



NATIVITY OF OUR LORD

CATHOLIC CHURCH



ANNUAL REPORT *and* MISSION UPDATE 2023



Nativity County Fair	
Grand Total Revenue	\$400,401.77
Grand Total Expense	(\$249,428.36)
Net Revenue	\$150,973.41

Advancement Update

In 2023, Nativity of Our Lord hired Beth Giese as Director of Advancement (pictured above left) to lead fundraising efforts for the parish and school. Since arriving at Nativity in mid-April, Beth has worked closely with staff and dedicated volunteers on the Centennial Campaign, the Night to Shine Gala, the Nativity County Fair, and the School's 100th Anniversary celebration.

We are delighted to report that the Centennial Campaign exceeded the \$3.7 million goal by securing nearly \$4.5 million in gifts and pledges. In Beth's words, "The remarkable success of the Centennial Campaign simply could not have been achieved but for the tremendous generosity of the Nativity Community and the remarkable efforts of campaign volunteers and staff leadership."

To date, over 40 percent of all Centennial Campaign commitments have been fulfilled and have been deployed for the Church building restoration, the elimination of the school building debt, and the bolstering of the parish and school scholarship endowments. Overall, approximately 30 percent of the Nativity Community made a gift or commitment to the Centennial Campaign — and it is not too late for others to participate. There continues to be a compelling need to grow both the parish and scholarship endowments.

The parish endowment supports Nativity's mission and ministries. It provides much-needed flexibility to implement new programming, and exists as a stable source of long-term revenue that allows Nativity to weather economic ups and downs. In fact, over the past two decades, the \$4 million parish endowment has provided almost \$2.8 million cumulatively to support our mission and ministries. Meanwhile, we are also focused on growing the scholarship endowment — which presently stands at over \$800,000 — with a near-term goal of \$1 million.

Earlier this year, Nativity hosted the Night to Shine Gala — an annual fundraising dinner that was previously held during the Nativity County Fair. The Gala grossed nearly \$420,000 and netted over \$150,000 in operating support as well as more than \$180,000 for the Fund-a-Need, supporting

Night to Shine Gala	
Gross Revenue	\$419,115.70
Fund-a-Need	(\$183,302.00)
Revenue Subtotal	\$235,813.70
Expense	(\$84,386.18)
Net Revenue	\$151,427.52

Centennial Campaign		
	Donors	Dollars
Pledges	440	\$4,249,145.00
Cash	67	\$216,681.73
Total	507	\$4,465,826.73

both scholarships and new playground equipment. We extend our sincere thanks and gratitude to all sponsors of the spring Gala as well as to our dedicated volunteers who created a magical evening for all who attended.

In September, our community celebrated the 49th annual Nativity County Fair with an assortment of rides, games, entertainment, and of course, amazing foods. This year also featured a fireworks display on Friday night in celebration of the School's 100th anniversary! While the Fair is first and foremost a fun and exciting community-building event, it also aims to raise funds for Nativity, which this year totaled \$150,000. We offer our deepest thanks and well wishes to all of the sponsors and volunteers who made this year's Fair a resounding success.

Late October may have brought us chilly temperatures, but that did not stop us from hosting a lively and heartwarming 100th birthday celebration for the school. Alumni — including many Nativity graduates from the 1960s in particular — joined us in the afternoon for student-led tours of the school, and a walk down memory lane through yearbooks, photos, and uniforms of the past displayed. Mass followed, featuring the youth choir, and the evening was filled with live musical entertainment in the gym and great eats from local food trucks on the plaza.

It has been a bountiful year on the Advancement front, and we extend our thanks, gratitude, and well wishes upon the Nativity Community.

"Consider this: whoever sows sparingly will also reap sparingly, and whoever sows bountifully will also reap bountifully. Each must do as already determined, without sadness or compulsion, for God loves a cheerful giver. Moreover, God is able to make every grace abundant for you, so that in all things, always having all you need, you may have an abundance for every good work."

