



# DIOCESE OF RICHMOND

ANNUAL REPORT



# 2023

JUNE 30, 2023

NOW YOU ARE THE BODY OF CHRIST AND INDIVIDUALLY MEMBERS OF IT — 1 Corinthians 12:27



November 27, 2023

## A Message from Bishop Knestout

Dear Brothers and Sisters in Christ,

I want to thank you for taking the time to review this report, and more importantly, to thank you for sharing your time, talent, and treasure in support of our Church.

With ongoing concerns about the ups and downs in the stock market and with inflationary pressure adding stress to household budgets, many ask: Can we pay all the bills? Similarly, in the diocese, we ask: Will we have enough resources to carry out our mission? Please accept my gratitude for your response, which is evident in the generosity you have demonstrated.

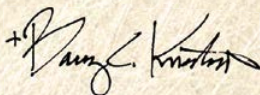
We saw this in the fruit born of the Learn to Lead Campaign, a campaign to support the ministry of Catholic schools. The value of our schools became evident to more families during COVID when strong leadership provided a caring and stable environment in which a high-quality education was delivered to our school children during the pandemic.

Another area of continued success is our Annual Diocesan Appeal – crucial to our mission – where total giving has increased. Yet support is coming from fewer people. This emphasizes the importance of finding ways to strengthen our Catholic faith with God’s people so more may experience it. During the National Eucharistic Revival, we are sharing our faith in the Real Presence, growing closer to Christ in the Eucharist while inviting others to do the same. Together and through Christ, we will sustain our mission today and into the future!

Stewardship of our financial resources relies on the work of our Diocesan Finance Office and Diocesan Finance Council. I am especially grateful for their service. With their competence, love for the Church and expertise in finance, administration, and investments, they provide sound advice to help us manage your contributions. They, like the members of parish finance councils, are critical to carrying out the Church’s mission.

As we continue in this second year of the Eucharistic Revival and as our parishes nurture Eucharistic devotion, may we continue to grow closer to Christ. Thank you for your continued support.

God bless you,



Most Reverend Barry C. Knestout  
Bishop of Richmond



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## MISSION

We, the Christian faithful of the Catholic Diocese of Richmond, led by our Bishop and in union with the universal Church, are listeners, learners, teachers and Disciples of Christ. We embrace our diversity and its expression in faith. We share a vision of a diocese where love grows, life triumphs and justice and peace prevail. We participate in God’s work to renew our Church and the world, through Word, Worship, Community and Service.





# EUCCHARISTIC REVIVAL

**C**ome and find joy, healing, hope, peace, unity and meaning. Scrolling across the National Eucharistic Revival webpage, these words describe the endeavor behind a three-year commitment by the U.S. bishops to restore understanding and devotion to the Eucharist. The revival came to fruition after a 2019 Pew Research survey revealed 70% of Catholics do not believe that the Eucharist – the bread and wine consecrated into the Body and Blood of Christ – is the Real Presence of Jesus Christ. To change this reality, the revival’s intention of ‘starting a fire and not a program’ launched nationally on Corpus Christi 2022. Locally, Bishop Knestout led this public outreach with a procession of the Blessed Sacrament around the Cathedral of the Sacred Heart. Other parishes continued the tradition of a eucharistic procession on their grounds as well.

Throughout 2022-2023, plans were shared with parishes as to how the efforts would evolve in our diocese. As Bishop Knestout wrote in his June 2022 column, “In our encounter with the Real Presence, we are praying about and reflecting upon the salvation he offers us and answering the call to holiness that flows from that. We are offering

***“I am the bread of life;  
whoever comes to me will  
never hunger, and  
whoever believes in  
me will never thirst”***

– (JN 6:35)

honor, praise and thanksgiving to our Lord for the gift he has given us in the sacrifice of his body and blood.”

Bishop Knestout continued, “We need more if we are to recognize the reality of the Eucharist and to open our hearts to the grace it provides.” And so, as the subsequent year gets underway in June 2023, known as the “Year of the Parish Revival,” many of our parishes are fostering attention to this movement through preaching, Eucharistic adorations, holy hours, and faith formation events to inspire and nourish the soul as to bear fruit in the years to come.

