

St. JOSEPH CATHOLIC CHURCH

2015-2016 ANNUAL REPORT





WORSHIP + SERVICE + EDUCATION

In the Heart of South Bend

PASTORAL TEAM & STAFF

Pastor

Rev. Kevin Rousseau, C.S.C.

Parochial Vicar

Rev. Daniel Ponisciak, C.S.C.

School Principal

George Azar

Preschool Director

Melissa Cowden

Administrative Assistant

Julie Hallenius

Office Assistant/Safe Environment

Lisa Slott

Director of Business Operations

Pat Stockrahm

Director of Religious Education

Peter Mueller

Director of Marketing &
Communications

Sean Kennedy

Director of Music & Liturgy

Jessica Springer

Director of Youth Ministry

Katie Ball-Boruff

Facilities Manager

Kevin Hamel

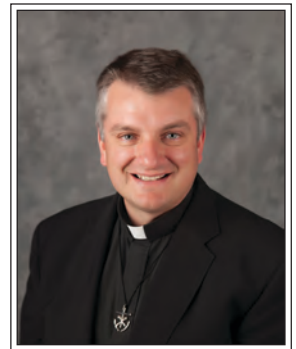
†
J.M.J.

January 7, 2017

My Dear Brothers and Sisters in Christ,

On this feast day of Saint André Bessette, I wish to express words of gratitude. Our parish community has much to be thankful for!

During the last fiscal year, we were able to watch contractors erect our new addition, featuring office space, classrooms, and our long-awaited parish gymnasium. Shortly after Bishop Rhoades blessed our new space, we hosted our parish picnic, our parish auction, and first ICCL home game – all in our gym!



Thank you to all who have given gifts to make these dreams a reality for our parish community. Thank you, too, to all the members of the various committees who worked so hard to plan, design, and raise funds for these projects. We are blessed as a parish community, and I am grateful.

In addition to printing our annual financial statement in this report, we have included a history and summary of the *Living Our Faith, Building Our Future Campaign*, as the campaign projects are now complete. I hope you will take time to read this summary on pages 6 and 7.

BEING GOOD STEWARDS & MANAGING EXPENSES

We know that parishioners give sacrificially, and we strive to be good stewards of your gifts to us. Looking back at the last four years, it is evident that as the capital campaign began, parish collections dropped off significantly while expenses were increasing. The parish and school administration has worked diligently in the past two years to control spending and reduce the size of the parish and school payroll, without sacrificing quality in our ministries. Offertory collections and Annual Bishop's Appeal contributions have now risen back to pre-campaign levels, and we have curtailed the upward trend in the school subsidy to ensure it is manageable for the parish.

With our new addition, we expect to save money by renting fewer venues for sporting events and parish functions. However, we also expect to see increased costs in areas like utilities and maintenance. Thank you in advance for your continued financial stewardship, which will allow us to properly maintain these new parish facilities.

We have also begun to implement budget changes in order to better plan for

St. JOSEPH CATHOLIC CHURCH

maintenance of our aging buildings. Our school building dates to 1926, and the church and Ackles Parish Life Center were constructed in the 1960s. Under the direction of Mr. Kevin Hamel, our Facilities Director, and with the guidance of our Buildings and Grounds Committee, we address regular maintenance issues and also plan for major capital refurbishments. The school roof, the church heating and cooling system, and the Ackles Center plumbing are the next major components to be addressed. We have now included in our budget a fund to save for these planned capital expenses, with the hope that we might avoid undertaking a capital campaign for these needs in the future.

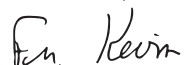
LOOKING FORWARD

We have been blessed by God these past six years and I think we can be proud of the accomplishments we have achieved with His help. Our generation, as well as many future generations of Saint Joseph families, will enjoy the fruits of our labor and sacrifice. As the dust settles and as we adjust to the reality of these new blessings, it will be time once again to begin planning for the future – to ask ourselves what God envisions for our parish community in five, ten, and twenty years from now.

In this new year, please continue to prayerfully discern your level of regular giving to Saint Joseph Parish. Weekly offertory and electronic funds transfer (EFT) contributions are critical for our mission of worship, service, and education, and even a small percentage increase from our families will help the parish continue to grow in the many ways we seek to make God known, loved, and served. You may initiate or update EFT contributions by using the form included on the back of this report, or by contacting Pat Stockrahm at pstockrahm@stjoeparish.com. In the near future, we plan to explore the implementation of online giving in order to offer an even more convenient way of managing your giving. Thank you for sharing your treasure with Saint Joseph Parish.

