

# Immaculate Conception & St. Joseph 2014-15 Annual Report Combined



October 24, 2015

The Finance Council for Immaculate Conception St. Joseph's and IC-SJ school meets on a monthly basis to review the revenues and expenses for the parishes and school, and advise Father Larry regarding financial and budgeting decisions.

Immaculate Conception and St. Joseph canonically are two distinct parishes and are required to submit individual financial reports to the Archdiocese for each parish. However, the everyday reality is that Immaculate Conception and St. Joseph parishes operate jointly as one faith community that is managed and ministered to by one pastor and professional staff with programs and ministries that equally encompass both parishes. We present a consolidated financial report that gives a more accurate picture of the overall income in conjunction with shared expenses. We believe this is a more transparent and less complicated approach that helps us to see the big picture of serving one faith community and better understand our overall financial status. The ICSJ annual financial report for Fiscal Year ending June 30, 2015 is included here.

Over the last several years the economy has presented unique challenges to many people throughout our community and the parishes have felt the effects. **Unfortunately, collections have consistently declined 5.5% collectively at Immaculate Conception & St. Joseph parishes. Last fiscal year —Immaculate Conception -St. Joseph combined deficit was (\$78,825). In the current fiscal year, ICSJ parishes expenses were reduced by \$86,000, which was accomplished by a reduction of parish staff and salaries.** Recent initiatives to increase awareness of our parishes, ultimately leading to the registration of new parishioners, will hopefully bear fruit in the near future. Our goal is to continue to grow our faith communities so that both parishes will operate with a surplus. In order to have adequate cash flow to pay our bills and meet payroll our annual loan payment of \$240,000 has temporarily been deferred by the Archdiocese. With respect to ICSJ School, principals Katie Sullivan and Maria Hill have done a fantastic job as our school is exceeding its financial targets and ended the fiscal year with a surplus.

In May 2013, the Archdiocese introduced a proposal to eliminate the \$19.2 million in debt that was incurred by our parishes as a result of church renovations and the construction of the Hill Street school building. The proposal has several components:

- Credit/transfer of the assessed property value at St. Dominic's located at corner of Locust and Sedgwick to parish
- Credit/transfer of the assessed property value at old St. Joseph School (1065 N. Orleans) to Archdiocese
- Bequest from the estate of a long time parishioner
- Forgiveness of the accrued interest on the parish loans
- 2-for-1 matching funds from the Archdiocese capital campaign, "To Teach Who Christ Is".

**The last page of this report shows the current status of our debt reduction after a \$2,474,715 credit has been applied toward the debt.**

In March 2015, a feasibility study was conducted to determine the parish's potential for the "To Teach Who Christ Is" capital campaign. The study showed that there was currently not strong parish support for the campaign to be successful at this time. Although the capital campaign was postponed as a result, our parish will still be expected to participate in the campaign in the future. In the near-term one of the goals of the IC+SJ Parish Transformation Program group, which began meeting in September, will be to determine how to address the immediate financial challenges facing the parish.

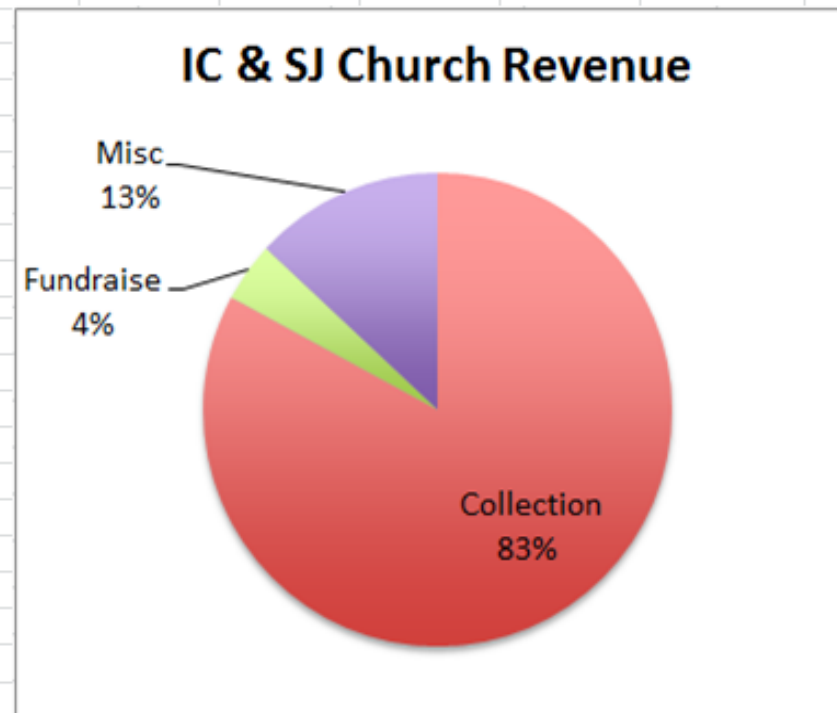
Finally, for those of you who have not registered for electronic giving, we ask that you consider enrolling in the program. The Archdiocese reports that parishes with strong percentages of electronic giving are stronger financially. We very much appreciate your generosity and support over the past year. Should you have any questions on the financial state of the parishes or the capital campaign, please do not hesitate to ask any of the members of the Finance Council.

