

Stewardship of Sacrificial Giving Report

Dear Friends in Christ,

As you've heard, stewardship is about making a return of God of what He has given to us, and to make that return first priority. We return our time as prayer, our talent as service, and our treasure as regular sacrificial giving.

Thank you for the sacrifices you make for Christ and His Church right here at St. Joseph. This report is to share with you some summary information about our sacrificial giving from the past fiscal year. I am most grateful to our finance council, and especially to Brian Oberlie, for helping put this together! Thanks as well to Carol Mertes for working with our bulletin company and doing the formatting so that this was printed for free!

I cannot overemphasize the importance of taking a close look at all of the information here. You will find some basic statistics on the parish, an in depth financial report, and on the last page, most importantly: an invitation to become truly excellent stewards of sacrificial giving and so support the amazing mission we have here at St. Joseph Parish.

St. Joseph, pray for us!
Father Chris

Finance Council, St. Joseph Parish Mishawaka

Mike Burmeister, President

Don Bauters

Tom Szajko

Joe Mamo

Jim DeWinter

Brian Oberlie

Marty Fransted

Jeff Deitchley, Business Manager

Fr. Chris Lapp, ex officio, Pastor

Vital Statistics – 7/1/16 – 6/30/17:

OUR PARISH

| | |
|--|------|
| Number of Registered Households | 771 |
| Number of Registered Parishioners | 1966 |
| New Families this year | 19 |
| Sunday Celebrations of the Eucharist | 208 |
| Daily Masses celebrating the Eucharist | 428 |
| Baptisms | 21 |
| First Communions | 17 |
| Confirmations | 23 |
| Marriages | 14 |
| Funerals | 27 |

CATHOLIC EDUCATION

| | |
|--|-----|
| St. Joseph Parish Students attending | |
| Mishawaka Catholic | 144 |
| Total Enrollment in Mishawaka Catholic | 322 |
| Number of Religious Ed students | 80 |
| Number of RCIA Catechumens | 5 |

Dear Friends in Christ,

The unpleasant but brutally honest news: our regular sacrificial giving for the past fiscal year is completely unsustainable over the long term. Our regular collection, which should cover 100% of operational cash expenses, depreciation, and a 'parish tithe/sacrificial giving' only covers 79% of the cash expenses, no depreciation, and no tithe/sacrificial giving. With additional income (which should not be relied upon for operational expenses) we finished the year with a small cash deficit. In addition to cash expenses, 'depreciation' is accounted for as a non-cash expense; and this number is the amount of money we need to be spending to stay ahead of the curve in maintaining our facilities. Our complete deficit here this past year and many previous years accounts for the dire facilities situation we are in (and which I will share much more information about in the coming months).

The main reason why we have not fallen into serious trouble (yet) is because of the generosity of individuals who make large gifts, and most especially as bequests by including the parish in their will. But again, for the parish to be sustainable over the long term, the regular collection needs to support 100% of normal operational cash expenses, depreciation, and a parish tithe. Ideally one time gifts can be used creatively to set up endowments, further beautify the church, as additional tithing/sacrificial gifts, and so forth. To move forward in a sustainable way, we absolutely cannot rely on these one time gifts to pay the bills.

Some key figures to highlight: 37% of our registered families contribute less than \$100 per year and 38% of registered families account for about 82% of the total collection. Of the families who contribute more than \$100 annually (which excludes the 281 of our 771 families who gave less than this), the average yearly gift was \$976. If this number represents the ideal parish tithe of 5% (with 5% being given to other charities), that would put the average income of a St. Joseph parishioner at \$19,520 (The City of Mishawaka reports the average income for a household is about \$34K and for a family is \$42K).

I primarily share the last paragraph since the flip-side of this information is very encouraging: we can definitely step up to the plate, become excellent stewards of sacrificial giving, and this trend *can be* reversed immediately. As we become truly more and more excellent stewards of sacrificial giving, the Lord will continue to do amazing things here at St. Joseph, and through us!