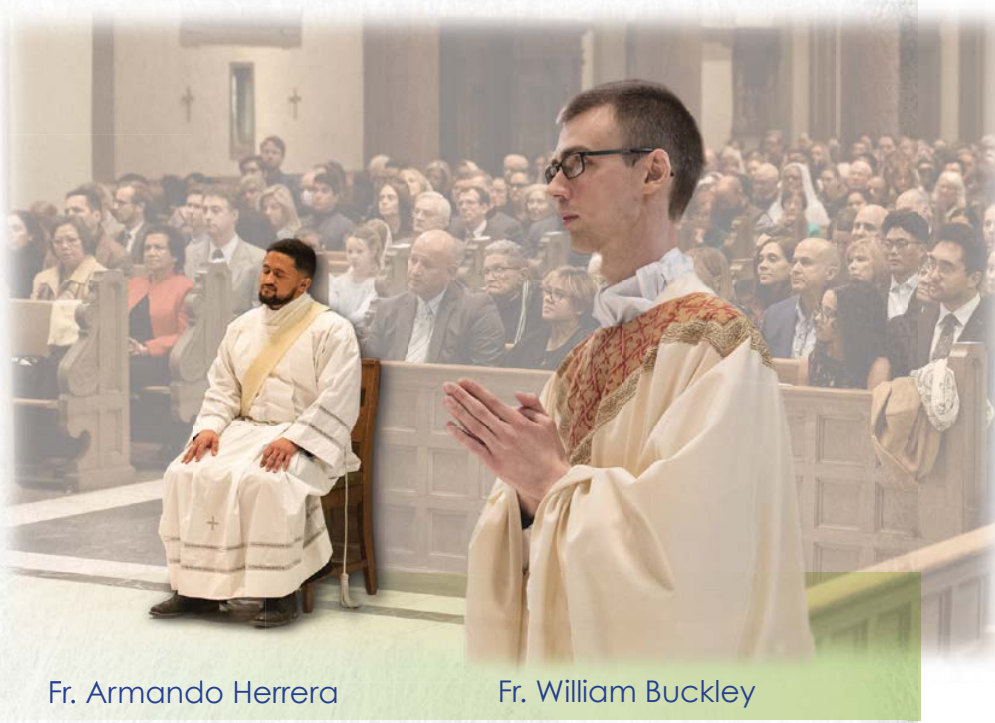




# ORDINATIONS

**F**ather Armando Herrera was ordained into the priesthood Dec. 10, 2022, by Bishop Barry C. Knestout at the Cathedral of the Sacred Heart, Richmond. Originally from New Jersey, Fr. Herrera moved to Roanoke with his family and is a graduate of Roanoke Catholic School and VMI. He studied at Theological College, the National Seminary of The Catholic University of America in Washington, D.C. Fr. Herrera is co-sponsored by the Archdiocese for the Military Services and will be released to serve as a military chaplain after his three-year assignment in the Diocese of Richmond. He celebrated his first Mass as a newly ordained priest at St. Benedict, Richmond, on Dec. 11, 2022. Following ordination, Fr. Herrera was assigned to Blessed Sacrament in Harrisonburg.

Six months later, the diocese welcomed another young man into the priesthood with the ordination of William Buckley, June 3, 2023. Originally from New York, Fr. Buckley earned his bachelor's degree at the University of Richmond. Following graduation, he worked as a music minister for St. Bridget in Richmond. A few years later, he entered seminary at Theological College in Washington, D.C. Following his ordination, Fr. Buckley's first parish assignment was in Roanoke at St. Andrew where he had previously spent time as a seminarian.



