



NATIVITY OF OUR LORD
CATHOLIC CHURCH

100 YEARS • 1922-2022

ANNUAL REPORT & MISSION UPDATE 2022



ANNUAL REPORT & MISSION UPDATE 2022

Our Faithfully Departed

Please remember in your prayers:

<i>Gary M. Ales</i>	<i>Mary Helen Meier</i>
<i>Jeanne Mischke Andrews</i>	<i>Carla Mischke</i>
<i>Barbara Kratochvil Arnold</i>	<i>John Gregory O'Donnell</i>
<i>Margaret "Jayne" Berg</i>	<i>Dorothy Elizabeth Pappenfus</i>
<i>Marilyn Brysiewicz</i>	<i>Stephen M. Rosenberg</i>
<i>Jeffrey S. Christenson</i>	<i>Carol Sawyer</i>
<i>Richard J. Costello</i>	<i>Michael Sharpe</i>
<i>Rosemarie Dobihal</i>	<i>Richard Simmons</i>
<i>Patricia Downes</i>	<i>Mary Goulet Skinner</i>
<i>Julie Ann Gunderson</i>	<i>Mary K. Smith</i>
<i>Marguerite Gignac Hedges</i>	<i>Sheila Smith</i>
<i>Priscilla Herbison</i>	<i>Patricia Trost</i>
<i>Margaret Koep</i>	<i>Dennis Joseph Turso</i>
<i>Matthew McCollister</i>	<i>Rita Mae Waters</i>
<i>Patricia Ann McDonell</i>	<i>Kenneth Owen Witte</i>
<i>Irene McGraw</i>	<i>Margaret "Beth" Wollerman</i>
<i>Thomas McKernon</i>	

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

At a Glance | October 1, 2021 - September 30, 2022
Includes sacraments celebrated at Our Lady of Victory Chapel at St. Catherine University

2021-22 2020-21

51	35	Infant Baptisms (up to age 1)
12	24	Child Baptisms (age 1-6)
3	4	Minor Baptisms (age 7-17)
2	5	Adult Baptisms (age 18+)
(68)	(68)	(Total Baptisms)
86	91	First Holy Communion Received
1	6	People Received into Full Communion
81	108	Confirmations
19	27	Marriages
1	1	Ordinations
26	42	Anointing of the Sick Received (including healing Masses and Last Rites — approximate)
36	42	Deaths of Parishioners
32	32	Funerals Celebrated
1,750	1,755	Registered Parishioner Households
5,743	5,758	Registered Parishioners
44	n/a	K-12 Faith Formation Students
8	n/a	Volunteer Catechists

New Director of Music: Brian Carson

nativitystpaul.org/news/new-director-of-music-brian-carson

Hello! My name is Brian Carson, and I am the new Director of Music at Nativity of Our Lord. I am very much looking forward to working with the terrific people here, and playing the organ in the equally beautiful church.



Nativity is certainly an exceptional parish that offers so much, and has so much potential to be developed!

I am originally from Watertown, New York, and went to Oberlin Conservatory and the Eastman School of Music where I met my wife, Catherine Rodland, who is an Artist-in-Residence at Saint Olaf College, teaching organ and music theory. We have two children who are also musicians: our son, John, is finishing up a Master's in piano in Saarbrücken, Germany, and our daughter, Cate, is working on an undergraduate degree at Eastman in violin.

I have always been fascinated with how music works with the liturgy to deepen our sense of the sacred and to focus the prayer of the congregation. It also has a tremendous ability to keep texts which are sung firmly rooted in our memories, often for a lifetime.

I also very much enjoy passing this love of liturgical music on to young people in the form of boys' and girls' choirs, a number of which I have started from scratch, and trained them up through tours of various places in the U.S., and even to Europe! So, in addition to playing the organ at Nativity each week, I also look forward to restarting the choir of boys and girls, and exploring even more advanced options for them as the opportunities present themselves.

