St. Mark's Treasurer's Report
August 20, 2024

Current Months
The months of June and July resulted in an operating income of about $6k and an operating loss of $5k, respectively. For the month of July, total revenues were nearly $14k under budget hampered by a miss in total donations of more than $28k. Operations expenses overcame a bit of this shortfall by coming in at nearly $9k under budget with more than half of that coming in compensation below budget. On a YTD basis then, our total revenue through July is $1,111,361 exceeding our budget by $119,662. On the expense side, our YTD operating expenses are $1,090,475, exceeding budget by $116,404 ($112,466 from compensation over budget) bringing our total net income down to a slightly positive $3,258.

For the month of June, revenues were about $7k over plan. While donations and other revenue categories missed their plans, rent and other income exceeded by nearly $18k resulting in the revenue over performing. Operating expenses exceeded their budget by just over $1k for the month, mostly in the areas of compensation and operations. This brought the income down to $6k for the month of June.

Looking Forward
Although we currently have a small positive net income of just over $3,000 YTD, our forecast indicates that we are on a track given current activities to have an operating deficit of $128,000 for the year, an increase versus our prior estimate of over $30,000. This estimate assumes roughly $130,000 in expenses and slightly less than $100k in revenues for each of the next 5 months netting to an anticipated operating income loss of about $150,000 over the last 5 months of the year.

On a brighter note, compensation cuts which have been made throughout the year have brought total compensation for the 2024 months going forward well within the respective monthly budgets. In fact, if those cuts could have occurred at the very beginning of the year, we would forecast that 2024 would have had a slightly positive operating income for the year. All this is to say, that the prospect of balancing operating income for 2025 looks very positive and that prudent finances would indicate that going forward, we should only add expenses after we have actualized generating the revenue needed to support them. It might seem counter intuitive to suggest that we could balance an operating budget if we are on a run rate of losing about $30,000 per month. However, I would point out that annually our revenues (specifically pledge income) are disproportionately heavy in the first four months of the year. This normally results in significant positive income in each of those months which then is generally offset by operating losses in the final months of the year. For this reason, we must be careful not to over commit to new expenses early in the year when monthly revenues are high.

As most of you are aware 2024 has been a year of belt tightening in terms of expenses. I want to underscore Bishop Loya's message in his letter of August 2nd, that other significant expense cuts should not be considered as they may begin to "unravel our capacity to do the ministry to which we are called," and I believe to undermine our future abilities to grow. To that end, we are beginning to focus financially on increasing our revenues and more importantly spiritually in defining our mission and where we should place our focus as a faith community. I encourage all of you to take part in voicing your thoughts in this discussion. I am encouraged by the Council's enthusiasm to make positive strides in both areas and particularly by the energy and abilities of the new Council members who joined us mid-year!

Respectfully submitted,

Brian Myers