

IMMACULATE CONCEPTION Year End Financials 2015-2016



If you are reading this, chances are you have already seen the Annual Parish Report for 2015-2016. Was your eye drawn to the \$32,988 surplus? Immaculate Conception can be very proud of this accomplishment! So how did we get there? What did we accomplish? What are we going to do with the surplus?

First of all, let's breakdown the parish by its programs to get each of their year-end results.

	<u>Actual</u>	<u>Budget</u>	
Church	\$28,094		Balanced
Rectory	375		Balanced
Catholic Formation	0		Balanced
Cemetery	0		Balanced
School	4,519		\$(107,083)

Let's talk about the Church first. If you were watching the bulletin during the course of the year, you probably noticed that we had a surplus showing for the Adult and Youth Giving plus the Loose collections. At year end this amounted to \$12,240. So that alone gave us a portion of what you see as a surplus for the Church. (You should know that when we have a surplus in Adult Giving, a percentage is given to the Catholic Formation Program, this year \$1,558, and to the School, this year, \$4,040). How else did we gain a surplus? We budgeted to receive \$2,000 in unrestricted gifts. We actually received \$17,083 in gifts, but of that \$11,010 were restricted. Gifts were given for specific items or projects, such as, a donor paid for the Lector Books which our readers use to practice the Sunday readings. A donor paid for the new Votive Candle Donation Boxes that hang on the walls next to the Blessed Virgin and St. Joseph. A lot of donors contributed so that the office could have Wi-Fi, which has been a great tool for different programs and staff members. A donor contributed the money for a student to go to the National Catholic Youth Conference trip. One donor asked that we pay off some of the previous year's debt on the Catholic Services Appeal, so we wouldn't have to pull from our small savings. This left unrestricted gifts of \$6,072, which is \$4,072 more than we planned for. We had budgeted high on Medical Insurance, which came in \$1,907 less, the warmer than anticipated winter had us using \$4,370 less in Gas than budgeted, and Yeah!, we had \$2,712 more in pledges than we budgeted for in the Catholic Services Appeal. We still had to pay \$25,106, which was unpledged for 2014/2015, but part was paid, as mentioned above, by a donor, and the other part came from the general funds. (Just think what we could do if everyone pledged JUST A LITTLE MORE, and we didn't have to use general funds to pay off our CSA Assessment.)

Most of you know that the Rectory has a Maintenance Checkbook. Each month Immaculate Conception contributes \$375 and St. Patrick's contributes \$125 to this checkbook to pay for expenses which help in the maintenance of the rectory. Typically, the two churches pay for the Utilities and the Property Insurance. The checkbook pays for the Equipment Maintenance,

Mowing, Contracted Services (which include the service agreements for the Heating and Air Conditioning). This leaves the balance which can be used by the pastor and parish for upkeep of the house and grounds. This being Fr. John's first year, he purchased blinds to replace the old curtains, got a good deal on some estate furniture, a new mattress, and lots of little odds and ends, replacing things that were worn out, or were just needed to be able to live day to day. That still left a balance of about \$8,225 at year's end. This money is kept for upcoming big projects or remodeling that needs to be done. The plan is to replace the carpeting with wood floors. Since it has been about 15 years since the carpeting was replaced, this is much needed!

Catholic Formation had a very busy year, as you are well aware of, if you have children in the program, and have been following the articles in the bulletin. As was mentioned in the Parish Annual Report, we had teens going to the National Catholic Youth Conference for the first time ever! What a great experience for all! This investment of time and money in our youth is an investment in the future of the Church!

Also new this past year was the Wednesday evening dinners which were served to whoever showed up, asking each family for a freewill offering. Seed money was given to get this program going. The seed money may have purchased the first couple of dinners, but after that, the dinners became self-sufficient. What was recognized is that many parents came straight from jobs, picking up their children from day care or home, driving through a fast food place, and gobbling their food down as fast as possible before going to their Catholic Formation classes. By having food, parents can enjoy dinner much cheaper with their children in the church basement, and actually have something healthier! Kudos for the Catholic Formation Committee for this brainstorm!

Much needed for Wednesday evenings was technology that would allow the volunteer teachers to access the internet, utilizing information that was suggested in their teacher's manuals. Several computers and projectors were purchased along with the necessary software. For the past few years, IC has borrowed the projector from the Catholic Formation department for CSA weekend to throw the video on the wall of the church, and also for presentations of various kinds to committees. (Thank You!)

Catholic Formation had planned to pull \$3,607 from their Endowment and Interest Earnings to balance their budget, which they did. With everything that the Catholic Formation department did and sponsored, an additional \$400 had to be pulled from prior year savings to cover extra costs, and the church helped cover an additional \$225.

Plans for the future? The biggest exciting thing is the development of a Youth Ministry program to be shared between the two parishes. We have a great new Youth Minister hired in our own Kendra Mitchell. This program can really take our parishes to the next level, taking what has been learned by the head in the classroom, to the heart in practice for the rest of the student's lives. In order to support this program and all that we hope to accomplish, volunteers are needed to help, and donations for the various trips and materials are requested. You can make a BIG DIFFERENCE with a small amount of time and a donation of one sort or another.

