

NATIVITY OF OUR LORD

CATHOLIC CHURCH
ANNUAL MISSION UPDATE 2021



Parish Mission Statement | Promulgated October 7, 2019

Nativity of our Lord is a vibrant Catholic community committed to helping each person answer the call of Jesus Christ to serve as his disciple by...

- Nurturing a rich **sacramental and spiritual life**;
- Supporting strong Catholic **education and faith formation**;
- Fostering **fellowship and community**;
- And providing abundant opportunities to participate in the parish's long tradition of **Christian witness**.



At a Glance (from October 1, 2020 to September 30, 2021)

5,758	Registered Parishioners
1,755	Registered Parishioner Households
35	Infant Baptisms (up to age 1)
24	Child Baptisms (age 1-6)
4	Minor Baptisms (age 7-17)
5	Adult Baptisms (age 18+)
68*	Total Baptisms
91*	First Holy Communion Received
6*	People Received into Full Communion
108*	Confirmations
27*	Marriages
1	Ordination (Fr. David Hottinger, pictured at right with Fr. Bill Duffert at left)
42*	Anointing of the Sick Received (including healing Masses and Last Rites — approximate)
42*	Deaths of Parishioners
32*	Funerals Celebrated



**Includes sacraments celebrated at Our Lady of Victory Chapel at St. Catherine University*

New Parish Secretary: Beth Erickson

<https://nativitystpaul.org/news/welcome-beth-erickson>

Beth Erickson took over the primary front desk duties in the parish office beginning in April. She had previously served a variety of administrative roles at Transfiguration in Oakdale.



New Faith Formation Director: Mahalia Marcelin

<https://nativitystpaul.org/news/new-faith-formation-director-in-her-own-words-mahalia-marcelin>

Mahalia Marcelin is a native of Haiti and moved from Miami, Florida to join our parish staff, beginning in June. "It is an honor to serve Christ with you at Nativity of Our Lord."



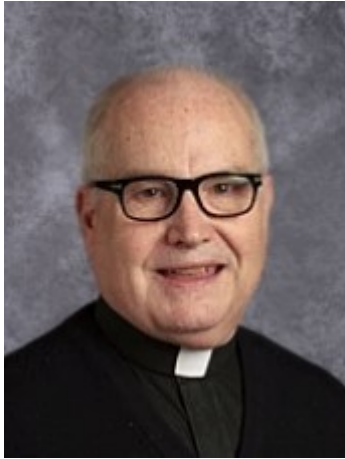
New Parochial Vicar: Fr. Bill Duffert

<https://nativitystpaul.org/news/fr-bill-in-his-own-words>

The newly-ordained Fr. Bill Duffert took over as parochial vicar for Fr. Nick Hagen in June upon Fr. Nick's reassignment to St. Raphael in Crystal. "I consider it a great privilege to be able to serve you all."



LETTER FROM THE PASTOR



Sunday, November 14, 2021

My dear brothers and sisters, may the grace and peace of God our Father be with you all.

As the leaves change and fall to the ground, it's clear that autumn is fully upon us, and with it comes the great Thanksgiving holiday here in the United States. We Catholic Christians are a profoundly thankful people — indeed, the word Eucharist itself, the “source and summit” of our faith, means Thanksgiving — and thus everything we do should be marked with a profound gratitude to our provident Father in heaven, both here at Nativity of Our Lord and beyond in our everyday lives.

Our annual Stewardship Sunday, then, is grounded firmly in this deep sense of gratitude. I invite you again to reflect on the abundant gifts that God has given us here at Nativity of Our Lord, individually and collectively, acknowledging that all good things come from that same Father, and remembering that the gifts that we have been given were meant to be shared.

With that in mind, I now ask you to pledge to support our ongoing mission this coming year, and in particular to support us financially, for which you'll find an enclosed pledge form and envelope. For most of you, this is the continuation of years of loyal support. For some of you, this will be the first time. For all of you, we are immensely grateful. (Please see the enclosed Mission Update and our financial Annual Report detailing our stewardship of your previous contributions.)

Finally, I invite you to join me in again asking the intercession of St. Joseph, patron of this Year of St. Joseph concluding this month, for our parish and all its members.



*Heavenly Father,
You gave St. Joseph to Jesus and Mary as protector and guide.
May we listen as he listened,
trust as he trusted,
obey as he obeyed,
receive as he received,
love as he loved,
and share in his life of devotion to Jesus and Mary.
Amen.
St. Joseph, pray for us!*


(From the Archdiocesan Prayer for the Year of Saint Joseph)

And may God bless you in your generosity.

