

Report to Congregation Meeting - 20 November 2022

Final Budget 2023 - (Reduced MOW/Pastor) UCA - GLEN WAVERLEY January 2023 to December 2023

Account	Total
Income	
Donations and Interest	\$9,000.00
Offering	\$280,800.00
Offering - Other (4-1180)	\$30,504.00
Rental Income (incl. Toilet Cleaning Levy)	\$94,008.00
Receipts - General	\$20,808.00
Receipts - Welfare Coordinator (4-2050)	\$4,000.00
Receipts - Welfare	\$23,604.00
Total Income	\$462,724.00
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Less Operating Expenses	
Audit Fees (6-4555)	\$2,496.00
Contributions to Mission and Service Giving (6-1180)	\$48,000.00
CSPS Fees (6-1001)	\$996.00
Expenses - Church Council	\$1,608.00
Expenses - General	\$33,444.00
Expenses - Property	\$91,896.00
Expenses - Welfare	\$11,508.00
Ministers Stipends & Allowances (6-1020)	\$134,508.00
Staffing and Office Administration	\$83,565.00
Transfer to Deferred Maintenance (6-5350)	\$5,004.00
Total Operating Expenses	\$413,025.00
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Net Surplus	\$49,699.00
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Good morning to everyone here at GWUC,

I commence by suggesting that the presentation of this budget to you for approval has been a painstaking challenge and the Finance Committee has delivered an outcome which presents a challenge. We need our community and congregation to step up to drive change and success.

For some 3-4 years Finance Committee has been expressing the financial strategic challenges and imperatives which are now challenging GWUC and its leaders.

The last Congregation meeting represented a water shed for the whole GWUC community. I apologise for my absence, but understand that the congregation unanimously supported the continuation of 2 FTE for a further 5 year period.

A stunning commitment given where we find ourselves. We provided Church Council with all of our thoughts and detailed information, the declining revenues and shortfall in Offerings post Covid, our uncertainty as to the ability to meet our expenditures, the challenge of our program aspirations and the fact that we were running down the reserves established by our predecessors.

We highlighted that our revenues through our giving was declining by 1 ½ % per annum yet our expenses were increasing by 3%.

You accepted the challenge and Church Council is now running “the Appeal” seeking an annual increase in Giving and Offering. I thank you at the starting point and I will be even more satisfied when we achieve the \$30,000 increase sought per annum for the next 5 years.

The Budget figures submitted to support our employment of 2 FTE plus our other staff include the proceeds from the Appeal using the \$30,000 for 2023 and for the subsequent 5 years.

The 2023 Financial projections also assume that we have an extended period without one of our team and that the replacement of Rev Neil Peters will occur late 2023. We also provided for Supply ministry resources to help us thorough but that in itself remains a challenge.

GWUC –Budget and Plan 2023 Final.

The challenges of presenting a Financial Budget and Plan for GWUC in 2023 are complicated by several changes which are detailed below:

- Uncertainties in relation to obtaining replacement for Alanee Hearnshaw with no appointee assumed likely until July 2023;
- Ability to attract relief and supply ministry (which is constrained in the immediate term);
- Continuing work being progressed by JNC as to the replacement of Rev Neil Peters and the timings and overlap arrangements;
- Congregation approval at recent Congregation Meeting in September to support and fund the financial means of maintaining two FTE via an Appeal being progressed and implemented in late October through December 2022.
- Use of Jemma Graham for period February 2023- Easter, given her availability for this period to settle the Children’s ministry;
- Likely receipt of funds from Kingsway Welfare foundation for part funding of Welfare Coordinator.

In addition, to these factors we see significant cost increases through Inflation pressures and through Ministry and Staff stipends and allowances likely to increase by a minimum of 3%

The Appeal process following the congregation meeting and support for 2 FTE is now being actioned with an ambitious target of \$30,000 per annum. That becomes central to our ability to fund and deliver going forward but particularly in the years beyond 2023. We have planned for this amount to be achieved and have budgeted to include it in our 2023 projections.

We have made several assumptions, relative to the above issues, which significantly impact this plan process.

We have anticipated that we will not have a replacement in place for Alanee in the modified role until July 2023.

We have anticipated receiving a minimum of \$4,000 from Kingsway Welfare foundation as part contribution to the salary cost of our Welfare Coordinator.

The outcomes from adoption of these assumptions:

Receipts and Income.

