



February 18, 2018

Dear Parishioners,

Attached you will find our midyear financial report. I would like to highlight a couple of things to show where we are for the year.

On the income side of our budget, we are slightly behind our projected amount but ahead of where we were last year for our Sunday and holy day collections. Our fundraising is from Michaelmas, which we do not budget for, so whatever we gross is surplus. We have already reported on our Michaelmas celebration earnings, and they totaled around \$12,000. The other income line contains many items such as fees and the use of reserve funds for maintenance. We try our best to budget this line each year, but it changes based on various circumstances that arise each year and cannot be exactly budgeted for.

Under our expenses, you will notice that the other collections line is pretty off the budget. This mostly represents the special collections that we take up and is shown as money in and money out. Therefore, whatever the parish takes in for a special collection is given to that special collection. You can also see that the interest/operating expenses line is off. This represents bank fees and such for tithes and donations. Overall, we are in pretty good shape when we look at the balance sheet. Unfortunately, this is a little deceiving on the school side as we do not make our parish subsidy to the school until the end of the year. We typically count on this being around \$172,000, but this year we expect it to be greater because we did not have as many students return as we had budgeted for. We don't know the exact number of what the subsidy will be this year. We expect to have to use some savings to offset this extra subsidy, and it could be as much as double what our typical subsidy is each year. We have gone ahead and transferred some money from savings to offset some of the expected shortfall.

On the school side of our budget, we can see that we are ahead on the tuition. This represents some families who pay in full at the beginning of the year. This number will flip from being ahead to being behind as the school year comes to an end. The difference in fees is hard to budget for as we don't know exactly how many fees will come up during the year or how many families will use after care. The sales line represents mostly the cafeteria. With fewer students there will be less income. The restricted income represents grants that we have received for various programs. The school budget this year is expected to be off. I have hope that we pushed through the worst, and we will be in better shape in upcoming years.

For those of you who donate specifically to our school, thank you for your support. Without it, we could not continue this ministry. If you have not had a chance to support the school, either by donating to the school or giving to the SGO program, please consider it as it does help us continue our mission.

I want to take this time to thank all who have donated to the church and school this year. Your donations help keep St. Michael a place we can gather together and worship God. I humbly ask for your continued generosity and for your prayers for the success of our capital campaign.

Sincerely in Christ,

Rev. Aaron Jenkins