

Fellow members of St Peter's,

I must address you regarding the financial state of St Peter's Lakehill. My message to you is two-fold. Firstly we have encountered a financial situation that I, my fellow Wardens and the Parish Council believe must be addressed. Second I have every hope that St Peter's Lakehill can and will survive, both as a financially sound Parish and as a loving beacon of hope in our community.

We had a good spring financially speaking. The months of January to April 2009 were generally positive, with a little more in the bank at the end of every month. Things looked good as the Parish Council broke for the summer period, and all were especially hopeful that this overall positive trend would continue in the fall. In short, we hoped that the worst was behind us. Our financial stability in the spring, as you know, was due to a clear financial decision taken in late 2008. I shared with you the very difficult moment when we decided we could no longer afford the paid services of Deacon Norah. At that time, given a clear understanding of the situation, we made a unanimous decision. That decision needed to be made, and with a heavy heart we hoped that was all that fate would have in store.

Unfortunately I must now report to you that a new financial situation has arisen. When the Parish Council returned in early September there were warning signs that we might be off track. Since that time I have been looking at the financial picture in some detail with the kind assistance of our Treasurer, Donna Capek. The bad news is that we lost some \$14,000 over the five month period from May to September. The good news is that I believe the present financial situation can, as before, be resolved.

Let me be clear that we know some facts, but not all, at this time. There are five facts which I can relate with great confidence:

- a. The crisis is real and rests solely in revenue, not expenses. We have seen a large and as yet unexplained drop in revenue in the last five and a half months. While it is normal to see a dip in revenue during the summer, there is now solid data from September and even early October which supports the conclusion that there has been a fundamental shift in revenue, not just our typical summer dip.
- b. In general, while our monthly costs have remained relatively constant our monthly revenues have dropped by a third. For example, in September 2008 revenues were \$17,000 whereas September 2009 saw only \$11,000. In comparison the expenses during both months was the same (\$15,000).
- c. Our bank account (i.e. cash reserves) is presently low. Over the summer we burned our financial reserves to meet our payroll commitments and other expenses. We now have approximately 30 days of operating capital left.

- d. The situation will get worse before it gets better. Our ability to meet monthly expenses will worsen as of November first given that we will lose the extraordinary generosity of both Fr John and Judy, who were tithing \$2,000 a month to St Peter's.
- e. St Peter's has one remaining financial asset left, which is our GICs. The current amount we have in GICs is approximately \$23,000.

The cause for this drop in revenue is not yet clear, and therefore the way out of it remains similarly unclear. What is clear is that we have not lost a third of our congregation over the summer. What is also readily apparent is that many have been impacted by the current global economic situation.

At the October meeting of the Parish Council I briefed these facts and figures. I also requested that St Peter's establish a Finance Sub-Committee to address the question of why we have seen such a drop in finances and what we could or should do, in the short term, to address it. Parish Council approved this way forward and there will much work to do in the coming weeks. At a minimum the sub-committee will meet weekly and it is expected that the Parish Council will hear their report in early November.

We can do this. You are a good and loving people. Many remark upon this when visiting St Peter's and I believe strongly that these qualities will now come to our aid. My plea to you is to stick with it and ride out the storm. It may be time to batten down the hatches and reef in the sail for a period of time, however with the Lord's blessing I have every hope that we will make it through. As we go forward I ask for your courage, your fortitude and all your famous Anglican faith.

Questions are welcome anytime, and as always I look forward to your feedback.

Sincerely,

john

John Lindsay  
People's Warden  
18 October 2009