Fr. Armando Herrera

Fr. William Buckley

## BUILDING FOR THE FUTURE

Church of the Holy Family

**\$3.4 million** RENOVATION

\* Amounts updated on 12/15/2023

**I**n September 2022, Church of the Holy Family, Virginia Beach, completed a \$3.4 million\* renovation to its sanctuary, chapel and sacristy. The 1,400 registered households that make up the parish came together to raise \$2.2 million for the project, which was the original estimation for the cost of the project. The remaining \$1 million, made necessary by an increase in cost of materials and shipping, was paid for by a \$1.4 million\* loan to be paid out over the next 15 years.

The renovations began in November

2021. The concrete floor – which had been sloped towards a small altar – was leveled. The aisles were resurfaced with terrazzo, and the pew areas were resurfaced with luxury vinyl tile.

The small altar was replaced by a large marble altar and raised two steps above ground level. A wooden corpus of Christ crucified was placed on the existing cross above the tabernacle. Other improvements included a new sound system, an LED light system, a new marble baptismal font, wheelchair ramps and an upgraded HVAC system.



Bishop Knestout consecrates the new altar at Church of the Holy Family, Virginia Beach.



# LEARN TO LEAD

**T**he Learn to Lead campaign is a decade-long initiative to raise \$30 million to support and fund Catholic schools in the Diocese of Richmond. The first campaign of its kind aims to strengthen and support our 23 Catholic schools and students through a daring vision of priorities to include: expanding student financial aid, funding teacher professional development, mission school support, marketing and promoting Catholic education and increasing Catholic education accessibility for future generations. As of June 30, 2023, \$27.9 million has been raised through pledges and gifts. Learn more about the campaign and its efforts: [www.learn-to-lead-campaign.org](http://www.learn-to-lead-campaign.org).





# LEARN TO LEAD

## All Saints Catholic School

### SCHOLARSHIPS

# \$500,913

All Saints Catholic School, Richmond, received \$500,913 dollars in donations through Learn to Lead in the 2022-2023 fiscal year. Principal Scott Meadows said that the focus with the funds has been closing the gap on the "cost to educate," a term used to identify the difference between the tuition that families pay and the amount it costs to educate each student.

"With the Learn to Lead funds, we have been able to provide scholarships to our families to assist them with tuition," said Meadows. The funds were also used to increase teacher salaries and maintain school facilities.

## St. John Neumann Academy

In the last fiscal year, St. John Neumann Academy raised \$460,850 through the Learn to Lead program. According to Julia Wharton, director, the funds raised will help retire \$2 million of debt incurred by the construction of the academy's new campus, completed in 2017. By doing so, they are able to invest in their teachers by offering more competitive salaries and a health benefits package, and in their students by enhancing band, choir and athletics opportunities.

"We are excited by the initial support and grateful to Bishop Barry C. Knestout for his leadership and support of Catholic education," said Wharton.

## Our Lady of Lourdes Catholic School

### NEW CONSTRUCTION

# \$1.3 million

Our Lady of Lourdes Catholic School (OLL), Richmond, raised over \$1.3 million through the Learn to Lead campaign in the 2022-2023 fiscal year. All the money is being used to fund new construction on campus, a project that includes a new gymnasium, an art classroom and a music classroom. Previously, the gymnasium was shared space with the cafeteria.

"This has been a growing need for us in terms of space, and for improving our athletics and our arts program, which is important to our families," said Carey Jacobsen OLL principal.

Jacobsen praised the response of the OLL community, noting that the donations started to come in last fall and increased during a strong midwinter campaign.

The expansion project broke ground Friday, Oct. 13, 2023 at Our Lady of Lourdes annual fall festival.



### DEBT REDUCTION

# \$460,850

# SERVING FAITHFULLY •

## INTERNATIONAL PRIESTS

Through a decades-long partnership with dioceses in Africa, the Asia-Pacific and Latin America, the Catholic Diocese of Richmond has been enriched by the presence and ministry of international priests who generously serve throughout the diocese.

Serving faithfully alongside priests who were formed in and ordained for the Diocese of Richmond, international clergy bring a spirit of missionary zeal, cultural awareness, and administrative experience to many parish communities from the Eastern Shore to the Cumberland Gap.