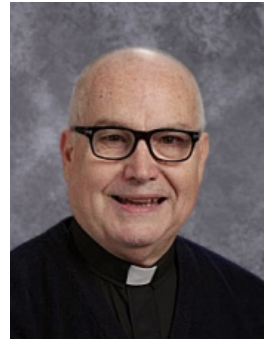
LETTER FROM THE PASTOR

Sunday, December 4, 2022

My Dear Brothers and Sisters,

May the peace, joy, and love of Jesus Christ on this 2nd Sunday of Advent be with all of you.

Today we celebrate Stewardship Sunday. If you're thinking to yourself, "seems a little later this year," you would be correct. We've had a lot going on over the past few months, as you well know, from our annual Nativity County Fair in September to our 100th Anniversary Celebration in October to the launch of our Centennial Campaign last month. Truth be told, there really wasn't a particularly good time for Stewardship Sunday this year!



But perhaps that's all the more reason to take a moment to pause and once again reflect on the beautiful, awesome, and humbling fact that all that we have has been given to us from the Almighty God himself.

And taking this pause later this year also affords us the opportunity to meditate upon a different selection of biblical readings with stewardship in mind, namely those of the 2nd Sunday of Advent. In today's Gospel, we hear again about the unique figure of St. John the Baptist. Perhaps no other man in our Christian tradition embodies the true meaning of the word "holy" — that is, "set apart." This man's way of living was so obviously *different*. But not to no purpose. Instead, all that he did, from the clothes he wore (or didn't wear) to the food he ate (or didn't eat) was done to "prepare the way of the Lord."

As we reflect upon God's most generous gifts in our lives, I invite each of us to consider how we might imitate St. John by preparing our own hearts to welcome the newborn king this Christmas, and ultimately to respond more readily to Our Lord's invitation to follow him. Don't worry, that probably won't mean wearing camel's hair and eating locusts. But we are all called to heed these cousins' shared message of repentance — this Stewardship Sunday, this Advent, this coming new year, and indeed for our entire lives.

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 return envelope. We are immensely grateful for your generosity, and in particular this year for those who are making an additional, sacrificial contribution to our Centennial Campaign, which addresses expenses and investments above and beyond the scope of our annual budget. We simply could not live out our shared mission without the financial support of you, our parishioners. Thank you!



Please see the accompanying Mission Update and our financial Annual Report detailing our stewardship of your previous contributions.

And may God bless you in your generosity.

A handwritten signature in cursive script.

Fr. Patrick Hipwell
Pastor of Nativity of Our Lord

Pictured above:

John the Baptist (right) with child Jesus, in the painting
The Holy Children with a Shell by Bartolomé Esteban Perez Murillo
Circa 1670 | Oil on canvas | Museo del Prado, ESP | {{PD-US-100}}
commons.wikimedia.org/wiki/File:InfantJesus_JohnBaptist.JPG



PARISH FINANCIAL REPORT 2022

	FY 2023 Budget (ends 6/30/23)	FY 2022 Actual (ended 6/30/22)	FY 2022 Budget (ended 6/30/22)	FY 2022 Actual to Budget Variance	FY 2021 Actual (ended 6/30/21)
Operating Revenue					
Envelope, Plate and Offerings	\$1,790,250	\$1,696,249	\$1,835,000	(\$138,751)	\$1,721,609
County Fair	250,000	250,000	250,000	0	250,000
Endowment Distribution	165,000	165,223	153,000	12,223	153,000
Miscellaneous Income	7,750	4,229	10,600	(6,371)	8,251
Gifts (Memorials, Stipends, Votive)	74,000	75,968	54,500	21,468	125,511
Catholic Services Appeal Rebate	25,000	25,274	30,000	(4,726)	38,111
Interest Income	27,500	26,395	17,500	8,895	24,865
Hunger Box / Loaves and Fishes	6,000	7,405	3,500	3,905	4,298
Rental Income	3,000	3,350	1,000	2,350	150
Early Learning Center (Net)	(458)	122,748	0	122,748	43,875
Total Operating Revenue	\$2,348,042	\$2,376,841	\$2,355,100	\$21,741	\$2,369,670
Operating Expenses					
School Investment	819,229	822,667	829,259	(6,592)	678,385
Church Operations	290,000	258,919	296,000	(37,081)	279,617
Clergy and Rectory	203,727	197,829	181,680	16,149	183,640
Liturgy and Music	232,300	180,311	222,072	(41,761)	184,461
Faith Formation	117,916	114,779	109,240	5,539	80,774
Pastoral Ministry	90,000	52,638	94,250	(41,612)	89,378
General Parish Administration	638,950	562,297	628,400	(66,103)	567,350
Development	140,000	0	0	0	0
Archdiocese Assessment	126,564	140,758	140,758	0	153,827
Hunger Box / Loaves and Fishes	6,000	4,457	6,000	(1,543)	6,944
Capital Improvement and Repairs	50,000	162,681	50,000	112,681	539,558
Depreciation Expense ¹	615,059	640,807	579,255	61,552	613,787
Total Operating Expense	\$3,329,745	\$3,138,143	\$3,136,914	\$1,229	\$3,377,721
Net Change from Operations	(\$981,703)	(\$761,302)	(\$781,814)	\$20,512	(\$1,008,051)
Add back: Noncash depreciation expense ¹	615,059	640,807	579,255	61,552	613,787
Total Net Change from Operations	(\$366,644)	(\$120,495)	(\$202,559)	\$82,064	(\$394,264)

