

**Current Trinity Cathedral Financial Situation  
Report to the 225<sup>th</sup> Annual Diocesan Convention**

As we embark on 2009, the Cathedral's financial picture might seem better than it really is. We end up 2008 with over \$20,000 in cash, and with booked net income exceeding \$60,000. The difference between the booked number and the available cash, is that in early 2008 we needed to satisfy unpaid bills booked in 2007. Also, what appears to be a positive performance is misleading because it includes over \$85,000 withdrawn from investments during the first half of the year to pay accrued expenses. However, on a truly positive note, we were blessed by a wonderful \$70,000 gift from Dr. Phil Lewis late in the year. This, plus a couple of bequests during 2008, allowed us to end up in the black.

Our unrestricted investment fund has shrunk to \$70,000 and that is the degree of the deficit in our 2009 budget. We do have some cash, though, as we begin the year, which should allow us to gear up some additional fundraising efforts to make up the shortfall.

Factors key to the deficit budget this year include the fact that income is, by comparison, down significantly due to current market economics; the reduced basis of remaining investments; and no immediate prospect of a single large special gift. Furthermore, we will no longer be able to rely upon investments to shore up shortfalls, as has been the case for almost three decades. So, the expense budget has been carefully pared to the minimum practical level.

Our stewardship has been good. We expect to see nearly a 10% increase in pledged commitments; but, given the overwhelming expenses - most of which are not discretionary - we need all of the external help we can get. The Diocese and the Bishop have been very helpful; however, even with that assistance, plus our increased pledging and excellent fundraising efforts, we will fall short of meeting our needs. This may well be the year for some very tough decisions.

We did receive a court decision during 2008 which permits a 6 1/2% payout from the Dean Adams Trust, rather than the historical 5%. Yet, due to the declines in the market that merely prevents further negative impact. The chart below presents a high level view of the circumstances:

	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
<i>Preliminary 2008</i>	\$822,286	\$760,647	\$61,640
<i>Budget 2009</i>	\$668,100	\$739,658	(\$70,558)

CH Perfater  
Trinity Cathedral Treasurer  
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