

Schedule 1: NELCSA-BUDGET 2026/27

Dated:

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1. Basis of budget

1.1 Cost Categories

The basis of the budget is to allocate the cost items into two categories:

- **Pastors in Service-** Pastors’ Cost to Company [Salary, medical, pension, UIF and Group risk insurance], provision for transfer cost and Continuing Professional Development for pastors and Pastors’ conference. In This budget a new item for Theological Education was added.
- **Nett Church Running Cost-** the office, bishops’ cost, synod and travelling costs, Church Council meeting costs, membership fees and circuit costs. EKD subsidy and Self-Assessed NELCSA Contribution are set off against this to arrive at a nett cost.
- **Investment Carry-** The returns received from Investing Funds less allocation to various special and general funds and purposes.

1.2 Recovery of Cost Categories

These costs are recovered from the congregations in two different ways:

- **Pastors in Service** -fully recovered from a congregation with a pastors’ post or portion of a post. If a post is vacant such amount would be credited as a so called “vacancy adjustment”. There are currently 26.42 [previously 27.25] posts of which 5.67 are vacant.
- **Nett Church Running Cost** -this needs to be fully recovered from all the congregations with a pastors’ post or portion of a post. Congregations with vacancies still pay the Nett Church Running cost.

The above two cost categories are generally of a fixed nature with little discretion that can be applied to the budget. Church Council has deliberated extensively regarding the denominator for recovering the Church running cost. The weighting allocated to each congregation has been kept more or less the same and tended to follow the Pastors post in congregations. For example, if a congregation has a 50% Pastors post the weighting allocated was 0.50 OR congregations that had more than one Pastors post were allocated a 2.00 or 1.25 weighting.

Church Council decided to set each congregation to an equal weighting of 1.00, regardless of their size or pastor status, as all congregations benefit equally from church services like visitations and access to the bishop and office. The KZN Youth Pastor should not be included in this allocation as this function does not make use of Church office structures.

The denominator for determining the Church running cost has been reset for 2026 /27 [Attached Annexure A]

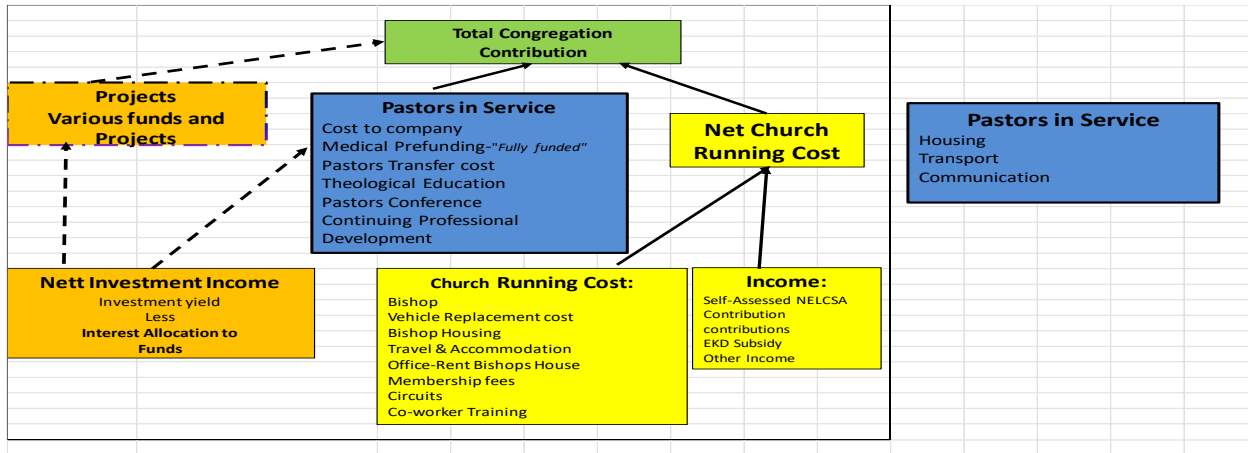
The Changes are shown in the table below

Contribution Key Denominator Changes	Pastors Post	Church Running Cost
Number of Congregations 2024/25	27.25	27.85
Changes	(0.83)	1.15
DUIWELSKLOOF/POLOKWANE		0.90
HERMANNSBURG		0.75
HERMANNSBURG School Pastor		(0.50)
MK-KELVIN		0.50
MK-MIDRAND		0.50
NELSPRUIT		0.50
PIETERMARITZBURG		(0.25)
PRETORIA - ST. PETER	(0.50)	(0.50)
TRINITY ZULULAND	(0.50)	0.00
UELC		(1.00)
VERDEN / DUNDEE		0.50
Winterton	0.17	0.00
YOUTH PASTOR KZN		(0.25)

1.3 Project Cost

Project costs are discretionary and depend on the income for such projects. The project income and expenditure are separately budgeted and transferred into the Funds and Reserves statement to monitor balances.