— 2 Corinthians 9:6-8

LETTER *from the* PASTOR

Friday, December 15, 2023

My Dear Brothers and Sisters,

Praised be Jesus Christ!

My name is Father Rolf Tollefson and I am blessed to be the new Pastor of Nativity of Our Lord since my appointment by Archbishop Bernard Hebda on July 1 of this year.



While I've been working hard to meet as many parishioners as possible in my first few months here, I know there are some I've yet to meet. If that's you, please do introduce yourself the next time you see me at Mass or one of our other events. I can't love you if I don't know you, and I want to do both! In the meantime, you can learn more about me from my introduction that was published when I arrived: nativitystpaul.org/news/introductory-letter-from-new-pastor-fr-rolf-tollefson.

I would be remiss if I didn't again acknowledge the role my predecessor, Father Patrick Hipwell, played in leading and stewarding Nativity over the past 15-plus years. I am personally grateful for his good work here, his help getting me acclimated to the position before taking over, and his continued help in celebrating liturgies on occasion. We are in great shape as a parish moving forward, and we owe Fr. Patrick a debt of gratitude for that. It's been great getting to know him, and I wish him well in his retirement.

Nativity, as you know, is a wonderful parish. There's a reason we are colloquially considered one of the "flagship" parishes of the Archdiocese, and that begins and ends with the outstanding individuals and families who make up our parish community. That includes in large part the notable leadership of our clergy; parish, school, and NELC staff; our ministerial volunteers; our trustees and lay leadership councils; the County Fair steering committee; and of course the Men's Club and NCCW and other vital organizations. But whether or not you have a particular post or role, or even are formally involved in any of our particular initiatives, each parishioner is an indispensable part of our parish and local Church, and help to make Nativity of Our Lord the vibrant, dynamic, and faithful a Catholic Christian community that it is. Thank you!

We are immensely grateful for each of you and for your generosity in stewardship of time, talent, and treasure. I would like to acknowledge in particular those who made an additional, sacrificial contribution to our Centennial Campaign this past year, which addressed expenses and investments above and beyond the scope of our annual budget. We simply could not live out our shared mission without the support of you, our parishioners. Thank you! Please see the accompanying Mission Update and our financial Annual Report in these pages detailing our stewardship of your contributions.

As you can see, Nativity of Our Lord continues to offer beautiful liturgies and sacred music, of which I am particularly passionate. Nativity is blessed with a strong and healthy Catholic School, one of the most important ministries of a Catholic parish. And I am particularly excited by our work to implement the Archdiocesan Synod's small group initiative thus far, and am eager to see as many parishioners as possible take advantage of this great opportunity to enter into intentional Christian community.

Above all, my goal is for you, the people of Nativity of Our Lord, to deepen your personal relationship with Jesus Christ, continue to be proud of being Roman Catholic, and to spread the Word that Jesus is Lord!

It is my great privilege to serve you. Peace in Jesus!

Fr. Rolf Tollefson
Pastor of Nativity of Our Lord

Parish Finances in Brief

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 the fiscal year 2023. We ended the fiscal year with a Net Operating Surplus of \$334,062. This surplus included funding received from the Employee Retention Credit of \$600,443.

To summarize, the overall operating revenue compared to the prior fiscal year remained relatively flat. The envelope and plate collections experienced a 2.4% 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.

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 2024 Operating Budget is just under \$7.8 million, with an average monthly operating budget of \$650,000. Nativity adheres to financial best practices by maintaining a minimum six month cash operating reserves along with reserves to provide for routine capital repair and maintenance.

The financial statements for Nativity of Our Lord for the fiscal year ending June 30, 2023, as well as the previous year, are provided for you on the opposite page.