A handwritten signature in cursive script, reading "Fr. Patrick Hipwell".

Fr. Patrick Hipwell, Pastor

FINANCIAL REPORT | PARISH | 2020 - 2021

	FY 2022 Budget (ends 6/30/22)	FY 2021 Actual (ended 6/30/21)	FY 2021 Budget (ended 6/30/21)	FY 2021 Actual to Budget Variance	FY 2020 Actual (ended 6/30/20)
Operating Revenue					
Envelope, Plate, and Offerings	\$1,835,000	\$1,721,609	\$1,850,000	(\$128,391)	\$1,817,378
County Fair	250,000	250,000	250,000	0	250,000
Endowment Distribution	153,000	153,000	130,000	23,000	154,131
Miscellaneous Income	10,600	8,251	20,580	(12,329)	21,305
Gifts (Memorials, Stipends, Votive)	54,500	125,511	42,600	82,911	121,109
Catholic Services Appeal Rebate	30,000	38,111	10,000	28,111	40,949
Interest Income	17,500	24,865	32,500	(7,635)	34,297
Hunger Box & Loaves and Fishes	3,500	4,298	6,400	(2,102)	6,347
Rental Income	1,000	150	1,000	(850)	1,000
Early Learning Center (Net)	0	43,875	0	43,875	(42,582)
Total Operating Revenue	\$2,355,100	\$2,369,670	\$2,343,080	\$26,590	\$2,403,934
Operating Expenses					
School Investment	839,259	678,385	869,227	(190,842)	574,001
Church Operations	296,000	279,617	256,514	23,103	250,671
Clergy and Rectory	181,680	183,640	172,504	11,136	163,320
Liturgy and Music	222,072	184,461	225,252	(40,791)	210,045
Faith Formation	109,240	80,774	109,240	(28,466)	94,797
Pastoral Ministry	94,250	89,378	92,698	(3,320)	93,796
General Parish Administration	628,400	567,350	605,170	(37,820)	540,261
Archdiocese Assessment	140,758	153,827	153,827	0	143,139
Hunger Box & Loaves and Fishes	6,000	6,944	6,000	944	5,345
Capital Improvement and Repairs	50,000	539,558	50,000	489,558	433,316
Depreciation Expense ¹	579,255	613,787	559,748	54,039	579,255
Total Operating Expense	\$3,146,914	\$3,377,721	\$3,100,180	\$277,541	\$3,087,946
Net Change from Operations	(\$791,814)	(\$1,008,051)	(\$757,100)	(\$250,951)	(\$684,012)
Add back: Non cash depreciation expense ¹	579,255	613,787	559,748	54,039	579,255
Total Net Change from Operations	(\$212,559)	(\$394,264)	(\$197,352)	(\$196,912)	(\$104,757)

¹ Nativity records depreciation (a non-cash expense) for future capital repairs and replacement. FY 2021 depreciation totaled \$613,787.

Note: Due to the large financial operation, Nativity, by the request of the Pastor, Trustees, and Finance Council, undertakes a fully accredited audit each year. This report is based on this year's audit. The financial statement includes revenues and expenses as it relates to parish operations. Nativity reports on a full accrual basis; therefore, we recognize revenues and expenses at the time they were earned and incurred.

The financial statements for Nativity of Our Lord for the fiscal year ending June 30, 2021 reflect a net operating loss of \$394,264. This includes all operating cash items (revenue, operating, and capital expenses and capital expenditures) incurred during the same 2021 fiscal year.

Despite the enormous challenges from the COVID pandemic, we experienced a decrease of only 1.4% in reported operating revenue compared to the prior year with the envelope and plate collection decreasing a relatively modest 5.3%. This collection revenue funds our ministries and pays for the daily operating expenses of the parish. We are most grateful for the generosity of our community during this trying period.

We completed the external tuckpointing project this year, which totaled \$539,558, representing the largest portion of our capital expenditures. The most significant expense of repairs on the interior of the church, however, still lie ahead. The plastic sheeting on the east interior wall remains in place to capture debris as the wall continues to dry out over the next several months, to allow for the major (and costly) interior repairs to begin.

These construction costs were largely paid for by the generous donations from current parishioners and estate gifts. Prudent management of past gifts has built up allocated cash reserves, which will be drawn down as we address the significant capital improvements which are necessary on our campus.

