

# Financial Update for St. Mark's Episcopal Cathedral

June 2, 2024

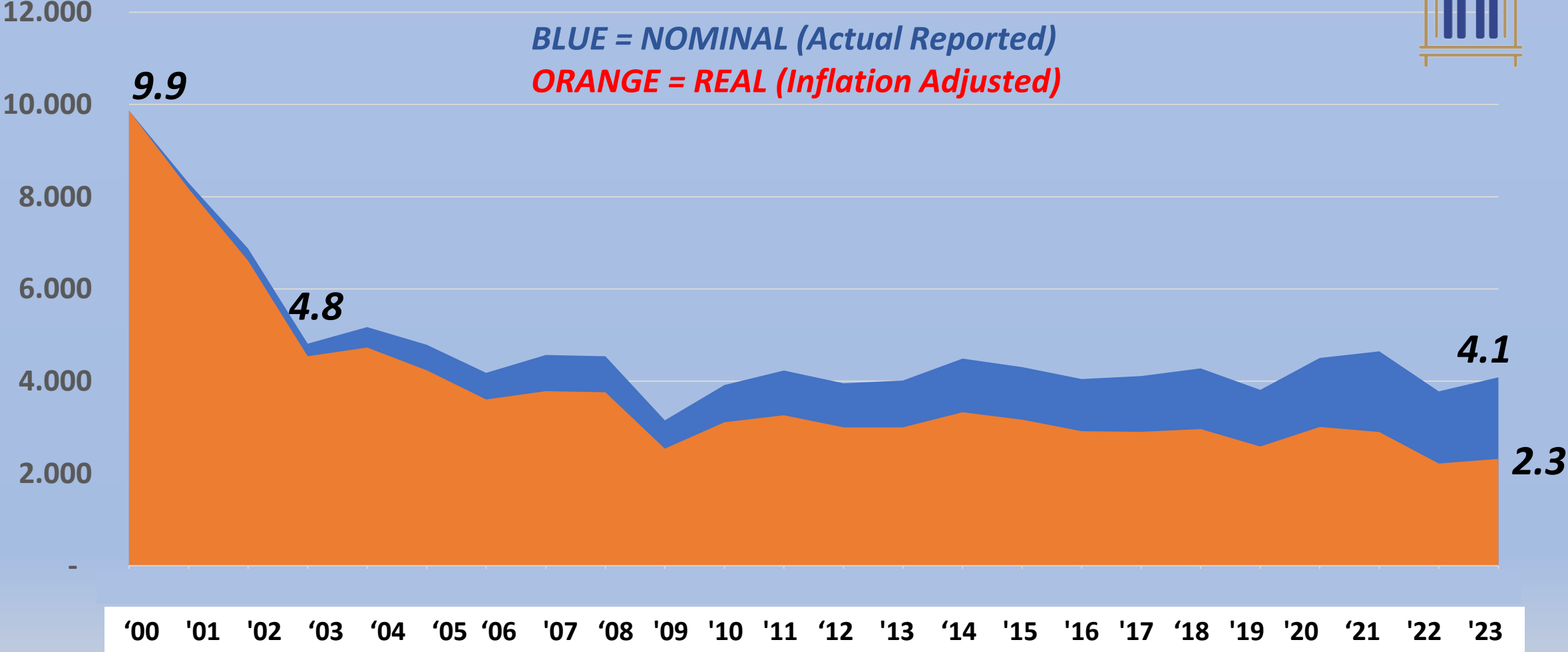
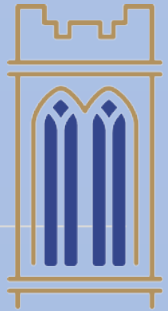
- St. Mark's Foundation – Paul Anton, President of the St. Mark's Foundation
- St. Mark's Cathedral Finance Update – Brian Myers, Treasurer
- Thank you for attending this update

# Progress from Annual Meeting 2024

- At annual meeting, the budget offered reflected a \$280,000 deficit in operating income
  - Revenues of \$1,659,200, Expenses of \$1,939,200
  - Decided to “balance” the budget by decreasing compensation by \$280,000, with no firm plan or actions to do this
- By mid-April, our projected deficit had grown to \$318,000 for 2024
- Under a new process, we conducted a detailed thorough reforecast of income and expenses in mid-April incorporating restructuring and other updates and actions
- Result was a dramatically decreased deficit projection of \$98,000 in operating income for 2024