¹ Nativity of Our Lord records depreciation (a noncash expense) for future capital repairs and replacement. FY 2022 depreciation totalled \$640,807.

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 included 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.

ANNUAL REPORT & MISSION UPDATE 2022

We began our 2021-22 fiscal year with the return to a successful Nativity County Fair weekend and a great start to our school year and faith formation programming.

The Net Change on the financial report represents the day-to-day operations for the entire parish including the school. This amount includes all operating cash items — including operating revenue such as stewardship and plate; operating expenses such as staffing, benefits, and utilities; and capital repair and maintenance — incurred during fiscal year 2022. We ended the fiscal year with a Net Operating Change of (\$120,495).

To summarize, the operating revenue compared to the prior fiscal year remained flat. The envelope and plate collections experienced a 1.5% decrease when compared to the prior fiscal year. This collection revenue funds many of our ministries and pays for our daily operating expenses of the parish.

We were fortunate to receive many one-time donations and grants not included in envelope and plate collections to help support our parish mission.

We again held the County Fair Live Dinner and Live Auction in the spring this past year, which provided many gifts to the parish and community. Fund-a-Need contributed significantly towards the Scholarship Endowment, which helped increase this fund to over \$750,000.

This fund is perpetually endowed and exclusively benefits tuition assistance for our educational programming at Nativity of Our Lord. Both of our endowment



Parish Endowment Fund <i>Financially benefits the mission of Nativity of Our Lord Catholic Church and its religious, charitable and educational ministries</i>	
Beginning Market Value (as of 7/1/21)	\$4,239,282
Donations	4,700
Distribution to Operations	(165,223)
Investment Gain (Loss) Less Fees	(330,511)
Ending Market Value (as of 6/30/22)	\$3,748,248

Balance Sheet	
Assets	
Bank	\$5,309,199
Tuition Receivable	\$57,029
Endowments	\$4,523,200
Fixed Assets: Buildings, Equipment, and Land	\$18,718,496
Total Assets	\$28,607,924
Liabilities	
	\$1,781,299
Net Assets	
Undesignated	\$20,904,915
Board Designated/Restricted	\$5,589,580
Total Liabilities and Net Assets	\$28,275,794

funds are permanently held and invested with Catholic Community Foundation.

The balance sheet shows the historical generosity of our parishioners, which has allowed us to prudently build up reserves over the years to ensure the sustainability of Nativity Parish. That said, many of the funds are restricted to specific uses by donors or the board, and other liabilities, while others are earmarked for operating reserves.

The FY 2023 Operating Budget is over \$7.8 million, with an average monthly operating budget of just

over \$650,000. Nativity adheres to financial best practices by maintaining a minimum six-month cash operating reserve along with reserves to provide for routine capital repair and maintenance.

Finally, we are happy to announce we completed a long term capital plan for Nativity to ensure our beautiful buildings are maintained and preserved well into the future.

The financial statements for Nativity of Our Lord for the fiscal year ending June 30, 2022, as well as the previous year, are provided for you on the opposite page.



