Annual Report 2025-2026

Saint Francis of Assisi Catholic Parish of Raleigh

The Catholic Community of St. Francis of ASSISI
11401 Leesville Road, Raleigh, NC 27613

Annual Report

For fiscal year 2025-2026, which closed on June 30th, we are pleased to report that the Parish closed the books in a positive manner across all budget areas, while increasing our reserves.

Offertory exceeded its budget expectations and grew YTY by 3.9%. We also introduced a new method to donate during Mass by adding TipTap devices to the baskets. Our intention was to provide a giving option to people who do not tend to carry cash and use checks. Its adoption continues to grow and currently represents about 3% of our total Offertory collections. As a reminder, Offertory is the sole funding source for our non-revenue ministry areas and represents 80% of the total Church income. A 10% Tithe of our Offertory goes towards our Justice and Peace Ministries, providing funding assistance to agencies serving our community. Another 10% goes toward the schools in the form of tuition assistance so that families with little financial means can send their children to our schools.

Both of our schools exceed their enrollment targets for the year. TFS closed the year with 690 students vs. a budget expectation of 682. The Preschool had 172 students vs. its budget expectation of 166. For TFS families, the NC Opportunity Scholarships provided tremendous financial support. Currently, about 90% of our families are receiving NCOS funds. Due to the higher levels of enrollment, both schools ended the year with surpluses, which were used to build their reserves, grow their student assistance endowments, and bolster our maintenance and capital reserves.

The Columbarium niche sales continue to outpace our planned expectations. At the current pace of 4-5 niches per month, we continue to assess the need for another expansion project.

This was another year with major maintenance projects undertaken and completed. We again spent nearly $1 million to maintain the campus and buildings. That is over and above the normal $3.8 million it takes to operate our facilities. The Capital Maintenance projects included the replacement of the lantern windows of the church, renovation of the TFS Thea Hall bathrooms, renovation of the TFS courtyard, replacement of covered walkway columns, installation of safety gates for the TFS parking lot, many other security enhancements, replacement of the gym sound system, replacement of the maintenance ATV, renovation of the garage/workshop, painting & repair of the TFS building's exterior, and many other projects. Our Maintenance Reserve is healthy as we enter the new fiscal year.

From a strategic capital planning standpoint, work is underway looking into the possible replacement of the aging mobile classrooms behind Thea Hall and whether a future expansion of the Columbarium would be required.

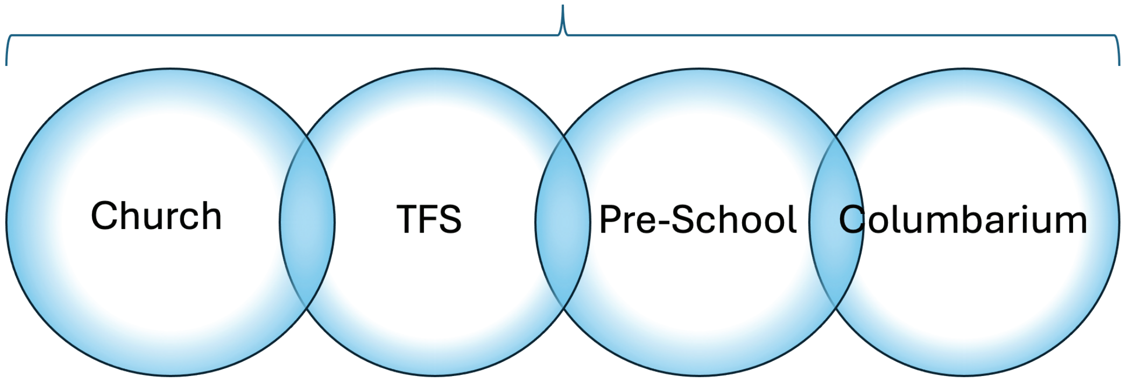
This report will provide our community with more insight into the details associated with the Parish finances and how we demonstrate good stewardship over the funds we receive. As in the past, it will begin with a brief review of our four budget areas, an overview of the financial governance which starts with the Finance Council and then provides details for each budget area's income and expenses.

