

ST. MARK'S EPISCOPAL CHURCH 2023 ANNUAL REPORT

Treasurer's
Report



January 23, 2024

Dear fellow members of St. Mark's,

Reflecting on 2023 leaves a lot to be proud of as an organization.

From a process and procedure standpoint, we've made significant investments to improve the effectiveness and maturity of our operation. These changes have enabled the business side of our organization to continue to operate in a more digital and virtual way given our current lack of offices during the construction. Some highlights of the efforts include:

- **migrated all online giving to Breeze**, our church management software. This reduces our processing fees, increases accuracy of donation reporting and reduces manual efforts.
- **migrated bookkeeping services** to an independent firm, Hintz Giuffre CPAs. This local firm has provided greater accuracy & confidence in our financial reporting, documented processes, and resource depth in the case of vacations or employee turnover.
- **revised our invoice processes** to digital approval and payment processing. This gives us a digital record of invoice approvals and electronic payment processing to our vendors.
- **implemented a "telling team"** to process weekly donations for deposit and recording into Breeze, our church management software. This group of individuals is both detail-oriented and good with numbers, working to ensure our donation records are accurate. If you are interested in helping with this, we are looking for more volunteers, please reach out.

From a financial operations perspective, here too we have a lot to be proud of:

- Donations exceeded our budget by more than \$38,000
- Expenses were slightly less than budgeted

All of this said, we do have challenges in front of us.

From an operational standpoint, I shared in May that we have been running a deficit budget for over five years and this has nearly depleted our operational reserve. I also shared in May that with the help of Caroline Senn, the diocesan CFO, we developed a 10-year forecast that works to move us to cash flow positive and in a position to rebuild reserves. As a parish everyone stepped up to help us stay on track, you exceeded our forecasted pledge by \$26,500 committing to \$344,580 for next year's budget. THANK YOU!

With this commitment in pledges, we have built a budget for 2024 that results in a \$25,030 deficit. This is a significant step on our plan towards a sustainable, surplus budget to support our long-term ministry. As I mentioned previously, the next few years on this journey will be especially challenging as our operational reserves have been depleted to \$76,700. This means we have very little cushion to address unforeseen expenses over the next several years.

On the building side, our capital campaign consultant estimated that we could expect to raise between \$750,000 and \$1,000,000 for a new building. We have exceeded that estimate by pledging \$1,241,000 towards the building! Once again, this is amazing work. Unfortunately, this falls short of our \$1.4M goal and due to cost increases since we set the goal in May, we will be unable to finish the building. The current plan, as you likely know, is to continue to build as much as possible with the funding we've raised—the basement and first-floor shell. With remaining funds and additional micro-campaigns, we will complete the interior in phases. I know that this is a frustrating result given how hard we have worked as a parish, but we believe this path will result in a usable building in the quickest possible time.

Thank you for your continued generosity, and support of our ministry. I look forward to speaking with all of you in more detail during our annual meeting next week.

Sincerely,

Jason Shimko

St. Mark's Operating Income Statement

As of January 25, 2024

	2021 Budget	2021 Actuals	2022 Budget	2021 Actuals	2023 Budget	2023 Actuals	2024 Budget
1 INCOME							
2 <i>Pledges and Offerings</i>	286,500	276,570	308,000	307,090	337,000	375,100	350,030
3 <i>Endowments & Restricted Gifts</i>	38,000	5,000	8,000	5,940	8,000	15,410	11,000
4 <i>Other Income</i>	10,000	109,550	6,500	32,630	5,500	8,480	2,500
5 <i>Grants</i>	36,000	81,480	36,000	68,610	85,000	27,260	5,000
6 Total Income	370,500	472,600	358,500	414,270	435,500	426,250	368,530
7							
8 EXPENSES							
9 <i>Personnel</i>	269,500	304,500	336,900	374,600	364,800	326,850	258,440
10 <i>Property</i>	62,500	50,000	65,350	65,050	43,350	57,885	40,100
11 <i>Office</i>	16,500	17,400	15,900	19,740	9,050	10,330	9,950
12 <i>Program</i>	23,500	31,726	26,000	51,130	23,000	27,040	15,550
13 <i>Diocese</i>	51,500	47,200	51,500	53,130	62,450	66,980	62,520
14 <i>Other</i>	8,500	5,300	3,400	5,530	4,650	14,410	7,000
15 Total Expense	432,000	456,126	499,050	569,180	507,300	503,495	393,560
16 NET GAIN/(LOSS)	(61,500)	16,474	(140,550)	(154,910)	(71,800)	(77,245)	(25,030)
17							
18 Investments	0	79,510	0	(128,650)	0	22,360	0
19 TOTAL NET GAIN/(LOSS)	(61,500)	95,984	(140,550)	(283,560)	(71,800)	(54,885)	(25,030)
Notes:							
1) Excludes building campaign donations and associated expenses.							
2) Property expenses reflect a pending \$4,885 reimbursement from Catalyst Construction for utility use for apartment building							

St. Mark's Balance Sheet

As of January 25, 2024

In thousands		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
1	Unrestricted Assets						
2	Cash		72.0	52.0	78.3	51.9	49.1
3	Investments		271.9	303.8	296.1	113.4	
4	Total Unrestricted Assets	268.7	343.9	355.8	374.4	165.3	49.1
5							
6	Restricted Assets						
7	Endowments	132.9	149.9	209.7	275.4	224.5	240.9
8	Restricted Cash						35.9
9	Restricted Investmens						40.8
10	Building Campaign						1,437.1
11	Property	3,953.8	3,953.8	3,953.8	3,953.8	3,953.8	2,726.6
12	Total Restricted Assets	4,086.7	4,103.7	4,163.5	4,229.2	4,178.3	4,481.3
13							
14	Liabilities						
15	Accounts Payable	6.8	27.0	26.4	19.2	23.9	14.3
16	Line of Credit	0.0	0.0	0.0	0.0	0.0	
17	PPP Forgivable Loans	0.0	0.0	51.9	0.0	0.0	0.0
18	Building Loans	0.0	0.0	0.0	0.0	0.0	0.0
18	Total Liabilities	6.8	27.0	78.3	19.2	23.9	14.3
18	Net Assets / (Liabilities)	4,348.6	4,420.6	4,441.0	4,584.4	4,319.7	4,516.1
	Notes:						
	1) Pending final balance from Greater Milwaukee Foundation as statements are on a one month delay.						

St. Mark's Building Budget

As of January 25, 2024

		2023
		Actuals
1	Income	
2	Land Sale	1,425,900
3	Donations	659,860
4	Investment Income	8,570
5	Total Income	2,094,330
6		
7	Expenses	
8	Demolition	406,580
9	Legal	24,580
10	Storage	17,370
11	Construction	45,670
12	Design	173,890
13	Other Construction Costs	1,740
14	Total Expenses	669,830
15	NET GAIN/(LOSS)	1,424,500