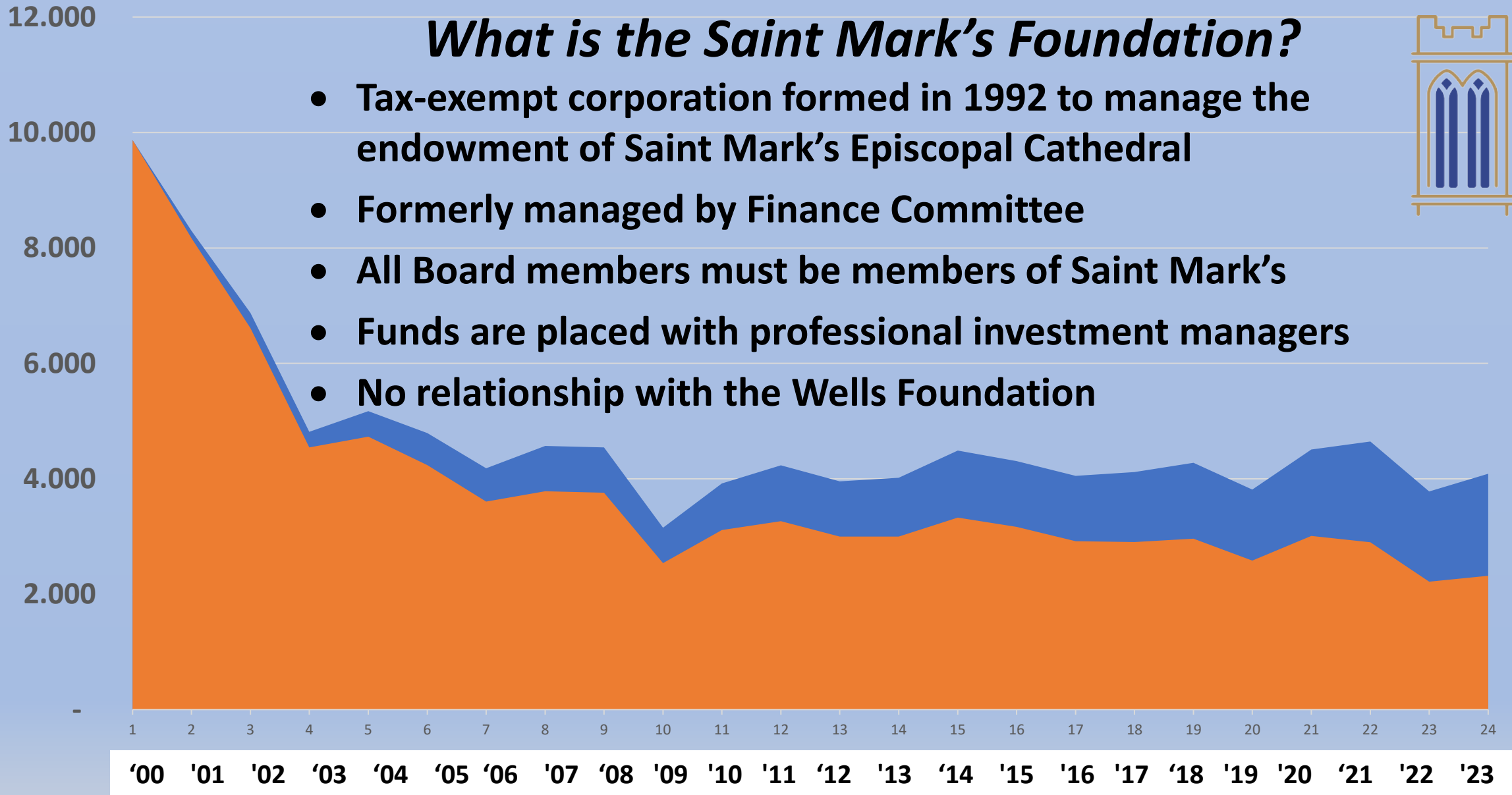
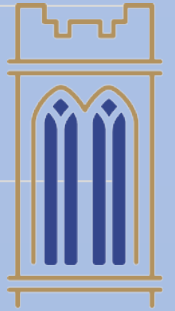
# Foundation of the Cathedral Church of St. Mark

## Total Assets (\$'000,000)

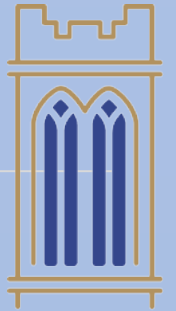


# *What is the Saint Mark's Foundation?*

- Tax-exempt corporation formed in 1992 to manage the endowment of Saint Mark's Episcopal Cathedral
- Formerly managed by Finance Committee
- All Board members must be members of Saint Mark's
- Funds are placed with professional investment managers
- No relationship with the Wells Foundation



# *What is the Endowment of Saint Mark's?*



- Accumulated financial gifts given since 1911 by Saint Markans for the long-term support of the Cathedral
- Some gifts restricted to support specific areas, such as:  
*Altar Guild Music Property Education Outreach*
- Only earnings of permanent endowment may be used by the Cathedral.
- General endowment may be used by the Cathedral.