Currently, the diocese is very fortunate to have a total of 52 international priests serving faithfully in a variety of parochial assignments.





## STATEMENTS OF FINANCIAL POSITION

## ASSETS

	JUNE 30, 2023	JUNE 30, 2022
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 899,926	\$ 901,190
Short-Term Investments	1,945,681	4,430,680
Accounts Receivable	3,959,530	3,224,178
Pledges Receivable - Current Portion, Net	1,614,007	1,541,810
Prepaid Expenses and Other Current Assets	3,023,704	1,352,749
Total Current Assets	11,442,848	11,450,607
<b>NONCURRENT ASSETS</b>		
Investments	77,540,922	69,680,773
Notes Receivable	6,809,691	6,809,691
Pledges Receivable - Non Current Portion, Net	1,796,053	2,384,977
Other Noncurrent Assets	1,318,201	1,021,843
Land, Buildings and Equipment, Less Accumulated Depreciation	11,678,988	10,579,800
Total Noncurrent Assets	99,143,855	90,477,084
Total Assets	\$ 110,586,703	\$ 101,927,691

## LIABILITIES AND NET ASSETS

	JUNE 30, 2023	JUNE 30, 2022
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 3,980,930	\$ 3,401,109
Notes Payable	14,341,351	15,217,642
Other Current Liabilities	3,398,778	2,786,950
Parish Share Liability	1,130,798	1,555,390
Total Current Liabilities	22,851,857	22,961,091
<b>NONCURRENT LIABILITIES</b>		
Net Priest Other Post-Retirement Employee Benefits Liability	6,638,812	7,124,991
Net Priest Pension Liability	(1,829,391)	2,724,093
Other Noncurrent Liabilities	43,325	32,162
Total Noncurrent Liabilities	4,852,746	9,881,246
Total Liabilities	27,704,603	32,842,337
<b>NET ASSETS</b>		
Without donor restrictions	33,151,509	22,173,902
With donor restrictions:		
To be spent for specific purpose	42,089,181	39,284,079
Maintained in perpetuity	7,641,410	7,627,373
Total Net Assets	82,882,100	69,085,354
Total Liabilities and Net Assets	\$ 110,586,703	\$ 101,927,691

## Statements of Financial Position

The Catholic Diocese of Richmond's total assets increased \$8.7 million, or 8.5% during the year. The recovery by invested assets added \$7.9 million, offsetting nearly all investment losses from the prior year. The Diocese's long-term investments and endowments are invested with the Catholic Community Foundation (the "Foundation"). The Foundation's investments are overseen by the Investment Committee of the Diocesan Finance Council and are managed in a diversified, balanced portfolio comprised of equities (73%), fixed income (17%), non-traditional assets (6%) and cash (4%). This year's total returns were a positive 12.6%, following a negative 12.4% in the year ending June 30, 2022. These two years followed a very strong performance during the year ended June 30, 2021, where the Foundation's portfolio returned a positive 31.7%. Prepaid expenses and other current assets also increased \$1.7 million as a result of projects in two diocesan cemeteries located in Roanoke and Blacksburg, VA.

Total liabilities decreased by \$5.1 million. The priests pension liability and the liability for retired priests' health insurance decreased by a combined \$5.0 million. As of the end of the fiscal year, the priests pension plan became overfunded due to the strong performance of the investments and other actuarial gains, and is reflected as a \$1.8 million asset, versus a \$2.7 million liability as of June 30, 2022, a \$4.5 million change.

## Changes in Net Assets

The increase in assets, combined with a decrease in liabilities, had the effect of increasing net assets by \$13.8 million or 20.0%, which is further explained by the operating results reflected in the Statements of Activities for the year ended June 30, 2023.

To review the complete set of the audited financial statements, please see the Diocese's website at <https://richmonddiocese.org/office/office-of-finance> for a more detailed report including notes to the financial statements. Please direct any questions related to this annual report or the audited financial statements to Office of Finance | Catholic Diocese of Richmond <finance@richmonddiocese.org>.



