



FINANCE & STEWARDSHIP PORTFOLIO
Report to the Annual Society Meeting – 10 February 2020

BRIEF COMMENTARY ON FINANCIAL RESULTS 2019

We are extremely grateful and thank God for His provision which has enabled Trinity to report a wonderful net surplus of R598 185 for the year ended 31 December 2019. THANK YOU to all who have regularly given tithes and offerings to enable the work of God!

Income:

- We were exceptionally blessed with generous donations of R1,2m; one of which totalled R750k in August.
- Unfortunately, Planned Giving (including collections) of R5m was essentially the same as 2018 and this is of concern from a sustainability perspective. We 'lost' about 47 givers and the number of regular identifiable givers has reduced from 360 to 343 people. In addition, only about 38% of these givers effected an annual increase and numerous givers don't give consistently / miss a month. Collections were down 2,4% in part probably due to lower average church attendance in 2019.
- About 33% of our Total Income came from our 7 largest givers (25% in 2018). We continue to recognise that this over reliance on a few big givers is not healthy and so planned giving needs to grow.

Ministry costs:

- As a result of Trinity being exceptionally blessed, we are able to employ two ministers, four pastors and various office / ground staff to continue providing a diverse range of worship experiences, share the Word of God to inspire individuals to a deeper relationship with God, care pastorally to many in need, support families in raising their children, provide courses and offer many other ministries at no or minimal cost.
- Fortunately, expenditure of R6m was only 1.8% more than 2018 (if we exclude the R150k spent on the Brugnon manse roof in 2018).
- 67% of our costs (excluding our 'Reachout tithe') are for personnel / employee and minister costs and so these typically increase at least with inflation each year. In addition, the bulk of our expenses are routine fixed costs. The following are the more significant 'out of the ordinary' expenditures incurred this past year:
 - Brand enhanced and new website launched to enhance digital presence (R42k).
 - To enable more effective ministry Children's venues were improved with new equipment and T-shirts purchased for leaders (R27k).
 - New guard hut constructed (R17k) and larger sign board on the corner being erected (R17k) to enable more advertising to the broader community.
- From the tithes which were received, Trinity gave R454k to the ReachOut Portfolio. Key recipients of these funds were Ikageng (R154k), Tshepo (R134k which went towards a social worker, the after-care facility and operational costs), Mozambique mission (R34k), Orange Farm (R24k) and Holiday club (R23k).
- As a result of the above, we trust that in 2019 Trinity has enable the congregation (including the children and youth) and community to grow their passionate spirituality and to encounter God's love and to respond to Him at a deeper level.

TRINITY METHODIST CHURCH LINDEN
2020 BUDGET SUMMARY WITH 2019 ACTUAL AND COMPARISON

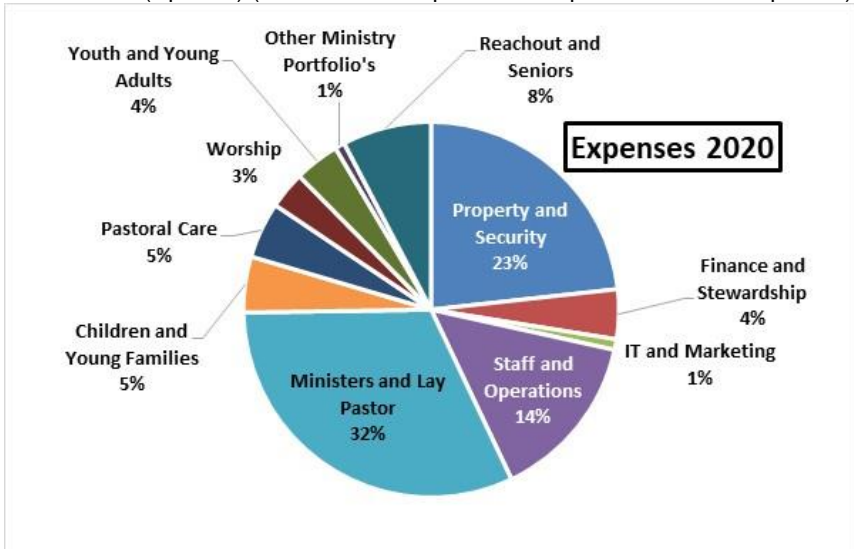
	2020 BUDGET	% Var	2019 ACTUAL	% Var	2019 BUDGET
NET INCOME	5,119,226	3.0%	4,969,527	-5.4%	5,252,095
Planned giving (PG)					
Direct banking, EFT & PG Envelopes	4,367,411	2.1%	4,277,982	-4.5%	4,478,197
New giving identified	160,000	13.5%	140,909	-26.6%	192,000
Collections	577,912	4.9%	550,758	-7.4%	595,076
Cash collection at services					
Interest received	111,075	17.6%	94,484	-1.9%	96,269
From Call and Investment accounts					
Foundation Trust income	125,000	28.6%	97,200	-2.8%	100,000
Interest & dividends on Trust investments					
Sundry income	288,360	-5.5%	305,159	-3.8%	317,080
Building, property and manse "hire"					
Regular Income	5,629,758	3.0%	5,466,492	-5.4%	5,778,622
Less Tithe to ReachOut and Seniors fund	-510,532	2.7%	-496,965	-5.6%	-526,527
EXPENDITURE	6,144,255	10.7%	5,550,143	-3.7%	5,760,650
Ministers and Pastors	2,787,800	7.7%	2,588,544	-0.5%	2,602,067
District & Circuit assessments					
Remuneration & allowances					
Administration Cluster (Excl Prop)	1,311,385	7.8%	1,216,428	-3.3%	1,258,127
Finance & Stewardship, Marketing & Communication, Legal Compliance & Risk, Staff & Operations and IT Portfolios					
Property and Security	1,547,257	15.8%	1,336,386	-1.1%	1,350,983
Ministry Cluster	497,813	21.8%	408,785	-25.6%	549,473
Children & Young families, Educ & Training, Fellowship, Home & Class groups, Membership, Pastoral care, Prayer and Spirituality, Worship, Young Adults and Youth Portfolios					
OPERATIONAL SHORTFALL	-1,025,029	76.5%	-580,616	14.2%	-508,555
FUNDRAISING	80,000		0		35,000
DONATIONS / RHONA	480,000	-59.3%	1,178,801	148.2%	475,000
NET SURPLUS / (SHORTFALL)	-465,029		598,185		1,445