12.000

10.000

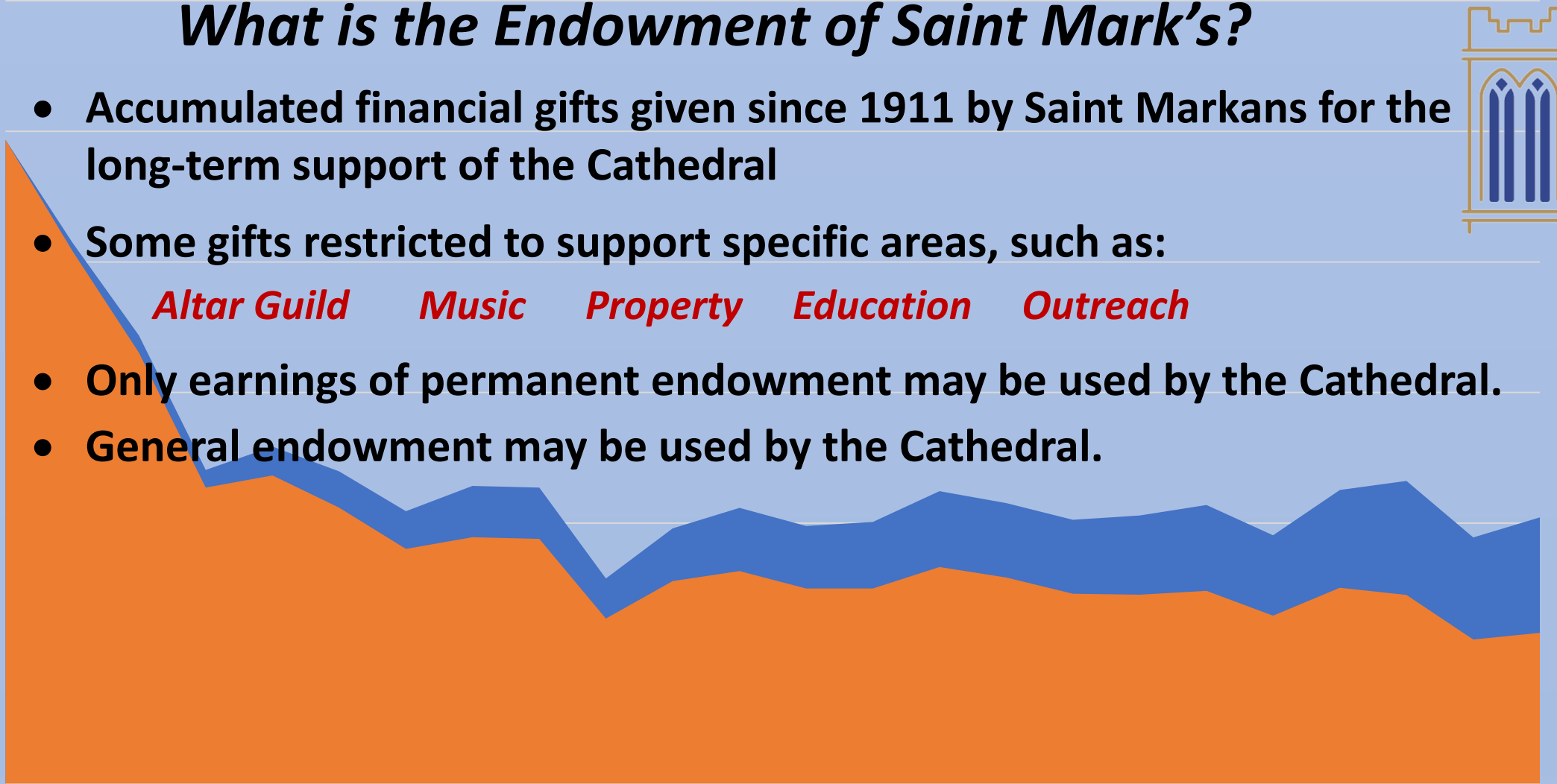
8.000

6.000

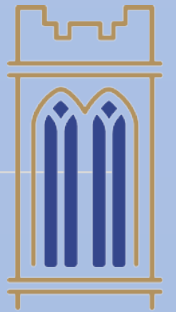
4.000

2.000

'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23



# *The Foundation Supports the Cathedral 3 Ways*



12.000

10.000

8.000

6.000

4.000

2.000

- **Annual Operating Distributions**

- In recent years, around \$200,000/year

- **Occasional Loans**

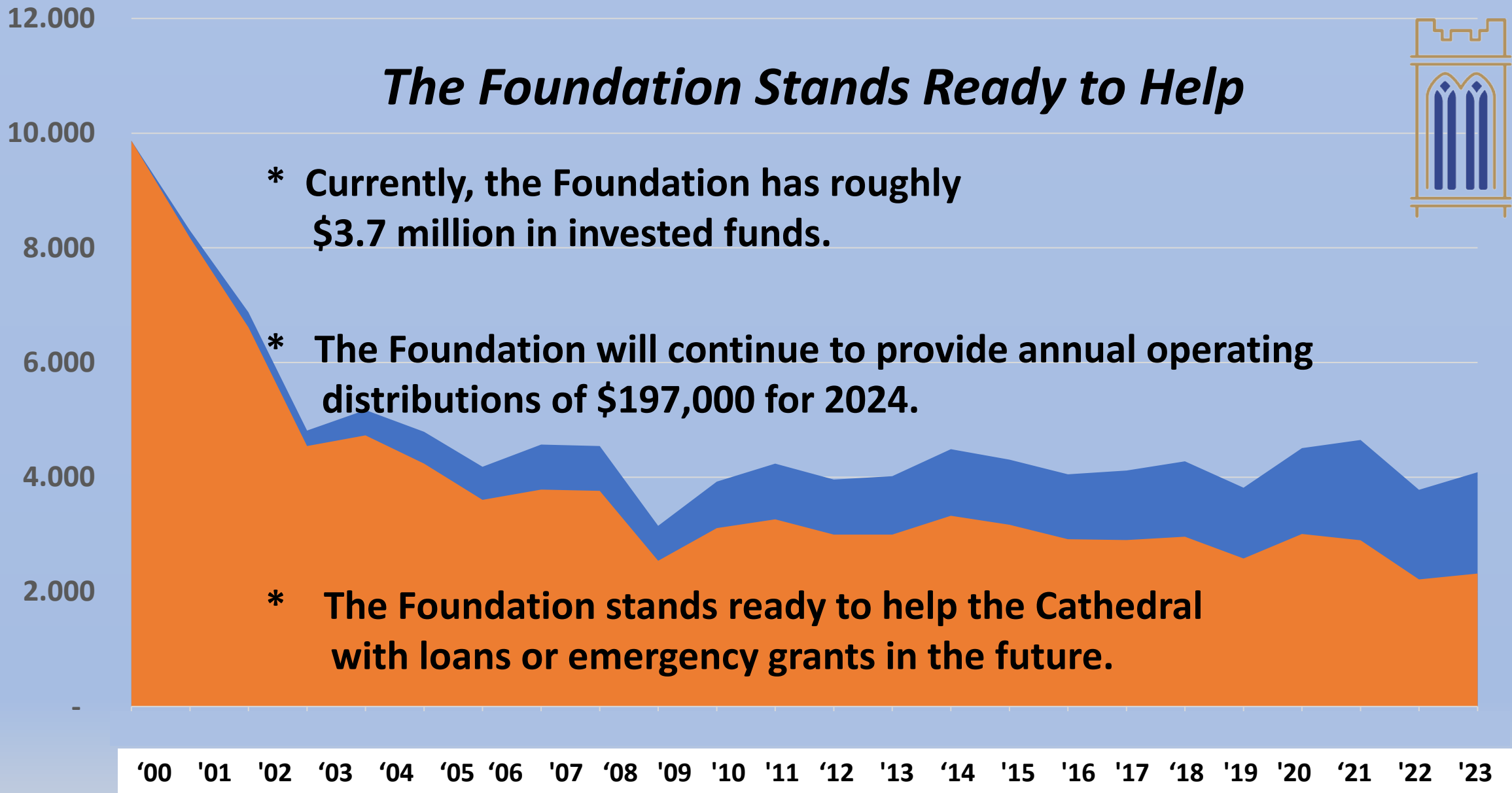
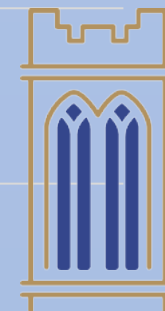
- In 2019, loan to renovate the 425 House for sale/ repaid from sale proceeds
- In 2023, loan to replace HVAC system

- **One-time Grants for Special Needs and Emergencies**

- In the five years 1999-2023, special grants to the Cathedral totaling \$935,000.
- In the last five years, the total budget deficit of the Cathedral has been \$708,000. Without those special grants, the 5 year deficit would have been \$1,643,000.

