



February 24, 2019

Dear Parishioners,

Attached you will find our midyear financial report. Since it is a midyear report, the “actual” should reflect about half of the “annual budget” line. Overall, we are in good shape. There are a few things that I would like to highlight. A couple weekends ago, I distributed a letter concerning our school and laid out plans that were developed by a school planning commission that I gathered last semester. Our school is a little behind financially. That letter detailed a plan of how we will continue to reduce the parish subsidy to the school so that it falls within diocesan guidelines, as well as making it financially sustainable into the future. Please refer to that letter for the school side of this midyear report. A copy can be found at <http://www.school-stmichaelsgrfld.org/news-from-father-jenkins>. One thing that I do want to highlight on the school side is that it currently looks like we are ahead in tuition collection. However, we typically collect more tuition at the beginning of the year than the end because we have some families that are able to pay their total tuition upfront. Therefore, while it looks like we are ahead in tuition, this will even out as the year goes on and we expect that we will be farther behind than what we budgeted for. Also, under the other income line for the school budget, you will notice that the “other income” line reflects only around \$3,000 of a \$72,000 line. The majority of this other income will come when we use funds such as scholarships and building repair funds at the end of the year.

On the parish side, we are good. We are within the norm for most line items and slightly ahead on Sunday and Holy Day collections. One mistake that is glaring is that we somehow miscalculated our salaries. While salaries will be less this year with the reduction of the business manager position, we did not reflect the overall salaries correctly in the budget so it will be off for the year.

You might notice that we do not budget for Archdiocesan missions as that is a money-in-money-out transaction. What we bring in is reflected under the income and that is mirrored by what we give out in the expense.

The brightest spot for our financials in the past year has been the parish’s commitment to the Capital Campaign. We are not a full year into the three-year campaign, but we have already raised more than half of the \$3 million pledged. This is great news and is truly a great help. We were able to use some this money for the work done on the retention ponds and parking lots. We also were able to put \$300,000 toward our parish endowment which is required by the diocese anytime a campaign takes place. We will start to receive payouts from this endowment this year. If our campaign maintains its current pacing, we will have 100% of the money given within the next year, but I doubt that this will happen. We expect the last \$1.5 million to come in more evenly over the next two years. We expect to begin the second phase of construction sometime in early 2020. The parking lot and land will be finished after the end of the school year this summer. When we begin phase two of construction in 2020, we hope that we do not need as large a loan, or perhaps even better, not even need to take a loan, to finish the project. I do want to thank you all for your generosity towards this campaign.

You will notice that the campaign is showing a loss for the year. This is based on what we have taken in since July through December. Obviously, with the work we have done we had a lot of expenses come in. The overage was covered with the money that we brought in before this fiscal year started, with either donations to the campaign or the money we had left over from the previous campaign several years ago. You will also see we have separate lines for the church and school. We specifically designate funds that go to the school from the campaign so that we can receive matching grants from various employers. Some employers will only allow donations to the school, so this allows us to keep these donations separate. Doing this helps the overall campaign and allows us to draw extra resources from outside our parish.

We have not seen a change in our Sunday collections due the capital campaign. This is very much appreciated, and it is great that this has not occurred. However, we are a bit behind in our donations to the archdiocesan annual appeal. We are still required to meet our goal so if you have not turned your pledge in yet, please do so. This will prevent us from having to make up the difference from our savings. The money that we give to the archdiocesan appeal helps us as a parish in many ways that are hard to measure; education of priests, assistance with human resource issues, assistance us with our campaign and maintaining our facilities, and help for those in need outside our community.

Thanks again for your generosity. Your support helps us to carry out our mission.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Jenkins', is written over a light gray rectangular background.

Rev. Aaron Jenkins

St. Michael
Income & Expense Statement
July-December 2018

<u>Parish</u>	Actual	Annual Budget
Income		
Sunday & Holy Day Collections	\$427,476.57	\$849,121.85
Archdiocesan Mission Collections	\$14,201.77	\$0.00
Donations and Contributions	\$3,710.56	\$14,095.00
Fees	\$4,818.36	\$4,550.00
Fundraising	\$23,226.97	\$30,000.00
Sales	\$600.00	\$1,200.00
Other Income	\$4,905.17	\$39,200.00
Interest and Investment Income	\$2,475.09	\$175.00
Total Parish Income	\$481,414.49	\$938,341.85
Expenses		
Salary Expense	\$98,003.71	\$160,440.00
Benefit Expense	\$21,642.36	\$49,124.00
Training and Education	\$2,454.39	\$8,125.00
Assessments	\$111,674.00	\$221,251.00
Archdiocesan Mission Collections	\$14,201.77	\$0.00
Interest/Operating Expense	\$1,628.85	\$2,220.00
Donations and Contributions Ex	\$7,621.33	\$16,371.85
Administrative Expense	\$26,277.89	\$60,560.00
Other Expense	\$3,441.38	\$8,600.00
Fundraising Expense	\$14,719.26	\$21,126.00
Utility Expense	\$21,843.27	\$50,776.00
Property and Facility Expense	\$43,077.87	\$99,971.00
Spiritual Life Expense	\$3,268.30	\$11,125.00
Program and Instructional Exp	\$12,887.17	\$29,410.00
Parish Subsidy to School	\$102,146.52	\$204,293.00
Total Parish Expense	\$484,888.07	\$943,392.85
Parish Net Total	(\$3,473.58)	(\$5,051.00)

<u>School</u>		
Income		
Tuition	\$391,960.48	\$704,640.00
Fees	\$22,557.70	\$50,600.00
Fundraising	\$2,063.07	\$0.00
Sales	\$34,560.00	\$70,000.00
Other Income	\$3,182.34	\$72,450.00
Interest and Investment Income	\$22.09	\$0.00
Restricted Income	\$8,986.80	\$20,000.00
Parish Subsidy to School	\$102,146.52	\$204,293.00
Total School Income	\$565,479.00	\$1,121,983.00

Expenses		
Salary Expense	\$346,690.67	\$707,058.00
Benefit Expense	\$98,806.07	\$202,171.00
Training and Education	\$320.87	\$1,204.00
Administrative Expense	\$29,108.92	\$41,753.00
Other Expense	\$3,913.71	\$4,700.00
Fundraising Expense	\$134.27	\$0.00
Utility Expense	\$21,321.93	\$46,150.00
Property and Facility Expense	\$49,006.50	\$53,160.00
Program and Instructional Exp	\$50,598.78	\$107,839.50
Total School Expense	\$599,901.72	\$1,164,035.50
School Net Total	(\$34,422.72)	(\$42,052.50)

Capital Campaign Parish		
Income	Actual	Annual Budget
Capital Campaign Contributions	\$560,541.38	\$0.00
Capital Campaign Interest Income	\$1,225.51	\$0.00
Total Capital Campaign Income	\$561,766.89	\$0.00
Expense		
Capital Campaign Building Expense	\$742,526.50	\$0.00
Total Capital Campaign Expense	\$742,526.50	\$0.00
Parish Capital Campaign Net Total	(\$180,759.61)	\$0.00

Capital Campaign School		
Income		
Capital Campaign Contributions	\$75,072.91	\$0.00
Total School Capital Campaign Income	\$75,072.91	\$0.00
Expenses		
Capital Campaign Expense	\$27,884.66	\$0.00
Total School Capital Campaign Expense	\$27,884.66	\$0.00
School Capital Campaign Net Total	\$47,188.25	\$0.00