Thank you for your continued support of the Parish,

Rob Neppel Director of Finance	Fr. Chris Koehn Pastor	Steve Vebber Finance Council Chair

How Are We Financially Organized

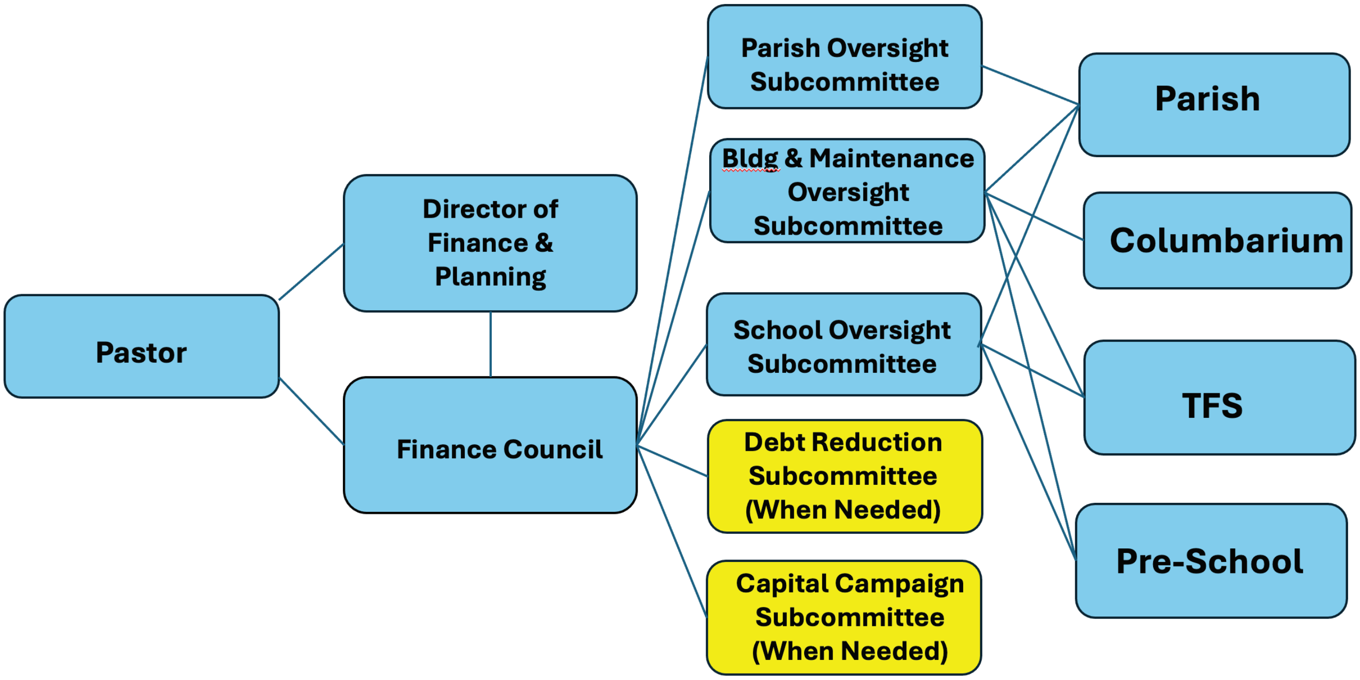
Parish Finances are composed of 4
Separate Budgets that are Interlinked and Co-dependent



Shared Plant Infrastructure, Utilities, IT, and Maintenance Contractor Support
Shared Operations, Finance, HR, and Maintenance Staff Support
Shared Landscaping and Grounds Keeping Support

The Parish financial governance is headed by the Finance Council, which is the only Council specifically required by Canon Law. The role of the council is to provide Financial Guidance and Recommendations to the Pastor. The Council is composed of fifteen parishioners with a variety of financial skills and backgrounds and represent the voting members of the Council. The Council meets 7-8 times a year but will meet more frequently if the needs arise. Key staff members also sit on the Council as non-voting members and provide organizational input and expertise along with the Chair of the Pastoral Council. For a Council meeting to be official, the Pastor must be present, along with at least eight voting members.

The Director of Finance and Planning also serves on the council as a non-voting member, in a support capacity. The Director of Finance will collaborate with the staff and Sub-Committees to prepare proposals for Finance Council consideration and is responsible for the day-to-day execution of approved plans. St. Francis has also put in place Oversight Committees to oversee various aspects of Parish financial operations. The following chart illustrates our Financial Management structure:



Finance Council Responsibility Chart

In addition to the above sub-committees, Finance Council members also sit on the Justice and Peace Tithe Committee, the Columbarium Committee, and the Chair of the Finance Council also serves on the Pastoral Council.

All the budget areas follow our expense approval guidelines, which are:

- Expenses: less than $50, no prior approval required.
- Expenses: $50 - $499, prior approval of the budget owner is required.
- Expenses: $500 and above, prior approval of the budget owner and Director of Finance & Planning are required.

In addition, any expenses greater than $10,000 require the approval of the Finance Council and Pastor. If the expense involves a Capital Improvement, the Diocese of Raleigh also needs to approve the expense before work can proceed.