'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23

# *The Foundation Stands Ready to Help*

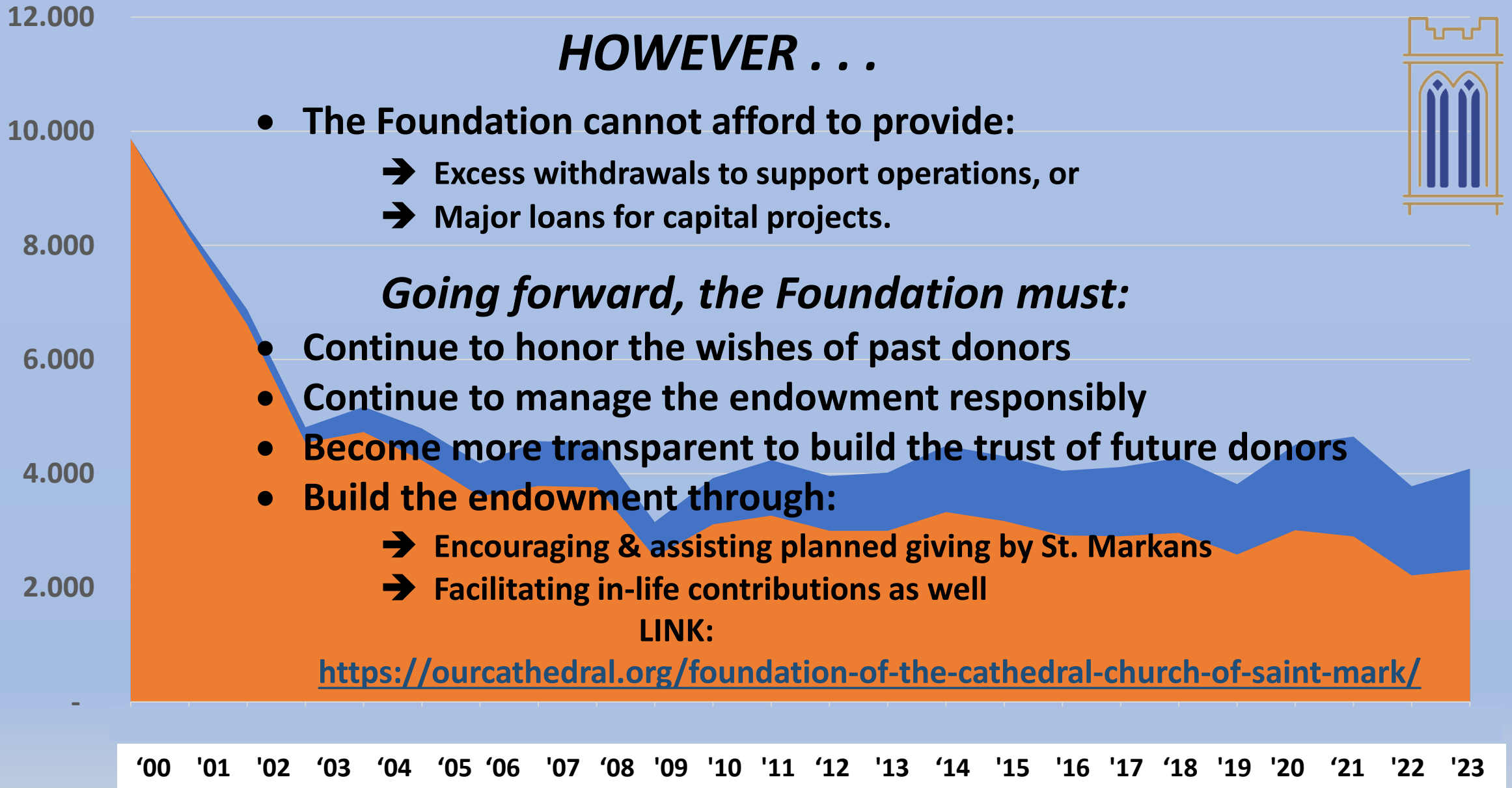
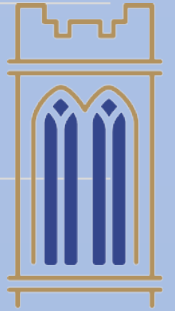


**\* Currently, the Foundation has roughly \$3.7 million in invested funds.**

**\* The Foundation will continue to provide annual operating distributions of \$197,000 for 2024.**

**\* The Foundation stands ready to help the Cathedral with loans or emergency grants in the future.**

## HOWEVER . . .



- The Foundation cannot afford to provide:
  - ➔ Excess withdrawals to support operations, or
  - ➔ Major loans for capital projects.