Cost Categories: Total Congregation Contribution



2 Assumptions

The following assumptions have been used in the budget:

Table 1: Assumptions

	2025	2026	2027
Cost increases			
Salary	7.00%	6.00%	6.00%
Medical	8.00%	10.00%	10.00%
Bishop's housing	6.00%	6.00%	6.00%
General	6.00%	6.00%	6.00%
ZAR /Euro	19.00	19.50	20.00
Interest allocation<R250 000	3.50%	5.00%	5.00%
Interest allocation>R250 000	3.50%	5.00%	5.00%
Investment assumptions			
Interest Yield	7.00%	7.00%	7.00%
Dividend Yield	2.00%	2.00%	2.00%
Capital Growth	4.00%	4.00%	4.00%
Self-Assessed Contributions	700,000	950,000	1,000,000
Continuing Professional Development	114,490	121,359	128,641
Co-Worker Training	75,000	82,500	90,750
Theological Education	250,000	500,000	600,000
Smoothing Reserve	(75,000)	130,000	(130,000)

3 Cost of Pastors in Service

3.1 Cost to Company-Salary and Related Cost

The budget assumes the highest salary scale. Most of our pastors are on this scale.

NELCSA, governed by a Synod decision, follows as a guideline the Dutch Reformed Church [NG Kerk] remuneration study commission guidelines when determining salary scales.

A 13th cheque of the basic salary is payable in December.

Employer Pension Fund Contributions.

The Employer Pension Fund contribution is 14 % of Pensionable Salary [“Basic Salary” PLUS 30%]. The history of the additional 30% dates back many years when the Church decided to increase the contributions to enable pastors to purchase homes at retirement as they are not able to own a home /property during their working life as they live in manses and are frequently transferred.

Medical Aid Contribution

The employer contributes 50% of the Medical Aid contribution of pastors. The employees and pensioners (those pensioners who were employed as pastors before 2010) are encouraged to elect a lower plan reducing costs for both Employee, Pensioners, and Employer. In such cases the Employer then subsidises 60% of the medical aid contribution.

Group Life

A 1.61% of “Basic Salary” is also paid towards a Risk Insurance for the employee for Death and Dread Decease cover.

3.2 Transfer Cost

Also added is the provision for transfer cost when Pastors are transferred between congregations. As Transfers tend to happen synchronous the actual cost is normally bunched together and therefor provisions are made each year to even out the cost effect thereof.

By the end December 2024 a provision of R947,814 was accumulated.

This enables us to leave the provision in 2026/27 at R200 000 per annum.

3.3 Theological Education

In this budget a new item for Theological Education amounting to 2026 -R500 000 and 2027 R600 000 [Previously R250 000] per annum, was added. With Students becoming Interns the cost of training increase dramatically.

The UELCSA member churches are nurturing and growing the Theological Education Centre at Stellenbosch University. From 2023 UELCSA has created a new position for “Student Tutor” to support students. Although UELCSA has received support from EKD and is funding part of this from reserves, the additional cost must be paid by member churches. NELCSA with the highest number of congregations, portion of UELCSA cost is 62%. Theological Education offerings would NOT be sufficient to fund this additional cost.

Vernon Filter is now also the UELCSA Treasurer.

At the UELCSA June Synod 2024 the UELCSA budget had to be drastically increased [115% up from what was proposed]. This means that the NELCSA contribution have also drastically increased.

In 2024 the Church Council allocated R500 000 of the Surplus to boost the Theological Education Fund.

Church council proposes that two of the compulsory offerings currently allocated to the Ministry and Discipleship (M&D) Fund be reassigned to the Theological Education Fund.

This proposal is grounded in the following considerations:

- The M&D Fund has shown consistent financial stability over many years and has accumulated a significant reserve, in excess of R3 million. As such, the continued funding of M&D projects appears secure.
- In contrast, the Theological Education Fund is under considerable pressure due to an increase in the number of theological students and the rising costs associated with theological education.
- The theological formation of future pastors is a vital aspect of the ministry and discipleship of our church and, therefore, a shared and important priority.

- Upon synod's approval, this change would result in an equal allocation of compulsory offerings to the two funds —eight per year each to the M&D Fund and the Theological Education Fund.

Even with the increased Offerings and allocations from Pastors in Service this fund is forecasted to barely break even shown in Table2 below.