Balance Sheet	
Assets	
Bank	\$5,462,834
Tuition Receivable	\$49,282
Endowments	\$4,877,048
Fixed Assets: Buildings, Equipment, and Land	\$19,226,563
Total Assets	\$29,615,727
Liabilities	\$3,121,232
Net Assets	
Undesignated	\$20,904,915
Board designated/Restricted	\$5,589,580
Total Liabilities and Net Assets	\$29,615,727

Parish Endowment Fund	
<i>Financially benefits the mission of Nativity of Our Lord and its religious, charitable, and educational ministries.</i>	
Beginning Market Value as of 7/1/20	\$3,369,930
Donations	\$500
Distribution to Operations	(\$153,000)
Investment Gain (Loss) Less Fees	\$1,021,852
Ending Market Value as of 6/30/21	\$4,239,282

The balance sheet above shows the historical generosity of our parishioners, which has allowed us to prudently build up reserves over the years to ensure the sustainability of One Nativity. Some of these funds are restricted to specific uses by donors or the board, while others are earmarked as operating reserves.

The largest portion is dedicated to a long-term capital spending plan being developed for the parish through a thoughtful process. We are committed to ensuring the maintenance and preservation of Nativity's beautiful buildings while continually addressing the needs of our parish and school.

Maintaining the current levels of reserves in the bank allows the parish to comfortably navigate the various ups and downs of the economy, such as the COVID pandemic, as well as the ongoing facility repairs and maintenance, with a sense of confidence.

We are excited and proud to share the news that during the 2021 fiscal year, a Scholarship Endowment Fund was established. This fund is now perpetually endowed for the exclusive purpose of tuition assistance for educational programming of the One Nativity community. The assets of the Parish Endowment Fund and the Scholarship Endowment Fund are managed by the Catholic Community Foundation of Minnesota.

We are Called to Greatness through Faith and Service!

This year's theme provides our school community with a purpose centered on Christ and how we can best live out our mission to develop the best version of ourselves. Greatness can only be achieved through service of others with a joyful heart.

This year, we are committed to reestablishing many opportunities and experiences for our students that embody the best Nativity has to offer. Engaged learning experiences, enrichment opportunities, and academic support offerings help each of our students strive to reach their academic potential.

The hard work by our students last spring and this summer yielded a positive result in this fall's standardized testing (NWEA MAP Test for grades 3-8). Having our students on campus last year for in-person learning contributed to their academic achievement and success at year end and as we began the new school year. The average score by grade level as compared to students across the nation are listed below. Congratulations Nativity students!

Our new Director of Curriculum and Instruction, Mrs. Tami Lodge, former middle school science teacher, will continue to work with our teachers to analyze these results, along with the other assessments which reflect our daily standards-based instruction, to help all students grow academically.

The work happening in our classrooms is reinforced through field trips, classroom presentations, athletics, and after-school programming. Our seventh graders just returned from a three-day environmental camp experience in Lanesboro, MN — an important annual event that was missed last year due to the pandemic. Our kindergarteners have been to the farm at Dodge Nature Center, first graders have been to Afton Apple Orchard, the second graders to the State Capitol, and the fifth grade even went to Target Field for a creative math-based field trip! Each step taken is a step back to the normal learning experiences offered at Nativity as we learn to navigate our way through the impact of COVID-19. We are grateful!

We look forward to reinstating many service and leadership experiences for our students this year. Our Student Council will


coordinate school-wide service experiences like our on-going relationship with Holy Rosary Parish with our Thanksgiving and Christmas donation drives. We are looking forward to two Family Service Mornings this year — one during the season of Advent and the other during Lent. We hope to reestablish our Backpacks of Love program that serves local families in need with staple food items each week which is sponsored by our school children. Finally, our Social Justice Club in the middle school is up and running and seeking ways that they can make a positive impact in the world around them!

Our enrollment grew this year as we welcomed several new families to Nativity School. Each child brings their own unique set of gifts and talents to our community which only makes our community stronger. We also welcomed a new assistant principal, Mr. Andy Jacobson, and five new teachers to our staff, two of which are alumni of Nativity! The future continues to look bright at Nativity School thanks to the generosity of prayer and financial support of our parishioners.

