

Financial Executive Summary

First Free Church
2024-2025

2024 Financial Summary

In 2024, First Free Church experienced **growth in both attendance and giving**. Average weekly attendance increased by **8.3%**, while total revenue across the **General, Building, Outreach, and Benevolence & Scholarship Funds** rose by **3.6%**, reaching **\$3.656 million**. However, expenses exceeded revenue, resulting in a **\$121,000 deficit**. As a result, the church's liquidity declined slightly, though it continues to remain very strong overall.

Financial Overview

Primary Church Funds

First Free Church operates through four main funds:

- **General Fund** – Supports all ministries and operational expenses.
- **Outreach Fund** – Funds local and global missionaries, outreach events, and short-term mission teams.
- **Building Fund** – Covers general maintenance and facility improvements.
- **Benevolence/Scholarship Fund** – Assists congregation and community members facing financial hardship.

2024 Financial Performance

- **Giving & Other Income** increased by **\$126,000** from 2023 to 2024.
 - **Total Expenses** amounted to **\$3,777,575**, reflecting a **6.44% increase** over 2023.
 - **Deficit:** Expenses exceeded income, resulting in a **\$121,000 shortfall**, which remains below the **\$200,000 budget increase** approved by the congregation at the **Special Congregational Meeting on October 13, 2024**.
-

Key Accomplishments & Projects

Family Ministries

- Recruited, hired, and relocated a **Senior High Pastor**.
- Recruited, hired, and relocated a **Junior High & Young Adults Pastor**.

Facilities & Grounds

Long-Term Planning & Maintenance

- **Master Plan Development:** Launched a **10-15 year master plan** for facility maintenance and long-term site development planning.
- **Facilities Condition Assessment:** Conducted a comprehensive evaluation of the church's elevators, HVAC, plumbing, and building infrastructure to support long-term planning.

Church Restoration

- The **majority of the church restoration** was completed in 2024, with a few outstanding projects expected to be finalized soon.
- **Safety & Risk Mitigation:**
 - Installed a **High-Flow Alarm Shutoff Valve** to mitigate future pipe break damage.
 - In process on an **Arc Flash Assessment** to identify & address potential electrical hazards.

Completed Infrastructure Projects

- **Parking Lot:** Cleaned, resealed, and restriped one-third of the parking lot.
- **HVAC & Furnace:** Replaced **one split-system HVAC unit** and **one furnace unit**.

Bigg House Restoration

- **Switched contractors** and developed renovation plans for **staff office space**.
- **Initiated weatherization** and protective measures while the sitewide master plan is finalized.
- **Ordered materials** for renovations; work is scheduled to begin upon arrival.
- The **Bigg House weatherization** project is currently underway, including a **new roof, gutters, siding, dehumidifier, and electrical service installation**.

Technology & Security

- **Enhanced streaming quality** and video capabilities for online services.
- **Installed additional security cameras** to improve emergency preparedness.

Cash Reserves & Fund Balances (As of December 31, 2024)

<u>Fund</u>	<u>Balance</u>
General Fund	\$631,477
Outreach Fund	\$187,658
Building Fund (<i>includes remaining insurance proceeds for Bigg House & Church Flood restoration</i>)	\$1,088,263
Benevolence/Scholarship Fund	\$101,311

External Financial Review

An independent external review of the 2023 financial statements was conducted by a firm selected by the Finance Committee. No material modifications were required.

2025 Budget – Assumptions & Key Notes

Operating Funds (General, Outreach, & Building Funds)

- The 2025 budget assumes continued growth in giving, consistent with historical trends.
- The proposed 2025 budget represents a 7.5% increase over the previous year's budget.
- Projected expenses for 2025 are expected to rise by 10.2%, primarily driven by a \$303,000 increase in Property & Liability Insurance costs.
- Giving & Other Income for 2025 is budgeted at 7.5% higher than 2024 actuals, reflecting:
 - Increased attendance and giving trends.
 - A step of faith in God's provision.

Capital Projects for 2025 (Funded by Insurance Proceeds, Not Included in Budget Approval)

<u>Project</u>	<u>Estimated Cost</u>
HVAC Unit Replacements (2 units)	\$120,000
Bigg House Winterization	\$102,000
Site Master Planning	\$12,000

As in previous years, spending will be managed in alignment with actual giving, a practice that has proven effective for the past seven years and will continue in 2025.

Salaries & Staffing

- The salaries and benefits budget includes all current staff and is prorated for open positions listed at efree.org/careers.

Projected Deficit & Prepaid Offsets

- The total projected net deficit for 2025 is \$67,657.
- Of the \$232k deficit amount, \$165,000 was prepaid in 2024 from cash reserves, reducing the net deficit to \$67,657—the amount proposed for congregational approval.