Respectfully Yours,

Finance Council Members - David Nick, Jennifer Grande, John Siebert, Danny Tamayo, and Nancy Wilke

Archdiocesan Plan for Debt Reduction for IC/SJ					
SJ PARISH LOANS					
	Operating Loans		\$	746,973	
	Parish Center/Rectory Renovation		\$	2,586,189	
	Church Restoration		\$	318,021	
	Church Masonry		\$	124,550	
		TOTAL SJ PARISH LOANS	.....	\$	3,775,733
* ICSJ SCHOOL LOANS					
	ICSJ School Campus - Hill Street -\$831,203 Paid		\$	10,113,154	
	North Park Pre-School - 1st Floor - \$873,259 Paid in Full July 2015		\$	-	
	North Park Pre-School - 2nd Floor - \$770,252 Paid in Full July 2015		\$	-	
		TOTAL ICSJ SCHOOL LOANS	.....	\$	10,113,154
		Accrued Loan Interest	.....	\$	2,705,375
		Total IC/SJ Debt	.....	\$	16,594,262
Archdiocesan Proposal for eliminating the debt:					
	Transfer Old St. Joseph School (1065 N. Orleans) to Archdiocese		\$	(2,125,000)	
	Credit accrued interest forgiven June 2013		\$	(2,705,375)	
		Archdiocesan Debt Reduction	.....	\$	(4,830,375)
		Net Total Debt After Reductions	.....	\$	11,763,887
<b>These three transactions eliminated our North Park Pre-School loans:</b>					
1) Transfer of property St. Dominic to Parish \$1.15M credit occurred 6/2015					
2) \$814,715 Bequest used to reduce debt (\$285K used for SJ new roof)					
3) \$170K School Loan Payment on 6/2015 & 10/2015 with 2 for 1 match					
- *As of October 2015 we have paid \$2,474,715 Million off of our debt					
<b>- No interest will be charged on the remaining debt for 2 to 5 years</b>					
- The Archdiocese will apply a 2 for 1 match at the end of each fiscal year, beginning the first year for the parishes participation of the Capital Campaign - "To Teach Who Christ Is"					
		Amount Needed to eliminate Debt under 2 for 1 match.....	\$	3,921,296	

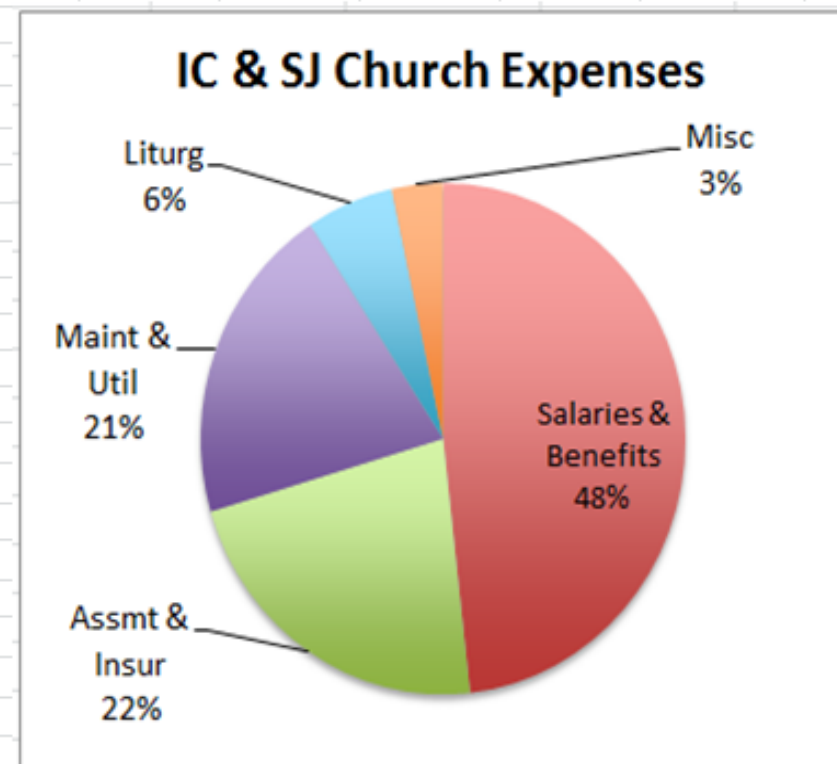
IC & SJ OPERATING ACTIVITY			
<b>IC &amp; SJ Church Revenue</b>		<b>IC &amp; SJ Church Expenses</b>	
Collections	\$ 637,290	Salaries & Benefits	\$ 376,697
Fundraising	\$ 31,195	Maintenance & Utilities	\$ 159,474
Miscellaneous Revenue	\$ 100,803	Assessments & Insurance	\$ 172,912
		Liturgical	\$ 45,240
		Administrative Expenses	\$ 67,256
		Miscellaneous	\$ 26,534
<b>Subtotal IC &amp; SJ Church</b>	<b>\$ 769,288</b>	<b>Subtotal IC &amp; SJ Church</b>	<b>\$ 848,113</b>
<b>School Revenue</b>		<b>School Expenses</b>	
Tuition & Fees	\$ 4,065,105	Salaries & Benefits	\$ 3,798,341
Fund Raising	\$ 597,139	Instructional Materials	\$ 90,881
Other Revenue	\$ 79,085	Maintenance & Utilities	\$ 298,959
		Office Supplies & Equipment	\$ 169,339
		Assessments & Insurance	\$ 111,736
		Maintenance Reserve	\$ 90,000
		Debt Payments 2 for 1 match	\$ 170,000
<b>Subtotal School</b>	<b>\$ 4,741,329</b>	<b>Subtotal School</b>	<b>\$ 4,729,255</b>
<b>Total IC &amp; SJ Church/School Revenue</b>	<b>\$ 5,510,617</b>	<b>Total IC &amp; SJ Church/School Exp</b>	<b>\$ 5,577,368</b>