The Cemetery – One of the goals for every parish is to get the cemetery to being self-sufficient financially. That is why the state requires every cemetery (not just Catholic cemeteries) to have

a Perpetual Care Fund. We are required to put at least \$25 or 15% of every sale of a lot in the Perpetual Care Fund, to be considered as principal which can never be spent. The earnings may be used to pay cemetery expenses, but never the principal. Here at Immaculate Conception, we have made a practice of putting $\frac{1}{2}$ of the sale of each lot into the Perpetual Care, along with the \$100 fee received when a person is buried. In order for our cemetery to be self-sufficient, we would need at least \$200,000 in principal. As of 6/30/16 we had \$165,382, which included both principal and earnings from the last fourteen years. Every effort has been made to leave this untouched, in order that this fund can grow, and in the future become self-sufficient. Though we can use half of the sale of a lot to pay current expenses, this has not been sufficient to pay all the cemetery expenses. The largest expenses for the cemetery are the mowing and care of the grounds. The Church has subsidized the Cemetery about 2% of its Collections, but this still has not been enough. We did draw \$3,787 from earnings this past year to meet all of the expenses for the year. With the advent of more cremations, and multiple burials in one lot, the number of lot sales/year has decreased. Consideration is being made in increasing the cost of the lots, since the cost has not increased in 15 years.

St. Mary School had the biggest and best news of all of our programs! The school had budgeted for a \$107,083 Deficit for 2015-2016. This deficit was planned to be covered by restricted and unrestricted gifts from past years. As mentioned last year, these funds were seen as seed money to invest in the future of the School. Many things played into the financial (and educational and faith filled) success of the 2015-2016 school year. Having a re-invigorated vision and support from a new pastor and a new principal certainly helped all to get excited in a new way for the school. Enrollment increased in the K-8 program, in the NR4YK (PreK) program, and our Child Care programs. Wages were reduced by job sharing. All of these things played together to give St. Mary School a bottom line surplus of \$4,519. Some Restricted Gifts that were given for specific purposes were used for the intention they were given for, but overall, no additional money was used up. This leaves the school with a small cushion should we have a lean year in the future.

All of the schools across the diocese are participating in a "Strategic Management and Development Process" which was funded for all schools by a grant. This is a four year process, whereby all aspects of a Catholic School are examined in the light of the current environment in which today's families live, what their expectations are for education in a Catholic school, and how to meet those expectations, while being financially sound. Hours and hours of time were given to complete analysis of history, and present practices. The first year focused on reviewing foundational documents while reviewing and/or initiating strategic planning processes and goals which include comprehensive enrollment management programs. The second year continues what is started in the first year, and really takes a look at a comprehensive communication program which includes how we market our school through all of the pieces of information that leave our building. This is to be the year that the school will begin to publish quarterly newsletters to its stakeholders. Year three continues to work at what has been established in the first two years, while designing and implementing a comprehensive annual fund drive, which will contribute to the stability of the school financially, as well as enable the school to initiate programming for the most current educational practices. Year four draws the previous three years altogether, and finally allows the school to design and customize a planned gift program to

fund (or in St. Mary School case, to grow) the school endowment fund. This extensive planning process is meant to help our school grow into a successful future!

The above is what we did in 2015-2016 financially and what we have accomplished with those dollars. The last question to answer is: "What are we going to do with the surplus?"

Many of you know that for a number of years we have a slow leaks into Rooms 1 & 4 when the rain comes from a certain direction. This past year, the leaks changed from slow leaks to outright fountains pouring into Room 4. Much research has and is continuing to be done by our newly formed Buildings and Grounds Committee. The amount of the cost to fix this leak issue is yet to be determined, but the surplus is being held aside to pay some of those costs, while a portion was worked into the current budget.

A list of projects of things that need to be attended to was drawn up at budgeting time which included 1.) the sealing of the parking lot, 2.) the fire alarm at school, which may need a new mother board next time it needs repair, to keep it functional, 3.) several rooms in the lower level of the school may need re-carpeting in the next three years, 4.) the elevator in the church may need a "light curtain" replacement (which regulates how the door opens and closes), and 5.) a high grade electric piano is being sought, since pianists are much more readily available than organists. Some of the surplus is being planned to help with the projects listed above.

We had a nice surprise this fall. After Tom Doar's death, his family informed us that a part of his estate was bequeathed to Immaculate Conception Church. We received a check from the Tom and Patty Doar Charitable Remainder trust in the amount of \$438,385. The only restriction placed on the gift is that a Restricted Fund needs to be set up called the Tom & Patty Doar Restricted Fund, of which only the earnings may be used towards expenses for the church and its programs. We are in the process of setting up this fund. The Finance Council also decided to pay \$100,000 of the remaining balance on the Construction Loan. That will leave less than \$95,000 for the balance on this loan.

The Finance Council and Fr. John have put together a list which included the above projects and several other possibilities. Research is being done on what it would cost to put in a new sound system, upgrade the entire plant's telephone system, purchase a Baby Grand Piano, and more. We are well aware of the needs vs the wants and are prioritizing each of these in what will serve our church in the best possible way.

Another question being asked is: "When will we do the re-modeling to the church basement?" We have not forgotten all of the money you as a parish donated to the Diocesan Faith in Our Future campaign starting in 2013. We have received enough money as refunds from that campaign when added to the Rosella Freiermuth Estate for the Basement Remodeling Project. Once the leak issue is completely resolved, work will move forward. In the meantime, research is taking place to see if there are any asbestos issues which will need to be taken care of as part of that project. Since asbestos abatement is a costly issue, some of the Doar Estate may have to be used for IC to complete its basement remodeling project.

In the Annual Parish Report, I had mentioned that there is much to the financial detail in what it takes to run our church and its programs from year to year. We not only use your generous dollars to function today, but we plan for a successful and faith-filled future. Please continue in your financial support of Immaculate Conception, and I pledge that we will do the best we can to accomplish all that you hope for in bringing Christ's message to all people.

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.

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