St. Mark's Treasurer's Report
August 19, 2025

July and Year To Date Income

July was a difficult month with both income misses and expenses over plan driving an operating loss of more than $53k and taking our total loss for the year to more than $71k.

July total income was $91,484 marking the first time this year it was below $100k and nearly $30k below budget. Pledge income miss was a significant factor coming in at only 77% of budget, a miss of more than $14k. Rental income was also below plan by over $12k. On a bright note though, our available space has now been rented and income will begin in September for the second floor of our education wing.

Trust and grant income was also more than $2,500 below plan for the month and is more than $13k below plan YTD due to a budgeting error.

Both parish programs and unbudgeted asset gains are ahead of income plans YTD by $37k and $17k, respectively.

On a YTD basis total operating income is $906,277, more than $80k below budget. The shortfall here is almost solely due to pledge income which is short of budget by $91k. Even using a different pledge income model, we remain short by at least $50k of pledge income YTD.

Operating Expenses

For the month of July, operating expenses exceeded budget by more than $25k. The primary causes being an unbudgeted Hennepin Avenue assessment of $8,286 and an ongoing monthly underbudgeted amount in the areas of healthcare, retirement benefits and parochial payments totaling $5,748 per month in overspending which we have been incurring the entire year. Approximately $10k of unbudgeted expenses incurred were actually reimbursed via income into Parish Programs.

On a YTD basis then, expenses of $977,352 have exceeded budget by $100,460. A significant portion of this total arose from budgeting errors associated with underbudgeting in the categories of parochial payment, retirement benefits and health care benefits which so far have impacted overspending by $36,126 and will negatively impact expenses over budget by another $28,740 for the remainder of the year.

Current Finance Committee estimate is that we will finish the year with an Operating Loss just over $100k assuming that pledge income finishes on the 2025 plan. If the gap in pledged income remains unchanged, our operating loss will be between $150k and $200k for the year.

Cash Flow

Given the deficit that we are running, we are also diminishing the cash which we have available for operations. Earlier this month (August) and for the second time this year, we moved cash into our checking account from our investment account. The level of cash which we have moved YTD is equal to expenses which should be directed to a temporary restricted funding account instead of residing in normal Operating Expenses. As we continue deficit spending, cash flow remains a concern. This again underscores the need for us to raise revenues well beyond what is in our current plan for the year.

Respectfully submitted,

Brian Myers