IC & SJ CAPITAL ACTIVITY			
<b>IC &amp; SJ Capital Revenue</b>		<b>IC &amp; SJ Capital Expenses</b>	
Cap. Camp. Collect.(Parish & Sch. Bldg.	\$ 26,929		\$ -
	<b>\$ 26,929</b>		<b>\$ -</b>

IC & SJ EXTRAORDINARY ACTIVITY			
<b>Extraordinary Revenue</b>		<b>Extraordinary Expenses</b>	
Sharing Parish	\$ 40,347	Sharing Parish	\$ 9,926
Annual Appeal Rebate	\$ 83,582	Archdiocese Collections	\$ 19,567
Archdiocese Collections	\$ 20,634	Other	\$ 531
Bequest* - debt reduct. & SJ new roof	\$ 1,100,000	Pre-School Loan Payments	\$ 814,715
Other- Prior Year Acct Reversal	\$ 164,420	*SJ Roof Expense	\$ 285,285
<b>Total Extraordinary Revenue</b>	<b>\$ 1,408,983</b>	<b>Total Extraordinary Expenses</b>	<b>\$ 1,130,024</b>

CHURCH/SCHOOL SUMMARY	
Net Operating - IC & SJ Church	\$ (78,825)
Net Operating - School	\$ 12,074
Net Capital Activity - IC & SJ (Church & Sch Bldg Fund)	\$ 26,929
Net Extraordinary Activity - IC & SJ Church & School	\$ 278,959
<b>Net for Church/School Including Capital Activity</b>	<b>\$ 239,137</b>
St. Joseph Outstanding Loans:	\$ 3,775,733
Outstanding ICSJ School Loans:	\$ 10,113,154
Accrued Loan Interest:	\$ 2,705,375
<b>Total IC/SJ Debt:</b>	<b>\$ 16,594,262</b>
* \$285,285 of bequest was used to pay for SJ new roof - funds paid August 26, 2015	



### Additional Information

- St. Joseph Parish was established in 1847.
- SJ is the 3rd oldest parish in the Archdiocese of Chicago.
- Immaculate Conception Parish was established in 1859.
- IC is the 5<sup>th</sup> oldest parish in the Archdiocese of Chicago.
- Immaculate Conception shares resources with St. Joseph Church including our pastor, Fr. Larry Lisowski, pastoral staff, parish council, finance council, the school campuses, religious education programs, combined parish activities and ministries.
- There are 525 registered households at IC Parish, and 175 registered households at SJ Parish. **However, only 143 or 20% of registered households regularly contribute to IC & SJ Sunday Collections.**
- Total combined operating budget parish/school was \$5.5 million. The school is under the umbrella of IC Parish, but the funds are kept in separate checking accounts.
- **Overall IC & SJ combined collections fell 5.5% over the last 4 years.**
- **The IC & SJ combined parishes operated at a deficit of (\$78,825) in 2015.**
- IC Parish and School \$240,000 loan payments has been temporarily deferred, per agreement with the Archdiocese. However, the School made \$170,000 payment towards the debt.
- ICSJ School consists of two campuses.
  - 1431 North Park (PreK3 – 3<sup>rd</sup> Grade) – 254 students
  - 363 Hill St. (4<sup>th</sup> – 8<sup>th</sup> Grade) – 190 students
- ICSJ School operated at a surplus in FY 2015 \$12,074
- The school increased enrollment again, and it has its largest enrollment. The ICSJ School had its largest graduating 8th grade class—with 19 students.
- Capacity of 500 students is anticipated in the next several years.
- Extraordinary/Capital activities \$1,428,151. The majority of Extraordinary Income came from \$1.1M bequest that paid down our debt.
- Our goal for the upcoming year is to promote the importance of Sunday Mass attendance and increase weekly offerings with electronic giving.