



DIOCESE OF RALEIGH

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January 2026

Dear Brothers and Sisters in Christ,

In my role as Chief Financial Officer, I am honored to have the responsibility of making this Annual Report on the finances and other relevant data for the Catholic Diocese of Raleigh. The Diocesan finances are audited by the independent accounting firm of Cherry Bekaert LLP.

I am pleased to report that our Diocese continues to be financially healthy and stable. The Diocese ran a small surplus from its day-to-day operations, and Diocesan unrestricted reserves (undesignated net assets) increased. Once again, the audit is accompanied by an *unmodified opinion*, which is the highest level of assurance issued by the auditors, indicating they believe the financial statements fairly represent the financial status of the Diocese. Our Diocese continues to experience signs of vibrancy, while it also faces some challenges, and it is making continued progress in key areas, highlighted below:

Growth, Vibrancy, and Challenges

- The growth in the Catholic population in the Diocese of Raleigh is resulting in the continuing design and construction of new facilities in many geographic areas of the Diocese. These projects include new churches, parish halls, education buildings, and columbaria. The supplemental annual report, contained alongside this letter on the Diocesan website, details the nature and location of these many exciting projects.
- The Diocese currently has 15 men in formation for the Priesthood. While endowments and other gifts help fund these expenses, the Bishop's Annual Appeal (BAA) provides significant funding as well. I am grateful for the faithful who support the Seminarian Partnership Program, for those who have provided endowments to perpetually support seminarian education and formation, for those who pray for increased vocations to the Priesthood and religious life, and for those who regularly pray for our seminarians by name.
- Parish offertory, the backbone of the financial well-being of any parish, ended the year as of June 2025 at a 4.9% increase over the previous year. However, the year ended June 2025 has 52 weeks, while the previous fiscal year had 53 weeks. Standardized for the same number of weeks in each year, offertory grew at 6.9% over the past year. Through a modest assessment, offertory is the second single largest source of income to support the pastoral and charitable ministries and services of the central offices of the Diocese.

- The Bishop's Annual Appeal for 2025, which funds the 2025-26 fiscal year, received \$8.6 million in pledges as of the writing of this document. Many parishes exceeded their BAA goals, and almost \$400,000 will be rebated back to parishes to help support local parish needs and ministries.

Outreach to Those in Need and to Those Impacted by Economic Challenges, and Support for Maintaining a Catholic Presence Across our Diocese

Amidst historic growth trends in many areas of the Diocese, that growth and prosperity is not uniform across the eastern half of the state. There are parishioners and people in our communities who are facing economic challenges.

69 (76 when standardized for the same number of weeks in each fiscal year) parishes and missions had an increase in offertory for the year ended June 2025 vs. the year ended June 2024. Of those parishes that had an offertory increase, 21 (31 when standardized) had an annual increase of over 10%. Only 25 parishes (18 when standardized) had an offertory decrease. Of those parishes, only 3 (2 when standardized) had a decrease of over 10%. This is excellent news for most parishes, but some continue to have financial challenges. In fact, the Diocese financially subsidizes several smaller parishes in rural parts of the state so that a Catholic presence can be maintained there.

In response to these and other similar challenges, the Diocese has responded in some of the following ways:

- The Diocese provided approximately \$1.4 million from the Diocesan operating budget in 2024-25 to support small parishes so that a Catholic presence could be maintained in rural parts of the state. That funding also supported priestly ministry at parishes, at 7 campus ministries, and hospitals. A large part of this funding comes from the Bishop's Annual Appeal.
- The Diocese has an Interest Free Home Revolving Loan Fund, which makes over \$5.5 million available for interest-free loans to small and poor parishes from the Interest Free Home Revolving Fund, which provides an opportunity for parishes to save over \$200,000 per year in interest expenses that can instead be devoted to pastoral ministry and outreach.
- The Diocese provided \$2 million in financial support to Catholic Charities from the BAA. Catholic Charities receives more funding from the BAA than any other single ministry, and the BAA is the largest single source of funding for Catholic Charities. I am grateful for the many volunteers who assist the Catholic Charities staff in its outreach and for the benefactors who provides the resources to make much of this outreach possible. Just as importantly, I also ask you to join me in offering continued prayers for all those in need.
- The Diocese and its parishes in the Raleigh and Piedmont Deaneries continue to provide financial support for the Cristo Rey school in Durham. Cristo Rey is a private Catholic high school that is not under the governance of the Diocese of Raleigh. However, the Diocese and parishes in the Raleigh and Piedmont Deaneries provide support for its mission of providing a Catholic high school education to those families who would not otherwise be able to afford it.

Continued Areas of Progress

I am pleased to report on continued progress in several key areas:

- The Catholic Community Deposit and Loan Fund, Inc. remains vibrant. As of today, there is over \$123 million on deposit in just under 500 accounts from parishes and schools across the Diocese. There is also approximately \$19 million on loan in 24 interest bearing loans to parishes across the Diocese. The loan interest rate of 4.0% is, to our knowledge, among the lowest loan interest rate charged by any Diocese in the country to its parishes.
- At the same time, the interest rate on parish deposits, which can be withdrawn upon demand, is currently 3.0%, which is consistent with the prevailing rates for risk-free short-term deposits in the financial markets and which is consistent with other Dioceses in our region and across the country. The Diocese continues to invest surplus parish deposits in fully government insured instruments that are not subject to market risk.
- The Diocese continues its commitment to conducting financial audits and internal control reviews at parishes and schools, with the objective of performing audits at parishes and schools every other year, and when there is a transition in pastors.
- The Diocese continues to operate a free bookkeeping service for small parishes, missions, and campus ministries without the resources to have a full-time paid staff person producing the financial statements and paying the bills. Currently, the Diocese is assisting 37 parishes, missions, and campus ministries in this manner with various levels of support.
- As of June 2025, the Diocese had a 100% target funding status for the Priest Pension Plan, and the funded status of that plan was 104.5%. The Priest Pension Plan is well funded.
- The Lay Employee Pension plan was frozen in 2010 in lieu of a 403(b) defined contribution plan. However, the Lay Employee Pension Plan was still paying benefits to employees who have earned those benefits. That plan became overfunded, and most of the pension investments were transferred in 2025 to two highly rated insurance companies which have taken over responsibility to make those pension payments. Unlike when those pensions were the responsibility of the Diocese, the pensions now have state insurance in the highly unlikely event that an insurance company would somehow fail.
- At the same time the Lay Employee Pension Plan was transferred, the Diocese was able to provide rebates of over \$3 million to parishes, schools, campus ministries, and Catholic Charities, as there were residual funds after the assets were transferred to the insurance companies because of the overfunded status of the Lay Employee Pension Plan.
- Once the Lay Employee Pension Plan was transferred, the Diocese was able to reduce the retirement assessment to parishes and schools, saving them approximately \$900,000 per year in assessments. At the same time as assessments were reduced, the 403(b) benefit for church employees was able to be increased.
- The Clergy Long Term Care endowment is currently valued at just over \$11 million. Several years ago, an actuarial study recommended a target level of \$10 million to provide earnings for long term, uninsured care needs for Diocesan priests. That actuarial study has been updated and today that target endowment balance has grown to \$17 million. A plan is in place to continue to build the endowment to that new amount over the coming years.
- I am grateful to the Diocesan Finance Council and the Diocesan Investment Committee for their wise counsel in helping us achieve all these favorable financial milestones.

- In this rapidly growing Diocese, it is necessary to search for land for future parishes and schools and to be purchasing land now, when the land is available and presumably less expensive than it will be in the future, in areas where future growth is expected to occur. The Diocese owns land in various parts of eastern North Carolina where potential new parishes may be formed, when the timing is right based upon population growth and the availability of priests to serve a potential new parish. The Diocese uses demographic projection software, in conjunction with capacity studies at existing parishes, to aid it in identifying areas where the future sites will be located. In recent years, the Diocese has purchased land in Pittsboro, near Holly Springs, in East Durham, and in Lillington. Searches continue in other target areas of the Diocese for future parishes. The acquisition of additional funding for land purchases, as well as the identification of funding sources for those purchases, is one of the strategic priorities of the Diocese.

In Conclusion

Importantly, as part of the work performed by the independent auditors, there is once again an *attestation letter* which indicates that their review and testing shows that the no funds from parish deposits with the *Catholic Community Deposit and Loan Fund*, the *Bishop's Annual Appeal* or the *Our Cathedral: One Faith, One People* campaign have been used for expenses related to allegations of misconduct by a representative of the church.

I invite you to review the report on our Diocesan website at the web address listed at the beginning of this letter. This report visually highlights some key financial, statistical, and pastoral benchmarks, as an accompaniment to the annual financial audit. We take seriously our obligation to exercise proper stewardship over the resources that have been entrusted to us, and I believe that you will find that we have honored that obligation and commitment.

I express gratitude to Bishop Luis Rafael Zarama for his leadership and steadfast support for prudent fiscal practices in our Diocese. I am also grateful for the members of the Diocesan Finance Council and the Diocesan Investment Committee, who provide such wise advice and guidance. I offer renewed thanks for your support which makes it possible for our Diocese to provide the pastoral and charitable ministries and Diocesan services that positively impact so many people each year.

Sincerely,

Russell C. Elmayan, M.B.A., M.P.S., D.Min.
Chief Financial Officer and Chief Administrative Officer

Diocesan Finance Council Members

Mr. Brian Reid, Chair (brian.reid@townebank.com) President, Triangle Market, TowneBank
Mr. James T. Boyle, Jr. – Retired Chief Operating Officer, LabCorp
Very Rev. Michael Burbeck – Vicar General, Diocese of Raleigh
Dr. Russell Elmayan – Chief Financial Officer/Chief Administrative Officer, Diocese of Raleigh
Mr. Thomas Fenn – Certified Financial Planner, T Fenn Financial
Mr. Andres Forero – Strategic Finance and Digital Finance Analyst, RTI International
Mr. Kevin Green – Sr. Solution Architect and Practice Lead, IBM
Ms. Michele Holbrook – Capital Program Manager, Corning Optical Communication
Msgr. Joseph Ntuwa, Pastor, All Saints, Hampstead

Rev. Tom Simisky, SJ, Pastor, St. Raphael the Archangel, Raleigh
Ms. Laurie Stallings, Executive Director, Cypress Glen Retirement Community
Mr. Tim Thronson – Retired Partner, PricewaterhouseCoopers
Mr. Jason Sandner - CEO, Curi

Diocesan Investment Committee Members

Mr. Eric Freedman, Chair- Chief Investment Officer, U.S. Bank
Mr. Mark Corigliano, Corigliano Investment Advisors
Mr. Thomas Fenn – Certified Financial Planner, T Fenn Financial
Dr. Peter Nolan- Co-founder, QMS Capital
Dr. Abayomi Adigun, Investment Manager, Public Securities, Duke University Management Company
Mr. Jason Sandner, CEO, Curi