

Redeemer Finances

As you know, at the end of last year we hit a bit of a crisis as pledges fell way below the amount we needed to operate for a year.

We have reserves in various places but once these are gone they are gone. Redeemer has to have income to match day to day expenditure. Unless this happens we cannot continue to operate as we are currently. This might mean, ultimately, leaving our current location.

Moving into the Chapel would solve the problem.

This answer has a lot of components

1. It would save a small amount, but not enough.
2. The only way to save significant money is to turn off all heat and cooling to both the Church and the Parish Hall below. This is not an option because the Vestry has to take care of the buildings. The damage from no climate control would be considerable.
3. If basic utilities are left running to preserve the building we estimate we might save up to \$5,000 per year by moving into the Chapel. This is not much to lose use of the Church which is a big selling feature and will allow us to continue to grow.
4. Turning off utilities to the Chapel would probably not save much money but that building was constructed differently and might weather the change better. Again, for the amount involved it is probably not worth it.

We drew money from the Blanton Trust before, why not now?

This is not possible.

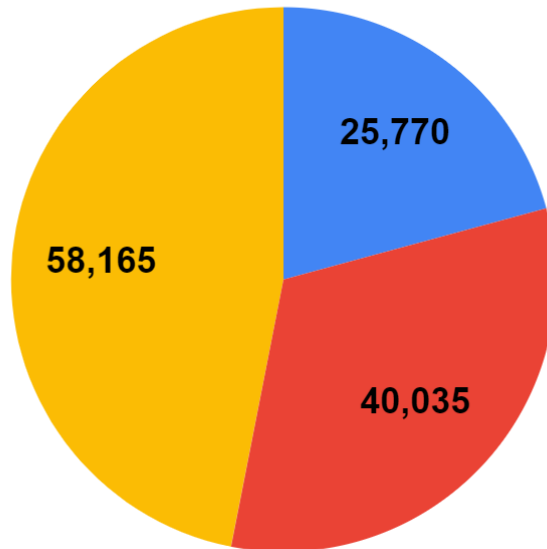
1. Previous Vestries were badly advised in terms of what can and cannot be done with that money. Having reviewed the documents related to the Trust the Diocesan Chancellor has concluded that we may not get any interest dividends unless the principle is over a million dollars.
2. By moving the Trust to the Diocesan Trust we were able to pay off the \$160,000 deficit quickly with good markets and took a draw on interest.
3. Recently, the markets have not been good and the principle has dropped below a million - we will not get anything until it comes back up. This is a huge problem as it leaves us over \$30,000 short.
4. We anticipated this in 2023 and it is factored into the expected deficit.
5. Unfortunately it does not matter if the Blanton family gives us permission to draw down the principle, we simply can't do that because of the terms of the will which set it up.

Can we spend our other Trust funds?

Yes, we can, but once they are gone we will have no reserves. The Vestry is not willing to run them down to zero and then make a decision on the future. This would not be in line with the fiduciary responsibility to the parish. The chart shows the three funds which do not have to be over a certain amount. The Garden Fund is restricted by its donors to landscape maintenance. Our 2023 income from these Trusts was a little under \$5,000

Trust Funds

● Garden ● Holding ● Hendrix



What other money do we have?

We have an account which we created temporarily called "Vestry Reserve". In this was placed the money which we saved from not being open during the Covid pandemic. About \$10,000 of this was utilities, the rest was salary from not having a musician and general running costs as the only emergency maintenance was done on the building and there were no office costs. We anticipate that we will need to spend this to break even at the end of the year.

Is there anything else?

Yes, there is a bequest from Wade hendricks totalling \$74,000. This has been placed, by the Vestry, in a 7 month CD account and is drawing good interest. It will be decided in the next budget cycle how to use these funds.

Why is this money not in the Trusts, wouldn't it earn more?

Perhaps but we were concerned about market volatility, especially in the run up to a presidential election. This fear seems to be being realised.

How are we cutting costs?

We are currently running slightly under budget for expenditure.

However, our budget is tight. Part of this is having such a large building. The Diocese has told us we cannot subdivide this property. Currently, the Vestry has halted all non-essential

expenditure. So there will be some deferred maintenance next year - notably the windows in the Church.

The Rectory has some serious issues. However, it is likely on the slave graveyard and so might become redundant. When it was moved from the road a few years ago no one knew that the cemetery had, historically, extended so far over. We have found field stones in the formation common to slave burials beyond the Rectory which does not bode well.

How about staffing?

Currently you have a $\frac{3}{4}$ time rector - this means 30 hours per week worked over 4 days. The Director of Music is contracted to work 720 hours per week. Both are working for less than qualifications and experience would commonly dictate and are working more hours than they are paid for.

We do not have a paid administrator and rely on the generosity of volunteers. We do not have any other paid staff.

What happens next?

The 2024 Pledge Campaign will take place during October. When you make a pledge you are saying you will pay the amount you offer to the best of your ability. We know that if you lose your job or get sick you may not be able to meet it - but this is rare. Conversely, we hope that if you get promoted or get more income you will be generous. It should balance out.

If we have a significant shortfall again the Vestry have decided to put together a group to look at alternatives to remaining in this building. Realistically, at this year's income level, we probably can keep our heads above water for two years if there are no disasters or major expenditure (like the AC going out).

Last time Redeemer hit this sort of problem, draws were taken from the Blanton Trust but, as we have said, that was on bad advice and we cannot do that anymore. There is no more money once the reserve fund and the small trust funds run out.

It can be seen as dire or an opportunity but it is a real thing which we have to tackle.

In 2023 we had a very significant shortfall, using our energy to continue growth is the best use of our time. We grow to share the story of Jesus, this may bring more income, or it may not. If it does not we will have to reimagine Redeemer. That is frightening but do-able. Pray about this but, remember, prayers which are asking God to do all the work don't usually work very well, you are the body of Christ and each person has to be involved.