



IMMACULATE CONCEPTION Year End Financials 2016-2017

If you are reading this, chances are you have already seen and read the Parish Annual Report 2016-2017. The first thing you probably noticed is that the report is more extensive than in prior years and FULL of color. Never fear! This report actually cost less to print than prior year's reports because between the two parishes, after saving and setting aside money for several years, copiers were purchased for the school and the churches with color printing capabilities, as well as collating and folding. So this beautiful production was put together by many hands, and run off on our own machines.

This year we counted our blessings, as was talked about in the past few weeks as part of our Stewardship effort. The front page of our report leads you in the direction of showing the blessings of the past year. Page two highlights the donors of our endowments. Every year we name our donors as a way of remembering all that had a hand in helping to support our efforts as we continue to use the earnings to further the mission of Christ. We also remember Tom and Patty Doar for their End of Life planning that gifted Immaculate Conception \$438,386 after their deaths. With their help we were able to purchase a telephone system for both church and school, a new sound system, a grand piano, and to reduce our debt by a significant amount. Their names will be remembered forever, as they stipulated that \$100,000 be named the Tom and Patty Doar Restricted Fund, of which only the earnings may be used. Pages three, four, and five give information about St. Mary School, Catholic Formation, and the growing Youth Ministry program. So many great things happening!

But tell me about the financials! That's why I opened this report!

OK! Bottom Line: Immaculate Conception had a deficit of \$12,186 overall. Yikes, I can hear you say. What did we do wrong? Immaculate Conception did not do anything wrong, but so many things right! And some of that "right" contributed to the deficit. So let's do a breakdown and then get to the nitty-gritty for our bottom line.

	<u>Actual</u>	<u>Budget</u>
Church	\$(959.17)	\$(0.78)
Rectory	466.92	Balanced
Catholic Formation	(11,800.44)	.01
Cemetery	(1,347.18)	Balanced
St. Mary School	(65,192.72)	Balanced

Hmmm.....Adding those numbers together shows a lot bigger deficit than \$12,186! Is this the new math? No. I wanted to show you where we ended up in each program and how much had to be drawn from savings for some of the programs to balance. I will break it down in the following paragraphs. Some were budgeted draws which just hadn't happened yet, and others were over and above what had been anticipated.

The Church - That \$959.17 deficit is much smaller than it could have been. While budgeting, the offertory collections did not take into account that Christmas fell on a Sunday, which effectively left us one collection short for the year. Year end overall collections were down by \$10,863.28. The church had enough in extra gifts or lower expenses to keep the Church deficit small.

Moving on to **the Rectory** we see a small surplus of \$466.92. Every month Immaculate Conception contributes \$375 to the Rectory Checking Account to maintain the rectory and St. Patrick's contributes \$125. This 75%/25% split has been in effect for many years, and was based on four Masses being said/weekend. Even though the number of Masses per weekend is now three, and the percentage could legitimately be moved to a 67%/33% split, the 75%/25% split continues. The churches pay the rectory's utilities and insurances, both of which were lower than predicted.

Catholic Formation probably had the biggest changes in programming this year. With these program changes, two employees were moved for part time status to full time status, which meant eligibility for benefits. Youth Ministry was initiated by Fr. John, seeing this as a way, not only to serve our youth in a new and better way, but also their parents! Fr. John personally solicited many special donations toward the Youth Ministry program to allay some of the initial costs involved with its start up, as well as some of the wages/benefits associated with the Youth Minister, Kendra Mitchell. Given that we gained so much in programming, the \$11,800.44 deficit seems small in comparison. Per budget, \$107 in Today for Tomorrow interest lowered this deficit to \$11,630.44. Thank You to those that contributed special gifts to our Catholic Formation programs this year.

The Cemetery showed a deficit of \$1,347.18 as of 6/30/17. In the overall plan for the Cemetery, the Finance Council had hoped to attain a balance of \$200,000 in Perpetual Care Investments before having to withdraw earnings to cover operational costs. However, in order to balance the budget for 2016-2017, it was determined that as much as \$7,757 would have to be withdrawn from Perpetual Care Investments over the course of the year to cover the costs of the cemetery. We had already pulled \$3,878.50 earlier in the year, and just had to pull the \$1,347.18 after fiscal year end. This meant that we did better than anticipated, only having to withdraw \$5,225.68 to cover annual cemetery maintenance. So the Cemetery actually showed a balanced Income/Expense for 2016/2017 after the last draw. The good news? As of 6/30/17 the Perpetual Care Investment stood at \$183,953.45. Of that balance, \$76,444.95 were accumulated earnings which can be used towards cemetery costs. The Finance Council will continue to be vigilant in striving to reach the \$200,000 mark, which would self maintain the cemetery into perpetuity.