SCHOOL FINANCIAL REPORT 2022

	FY 2023 Budget (ends 6/30/23)	FY 2022 Actual (ended 6/30/22)	FY 2022 Budget (ended 6/30/22)	FY 2022 Actual to Budget Variance	FY 2021 Actual (ended 6/30/21)
Operating Revenue					
Tuition and Fees	\$4,171,110	\$4,043,471	\$4,076,590	(\$33,119)	\$3,947,252
Fundraising	35,000	4,629	43,000	(38,371)	38,666
Parish Investment	819,229	822,667	829,259	(6,592)	678,385
Hot Lunch *	200,000	285,244	80,000	205,244	75,983
Athletic Income	44,000	44,393	39,000	5,393	17,693
Gifts and Miscellaneous	54,000	160,207	67,000	93,207	162,990
Total Operating Revenue	\$5,323,339	\$5,360,611	\$5,134,849	\$225,762	\$4,920,969
Operating Expenses					
Salaries and Benefits	4,008,589	3,884,578	3,902,539	(17,961)	3,763,196
Administrative and Supplies	171,500	283,990	217,250	66,740	199,324
Building Operations	689,250	649,189	673,560	(24,371)	622,103
Hot Lunch *	200,000	233,307	80,000	153,307	125,324
Debt Repayment	144,000	144,000	144,000	0	144,000
Athletics	70,000	73,610	77,500	(3,890)	24,022
Capital Expense	40,000	40,000	40,000	0	43,000
Total Operating Expense	\$5,323,339	\$5,308,674	\$5,134,849	\$173,825	\$4,920,969
Net Change from Operations	\$0	\$51,937	\$0	\$51,937	\$0

*Net Hot Lunch Funding to be applied to future capital needs

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 Nativity of Our Lord</i>	
Beginning Market Value as of 7/1/21	\$637,766
Contributions	\$204,784
Distribution to Operations	0
Investment Gain (Loss) Less Fees	(67,598)
Ending Market Value as of 6/30/22	\$774,952



NWEA MAP Tests

Spring Reading 2022 Results			
Grade	National	Nativity 2022	Nativity 2002 %
3	197.1	204.3	84%
4	204.8	217.0	96%
5	211.0	220.3	91%
6	215.4	224.6	91%
7	218.4	229.8	94%

Spring Math 2022 Results			
Grade	National	Nativity 2022	Nativity 2002 %
3	201.1	204.8	71%
4	210.5	223.7	96%
5	218.7	229.9	91%
6	222.9	233.3	89%
7	226.7	240.4	93%

ANNUAL REPORT & MISSION UPDATE 2022

Nativity School opened its doors in September to 715 children eager to begin a new school year. The 2022-2023 year has already surpassed expectations.

Nativity School's mission is to help each child grow into the person God has called them to be through Faith, Academics, and Character.

Pillar One: Faith

The Pillar of Faith at Nativity School has five dimensions: Prayer, Sacraments, Service, Catechesis, and Rituals. During the 2021-2022 academic year, our students continued to grow in their faith. Our second graders received the sacraments of Reconciliation and First Holy Communion and our eighth graders received their Confirmation at the Cathedral of St. Paul. We appreciate the partnership between our teachers, students, parents, and sponsors that is formed while preparing for the sacraments.

One of our goals is to help each student develop hearts of joyful service. Many of our service experiences focus on children helping local children in small but meaningful ways. When all of us do a little, great things can happen. Our theme for the 2022-2023 school year is based on the quote from St. Teresa of Calcutta: "Faith in Action is Service, Service in Action is Love".

Last year and this year we have continued to serve others through our partnership with Holy Rosary - St. Stephen's parish in Minneapolis with our Thanksgiving Food Drive and Christmas gifting program. We will also reintroduce our Backpacks of Love program in partnership with some of the families at Groveland Elementary

School who are experiencing food scarcity. During the seasons of Advent and Lent we offer a Family Service Morning where families can work together in service of those in need in our local community.

Gathering together as a school community of students from kindergarten through eighth grade for liturgy is an important part of the Catholic culture of our school. Our seventh graders serve as liturgy buddies with our kindergarten students as they grow in their understanding of the Mass. After a year of only celebrating Mass with a few grade levels at a time due to the pandemic, we are happy to fill the church with all of our K-8 students again offering prayers of worship, gratitude, and petition to God.

