

Christ Church Bermuda | Presbyterian Church of Scotland

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Annual General Meeting (2024) Treasurer's Report

Dear Members and Adherents of the Congregation,

I have pleasure in submitting a summary report for the purposes of the AGM covering the 2023 financial year, which should be read in conjunction with the enclosed documents.

Audited financial statements

Please find enclosed the 2023 audited financial statements of both Christ Church (the 'Church') and the Friends of Christ Church Warwick Trust (the 'Trust'), as submitted by the Treasurer of the Trust (Judy Thompson).

Whilst the Church and Trust are legally separate entities, their purpose remains fundamentally aligned and in recent years the Trust has both collected pledges and offerings and directly paid certain expenses of the Church. As such, I encourage you to review both sets of financial statements in parallel to obtain a full understanding of the 2023 financial position of the Church and its long-term sustainability. Where relevant below, this report discusses the total income and expenditures related to the Church's activities across both entities in 2023.

Unless otherwise stated, the financial results and position of the Church and Trust described below *exclude* the Church's Feeding Programme, as the income, expenses, assets and liabilities of this programme are restricted in support of those activities.

The Church

- A surplus of revenues over expenditures was recorded of \$16,979 for the year ended December 31, 2023 (2022: deficit of (\$47,519)). This was after replenishing each of the following funds to minimum levels agreed by the Finance Committee:

		\$'s
Property Maintenance Fund	Unrestricted	100,000
Churchyard Fund	Designated	40,000
Loads of Love Fund	Restricted	20,000
Organ Fund	Restricted	10,000
Capital and Property, Plant & Equipment Fund	Restricted	250,000

*The general fund is required to be maintained at a level of surplus no less than \$100,000 at the end of the year.

- The annual pledge process has remained a key part of the Church's efforts to broaden the number of those who give, to reduce volunteer administration and to allow for a more efficient and effective process for members and adherents. Members and adherents are encouraged to pledge to the Trust so that monies can be invested when not in use, and funding required by the Church is transferred from the Trust on an as-needed basis.
- Total assets, excluding those restricted for use in the Feeding Programme, at December 31, 2023 were \$675,187 (2022: \$671,445).

The Trust

- Total assets at December 31, 2023 were \$4,182,314 (2022: \$3,682,201).
- The Endowment Fund balance at December 31, 2023 was \$3,802,378 (2022: \$3,284,623). The Endowment Fund was established by a donation from the Church in 2020 comprising the net proceeds of the sale of the Manse and Tanglewood properties. This fund is restricted in perpetuity and is overseen by an investment committee comprising individuals with investment expertise, who are also members. An endowment fund legally protects its assets from distribution and allows for only the income to be distributed. Further restrictions on the use of the income from the endowment fund are set out in Note 2 of the Trust financial statements.
- The investment portfolio at December 31, 2023 has an unrealized gain position of \$352,124 (2022: unrealized loss of \$(149,643)), primarily reflecting improved overall market conditions. The nature of the Endowment Fund is such that it invests to support the long-term sustainability of the Church, and therefore the volatility seen in investment markets in recent years is not considered to impact the overall aims and long-term purpose and outlook of the fund.
- The Restricted Fund of the Trust, which incorporates pledges, offerings and other donations made to the Trust on behalf of the Church, and also expenses settled by the Trust on the Church's behalf, recorded a surplus of revenues over expenses of \$13,072 (2022: deficit of \$(71,231)) as discussed further below.

Overall

As described above, the core activities of the Church in 2023 across both the Church and Trust financial statements (excluding the Feeding Programme and Endowment Fund) recorded a surplus of revenues over expenses of \$30,051, in comparison with a deficit in 2022 of \$(118,750).

Whilst this is a positive situation, it should be noted that it is primarily a result of two factors rather than representing a sustainable forecast for the future. Specifically, the Church was grateful and fortunate to receive approximately \$107,000 in donations in 2023 outside of the annual pledge and freewill offering, in comparison with donations of approximately \$12,000 in both 2021 and 2022. Furthermore, as a result of launching our 2024 annual pledge process in December 2023, certain of these pledges were received and included in 2023 Church income.

The level of pledges, offerings and other donations continues to be approximately 15%, or \$65,000, below 2019 and it remains imperative that we continue to work collectively to return to a level of Church income that allows for a sustainable net positive position annually in the absence of one-off donations outside of our control.

Nonetheless, it has been greatly encouraging to see a very positive response to the 2024 pledge process and the Church continues to be extremely fortunate in the generosity of its members and adherents in time, talents and treasures in the current challenging economic environment. Together with the Trust, the Church remains in a financially viable position as a result of this valued support and the actions taken in recent years to focus on long-term sustainability.

As you are no doubt aware, the broader trends affecting congregations globally, including declining membership and the difficulty of attracting younger members and families, is a challenge for us also. Being in a position to sufficiently fund our operations through annual giving is something we must remain focused on, in order to make the most of the opportunities and local profile we have through initiatives like the Feeding Programme, Messy Church and others to show what we have to offer as a congregation, and to attract and engage younger people and families and seek to bring those individuals into the Church family.

Lastly, as always I would like to offer my sincere thanks to Mike Barany and Judy Thompson in particular for their support and assistance throughout the year.

David Cartmill
Treasurer

Enclosures:

1. Audited 2023 financial statements for Christ Church Warwick
2. Audited 2023 financial statements for Friends of Christ Church Warwick Trust