Grade	National Fall Reading	Nativity's 2020 Fall Reading	Nativity's Fall Reading %
3	186.6	196.6	92%
4	196.7	211.6	98%
5	204.5	215.5	94%
6	210.2	222.8	96%
7	214.2	225.9	95%
8	218.0	229.0	92%

Grade	National Fall Math	Nativity's 2020 Fall Math	Nativity's Fall Math %
3	188.5	198.4	95%
4	199.5	212.9	98%
5	209.1	222.7	97%
6	214.7	228.9	97%
7	220.2	235.3	96%
8	224.9	240.6	95%

FINANCIAL REPORT | SCHOOL | 2020 - 2021

	FY 2022 Budget (ends 6/30/22)	FY 2021 Actual (ended 6/30/21)	FY 2021 Budget (ended 6/30/21)	FY 2021 Actual to Budget Variance	FY 2020 Actual (ended 6/30/20)
Operating Revenue					
Tuition and Fees	\$4,076,590	\$3,947,252	\$4,012,258	(\$65,006)	\$4,067,811
Fundraising	43,000	38,666	41,000	(2,334)	39,748
Parish Investment	839,259	678,385	869,227	(190,842)	574,001
Hot Lunch	80,000	75,983	180,000	(104,017)	172,973
Athletic Income	39,000	17,693	39,000	(21,307)	24,571
Gifts and Miscellaneous	55,000	162,990	32,000	130,990	77,462
Total Operating Revenue	\$5,132,849	\$4,920,969	\$5,173,485	(\$252,516)	\$4,956,566
Operating Expenses					
Salaries and Benefits	3,902,539	3,763,196	3,656,855	106,341	3,613,472
Administrative and Supplies	215,250	199,324	400,500	(201,176)	380,564
Operations	673,560	622,103	671,770	(49,667)	589,635
Hot Lunch	80,000	125,324	180,000	(54,676)	176,380
Debt Repayment	144,000	144,000	144,000	0	122,058
Athletics	77,500	24,022	77,360	(53,338)	49,717
Capital Improvements	40,000	43,000	43,000	0	24,740
Total Operating Expense	\$5,132,849	\$4,920,969	\$5,173,485	(\$252,516)	\$4,956,566
Net Change from Operations	\$0	\$0	\$0	\$0	\$0



Scholarship Endowment Fund <i>Exclusively provides tuition assistance to students attending Nativity of Our Lord School and to provide aid for all faith formation programs at the parish</i>	
Beginning Market Value as of 7/1/20	\$488,918
Distribution to Operations	\$0
Investment Gain (Loss) Less Fees	\$148,848
Ending Market Value as of 6/30/21	\$637,766

In Memoriam

Each November, the Church commemorates in a particular way those who have passed from this life. We wish to remember all parishioners who have died in the past year.

The following names are those whose funerals were celebrated at Nativity in the past year (or others by request), and who were remembered at the annual Memorial Mass on Saturday, November 6, 2021.

Please remember in your prayers:

Marian C. Adam
 Georgia Ales-Lynch
 Lucille Alfveby
 Donald F. Becker
 Jeffrey S. Christenson
 Thordildur Gudny Dech
 Christopher Dell
 Perla Rosario Jamisola Espino
 Mary Lou Fleischhacker
 Thomas J. Geheren
 Michael J. Gephart
 Judith Leahy Grimes
 Elizabeth L. Grundner
 Joseph B. Jann
 Judge Dan Matthew Kammeyer
 Anne M. Kilbane
 Frances Alexandra "Sandy" Klas
 Norma Marie Kruzal
 Roger R. Laufle
 Gloria Ann Laughlin
 Mary Kay McQuade
 John Henry Michel
 Robert Murnane
 Raymond Charles Newton
 Joseph A. Peroutka
 Helen M. Rosier
 Raymond K. Rudd
 Pattijo Sagerer
 Norbert Francis Santoski
 Carol Sawyer
 Madeline Paciorek Shinbach
 Roland "Mac" Trost

May their souls and those of all the faithfully departed, through the mercy of God, rest in peace, amen!



Nativity Early Learning Center

<https://elc.nativity-mn.org>

4	Preschool Classrooms
66	Preschool Children
3	After School Classrooms grades K-5
59	K-5th After School Students
23	Teachers
320	Years Combined in Teaching Experience

As we know, last year brought challenges to the Nativity Early Learning Center, including low enrollment and staff shortages. The COVID-19 pandemic has affected us both financially and operationally. We were extremely lucky and blessed to receive COVID-19 Public Health Support Funds through the Minnesota Department of Human Services, which helped to keep our doors open. We felt it was important to stay open, despite the risk, to support the needs of working families in our community. This year, our preschool enrollment is still not at full capacity, but we have seen a rise in school-age afterschool care.

The NELC is nestled in the heart of Nativity's parish and school, occupying the two lower levels of the Lannan Center at 1900 Wellesley Ave, directly across the street from Nativity School. The NELC has an excellent full-day preschool program, extended day afterschool program for children in grades K-5, as well as a summer camp program with convenient hours with long-term, knowledgeable, dedicated, and loving teachers.