St. Mary School – Our church has made a commitment to support the school by subsidizing 33% of its offertory collections. St. Patrick's subsidizing the school at \$1,000 per student. These subsidies are not applied to any particular student, but rather fund the school and its needs overall. Seventeen St. Patrick's students attended St. Mary School in 2016-2017. The

school is thriving under the leadership of Laura Jo Jarchow. St. Mary School had anticipated an increase in enrollment, hoping for 95 students in K-8, and continued enrollment of 48 students in PreK, as well as a continuing participation in the many child care options offered. K-8 ended at 89 students enrolled, PreK at 38, and that meant a smaller enrollment in child care programs. In the past Laura Jo had been a teaching principal. In order to continue to learn from the Strategic Planning Process sponsored by the diocese, to get the credits needed to become fully certified as a principal, and most importantly to attend to the needs of our students, a full time teacher was hired for the 7th/8th grade, as well as an aid for the lower grades. The lower enrollment income coupled with the added wages/benefits put the school at an overall deficit at year-end of \$65,193. Thankfully many gifts had been put aside to cover certain types of expenses, and the earnings from Scrip had not been fully utilized in previous years. The deficit will be completely covered.

Be sure to take a look at the summary investment information for the school in the report.

Bottom Line? Add the \$959.17 deficit of the Church to the adjusted deficit of the Catholic Formation program of \$11,630.44 and decreasing this deficit by the rectory surplus of \$466.92 we get the overall deficit of \$12,185.69. Of course, these deficits were also covered by surplus money that was set aside from the previous year. Fr. John and the Finance Council recognizes that deficits cannot be maintained forever. In an effort to stabilize the overall budget, staff members received a meager wage increase of ½%. Since expenses have been shaved as much as possible, the Finance Council initiated several ways to improve income. Research has shown that many prefer to do all of their financial work electronically. To that end, we have initiated several new ways that parishioners can donate by E-Giving. Immaculate Conception has a Mobile App, Giving by Text, Online Giving through the Church website, and Giving by Kiosk at the parking lot entrance. If a parishioner gives in one of these ways, Electronic Giving Cards are available to pick up as a person comes into church, to throw into the basket at the collection time. Of course, donations made still be made by paper application for E-Giving, through use of the parishioner's envelope, or dropping cash into the basket. We are grateful for all that make the intentional effort to support our church and its mission.

Another initiative to increase income is to show you the "Big Projects" that are anticipated along with their specific costs. If you know where your money is going, you may be more apt to be supportive. And if one of these projects touches your heart, maybe you will want to give a donation to that project. We always honor the wishes of every donor and their gift.

The last initiative you may have already responded to. We decided to hold a Stewardship Appeal to increase Adult Giving. It has been 5 years since we have had an Appeal. And 2016-2017 was the last year that people were paying on pledges to the Diocese of Superior towards Seminarian Educations/Retired Priest's Funds/Overall Diocesan Needs. Knowing these two facts, and seeing that we could not balance the budget spurred this last initiative. At this writing we are starting the third week of the appeal. Response has been positive. We have not reached our goal yet, but we are certainly within reach. Thank YOU!

Immaculate Conception hopes to serve its present family better, and continue to attract new families by moving forward with the new programs and projects of 2016-2017. The Councils are in the process of determining if a directed coaching process will help us to grow in our relationships with one another, as well as drawing those new families to join us. All of this assumes your continuing generosity. Please continue in your financial support of Immaculate Conception, and I will continue to work with the councils to manage those funds in an effort to bring Christ's message to all that come to us.

If you have any questions regarding the finances, please feel free to call me at 715-246-4652 Ext. 224, or email me at jo.germain@frontiernet.net. At this writing, email is experiencing difficulties, so if you email also copy the church secretary at icchurch@frontiernet.net. Thank you for your trust.

Jo Germain
Business Manager
10/25/17