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 7/1/22)	\$3,748,248
Donations	0
Distribution to Operations	(162,949)
Investment Gain (Loss) Less Fees	340,454
Ending Market Value (as of 6/30/23)	\$3,925,753

Balance Sheet	
Assets	
Bank	\$6,379,114
Tuition Receivable	\$51,405
Endowments	\$4,934,044
Fixed Assets: Buildings, Equipment, and Land	\$19,145,706
Total Assets	\$30,510,269
Liabilities	
	\$1,721,083
Net Assets	
Undesignated	\$22,740,669
Board Designated/Restricted	\$6,048,517
Total Liabilities and Net Assets	\$30,510,269

From Faith Formation to Discipleship

Under Fr. Rolf Tollefson's pastoral leadership, Nativity of Our Lord's mission and vision are expanding. In August, he announced that Mahalia Marcelin had been promoted to the position of Director of Discipleship. While she retains her responsibilities in Faith Formation, she is expanding the scope of her role to include hospitality as well as further outreach and evangelization-forward opportunities.

The goal is to empower Mahalia — as well as the rest of our parish leadership here at Nativity of Our Lord and indeed the entire parish! — to more intentionally and effectively carry out our mission, which is to help “each person answer the call of Jesus Christ to serve as his disciple.”

This discipleship work is now well underway, namely in the launching of Small Groups as a result of the Archdiocesan Synod. The long-term goal is for every parishioner to be a member of a small group in the name of intentional and authentic Christian community. Small group leadership formation began this fall, and small groups will officially begin in Lent.

Youth Ministry has expanded to offer weekly meetings (instead of semi-weekly) called Convivium. Grief Support groups have resumed on a semi-monthly basis. And Faith Formation now includes more events for the entire family, reinforcing the parents as the primary educators of their children.



P A R I S H F I N A N C I A L R E P O R T 2 0 2 3

	FY 2024 Budget (ends 6/30/24)	FY 2023 Actual (ended 6/30/23)	FY 2023 Budget (ended 6/30/23)	FY 2023 Actual to Budget Variance	FY 2022 Actual (ended 6/30/22)
Operating Revenue					
Envelope, Plate, and Offerings	\$1,842,008	\$1,655,323	\$1,790,250	(\$134,927)	\$1,696,249
County Fair	0	250,000	250,000	0	250,000
Endowment Distribution	165,000	162,949	165,000	(2,051)	165,223
Miscellaneous Income	7,750	605,636	7,750	597,886	4,229
Gifts (Memorials, Stipends, Votive)	74,000	78,584	74,000	4,584	75,968
Catholic Services Appeal Rebate	25,000	25,659	25,000	659	25,274
Interest Income	27,500	33,461	27,500	5,961	26,395
Hunger Box / Loaves and Fishes	6,000	3,430	6,000	(2,570)	7,405
Rental Income	3,000	850	3,000	(2,150)	3,350
Early Learning Center (Net)	0	167,291	(458)	167,749	122,748
Total Operating Revenue	\$2,150,258	\$2,983,183	\$2,348,042	\$635,141	\$2,376,841
Operating Expenses					
School Investment	453,368	866,066	819,229	46,837	822,667
Church Operations	295,000	268,462	290,000	(21,538)	258,919
Clergy and Rectory	210,001	218,381	203,727	14,654	197,829
Liturgy and Music	232,300	210,123	232,300	(22,177)	180,311
Discipleship	210,000	132,340	117,916	14,424	114,779
Pastoral Ministry	0	8,019	90,000	(81,981)	52,638
General Parish Administration	709,000	569,596	638,950	(69,354)	562,297
Development	92,000	33,026	140,000	(106,974)	0
Archdiocese Assessment	155,000	126,564	126,564	0	140,758
Hunger Box / Loaves and Fishes	6,000	7,407	6,000	1,407	4,457
Capital Improvement and Repairs	50,000	209,137	50,000	159,137	162,681
Depreciation Expense ¹	640,059	637,988	615,059	22,929	640,807
Total Operating Expense	\$3,052,728	\$3,287,109	\$3,329,745	(\$42,636)	\$3,138,143
Net Change from Operations	(\$902,470)	(\$303,926)	(\$981,703)	\$677,777	(\$761,302)
Add back: Non-cash depreciation expense ¹	640,059	637,988	615,059	22,929	640,807
Total Net Change from Operations	(\$262,411)	\$334,062	(\$366,644)	\$700,706	(\$120,495)

¹ Nativity of Our Lord records depreciation (a non-cash expense) for future capital repairs and replacement. FY 2023 depreciation totaled \$637,988.

