

17 August 2024

Dear St. Peter's Episcopal Cathedral Parishioners,

As your Treasurer since March 2024, I wanted to provide information about the financial health of our church.

Attached you will find a summary of actual income and expenses for Calendar Year 2023. (I am using 2023 for this analysis, since it is the last full operating year.) At first glance, it would appear from these numbers that we met our operating expenses with sufficient income. Yet that doesn't tell the whole story.

During 2023, the church's expenses were \$413,294 with pledges and contributions of \$295,768 and other income of \$8,514. The shortfall between expenses and pledges, contributions and other income was made up by the Bargain Basement of \$46,816, the Endowment fund distribution of \$16,952, and an Investment (savings) account withdrawal of \$65,005. In fact, it has been necessary to make annual withdrawals from the church's savings account since 2021 to close the gap between expenses and income. The need to subsidize expenses with our savings continues to deplete this account and, at this rate, will leave us without back-up funds after the next four to five years. As a result, St. Peter's is NOT in good financial health.

As we look to call a new Dean, we must examine what we, as a parish, are willing to afford. In consultation with Bishop Marty, your Chapter expects the new Dean's compensation (salary, housing, medical insurance, pension payments, etc.) to be \$155,000. Dean Scott's compensation package was \$136,530. (The significant shortage of Episcopal priests in the United States suggests that to call a Dean, we must be able to present an appropriate compensation package.)

For Calendar Year 2024, I have calculated that the established budget of \$415,183 (which removes the planned savings account transfer) will be reduced by \$86,000 because of the termination of the Dean's compensation (May 2024) and the elimination of the Music Director position (April 2024). This indicates we will not need to withdraw any money from our savings account in 2024. However, upon calling a new Dean in 2025, the church's expenses are projected to be \$433,000, with expected pledges, contributions and offerings of \$294,000. The difference (\$139,000) will again need to be made up from the Bargain Basement, distributions from the Endowment fund, and withdrawals from the savings account.

In September, St. Peter's will begin its stewardship campaign. Not only will this campaign identify the resources our church will have to operate, but it will provide the Search Committee with information on how they can describe the financial state of our church to the new Dean.

I am happy to discuss in detail the finances of St. Peter's and will make myself available to answer your questions.

Ron Gumbert
Treasurer