## Statements of Activities

Strong positive returns in the diocese's invested assets had a major impact in two of the past three years. Investment income of \$8.5 million accounts for 62% of the year's \$13.8 million surplus, and is a stark contrast to investment losses of \$9.0 million in the prior year. The year before (year ending June 31, 2021) saw record returns of \$18.9 million. Operating revenue, excluding investment income, was more stable and increased over the prior year due to higher general contributions and contributions from elderly housing. (See four-year revenue trend in the accompanying graph.)

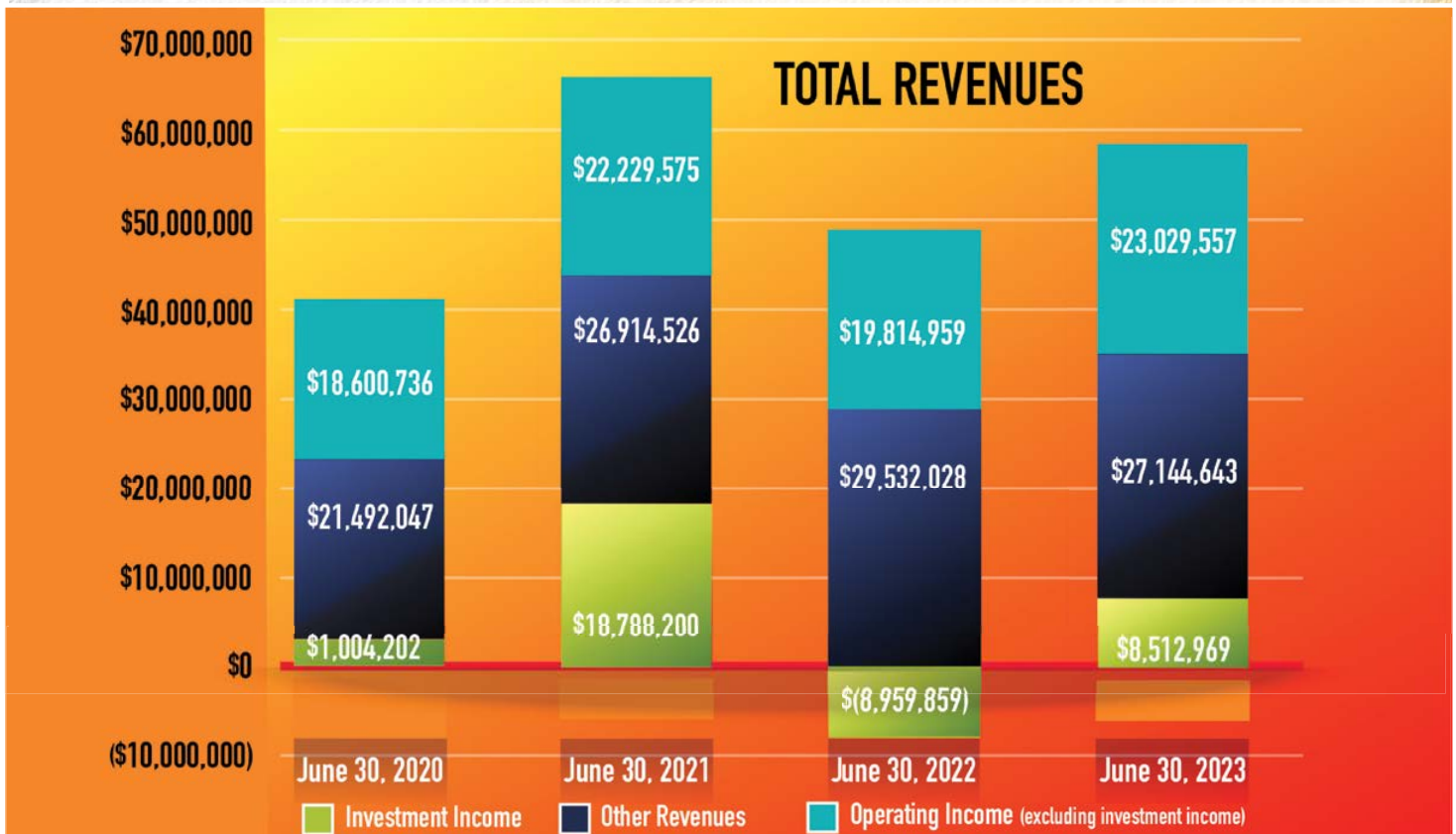
Invested assets for priests pension and retired priests' health insurance (reflected as other postretirement health obligations) lowered the costs of providing these benefits to the point of generating gains in the Statements of Activities during the year ended June 30, 2023.