St. Joseph, pray for us!
Father Chris

Our Finances

| Statements of Financial Position: | <u>6/30/17</u> | <u>6/30/16</u> | <u>6/30/15</u> |
|---|---------------------|---------------------|---------------------|
| Assets: | | | |
| Cash (1) | \$ 103,533 | \$ 185,883 | \$ 79,309 |
| Accounts receivable | - | - | 22,271 |
| Property and equipment (2) | <u>932,871</u> | <u>999,839</u> | <u>1,057,435</u> |
| <i>Total assets</i> | <u>\$ 1,036,404</u> | <u>\$ 1,185,722</u> | <u>\$ 1,159,015</u> |
| Liabilities: | | | |
| Accounts payable | \$ 399 | \$ - | \$ - |
| Organizational funds | 8,941 | 2,599 | 4,991 |
| Special collections due others | 5,124 | 2,438 | 11,154 |
| Loans from Diocese (3) | <u>10,050</u> | <u>70,233</u> | <u>91,171</u> |
| <i>Total liabilities</i> | <u>\$ 24,514</u> | <u>\$ 75,270</u> | <u>\$ 107,316</u> |
| Net assets | <u>1,011,890</u> | <u>1,110,452</u> | <u>1,051,699</u> |
| <i>Total liabilities and net assets</i> | <u>\$ 1,036,404</u> | <u>\$ 1,185,722</u> | <u>\$ 1,159,015</u> |

- (1) Cash balance at June 30, 2017 represents 49 days of operations. Optimal cash balance should cover 180 days of operations as emergencies and lack of consistent support can erode that balance.
- (2) St. Joseph Parish maintains a Church that is 124 years old, an office building (former convent) that is 141 years old, a rectory that is 109 years old, and a school building that is 61 years old, as well as various school and parish maintenance equipment.
- (3) This loan is the result of personnel costs that were paid for by the Diocese during the transition to Mishawaka Catholic School in 2012. St. Joseph started making monthly payments on this loan in 2016.

Statements of Activities:

| | | <u>Year Ending 6/30/17</u> | <u>Year Ending 6/30/16</u> | <u>Year Ending 6/30/15</u> |
|---------------------------------|--|--------------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Collections (1) | | \$ 515,061 | \$ 518,152 | \$ 534,543 |
| Bequests and large donations | | 38,766 | 136,917 | 65,967 |
| Other donations | | 27,689 | 36,177 | 37,328 |
| Other revenue (2) | | 44,678 | 45,593 | 67,020 |
| Interest income | | <u>1,083</u> | <u>1,037</u> | <u>1,009</u> |
| Total revenue | | <u>\$ 627,277</u> | <u>\$ 737,876</u> | <u>\$ 705,867</u> |
| Expenses: | | | | |
| Personnel (3) | | \$ 211,293 | \$ 194,942 | \$ 192,835 |
| School subsidy (4) | | 157,605 | 157,210 | 160,127 |
| Repairs and maintenance | | 84,791 | 60,979 | 67,756 |
| Utilities | | 55,356 | 60,302 | 63,850 |
| Insurance | | 24,763 | 24,340 | 23,764 |
| Diocese assessments (5) | | 32,073 | 30,880 | 30,920 |
| Other expenses | | <u>84,472</u> | <u>88,658</u> | <u>105,272</u> |
| Total expenses | | <u>\$ 650,353</u> | <u>\$ 617,311</u> | <u>\$ 644,524</u> |
| Operating income/(loss) | | \$ (23,076) | \$ 120,565 | \$ 61,343 |
| Noncash expenses (depreciation) | | <u>75,486</u> | <u>71,928</u> | <u>86,978</u> |
| Net income/(loss) | | <u>\$ (98,562)</u> | <u>\$ 48,637</u> | <u>\$ (25,635)</u> |

- (1) Collections have been flat for the three years presented above and have also been flat for the five previous years not presented.
- (2) Other revenue is composed of fundraisers, votive offerings, education and other special envelopes.
- (3) Personnel expenses include \$72,189, \$63,691, and \$72,269 for the years ending June 30, 2017, 2016, and 2015, respectively, for personnel responsible for the maintenance and upkeep of our historic church and buildings.
- (4) School subsidy for Mishawaka Catholic is based on a formula that weights the total registered parishioners of St. Joseph Parish in relation to the two other Mishawaka parishes.
- (5) Diocese assessments are for administrative costs and services provided to St. Joseph Parish by the Diocese. It is based on a formula that weights Sunday collections.