We have an additional business control associated with all account withdrawals. All withdrawal requests require multiple approvals, specifically the Pastor, Finance Council Chair, Director of Finance & Planning, and responsible Budget Owner.

The following chart provides the high-level financial summary we provided the Diocese as part of its Year End Report. All budget areas closed their books in a positive manner.

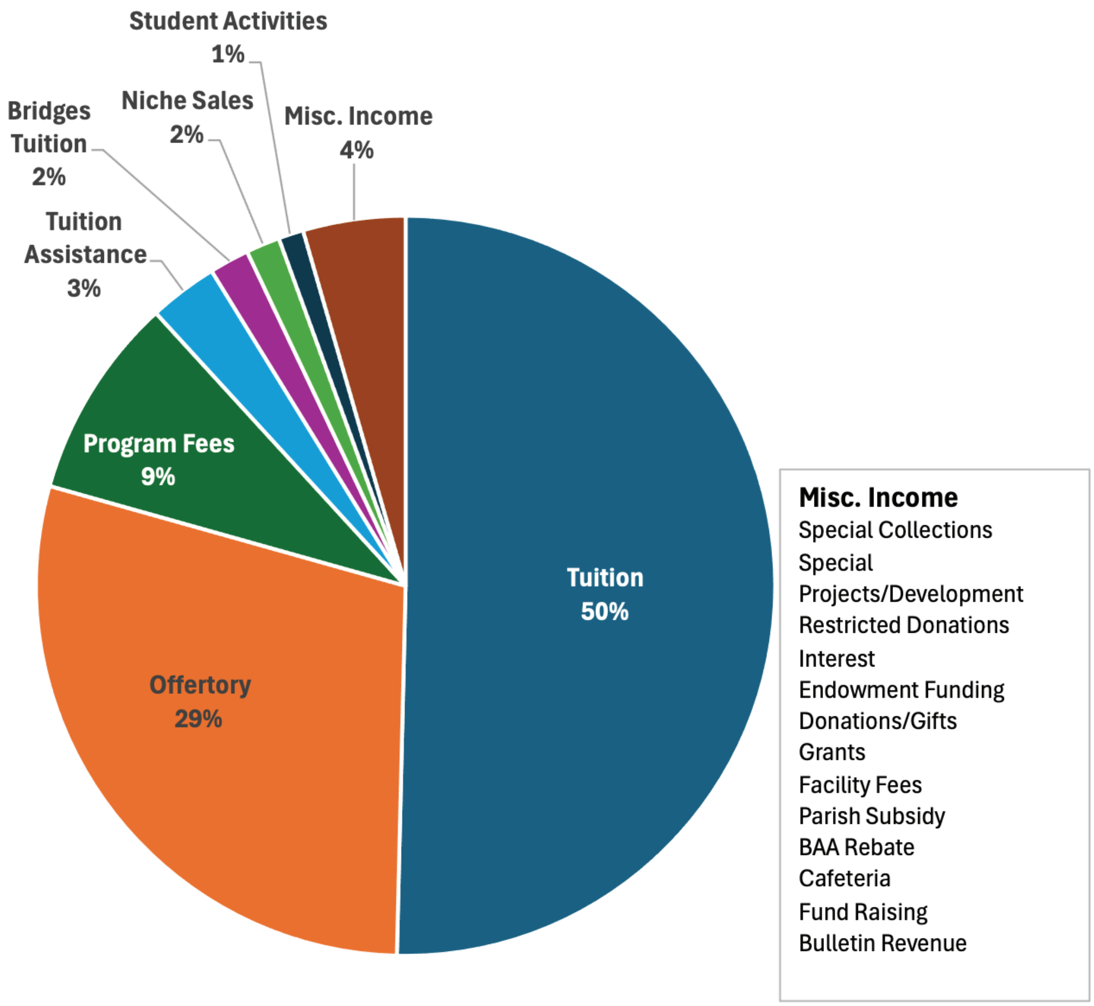
Parish 2025-2026 Financial Report

Revenue / Expense	Church	The Franciscan School	Pre-School	Columbarium	Parish Total
Total Operating Income	$5,704,499	$8,510,206	$1,266,483	$233,217	$15,714,405
Total Operating Expense	$5,675,654	$8,500,279	$1,209,542	$224,977	$15,610,453
Net Totals	$28,845	$9,926	$56,941	$8,240	$103,952
==					
Cash / Reserves / Loans					
Checking					
Beginning Balance	$219,207	$633,113	$59,089	$5,850	$911,408
Ending Balance	$388,019	$590,931	$89,763	$13,989	$1,068,713
Savings					
Beginning Balance	$2,440,127	$1,059,793	$725,056	$13,308	$4,224,976
Ending Balance	$2,816,735	$1,056,648	$774,206	$13,712	$4,647,589
Endowments					
Beginning Balance	$1,899,502	$3,521,995	$338,377	$731,416	$5,759,874
Ending Balance	$2,026,920	$3,995,114	$405,100	$927,376	$6,427,134
Debt - Internal Loans					
Beginning Balance		$233,792			$233,792
Ending Balance		$100,420			$100,420

