

**PRESBYTERY OF THE JAMES**  
**Use of Church Ministries & Development Fund**

see Mission Council report 10/21/23

DESCRIPTION	2024	2025	2026	2027	2028
<b>Preliminary calculations</b>					
BOY (projected at 12/31/23)	3,900,000	3,451,500	3,123,608	2,889,337	2,730,423
Use - 16%	(624,000)				
Use - 14%		(483,210)			
Use - 12%			(374,833)		
Use - 10%				(288,934)	
Use - 8 %					(218,434)
Earnings @ 4.5% on BOY	175,500	155,318	140,562	130,020	122,869
New Bal	3,451,500	3,123,608	2,889,337	2,730,423	2,634,859
<b>Balance over minimum of \$1.5 million</b>	<b>1,951,500</b>	<b>1,623,608</b>	<b>1,389,337</b>	<b>1,230,423</b>	<b>1,134,859</b>
<b>Reduction in use level from prior year</b>	<b>n/a</b>	<b>(140,790)</b>	<b>(108,377)</b>	<b>(85,899)</b>	<b>(70,500)</b>

The worksheet presents a multi-year analysis of the projected use of the Church & Ministries Development (net asset) Fund. It was developed as a response to concerns expressed to the MC after the approval of the 2023 budget in February 2023.

This presentation is representative of the approach the Mission Council is proposing, to wean the presbytery from unsustainable use of the Church & Ministries Development Fund, as part of the annual budgeting process.

The above presentation makes the following presumptions -

It does NOT reflect any additional monies which might be credited to the fund in future years. Such amounts could arise, for example, from a portion of the sale of POJ properties, possibly including proceeds from the sale of property from dissolved congregations.

It reflects an estimate of annual investment earnings of 4.5% on the beginning value of the fund. Actual investment earnings may differ.

It uses, as a starting point, the projected fund balance at 12/31/23, and reflects the amounts on a calendar year basis. An evaluation at mid-year each year may be necessary, to provide the base amount in time to develop and present a budget to the presbytery.

The MC has been discussing the minimum level of the fund that should be maintained. As a starting point in this analysis, the MC has been working with a minimum balance of \$1,500,000. The excess over that minimum is shown for each year.

Due to the variable nature of this calculation and such calculations in future years, it is intended to provide guidance in developing the budget, with the amount of the fund to be viewed as a guiding and goal amount.

This evaluation would be reviewed on an ongoing basis, certainly at the time of preparing the annual budget, to measure the progress of reducing the presbytery's reliance on the use of this fund to balance the budget.

This topic and the above analysis will be included as a topic for conversation at the three conversation meetings to be held the week after the 10/21/23 presbytery meeting (see details about these meetings in the comments of the proposed budget).

The proposal will be included in the topics to be voted on in the special presbytery meeting on Thursday, 11/16/23 (see details about this meeting in the comments on the proposed budget).