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.

School Update

This August, Nativity School opened its doors eager to begin our 100th school year. We have much to celebrate!

The 2023-2024 year has already surpassed expectations with an exceptional County Fair, a 100 Year Celebration and our Accreditation renewal process.

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

Our theme for the 2023-2024 school year is "We Are Blessed — Choose Gratitude"

Pillar One: Faith

The Pillar of Faith at Nativity School has five dimensions: Prayer, Sacraments, Service, Catechesis, and Rituals.

We appreciate the partnership between our teachers, students, parents, and sponsors that is formed while preparing our young people 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 children locally in small but meaningful ways. When all of us do a little, great things can happen.

We continue to serve others through our partnership with Holy Rosary - St. Stephen's parish in Minneapolis through our Thanksgiving Food Drive and Christmas gifting program. Our students support the weekly Backpacks of Love program

in partnership with some of the families at Groveland Park Elementary School who are experiencing food scarcity. And 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 and eighth graders serve as liturgy buddies with our kindergarten and first grade students as they grow in their understanding of the Mass.

Pillar Two: Academics

Nativity students strive for their best in the classroom each day. Our scores on standardized testing remain strong due to the hard work of our students and the learning experiences created by the Nativity faculty.

Nativity continues to balance a strong foundation in basic skills while stretching students to reach their academic potential. The students of the Class of 2023 have had a successful transition into high school this fall and continue to make us proud through their leadership (Student Council, JROTC, et al.), service, athletics, fine arts, as well as in 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

Our students participate in a wide array of extracurricular experiences throughout the school

School Enrollment		
Grade	2022-'23	2021-'22
PreK	34	43
K	76	83
1	82	65
2	65	81
3	82	89
4	86	65
5	66	76
6	69	76
7	75	77
8	74	74
Total K-8 Enrollment	675	686

year in the arts and athletics. 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 Frozen 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 few 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!



SCHOOL FINANCIAL REPORT 2023

	FY 2024 Budget (ends 6/30/24)	FY 2023 Actual (ended 6/30/23)	FY 2023 Budget (ended 6/30/23)	FY 2023 Actual to Budget Variance	FY 2022 Actual (ended 6/30/22)
Operating Revenue					
Tuition and Fees	\$4,350,914	\$4,090,903	\$4,171,110	(\$80,207)	\$4,043,471
Fundraising	291,500	43,952	35,000	8,952	4,629
Parish Investment	453,368	866,066	819,229	46,837	822,667
Hot Lunch *	200,000	285,115	200,000	85,115	285,244
Athletic Income	45,000	60,400	44,000	16,400	44,393
Gifts and Miscellaneous	35,000	133,271	54,000	79,271	160,207
Total Operating Revenue	\$5,375,782	\$5,479,707	\$5,323,339	\$156,368	\$5,360,611
Operating Expenses					
Salaries and Benefits	4,014,132	3,897,752	4,008,589	(110,837)	3,884,578
Administrative and Supplies	210,650	331,758	171,500	160,258	283,990
Building Operations	721,000	696,499	689,250	7,249	649,189
Hot Lunch *	200,000	298,190	200,000	98,190	233,307
Debt Repayment	120,000	138,516	144,000	(5,484)	144,000
Athletics	70,000	76,992	70,000	6,992	73,610
Capital Expense	40,000	40,000	40,000	0	40,000
Total Operating Expense	\$5,375,782	\$5,479,707	\$5,323,339	\$156,368	\$5,308,674
Net Change from Operations	\$0	\$0	\$0	\$0	\$51,937

* 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 as well as aid for all faith formation programs at Nativity of Our Lord</i>	
Beginning Market Value as of 7/1/22	\$774,952
Contributions	0
Distribution to Operations	0
Investment Gain (Loss) Less Fees	70,389
Ending Market Value as of 6/30/23	\$845,341



Nativity Early Learning Centerelc.nativity-mn.org**Preschool, After School, and Summer Camps**

The Nativity Early Learning Center (NELC) offers a safe and loving environment for children ages 33 months to 12 years. Our teachers are committed to providing children with a curriculum that continues to grow as they do!