Collective Parish Budget

Over the years our Parish has grown in numbers, facilities, and services to both our community and beyond. As a result, our financial needs have grown accordingly. Maintenance is placing an ever-increasing demand upon our budgets as our facilities age and will continue to do so into the future. The Parish faces the same issues your family does with your own budgets. Prioritization and budget planning are a never-ending process. This report intends to provide you with better insight into how your financial gifts to the Parish are utilized and offer you an opportunity to ask questions as well as provide input for our planning process.

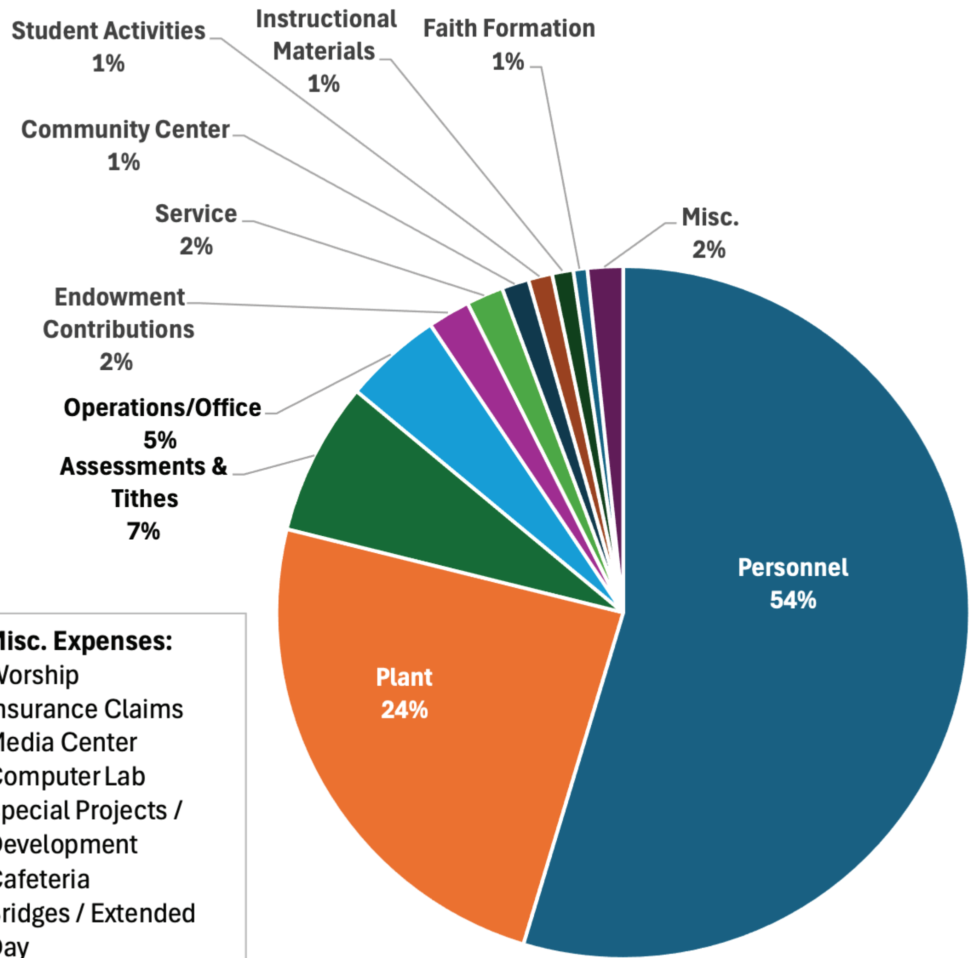
Collectively, the combined budgets represent the Parish as a $15,714,405 operation. Of that total, about $800K are exchanged between budgets in the form of budgetary allocations for shared services and the Offertory Tithe of Tuition Assistance for our school. The following charts show the collective sources elements of Parish income and expense.