- The Offering – direct giving has been increased slightly to reflect the changes of the last couple of months prior to the Appeal.
- The Offering –Envelopes is assumed to increase to close to our plan for 2022 despite the disappointing response throughout 2022.
- The Offering-Open Plate has also been returned to approximately the planned 2022 levels.
- We have also increased our rental income to \$86,000 (input from Property and Office Manager). We are then close to maximum return from Rental of our property
- We have included \$4,000 from Kingsway Welfare foundation (achievable).
- Assume receive Henry Shaw Grant of \$5,000 in Oct 2023.
- Assumed we will have an accumulated Welfare Receipt of about \$12,000 for 2023 which also includes the accrual/ transfer from 2022.
- Haven't built in a Fete.

Expenditure Items

-We have adopted a Mission & Service contribution figure of \$48,000 but will also seek to increase in Nov 2023 (if applicable to Say \$53,000).

-Tightened our Cleaning expense.

-Have increased Insurances to \$23,000 in line with recent Invoice received.

-Have tightened Property Maintenance expenditure.

-Reduced Stipends and Min Benefits to an Average of \$11,200 per month being a reflection of 1 FT Minister for the year and a second FTE for 5 months. Total is expected to be \$134,508. We are really using approx. \$8,000 for first 6/7 months then \$15,500 for the balance of the year with 2 FTE

-Reduced Superannuation by \$800 per first 7 months. To a total of \$22,485.

Summary.

As a consequence of the Appeal and inclusion of \$30,000 additional income together with a significant saving in our Expense upon Salaries and Benefits reflecting 1 FTE for the year and 5 months of the second where we save \$52,000 and Superannuation of \$4,500 we see a significant change, albeit a short term arrangement.

Based upon these assumptions and extensions we would achieve a Surplus of approximately \$50,000 based upon Revenue of \$462,724 against expenditure of \$413,025 for 2023. That is a sound result which will add to our retained earnings within the Balance Sheet for the short term and then be expended as we progress over the 5 year term. But it masks a potentially uncomfortable future.

Underlying this result is self explanatory saving in Staff Costs of say \$56,500. We still use the funds planned and derived from the Appeal process. We cannot and must not delay that process and the timings of receipts. We must not under achieve.

If we had 2 FTE Staff members from January to December 2023, we would likely break even. The imperatives remain. To raise all of the projected funds through the appeal that the Congregation approved and accepted remains the challenge.

We haven't brought to account an item for Workcover. We recently received the increased invoice for 2022-2023 of \$3,800. My best guess would be something like \$4,000 but will await advices from Synod

Should this be achieved and we replace the modified role in say July / August 2023 through the JNC process we would carry forward the resultant Surplus into our retained earnings for use in 2024 and beyond. Naturally we understand the need for a replacement as soon as possible.

Any incremental reduction in Funds obtained though the Appeal materially reduces the 2023 surplus, whilst also impacting the subsequent year's revenue stream and also means we would require the use of previously accumulated Funds from Retained Earnings in forthcoming years. Similarly, any earlier replacement has significant implications.

For 2023 we have maintained all programs although there is an undeniable tightening.

We cannot assure that this can continue going forward.

As a final observation after we expend the Marriott Bequest funds in late 2022 we will have cleaned up our Balance Sheet.

Our Balance Sheet and in particular our retained earnings will reflect surplus accumulated funds of approximately \$140,000 -150,000.

We will also bring the Endowment fund balance of \$69,000-70,000 into the Balance Sheet in 2023.

Our funding table is tightening as we have continued to use and avail of funds generated and saved by our predecessors and as our current revenue streams are insufficient to meet our operational expenditures.

Budget and Cash flow Projections for Presbytery and JNC activities.

We adopted these Budget assumptions and the resultant figures for 2023 as the commencing framework to complete the Financial Budget and Projections for use by PRC and JNC for the 5 year period. That has been finalized and submitted.

We will assume that the \$30,000 is achieved and then continues annually throughout the 5 year period with minimal slippage. We cannot commit and comfortably survive without achieving this appeal outcome for the whole period.

We have been incurring revenue reductions (primarily via offering reductions) over several years of approximately 1.5% whilst our costs have increased by approximately 2.5 to 3.0% again in terms of our Staff costs and oncosts.

Appreciate the outstanding work of Joanne and Finance Committee to get to this point

We thank Church Council and The Congregation for their appetite in accepting the financial challenges which facilitate the projections within our budget. Now over to you !

We are pleased to answer any queries.

Regards