### *Going forward, the Foundation must:*

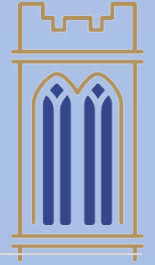
- Continue to honor the wishes of past donors
- Continue to manage the endowment responsibly
- Become more transparent to build the trust of future donors
- Build the endowment through:
  - ➔ Encouraging & assisting planned giving by St. Markans
  - ➔ Facilitating in-life contributions as well

LINK:

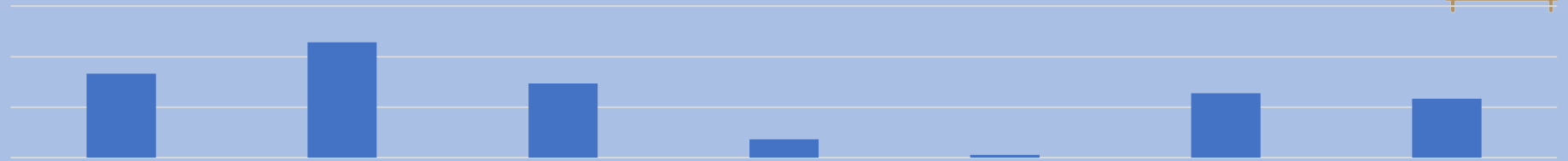
<https://ourcathedral.org/foundation-of-the-cathedral-church-of-saint-mark/>