Total Parish Income

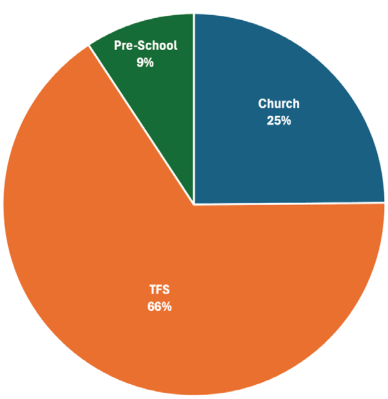
$15,714,405

Collective Parish Budget



Misc. Expenses:
Worship
Insurance Claims
Media Center
Computer Lab
Special Projects / Development
Cafeteria
Bridges / Extended Day
Parent Groups

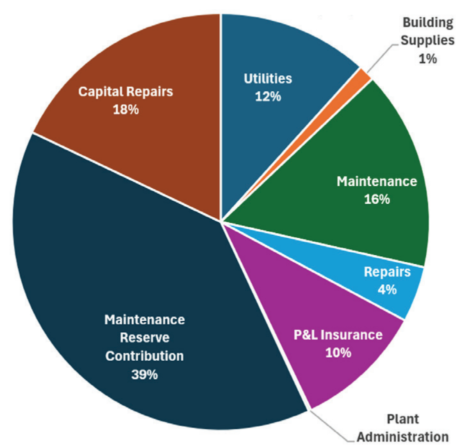
Total Parish Expense
$15,610,453



Parish Personnel Allocations
$8,530,582

As you can see from the Parish Expense Chart, personnel costs represent the largest expense area. The following chart shows how the staffing expense is allocated across the Church, TFS, and Pre-School budgets.

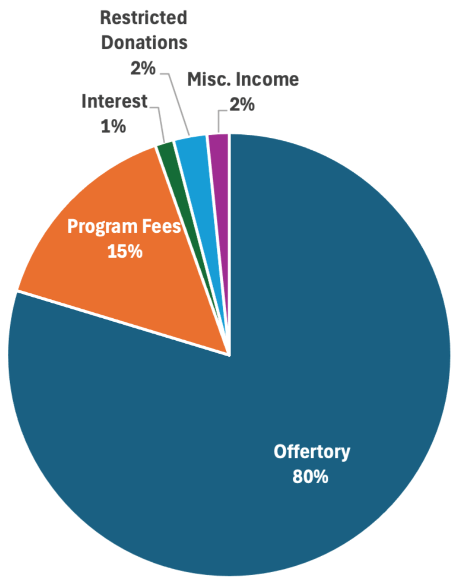
The second largest expense area is the plant related expenses. They include utilities, building supplies, maintenance, repairs, P&L insurance premiums, loan payments, and contributions to the Maintenance Reserve. Maintenance expenses continue to climb and now require an increased level of funding to keep up with the demands of maintaining this 30-acre campus.



Parish Total Plant
$3,782,476

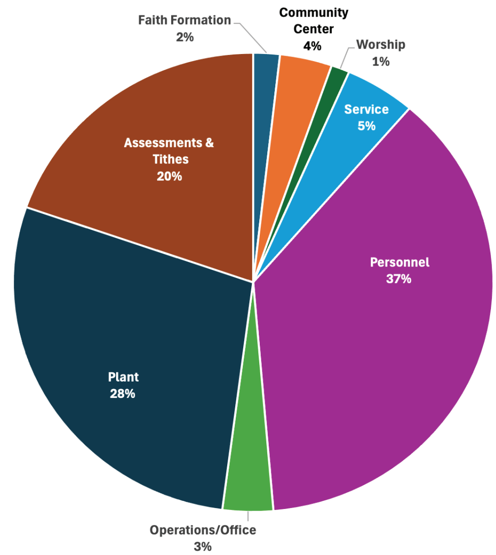
Church Budget

The Church income for the fiscal year totaled $5,704,499, of which 80% is from Offertory donations. As we have shared in the past, Offertory income is critical to support the non-revenue producing ministries of the Parish and the reason we tend to talk about it as much as we do. The total income was $119,832 more than planned due to receipt of several large, restricted donations, growth in savings interest, and increased enrollment in our Faith Formation and Community Center programs. The Church finished the year with a Net Total balance of $28,845.



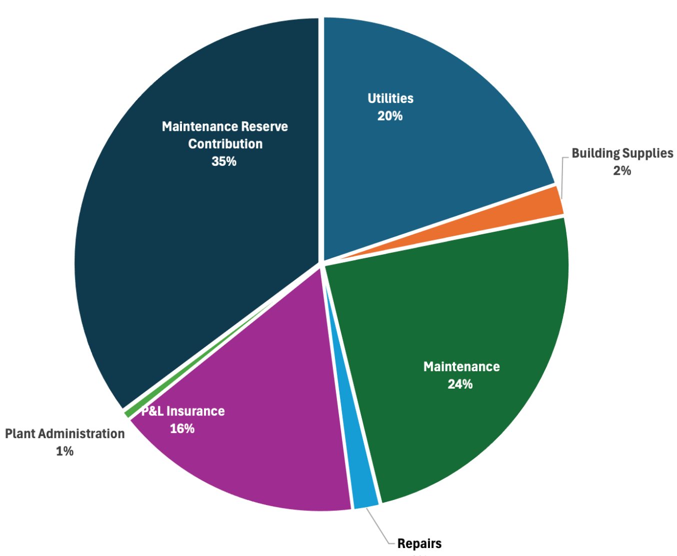
Misc. Income
Special Collections
Facility Fees
BAA Rebate
Donations
Fund Raising

