several new saints who hold significance for multicultural communities here in the Diocese. These include Native American Saint Kateri Tekakwitha, as well as St. Pedro Calungsod and St. Marianne Cope. Parishioners came together to celebrate with a Mass and Multicultural fair which displayed the richness of the many cultures present within our diocese.



Members of the Asian and Pacific Catholics Network at the Multicultural Fair.



Year of Faith web portal

To help the people of the diocese enter more deeply into the Year of Faith, a web initiative has been launched entitled "Heart speaks to Heart" at www.yearoffaith.arlingtondiocese.org. This site invites active Catholics, those who have fallen away and those interested in the faith to find enriching events during this year, connect through social media and participate in a weekly faith challenge from Bishop Lovarde.

Arlington Catholic Herald expands Digital Evangelization

The Arlington Catholic Herald continues to further its digital reach by actively engaging in social media and other forms of digital communications. The Herald's Twitter feed – @acatholicaherald – has more than 4,200 followers. The staff writers also have begun their own twitter feeds posting updates on their stories. The Herald Facebook page, rapidly gaining 'likes,' prompts relevant online conversations as well. New this year, the Herald sends out a weekly e-newsletter that not only highlights stories from the print edition, but also includes web-only news, such as blog posts from Herald staff.



Turn up your Radio – It's Bishop Lovarde

If you turn on the radio, you just might catch one of Bishop Lovarde's messages, which can be heard frequently throughout the year. Bishop Lovarde welcomes everyone to participate more fully in our diocesan family of faith. Whether it is to receive the Sacrament of Penance during The Light is On For You Lenten initiative, to find a community during summer months, or to reexamine the true meaning of the holidays, these radio messages seek to welcome anyone who might be listening for Christ's invitation in their lives.



Bishop Lovarde records welcoming radio messages.