If you have any questions about anything contained in this report, or if I can help you in any way, please do not hesitate to contact me. Know of my gratitude and my prayers.

God bless,



Rev. Kevin Rousseau, C.S.C.
Pastor

BOOST YOUR SUPPORT FOR SAINT JOSEPH PARISH

- 1. Participate in regular giving through envelopes or EFT**
 - *EFT eliminates hassle of remembering envelopes*
- 2. Prayerfully revisit the amount of your regular giving**
 - *Consider an increase of 1, 2 or 5%*

PASTORAL COUNCIL

Council Members

Nancy Horvath (Chair)
Andy Czarnecki
Lenny DeLorenzo
Alicia Fullenkamp
Lisa Little
Tracy Maginn
Steve Matz
Rachel Schroeder
Roman Smith
Mark Stanish (Vice-Chair)

Christian Action Representative
Janel Charlton

Christian Formation Representative
Brian Kirzeder

Community Life Representative
John Mazurkiewicz

Liturgy Representative
Lorraine Cuddeback

School Board Representative
Christine Caron Gebhardt

Secretary/Recorder
Lisa Slott

PARISH FINANCE COUNCIL

Bill Carlson	Ryan Matthys
Tim Dolezal	Cynthia Miller
Chris Lauber	Bill Nolan
Tim Maher	Gary Stenke

2015-16 Financial Report

Excludes campaign. For campaign report, see pages 6 & 7.

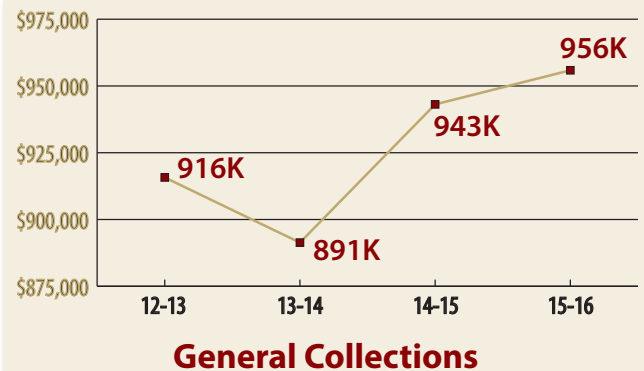
PARISH

2015-16	2014-15	INCOME
955,877	943,102	Collections - General
20,183	19,177	Collections - Buildings & Maint.
38,172	10,184	Bishop's Appeal Overgoal
30,365	56,653	Fundraisers (non-campaign)
14,291	24,483	Donations & Grants
1,975,654	1,898,437	Grade School
241,479	158,920	Preschool
48,655	41,195	Other Income
\$ 3,324,676	\$ 3,152,151	Total Parish Income

2015-16	2014-15	EXPENSES
239,510	267,436	Parish Administration
		Parish Operations
62,131	68,502	Employee Costs
47,088	43,974	Utilities
54,896	54,329	Repairs/Maintenance
120,025	104,554	Depreciation
36,256	37,880	Other
		Parish Ministries
2,350,251	2,398,069	Grade School
244,137	164,684	Preschool <i>(includes depreciation)</i>
175,157	173,860	Liturgy & Music
100,866	92,210	Christian Formation
27,896	20,168	Other Ministry
\$ 3,458,213	\$ 3,425,666	Total Expenses
297,592	278,033	Depreciation add back
\$ 164,055	\$ 4,518	Net Cash Income

In Giving, We Receive

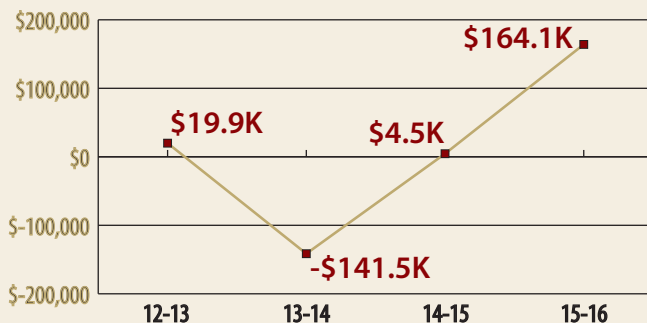
General offertory increased 1.4% in FY 2015-16. As the capital campaign began, collections dropped off significantly, but are now back to pre-campaign levels.