Pillar Two: Academics

Nativity students were blessed with quality learning experiences throughout the past two years of the pandemic. School was in session, with students learning side-by-side from dedicated teachers who challenged them to do their best each day. Our scores on standardized testing remain exceptional due to the hard work of our students and the learning experiences created by the Nativity faculty. (See table on opposite page)

Nativity continues to balance a strong foundation in basic skills while stretching students to reach their academic potential. The Class of 2022 was accepted into their high schools of choice this fall and continue to make us proud through their leadership (Student Council, JROTC, et al.), service, athletics, fine arts and the classroom. Our students develop skills for success in high school and

use those gifts as engaged learners at their respective high schools, and we couldn't be prouder!

Pillar Three: Character

Student participation in extracurricular opportunities returned to full strength during the 2021-2022 school year. We are proud of our student athletes for their winning records, but even more so for how they conducted themselves between the lines.

Our fine arts opportunities helped hundreds of students shine last year. The 7th and 8th grade musical Mary Poppins highlighted many talented students on stage and behind the curtain! This is often a stepping stone for students to become involved in theater at the high school level. The band and choir students performed at key events including the spring gala, the Tree Lot, and the Nativity County Fair. Whatever gifts and talents each student discovers, there is a place to shine at Nativity School — and we are proud of each student who tries!

The mental health of our students and staff has been a priority over the past several years, but never more so than the past two years. We have expanded our mental health resources to help every child grow in confidence, lessen their anxiety levels, and better regulate their emotions so that they can thrive at Nativity School and in life!

Nativity School prides itself on always striving to be better and more effective at educating our students. This fall, we began our self study as a part of our accreditation renewal process. This study will identify our greatest strengths as well as areas of growth, providing the framework for our school strategic plan.

ANNUAL REPORT & MISSION UPDATE 2022

Nativity Early Learning Center

elc.nativity-mn.org

Preschool, After School, and Summer Camps

The Nativity of Our Lord Early Learning Center has been serving families for over 31 years. The NELC offers a safe and loving environment for children ages 33 months to 12 years.



The NELC has an excellent full-day preschool program designed to maximize the educational and social benefits for your child's future success. We also offer an extended day afterschool program for children in grades K-5, as well as a summer camp program with field trips and special adventures and activities. All feature convenient hours and long-term, knowledgeable, dedicated, and loving teachers. Our teachers are committed to providing children with a curriculum that continues to grow as they do!

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.

2021-22 2020-21

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



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.

Learn more about our parish mission statement at nativitystpaul.org/news/mission-statement.

Pastor	Father Patrick Hipwell	(651) 696-5401
Parochial Vicar	Father Bill Duffert	(651) 696-5440
Deacon	Rev. Mr. Russ Kocemba	(651) 696-5401
Deacon	Rev. Mr. Don Tienter	(651) 696-5401

Business Admin.	Laura Barr	(651) 696-5423
Accounting	Joyce Kotta	(651) 696-5436
Parish Secretary	Beth Erickson	(651) 696-5401
Asst. to the Clergy	Tim Huberty	(651) 696-5424
Facilities Director	Steve Boatman	(651) 696-5434
Director of Music	Brian Carson	(651) 696-5430
School Principal	Kate Wollan	(651) 699-1311

Early Learning Center Director

Nicole Clausen (651) 696-5437

Director of Communications & Marketing

Isaac Huss (651) 696-5425

Faith Formation Director

Mahalia Marcelin (651) 696-5441

Nativity Choir Director

Rob Pontious (651) 653-3655

Lay Trustee | Christina Crow (651) 696-5401

Lay Trustee | Tom Tucci (651) 696-5401

Finance Council Chair

Tom Margarit tmargarit@myboyum.com

Pastoral Council

Alison Knapp (Chair)	aknapp2260@gmail.com
Lanita Brandt	Elizabeth Kappenman
Dusty Clements	Chris Nei
Anna Burgason Dirksen	Diane Reisdorfer
Nate Hughes	Lucas Tucker

Staff Email Directory nativitystpaul.org/parish-staff