Trinity's Income and Expenditure and the Balance Sheet for 2019 are still to be audited.

COMMENTS ON THE 2020 BUDGET

Despite the financial challenges facing many, we do not want to withdraw into our shell and stop investing in the future. So, because of the significant donation and resultant surplus in 2019, we are budgeting for a financial **shortfall of R465k**. If we did not have the 2019 surplus to fund the planned 2020 expenditure, we would have had to seriously curtail our 2020 plans. This year we plan to spend about R109k on strategic actions to grow the Children and Youth ministries, as well as to grow the Sunday congregation through various initiatives which are more invitational in nature.

MINISTRY COSTS (Up 10%) (Excl 2020 non-operational expenses of R109k up 8.2%)

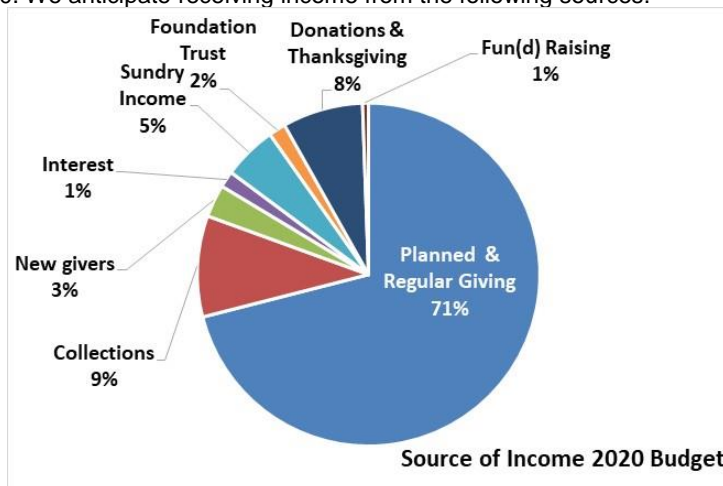


1. Ministers and Pastor's costs of R2.8m are up 7.7% mainly because our MCSA Circuit assessment has increased by more than inflation.
2. Administration Cluster costs (excluding Property) will increase by 7.8% mainly due to remuneration cost increases and as we have to now incur audit fees (R46k).
3. Property expenditure of R1.5m is up 15.8% as this includes strategic costs of R65k to make the property more child and youth friendly e.g. new Jungle gym, bottom car park 'tidy up', new 'Dungeon' floor and pave the children's area outside the chapel. Municipal costs are up 15% and plan to spend R50k more on maintenance / projects.
4. The Ministry Cluster costs of R498k are substantially more (21.8%) than 2019, largely due to the prior year underspend of R141k. The Worship portfolio plans to purchase a new data projector for the church and to invite high profile individuals to preach.
5. Our tithe of PG and collection money will be allocated to the "Seniors fund" (R48k) and R463k to Reachout, which is planned to be distributed mainly to Ikageng, various Tshepo initiatives, Mozambique mission, Orange Farm and Holiday Club.

The congregation needs to be aware that there are quite a few significant Property projects which are not budgeted in 2020 but which will need to be undertaken in the next few years.

INCOME

We have budgeted for income of R119k per week, however we actually need closer to R130k per week for Trinity to minister as planned and to implement the strategies identified for 2020. We anticipate receiving income from the following sources.



- As a result of the difficult economic environment, we have been conservative and assumed that on average members will increase their electronic planned giving by 5,5%. However as a result of the number of people who have stopped giving regularly in a planned / electronic way, our planned giving is only budgeted to increase by 2.5%. It is obvious to see that if our main source of income is not increasing by inflation (i.e. if our planned giving is not significantly in excess of our budget for 2020), we will find ourselves in a very challenging position in 2021.
- The consequence of this, whilst being mindful that 2020 will be another year that is financially tough for many households, to improve our sustainability, we are trusting that more people will give more regularly (i.e. not miss a month) and will commit to tithe / give sacrificially. Everyone's giving is important and hugely valued! If not yet seen, please watch the three videos from John Wessels on Trinity's Money and Mission.
- We also continue to encourage those who only give in the collection bag, to consider moving to electronic banking or to use SnapScan (on a smart phone).

RESERVES

Our reserves at 31 December 2019 amounted to R1.4m (R394k of this is a Special Property reserve) and comprise 2.8 months of 2019's expenses (target is 2,5 months). However due to the budgeted deficit for 2020, this will probably reduce to 1.7 times.

CONCLUSION

It is important for you, the congregation, to be a part of Trinity's ministry team (particularly given that Methodists believe in the Priesthood of all believers), to get on board, to roll up your sleeves to get involved.

We humbly request our members to please prayerfully reflect on, and consider their planned giving, particularly those who are not tithing or giving sacrificially, and to consider making an adjustment this year relative to their income and their needs.

Brigid Schrieder
Chairperson Finance & Stewardship Portfolio

John Wessels
Senior Minister