Our Giving Patterns

As of June 30, 2017, St. Joseph Parish had 771 registered households, 78% of which are considered givers. **37% of our registered parishioners contribute less than \$100 annually. 38% of our parishioners contribute nearly 82% of offertory collections.**

Introducing: Stewardship of Sacrificial Giving

As disciples of Jesus, we know and experience that all is gift; God has lavished us with everything that we have - our time to be returned as prayer, our talents to be returned as service, and our treasure to be returned as sacrificial giving. With regard to sacrificial giving, the key word is intentionality: we plan our giving ahead of time, and from our first fruits (not what may, or may not, be left after other expenses). Imagine for a moment receiving a gift from someone who tells you, 'I got you this ____ which was just sort of laying around. I don't need it anymore and it's not that great and I knew I had to give you something...so here it is!' Since God has truly given us everything, our sacrificial giving to Him should be planned before anything else in our budget. The Biblical tithe of 10% remains the model for this and is intended as a minimum not a maximum since the invitation to be generous may prompt our hearts to give additionally. It's typical to split up the 10% and give 5% to the parish and 'play' with the other 5% with other charities (and truly, being able to use 5% of our income to help other charities is a lot of fun!). If we are far from this ideal now then we can simply work toward 10% in steps; and this is an expression of our trust in God to provide for us (He will)!

Our mission to continue to allow St. Joseph to cultivate a home for us here in Mishawaka so that the Gospel is preached and the salvation of souls continues is simply not possible without more income. Whether our sacrificial giving ends up being large or small in proportion to our income matters very little when considering the privilege it is simply to be generous and make a return of what God has given to us.

Here are some bullet points regarding some details for sacrificial giving here at St. Joe:

- *Sacrificial giving is an act of gratitude to the Lord and also brings us joy and peace!*
- *The Sunday Collection envelopes are the focus of our regular sacrificial giving and is an essential aspect of our participation in the sacrifice of Jesus on the Cross, which is what the Mass makes present.*
- *The parish is also called to give sacrificially. To get us started, beginning in the new year, 2% of our collection will be set aside for charity (and this number will increase as time goes on).*
- *Sacrificial giving is consistent, whether that is weekly or monthly.*
- *Online Giving is an excellent model of sacrificial giving since we specify the amount at the outset, which ensures our gift is intentional (see below for how to set up!).*
- *Holy Day sacrificial giving provides an opportunity to be even more sacrificial above and beyond our normal intentional amount.*
- *Additional opportunities for sacrificial giving include planned giving in our wills (specify: St. Joseph Parish Mishawaka), stock gifts, in kind gifts (of services you or your business may be able to provide), and specified gifts (for a particular need).*
- *We no longer have superfluous parish collection envelopes; we simply have the Sunday and Holy Day ones; again, this is so that we can be truly intentional about what we are giving rather than feel like the parish is nickel and diming us!*
- *The diocese stipulates that other collection envelopes be included in your monthly packet; your use of these is entirely at your discretion.*
- *We no longer have any second collections (except for ones the Bishop may mandate)*
- *Only community building fundraising will be permitted (the bazaar, for example).*
- *Parish events will no longer have a donation jar since our regular sacrificial giving will support our programs.*
- *God cannot be outdone in generosity!*

**To Sign up for Online Giving, please visit www.osvonlinegiving.com/1253
(select create new account and follow the prompts)**