

WHY MGCS CLOSED WITH DEBT

Rob Robinson

The elders have announced that we will have special collections to try to raise money we need to fulfill MGCS obligations that remain. Those obligations consist essentially of three payrolls that we must meet for June and July, amounting to \$47,447. It was never part of the plan for the church to bear these school expenses, but that the school would pay for itself. In fact, the school paid many expenses that it incurred besides payroll, including (but not limited to) mortgage payments*, janitorial services, utilities and equipment purchases. Yet, now that the school has closed, it has left a debt that the church will have to satisfy. So how did this happen?

From our perspective as a board and administration, we were reluctant to give up the fight and close this ministry that has such a long history. Families that had their children in our school believed that their other educational options were either undesirable, unacceptable or unaffordable. We provided a good quality educational product. We met a spiritual need of the church and the community. We provided jobs for almost 30 people, many of whom are members of the Church of Christ. We were unwilling to close the school without fulfilling our contracts to pay our teachers for the full 12 months, August 1 through July 31.

We struggled almost every year for 40 years to make ends meet to be able to open MGCS each upcoming year and to keep the school open during the school year, and to be prepared to open the school the following year. No matter how difficult things were, we prayed about it and things always worked out for good so we could complete another year. We took that as answers to our prayers for the Lord's provision. Whether or not you have been a supporter of the school, please consider that it has been a work of the church, has been blessed by God and has brought glory to him.

But for the past decade, MGCS has had a steady decline of enrollment each year. One year it was so critical that we had to ask teachers in the middle of the school year to take voluntary pay cuts, which many did. Board members matched their cuts with additional personal donations to the school. As we made plans for the upcoming school year in the spring of 2013, we had excellent and capable personnel. Even though enrollment was still below target, we had a good amount of money in the savings (more than \$120,000) and agreed that we could use that if we needed to in order to meet our expenses. We had to make plans in February and March (2013) for school to begin in August, but would not have firm enrollment numbers until school began in August. When August, 2013, arrived, it was clear that we did not have sufficient enrollment (tuition income) to balance the budget for the 2013-14 school year, but we considered that the savings could be used to cover the deficit.

When the time came in January, 2014, to make plans for the 2014-15 school year, we were faced with the same problems, but our reserve funds would be depleted to half. It appeared that we would have the funds to complete another school year under those circumstances. So in January, 2014, the board agreed that we would begin and complete one more school year,

2014-15, and, unless enrollment greatly exceeded our projections, that would be our last year to operate. We projected a modest enrollment and expected income from that to enable us to meet the projected annual budget of \$530,619. When August, 2014, arrived our enrollment was severely below the projected target. Closing the school was like stopping a train; it took a long time, lots of advanced planning, and a lot can happen in the process. But with teachers under contract and students enrolled, we discovered that closing the school at any point would leave us with financial exposure we would be unable to offset, teachers without jobs, and students with no school. After consulting with the TRCOC elders, we agreed to pare expenses to the bone, proceed with the 2014-15 year and pray for the best outcome. We managed to finish the school year with expenses of \$430,074, but still had an 11% deficit of \$47,447. We regret this situation which we did everything we could to avoid, and hope that TRCOC members and supporters of the school will give generously to make up this obligation the church has assumed.

*See my article "MGCS Legacy" that appeared in last week's bulletin, posted on our church website.