Providing Administrative and Financial Services increased 4.9% or \$502,255 while Program Expenses increased 7.0% or \$1,002,823. Higher costs for salaries and benefits in Administrative and Financial Services, and areas such as interest expense and costs associated with the Learn 2 Lead Campaign contributed to increasing costs. Lower costs in other areas such as professional fees, depreciation, administration of properties and bad debts had an offsetting effect. Similarly, higher salaries and benefits increased costs in many Program Expenses. The Office for Catholic Schools and the Office for Evangelization saw increases in staffing by filling positions that were vacant and saw programs returning to pre-pandemic levels in Evangelization.

## STATEMENTS OF ACTIVITIES

	JUNE 30, 2023	JUNE 30, 2022
<b>OPERATING REVENUES</b>		
Diocesan Assessments	\$ 11,626,373	\$ 10,129,656
Contributions and Collections	2,730,591	2,103,825
Contributions from Elderly Housing Facilities	5,375,000	3,597,000
Other Income	1,081,365	1,753,470
Program and Fee Revenue	2,216,228	2,231,008
Investment Income	8,512,969	(8,959,859)
<b>Total Operating Revenues</b>	<b>31,542,526</b>	<b>10,855,100</b>
<b>OTHER REVENUES</b>		
Insurance Assessments	16,575,152	15,847,198
Campaign Contributions, Net	5,840,022	8,916,798
Tuition Assistance Assessments	4,729,469	4,768,032
<b>Total Other Revenues</b>	<b>27,144,643</b>	<b>29,532,028</b>
<b>Total Revenues</b>	<b>58,687,169</b>	<b>40,387,128</b>
<b>AUXILIARY PROGRAMS AND SERVICES</b>		
Insurance Expenses	15,985,763	14,708,232
Tuition Assistance Program	4,248,049	4,527,046
Change in Priest Pension Liability	(4,553,484)	484,782
Change in Priest Other Post-Retirement Health Obligations	(486,179)	(1,073,128)
Campaign Case Distributions	3,584,342	3,009,218
<b>Total Auxiliary Programs and Services</b>	<b>18,778,491</b>	<b>21,656,150</b>
<b>PROGRAM EXPENSES*</b>	<b>15,407,616</b>	<b>14,404,793</b>
<b>ADMINISTRATIVE AND FINANCIAL SERVICES*</b>	<b>10,704,316</b>	<b>10,202,061</b>
<b>Total Expenses</b>	<b>44,890,423</b>	<b>46,263,004</b>
<b>CHANGE IN NET ASSETS</b>	<b>13,796,746</b>	<b>(5,875,876)</b>
Net Assets – Beginning of Year	69,085,354	74,961,230
<b>NET ASSETS – END OF YEAR</b>	<b>\$ 82,882,100</b>	<b>\$ 69,085,354</b>