# Cathedral's Balance Sheet → Liquidity Issue



## Net Operating Capital

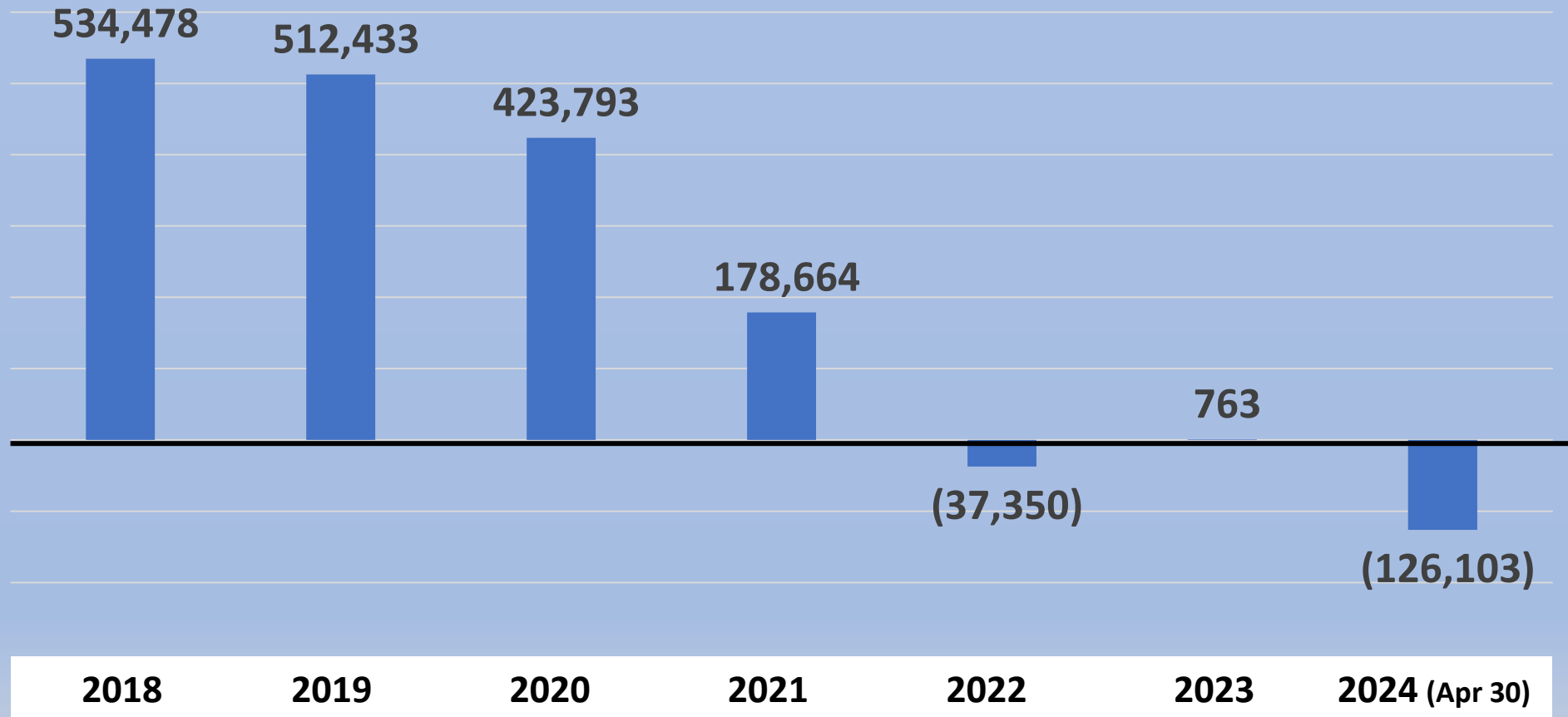


	2018	2019	2020	2021	2022	2023	2024 (Apr 30)
Cash Accounts	1,720,869	1,576,049	1,005,951	401,050	234,547	1,220,250	1,164,533
Receivables	94,755	75,187	61,650	-	9,571	21,097	22,027
<b>Current Assets</b>	<b>1,815,624</b>	<b>1,651,236</b>	<b>1,067,601</b>	<b>401,050</b>	<b>244,118</b>	<b>1,241,347</b>	<b>1,186,560</b>
Payables	458,378	82,865	70,959	81,562	75,009	512,371	519,606
1/3 Temp Restr. Funds	527,248	425,158	263,764	138,427	142,742	92,111	89,358
<b>Current Liabilities</b>	<b>985,626</b>	<b>508,023</b>	<b>334,723</b>	<b>219,989</b>	<b>217,751</b>	<b>604,482</b>	<b>608,964</b>
<b>Net Oper. Capital</b>	<b>829,998</b>	<b>1,143,213</b>	<b>732,878</b>	<b>181,061</b>	<b>26,367</b>	<b>636,865</b>	<b>577,596</b>