GRADE SCHOOL DETAIL

2015-16	2014-15	INCOME
1,704,778	1,634,311	Grade School Tuition & Fees
59,434	40,742	Grants, Scholarships, Subsidies
90,808	104,613	Fundraisers
29,796	43,004	Donations
90,838	75,767	Other Income
\$ 1,975,654	\$ 1,898,437	Total School Income

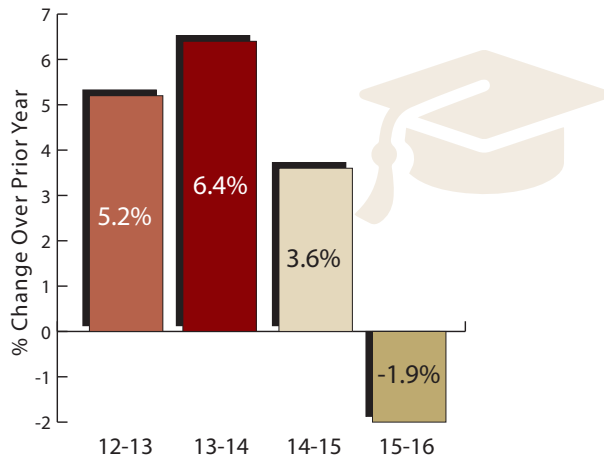
2015-16	2014-15	EXPENSES
259,409	258,402	Administration
1,576,561	1,621,230	Instruction
378,960	385,492	Operations <i>(includes depreciation)</i>
135,321	132,945	Other Expenses
\$ 2,350,251	\$ 2,398,069	Total School Expenses
\$ (374,597)	\$ (499,632)	School Subsidy from Parish



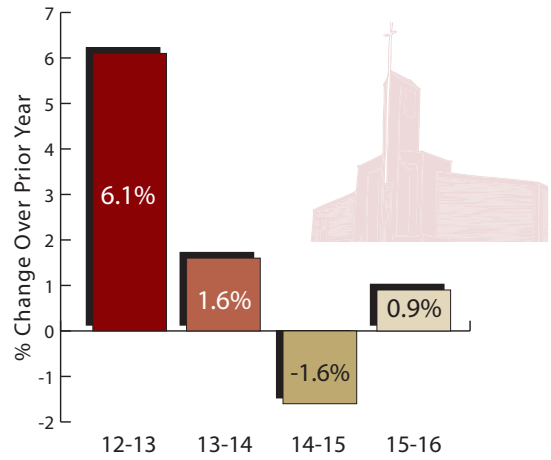
The parish has experienced a three-year turnaround, from a cash operating deficit of \$141K in FY 2013-14, to a **cash operating surplus of \$164K in FY 2015-16.**

Preparing for the Future

The parish has made an effort in recent years to control spending in preparation for supporting our new facilities and to begin saving for future capital expenses, with the hope that we might avoid undertaking a capital campaign to fund facilities maintenance projects in the future.



Yearly Change in School Expenses

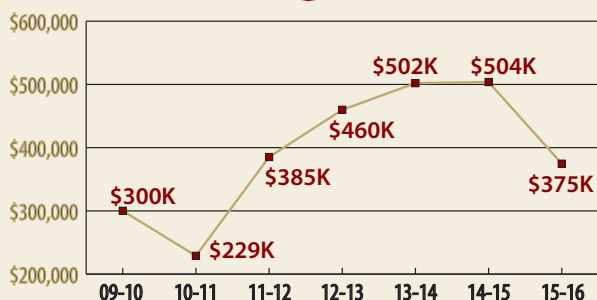


Yearly Change in Parish Expenses

Educating Hearts and Minds

The operating deficit of the school is supported by the parish with a subsidy. This parish subsidy is an amount budgeted each year as part of the expense of operating our educational ministry. The administration, with the guidance of the parish finance council, has worked intentionally in the past two years to control spending, helping to curtail the upward trend in the subsidy to ensure it is manageable for the parish.

The parish subsidy to the school was \$374,597 in FY 2015-16. The parish preschool, in only its third year, is fully enrolled and operating without parish financial support.



Parish Subsidy to School

Making God Known, Loved, and Served

Saint Joseph Parishioners, in the tradition of the Congregation of Holy Cross, continue to support communities near and far by bringing the joy of the Gospel to people at the margins. Our parishioners and school families have offered countless donations and hours of service

to our diocesan ministries, members of our local community, and beyond. Supported ministries include Saint Vincent de Paul, Our Lady of the Road, Women's Care Center, Hope Ministries, Saint Margaret's House, Center for the Homeless, Habitat for Humanity, Slice of Life, Holy Cross Ministries, Retired Holy Cross Sisters at St. Mary's, Christ Child Society, La Casa de Amistad . . . and many more!