Your child is sure to develop a love of learning at The Nativity Early Learning Center. We have convenient hours and long-term, knowledgeable, dedicated, and loving teachers.

Our Preschool programs are designed to maximize educational and social benefits for your child's future success. We are committed to supporting each child's development by recognizing and respecting individual differences and potential.

A child's earliest years include some of the most unique and valuable stages of life. At the NELC, our most important responsibility is to provide a safe, healthy, nurturing, and responsive setting for children.

**2022-23 '21-22**

4	4	Preschool Classrooms
71	64	Preschool Children
3	3	After School Classrooms (grades K-5)
80	74	After School Students
25	24	Teachers

Contact Information

Emergency Anointing of the Sick (24 hours)
(651) 696-5401 (*press 1 at the recording*)

Lannan Parish Center (Parish Office)

Phone: (651) 696-5401 | Fax: (651) 696-5458
1900 Wellesley Avenue, St. Paul, MN 55105
nativitystpaul.org | info@nativitystpaul.org



@NativityStPaul

Staff Directory | nativitystpaul.org/parish-staff

Office Hours | Mon.-Thurs.: 8:30am-4:30pm
Friday: 8:30am-Noon

Our Faithfully Departed

Please remember in your prayers:

<i>James Alexander</i>	<i>Jeanette Garvey</i>	<i>Margaret "Margy" McCarron</i>
<i>Margaret Mary Bannigan</i>	<i>Jacqueline Hernandez</i>	<i>Vern Meyer</i>
<i>Thomas Birmingham</i>	<i>Christian Hummel</i>	<i>Lucille O'Keefe</i>
<i>Margaret Breimhurst</i>	<i>Theodore Huska</i>	<i>Jim Pfeifer</i>
<i>Patricia Carlson</i>	<i>Michael Jay</i>	<i>Bonnie Pfoser</i>
<i>Helen Class</i>	<i>Lorraine Jobe</i>	<i>Anne Pulver</i>
<i>John Clifford</i>	<i>Barbara Keenan</i>	<i>Mark P. Richardson</i>
<i>Barbara Daly</i>	<i>Michael Kelleher</i>	<i>Carol Rubbelke</i>
<i>Paul Doner</i>	<i>Laurence Kennedy</i>	<i>James Ryan</i>
<i>Daniel Donovan</i>	<i>Marce Kochevar</i>	<i>Theresa Skillrud</i>
<i>Delores Eder</i>	<i>Kathy Kovar</i>	<i>Thomas Spaniol, Sr.</i>
<i>Richard Fleischhacker</i>	<i>Janice Larson</i>	<i>Daniel Strub</i>
	<i>Joseph Lawder</i>	<i>Barbara Wollan</i>
	<i>Terrance Layer</i>	
	<i>Judy Lehn</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, 2022 - September 30, 2023

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

2022-23 '21-22

32	51	Infant Baptisms (up to age 1)
20	12	Child Baptisms (age 1-6)
2	3	Minor Baptisms (age 7-17)
2	2	Adult Baptisms (age 18+)
(56)	(68)	(Total Baptisms)
76	86	First Holy Communion Received
4	1	People Received into Full Communion
95	81	Confirmations
20	19	Marriages
1	1	Ordinations
74	26	Anointings of the Sick (incl. healing Masses and Last Rites — approx.)
39	36	Parishioners who Passed Away
37	32	Funerals Celebrated
1,746	1,750	Registered Parishioner Households
5,740	5,743	Registered Parishioners
41	44	K-12 Faith Formation Students
6	8	Volunteer Catechists