

**St. Mary's Episcopal Church**  
**Financial Report to the Congregation**  
**January 28, 2018**

Good Morning

Before I talk about the numbers, I'd like to thank our "new" staff members DeeDi Trabosh, who is our accountant, and Mike Koschak, our Executive Director of Church Operations. Both came to us in 2017 with tremendous experience in Church Operations and specifically in the information system we use here at St. Mary's.

Our parish continues to be in stable financial health. The Treasurer's Report is on page 11 of the Annual report. This report provides a summary of the information I will share with you this morning.

Our Non-Operating Fund balances grew to \$2,272,296 during 2017. These funds participated in the great financial market uptick, and our investment returns were \$283,000 for the year. We also received two bequests totaling \$80,000 in 2017.

Our Operating cash balances at year end totaled \$447,948.

Our operating results for the year were in line with the budget approved by the Vestry in early 2017. The approved budget anticipated increases in administrative staff to meet the needs of the parish, and these positions were filled during the year. The addition of DeeDi and Mike has eased the burden on the finance committee and treasurer with their effective financial reporting and planning support.

We also added the position of Director of Communications and Parish Life and increased the commitment for our Music Director. I hope you agree with me that these changes have enhanced our experience here at St. Mary's.

For the year, our expenses were \$1,271,561 and our revenues were \$1,178,111, resulting in a deficit of \$93,450. There are unpaid pledges of \$38,000 still outstanding from last year. Our history indicates that we normally eventually receive almost all pledges, and receipt of last year's pledges will reduce the deficit. Also the 2017 results include a one-time carryover of the \$33,680 surplus from 2016.

Your budget for 2018 anticipates a \$30,000 deficit and includes \$1.1 million in pledges which is approximately \$100,000 more than 2017. The increase in personnel expense over 2017 includes increases in health insurance premiums and retirement benefits. Also our new staff will be in the budget for the full year in 2018 versus part of the year in 2017. The increase in Outreach will be funded by the special parish event to be held in April and will depend on the results of that event.

In conclusion, the Vestry has heard from the congregation and has made investments in staff to deliver what I believe to be an exceptional experience for our parishioners. The investment in staff led to an operating deficit for 2017 and a planned operating deficit in 2018. As we all know, no organization can sustain deficits over a long period of time. The gap between our needs and our resources is not significant to overcome. In

fact, if each of our approximately 350 families pledged an additional \$300, we would bridge the gap. And I know some of us can do more.

Thank you for your time this morning and please contact me if you have questions.