\$179,751

Contributed to the Annual Bishop's Appeal



\$24,590

Contributed to special diocesan collections

Catholic Charities, St. Vincent de Paul, Catholic Relief Services, etc.

Campaign Financial Report & Summary

A LOOK BACK AT THE CAMPAIGN

2010-2012: A VISION & A BEQUEST

In January of 2010, a parish committee was formed with the task of identifying the parish's capacity, in regards to physical space and finances, to undertake the building of a new gymnasium and school addition. While options were being studied, the parish received a bequest of \$943,383 from the Ackles estate. This gift gave confidence to the parish to use savings to purchase the 711 E. Colfax building (our Ackles Parish Life Center) and was used as a starting gift for a capital campaign to realize our vision.

2012-2013: THE CAMPAIGN

After additional planning, the *Living Our Faith, Building Our Future Campaign* was launched in September 2012 with a goal of raising \$4 million. A majority of the funds – \$2.8 million – were allocated for building the gym and school addition. Renovation of 711 Colfax was budgeted at \$800,000. Another \$240,000 was budgeted to move parking off site and develop green space. Finally, modest improvements in the church were budgeted for \$160,000. By August 2013, after paying campaign consultant fees, the parish tallied \$4,212,000 in pledged gifts!

2013-2014: CONSTRUCTION PHASE 1

The first campaign project, begun in early 2013, was to renovate 711 Colfax so that the old parish center across St. Louis Blvd. could be demolished to make room for the school addition. Though \$800,000 was dedicated to the Ackles Center project, the lowest bid for construction came in at \$840,000. Typically another 20% is added to a construction bid to cover professional fees, utility work, equipment, and furnishing. Before a shovel broke ground this project was estimated to cost \$1,008,000. Because of some unforeseen change orders, the final cost was \$1,161,220, or \$361,220 over budget.

As this project came to completion, modest refurbishments in the church began. All the wooden furniture, including the pews, chairs, altar, and ambo, were taken apart and refinished. The two original confessionals were renovated into niches for custom-made statues of Saint André Bessette and Blessed Basil Moreau. The final bill for this project was \$174,048, which was \$14,048 over budget.

The plan to move parking from behind the church to the

CAMPAIGN INCOME

943,383	Ackles Bequest
3,784,728	Pledges Collected
80,476	Interest
\$ 4,808,587	Total Campaign Cash Received
380,339	Remaining Pledges to be Collected (after write-offs)
\$5,188,926	Total Campaign Income

CAMPAIGN EXPENSES

128,180	Consultant & Miscellaneous Costs
Ackles Parish Life Center	
76,961	Architect Fees
995,574	Construction
58,334	Other Expenditures
30,351	Playground
\$ 1,161,220	Ackles Center Total
School Addition & Parish Gymnasium	
63,925	Old Parish Center Demolition & Abatement
128,945	Utilities Infrastructure
73,469	Other Expenditures
284,917	Architect Fees
3,012,245	Construction
58,926	Furniture, Fixtures, Equipment
\$ 3,622,427	Addition & Gym Total
Church	
4,630	Floor Modifications
104,190	Pew/Furniture Refurbishment
42,460	Statues
22,768	Niches
\$ 174,048	Church Total
Grounds/Parking	
150,000	Campaign Funds Allocated to Carwash
\$ 150,000	Grounds/Parking Total
\$ 5,235,875	Total Campaign Expenses

northwest corner of Hill and Colfax was unsuccessful. Instead of spending \$150,000 on this parking concept, the parish made a decision in mid-2013 to purchase the former car wash property on the northeast corner of Hill and LaSalle for \$357,000. Demolishing the car wash and making the lot ready for parking cost an additional \$209,000. Only a portion of campaign money was used for this acquisition; the rest came from the parish savings.

2015-16: CONSTRUCTION PHASE 2 & BRIDGING THE GAP

The final phase of the *Living Our Faith, Building Our Future Campaign* was the building of the school addition and green space. In this plan we designed room for a full-sized gym, three classrooms, and office space. The price for construction was significantly higher in 2015 than it was in 2010 when initial planning took place. After construction bids came in well above our budget and well above the committed pledges, we hosted several town hall meetings in March 2015 to discuss our challenges and to propose a way forward. There were some cuts in construction that did not take away from the scope of our project, like changing the HVAC system, using different metal and interior finishes, and redesigning the storm water controls. There were, however, some cuts that did change aspects of our project, like using sod in lieu of

CURRENT BALANCE

The parish has written off **\$110,727** (2.1%) of pledges as unfulfilled, leaving an overall campaign shortfall of **\$46,949** after expenses.