Total Church Income
$5,704,499



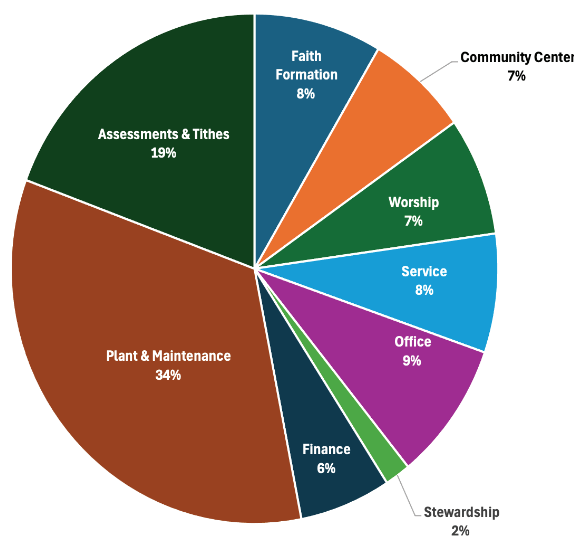
Church Expenses
$5,675,654

The Plant related expenses are broken down as follows.



Church Plant Expenses
$1,603,629

A more informative way to view our expenses is the following chart which combines the appropriate staff expenses along with the other expenses for the ministry areas to which they are assigned.



Church Expenses by Ministry Areas
$5,675,654

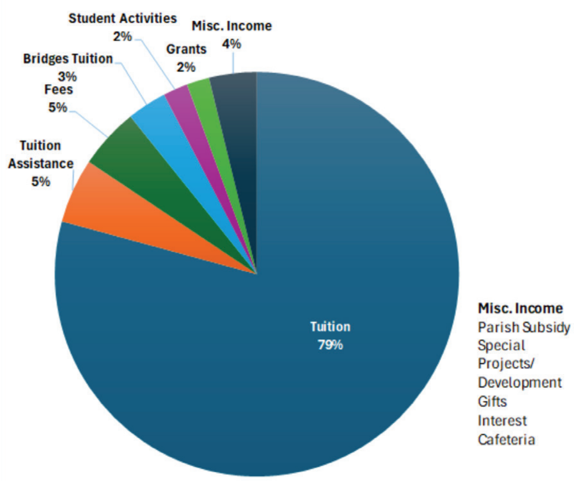
The Franciscan School Budget

The budget cycle for the schools starts in September/October. Preliminary budgets are prepared and reviewed for the purpose of setting the next school year's tuition rates. The rates are published in late December or early January in support of the opening of the enrollment process. The plans start with the assumptions associated with teacher and staff salaries, which represent 78% of the schools' expense budgets. Then there are assumptions related to inflation, and the number of students qualifying for which tuition rate. The budgets are conservative both for their income and expense expectations.

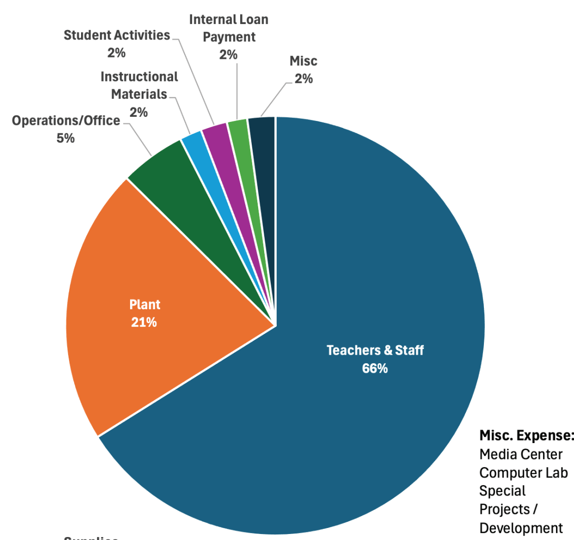
TFS income for the year was $8,510,206, which was $815,553 higher than the budget expected. The increase was generated from a number of sources, including higher student enrollments, higher number of non-steward rate student enrollments, NC Opportunity Scholarship funds which negated the need for the Church provided tuition assistance funds, and the Home & School Association making several significant grants to the school. Due to the significant unplanned increase in income and solid expense management, TFS was able to make the following year-end investments:

- $300,000 to the Capital Reserve
- $200,000 to the Maintenance Reserve
- $100,000 to the Student Assistance Endowment (3 yrs of early payments on the internal loan)
- $17,023 to the Home & School Savings
- The remaining funds remained in the checking account to cover July expenses.