# Cathedral's Balance Sheet → Solvency Issue

## Operating Fund Balances (\$\$)



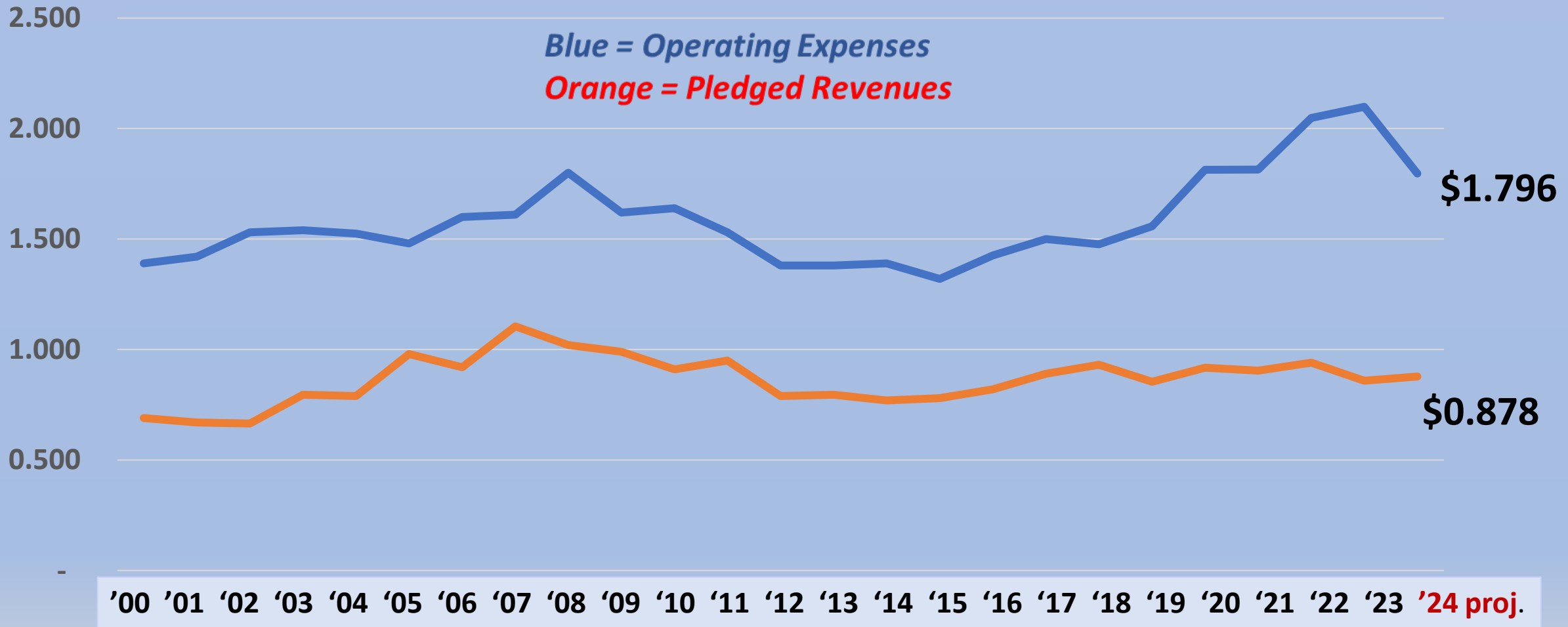


# Cathedral Income Statements - (\$000,000)

➔ Solvency Issues

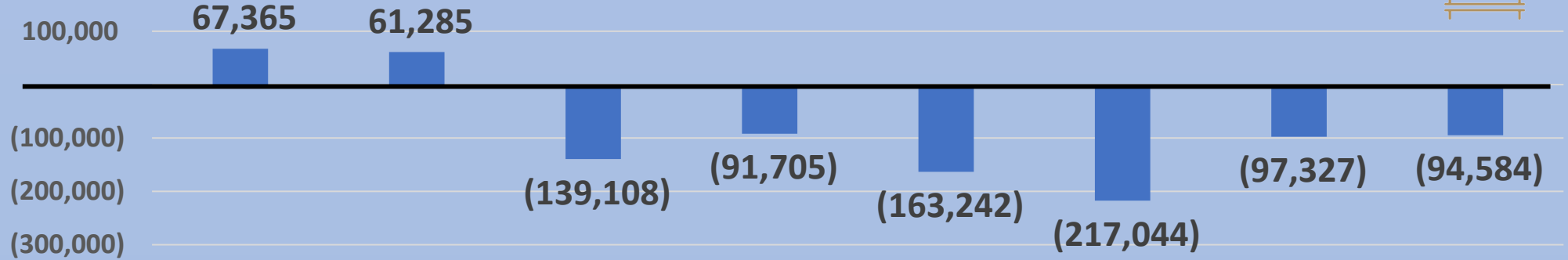
*Blue = Operating Expenses*

*Orange = Pledged Revenues*



# Cathedral's Recent Operating Income (Losses)

(Excluding Bookstore Profits)



	2017	2018	2019	2020	2021	2022	2023	2024 Projected
Pledges Collected	908,476	911,179	854,261	917,680	904,678	940,539	876,816	878,000
Other Revenues	534,510	626,876	564,446	804,392	745,953	890,805	1,274,343	822,916
<b>OPERATING REVENUES</b>	<b>1,442,986</b>	<b>1,538,055</b>	<b>1,418,707</b>	<b>1,722,072</b>	<b>1,650,631</b>	<b>1,831,344</b>	<b>2,151,159</b>	<b>1,700,916</b>
Compensation Expenses	740,347	876,399	841,657	989,938	1,031,764	1,065,797	888,044	694,000
ECMN Pledge Disbursement	160,459	157,864	169,693	196,080	180,732	198,084	203,736	226,000
All Other Expenses	474,815	442,506	546,465	627,759	601,377	784,507	1,156,706	875,500
<b>OPERATING EXPENSES</b>	<b>1,375,621</b>	<b>1,476,769</b>	<b>1,557,815</b>	<b>1,813,777</b>	<b>1,813,873</b>	<b>2,048,388</b>	<b>2,248,486</b>	<b>1,795,500</b>
<b>NET OPERATING GAIN/(LOSS)</b>	<b>67,365</b>	<b>61,285</b>	<b>(139,108)</b>	<b>(91,705)</b>	<b>(163,242)</b>	<b>(217,044)</b>	<b>(97,327)</b>	<b>(94,584)</b>

# Mid-April Reforecasting Details

- Positive Changes
  - Restructuring \$132k
  - Reorganization Adjustments (July 1) \$39k
  - Pledge/Giving Update \$35k
  - Interest Gains on Long Term Savings \$27k
  - Others \$52k
- Negative Impacts
  - Youth Restricted Funds \$20k
  - ECMN increase \$20k
  - New Cathedral Provost Position \$17k
  - Others \$8k
- Result Anticipated Deficit reduced from \$318k to \$98k
  - More work to do!

# Going Forward

- Fundamental Changes – No Easy Answers
- Priorities & Non-priorities will Need to Be Established
- Make your voice heard
  - Participate in Sounding Sessions
- Thanks you for your time & attention