The parish will also incur about **\$12,000** in annual interest charges while paying off the construction loan used to finance the project while remaining pledges are collected.

synthetic turf, resealing the asphalt instead of creating an upgraded plaza, and installing chain link fence in lieu of ornamental fencing. But, even with these cuts, the construction was going to cost at least \$3.0 million, and the estimated additional 20% for professional fees, utilities, equipment, and furnishings brought our adjusted budget for this addition to \$3.6 million.

Our diocese requires that construction cannot begin without 100% pledged and 50% of cash on hand. After the town hall meetings, the parish moved forward with a goal to raise \$900,000 to bridge the gap in pledged funding. This effort raised \$860,000 in pledges in just a few months, allowing the parish to begin construction.

We had a favorable winter in 2015-16 that allowed

workers to labor throughout the season. While there were change orders in this project, not all of them cost us money. Our architects and contractors found ways to save money as well. The final cost of the addition was \$3,622,427, of which only \$48,376 is owed to our contractors and architects as they complete final items on the building punch list. The project was completed on time and just \$20,427 over our adjusted budget. We have reason to be grateful!



TODAY

In order to finance construction costs while pledges continue to be fulfilled, the diocese allowed us to procure a loan. We borrowed \$570,000 to complete our project. After writing off pledges of \$110,727 (2.1% of total pledges) from those who have moved from the parish or communicated they are not able to fulfill a pledge, we currently have \$523,051 (\$142,712 on hand and \$380,339 pledged) to cover our loan. We are short \$46,949 in pledges, and we will also incur roughly \$12,000 in annual interest charges.

Moving forward, it is important that we continue to collect our pledges. One third are on an EFT plan, which helps our financial planning. Other families also contribute in regular, predictable intervals. The sooner we collect on pledges, the sooner we can pay these debts.

If you have any questions regarding a campaign pledge or regarding any giving to Saint Joseph Parish, please contact Pat Stockrahm at pstockrahm@stjoeparish.com or 574-234-3134, ext. 19.

Please indicate which changes you would like to make to your contributions at Saint Joseph Church:

- | | |
|---|---|
| <input type="checkbox"/> New EFT Authorization | <input type="checkbox"/> Change Contribution Amount |
| <input type="checkbox"/> Change Financial Institution Account | <input type="checkbox"/> Change Contribution Date |

Name (Please Print): _____

Address: _____

City: _____

State: _____

Zip Code: _____

Email Address: _____

OFFERING INFORMATION

Regular Offering:

- ☐ Weekly (transferred on Fridays) \$ _____
- ☐ Semimonthly (transferred on the 1st & 3rd Friday)
\$ _____
- ☐ Monthly (transferred *either* on the 1st *or* the 3rd Friday)
\$ _____ (Please circle one: 1st or 3rd)

TOTAL ANNUAL REGULAR OFFERING: \$ _____

Buildings and Maintenance Offering:

- ☐ Monthly (transferred *either* on the 1st *or* the 3rd Friday)
\$ _____ (Please circle one: 1st or 3rd)

TOTAL ANNUAL BLDGS. & MAINTENANCE: \$ _____

Holy Day Offerings:

- ☐ **Easter** \$ _____
(transferred on the 1st Friday of April)
- ☐ **Christmas** \$ _____
(transferred on the 1st Friday of December)
- ☐ **Assumption of Mary** \$ _____
(transferred on the 1st Friday of August)
- ☐ **All Saints Day** \$ _____
(transferred on the 1st Friday of November)
- ☐ **Immaculate Conception** \$ _____
(transferred on the 1st Friday of December)
- ☐ **Mary, Mother of God** \$ _____
(transferred on the 1st Friday of January)

TOTAL ANNUAL REGULAR, BLDGS./MAINTENANCE, & HOLY DAY OFFERINGS: \$ _____

ACCOUNT INFORMATION & SIGNATURE

Please accept my Regular, Buildings & Maintenance, & Holy Day Offerings directly from my:

- ☐ Checking Account (*please attach a voided check*) ☐ Savings Account (*contact the parish office*)

Routing # : _____ :

(Routing number must start with 0, 1, 2, or 3; is 9 digits long, and is located at bottom of check between the symbols: : xxxxxxxx :)

Account #: _____

I authorize Saint Joseph Catholic Church, South Bend, Indiana, to process debit entries to my account. This authorization will remain in effect until I give reasonable written notification to revise or terminate it.

Authorized Signature(s) on Account: _____ **Date:** _____

_____ **Date:** _____

FOR OFFICE USE ONLY

Envelope #: _____ **Date:** _____