While the preliminary budgets assumed staff salaries would compose 78% of the expense budgets, we ended this fiscal year with personnel costs being 68% of the total expense. The lowering of the actual percentage was due to the above allocation of surplus funds. The following two charts will show our sources of income and major expense areas.

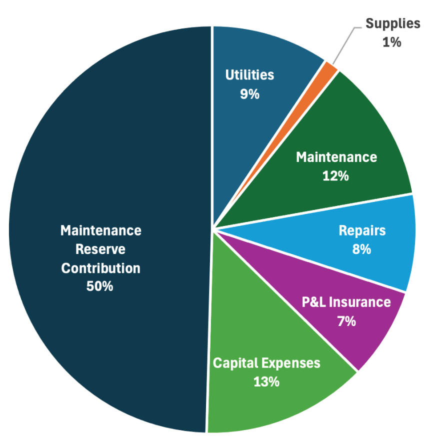


TFS Income
$8,510,206



TFS Expenes
$8,500,279

TFS Plant expenses are broken down as follows:



TFS Plant Detail
$1,816,051

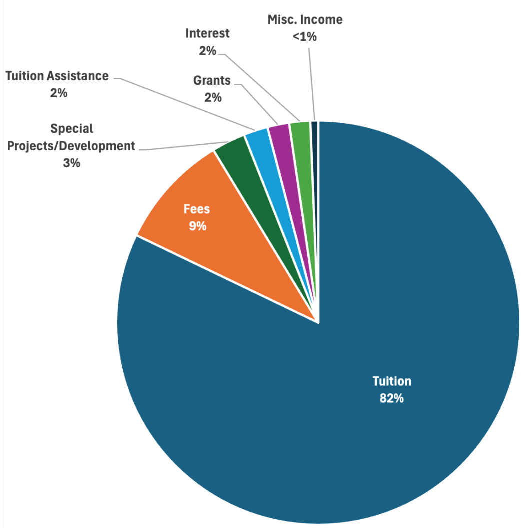
St. Francis Pre-School Budget

As described above, the budget cycle is the same as TFS with the same set of assumptions being considered. A major difference between the two schools is the ages of the students, the number of students per class, based upon age, and the number of day offerings (2, 3, 5 days).

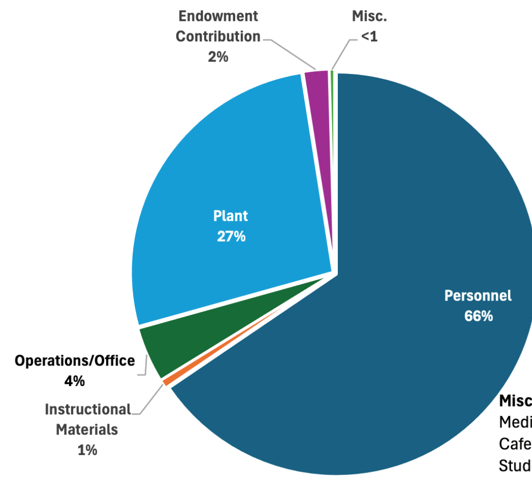
This year the Preschool received $1,266,483 in income vs. a planned expectation of $1,149,225. The income, along with sound expense management, the Preschool was able to make the following year-end investments:

- $25,000 to the Pre-School General Savings
- $50,000 to the Maintenance Reserve
- $25,000 to the Nancy Bourke Scholarship Endowment
- $21,258 to the Designated Savings
- The remaining funds remained in the checking account to cover July expenses.

Just as with TFS, while the preliminary budget assumed staff salaries would compose 78% of the expense budgets, we ended this fiscal year with personnel costs being 66% of the total expense. The lowering of the actual percentage was due to the above allocation of surplus funds. The following two charts will show our sources of income and major expense areas.