\*Please see page AR-8 for further detail





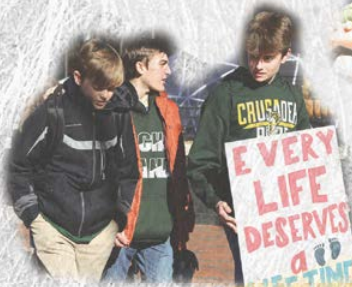
# A VIBRANT YEAR OF FAITH IN ACTION



**Catholic school students honor Hispanic Heritage Month at the Capitol**



**Diocesan Youth Conference**



**Defending Life Day March**



**Chrism Mass**



**Mass of Hope & Healing**

## PROGRAM EXPENSES

### OFFICES OF BISHOP AND VICARS

	JUNE 30, 2023	JUNE 30, 2022
Bishop's Office	\$ 350,598	\$ 318,743
Vicar General	198,948	189,662
Vicar for Clergy	277,655	270,132
<b>Total Offices of Bishop and Vicars</b>	<b>827,201</b>	<b>778,537</b>

### PASTORAL MINISTRIES

Support for Priests:		
International priests enculturation and mentorship	791,564	897,840
Diocesan support for priests	933,095	804,997
Priest auto fund grants	468,150	572,224
Priests long-term care	281,446	549,693
Retired priests health care and support	431,637	253,253
Priests convocation and formation	114,726	92,514
Vocations	1,600,288	1,582,720
Cemeteries	1,114,244	782,467
Tribunal and Chancellor's Office	444,210	433,640
Custodial Fund Contributions	143,263	336,773
Permanent Diaconate	186,623	213,546
Education Endowment Contributions	188,334	169,801
Retreat Centers	185,471	166,130
Diocesan Theologian, Worship, Priests Council and Other	110,219	102,693
Diocese of Richmond Housing Corporation	28,350	32,876
<b>Total Pastoral Ministries</b>	<b>7,021,620</b>	<b>6,991,167</b>

### CATHOLIC EDUCATION MINISTRIES

Office of Catholic Schools	1,115,340	853,914
Christian Formation	573,851	614,157
<b>Total Catholic Education Ministries</b>	<b>1,689,191</b>	<b>1,468,071</b>

### SOCIAL AND CULTURAL MINISTRIES

Social Ministries, Including Respect Life	449,768	590,977
Fuel and Hunger Fund	509,040	519,328
Ethnic Ministries	304,603	204,829
Home Missions Program	202,948	155,106
<b>Total Social and Cultural Ministries</b>	<b>1,466,359</b>	<b>1,470,240</b>

### OFFICE FOR EVANGELIZATION

Campus Field Operations	1,725,108	1,463,310
Administration and Cross-office Programs	637,227	509,730
Youth Programs and Events	527,709	391,981
Campus Programs and Events	221,524	146,233
Marriage and Family	91,862	63,960
Young Adult Programs and Events	24,696	21,002
<b>Total Office for Evangelization</b>	<b>3,228,126</b>	<b>2,596,216</b>

### COMMUNICATIONS

Catholic Virginian	821,581	783,070
Office of Communications	353,538	317,492
<b>Total Communications</b>	<b>1,175,119</b>	<b>1,100,562</b>

### TOTAL PROGRAM EXPENSES

<b>\$ 15,407,616</b>	<b>\$ 14,404,793</b>
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### ADMINISTRATIVE AND FINANCIAL SERVICES

Finance, Real Estate, and Risk Management	\$ 1,448,044	\$ 1,294,601
Catholic Community Foundation (Development)	1,478,475	1,141,279
Human Resources	1,021,256	1,048,419
Information Technology	1,085,213	953,543
Professional Fees and General Administration	663,623	866,273
Depreciation	534,015	833,655
Facility Operations, Repairs and Maintenance	757,003	625,377
Annual Diocesan Appeal	604,676	609,047
Payroll Processing	514,286	485,326
Learn to Lead / Living Our Mission	695,945	439,569
Interest Expense	587,337	407,641
USCCB and Virginia Catholic Conference Dues	406,632	380,866
Bad Debt Expense	283,356	355,851
Plant Fund Administration of Properties	166,099	323,213
ParishSoft Accounting Fees	209,734	195,354
Copy Services	133,376	132,064
Archives and Museum	115,246	109,983

<b>TOTAL ADMIN &amp; FINANCIAL SERVICES</b>	<b>\$ 10,704,316</b>	<b>\$ 10,202,061</b>
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