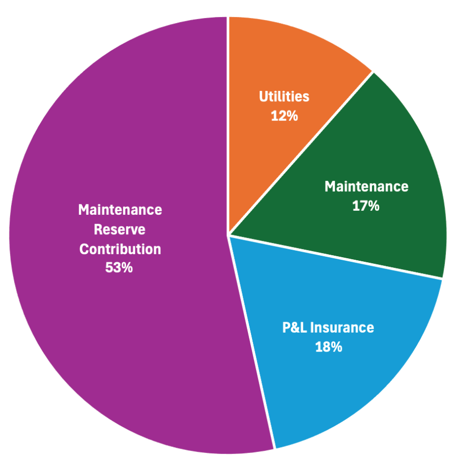
Pre-School Income
$1,266,483



Misc. Expenses:
Media Center
Cafeteria
Student Activities
Extended Day
Special Projects
Parent Groups

Pre-School Expense
$1,209,542

Pre-School Plant expenses are broken down as follows:



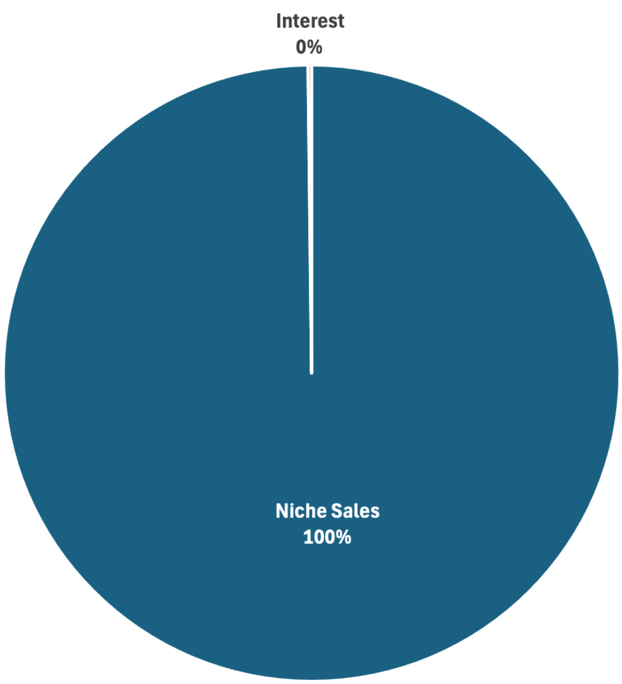
Pre-School Plant Expense
$273,620

Columbarium Budget

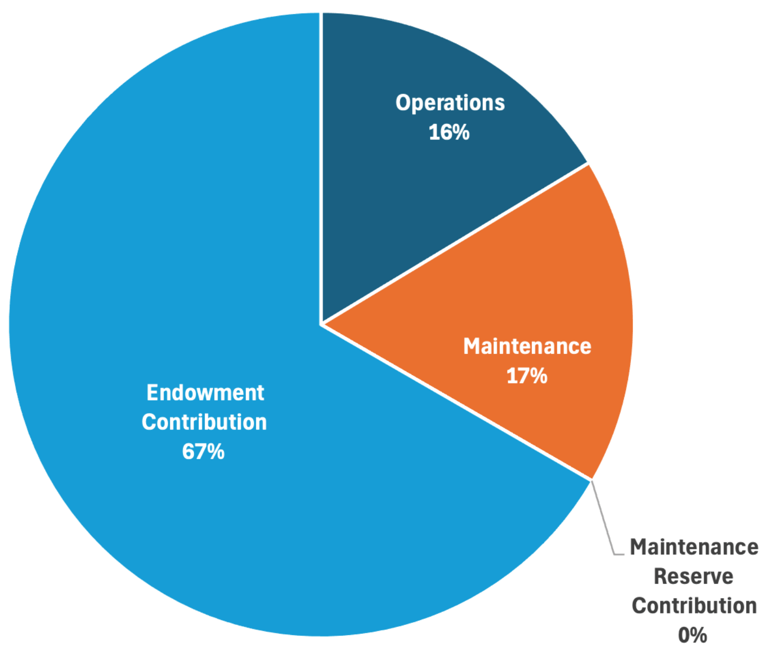
The Columbarium budget starts with the assumption of 4-5 Niche sales per month based upon historical sales. It also assumes all sales will be double Niches at the Parish Steward rate. As mentioned in our opening letter, sales exceeded the planned expectations. Income came in at $233,217 in income vs. a plan expectation of $219,852. Of the gross sales, we are required to invest 15% in the endowment for Perpetual Care. In our case, the endowment was not only established to provide for Perpetual Care but also Future Expansion. The endowment provided the bulk of the funds required for the most recent expansion.
After expenses, the following

- $35,471 to the Endowment for Perpetual Care (required 15%)
- $114,529 as additional investment in the Endowment (future expansion)

The following two charts will show our sources of income and major expense areas.



Columbarium Income
$233,217



Columbarium Expense
$224,977