Table 2: Theological Education Fund

Year	Fund	OPENING BALANCES	Offerings and DONATIONS	Other RECEIPTS	INTEREST	PAYMENTS/ TRANSFERS	FROM/TO INCOME STATEMENT	CLOSING BALANCE
19	Theological Education	539,581	178,147	56,394	32,156	(238,187)	0	568,091
20	Theological Education	568,091	146,869	0	14,736	(293,933)	0	435,763
21	Theological Education	435,763	158,795	21,700	12,218	(265,828)	0	362,647
22	Theological Education	362,647	190,805	55,697	10,213	(317,334)	0	302,028
23	Theological Education	302,028	216,683		8,879	(265,037)	500,000	762,551
24	Theological Education	762,551	389,918	250,000	30,317	(796,126)	500,000	1,136,661
25F	Theological Education 25	1,136,661	210,000	250,000	8,741	(1,036,303)		569,098
26B	Theological Education 26	569,098	430,000	500,000	17,932	(1,140,448)		376,583
27B	Theological Education 27	376,583	450,000	600,000	8,384	(1,258,911)		176,055

3.4 Continuing Professional Development and Pastors' Conference

There is a need for pastors to attend courses, seminars and training to keep abreast of latest issues and trends. For this an amount of R 56,180 and R 59,551 is budgeted for this. Pastors do not make sufficient use of these funds. The Pastors' conference cost has this year been budgeted separately R112,360 and R119,102Respectively.

3.5 Post-Retirement Medical liability

The post-retirement medical liability and the funding thereof is shown in [Table 3: Post-Retirement Medical Liability and Funding](#).

Table 3: Post-Retirement Medical Liability and Funding

NELCSA Medical Provision	2022	2023	2024	Actual up to 2024	2025	2026	2027
Opening Balance	19,789,879	16,188,275	19,149,718	0	20,381,185	20,299,909	20,359,712
Contributions	0	0	0	17,108,210			
Interest /Yield	(2,682,013)	3,966,989	2,344,163	10,234,327	1,098,182	1,310,028	1,303,155
Payments of Pensioners	(919,590)	(1,005,546)	(1,112,696)	(6,961,352)	(1,179,458)	(1,250,225)	(1,325,239)
Total	<u>16,188,275</u>	<u>19,149,718</u>	<u>20,381,185</u>	<u>20,381,185</u>	<u>20,299,909</u>	<u>20,359,712</u>	<u>20,337,629</u>
As per Liability Calculation	<u>17,410,739</u>	<u>16,009,355</u>	<u>15,581,781</u>	<u>15,581,781</u>	<u>15,081,328</u>	<u>14,542,233</u>	<u>13,907,364</u>
(Shortage) /Surplus	<u>(1,222,463)</u>	<u>3,140,364</u>	<u>4,799,404</u>	<u>4,799,404</u>	<u>5,218,581</u>	<u>5,817,479</u>	<u>6,430,264</u>

Since 2017 an amount of R11,815 million was contributed to the fund and allocated to the Pastors in Service. The effect was an increase of the Pastors in Service Cost in excess of R40 000 per annum per post.

In 2020 a portion [R915,608] of the excess shown by the Church was also allocated to the fund. These excess profits were mostly due to the good investment returns during the year. The Church Council allocated these excess funds to benefit congregations and not build up reserves.

In 2020 Church Council decided to sell the two properties, Plot 23 and 27, in Bonaero Park. The considerations were the uncertainty that the Corona Virus and Lockdown posed, threats of land invasion and a non-income yielding asset with no immediate other options.

The cash funds yielded from this equal R 4,238,630

The proceeds were allocated to the Post-Retirement Medical Fund so that all congregations have the benefit in a way of reduced Pastors in Service Cost. A Total amount of R17,108 million was allocated to this provision. Despite the 2022 negative investment yields affecting this fund to the amount of R2,682 million, it was still in a positive funded position of R4.799 million at the end of 2024.

As can be seen in Table 2 above and based on the current assumptions [Mortality age -84 years; medical inflation 8%; investment growth 5% +2 % dividend yield] and payments to pensioners, the fund continues into a positive funded position in 2026/7.

The Church Council is of the view that the funding is therefore sufficient, and no further annual contribution is budgeted for or foreseen.

The Church Council will monitor the situation and will also consider allocating Excess Income to this fund if so required before loading the Pastors' Post with this liability again.

3.6 Total Cost of Pastor in Service Post

Detailed in ~~Table 4: Cost of Pastor in Service~~ **Table 4: Cost of Pastor in Service**, this means in simple terms the cost to employ a Pastor in Service by NELCSA per annum is R 794,444 [6.1% increase from 2025 budget] in 2026 and R834,315 in 2027 [5% increase from 2026 budget].

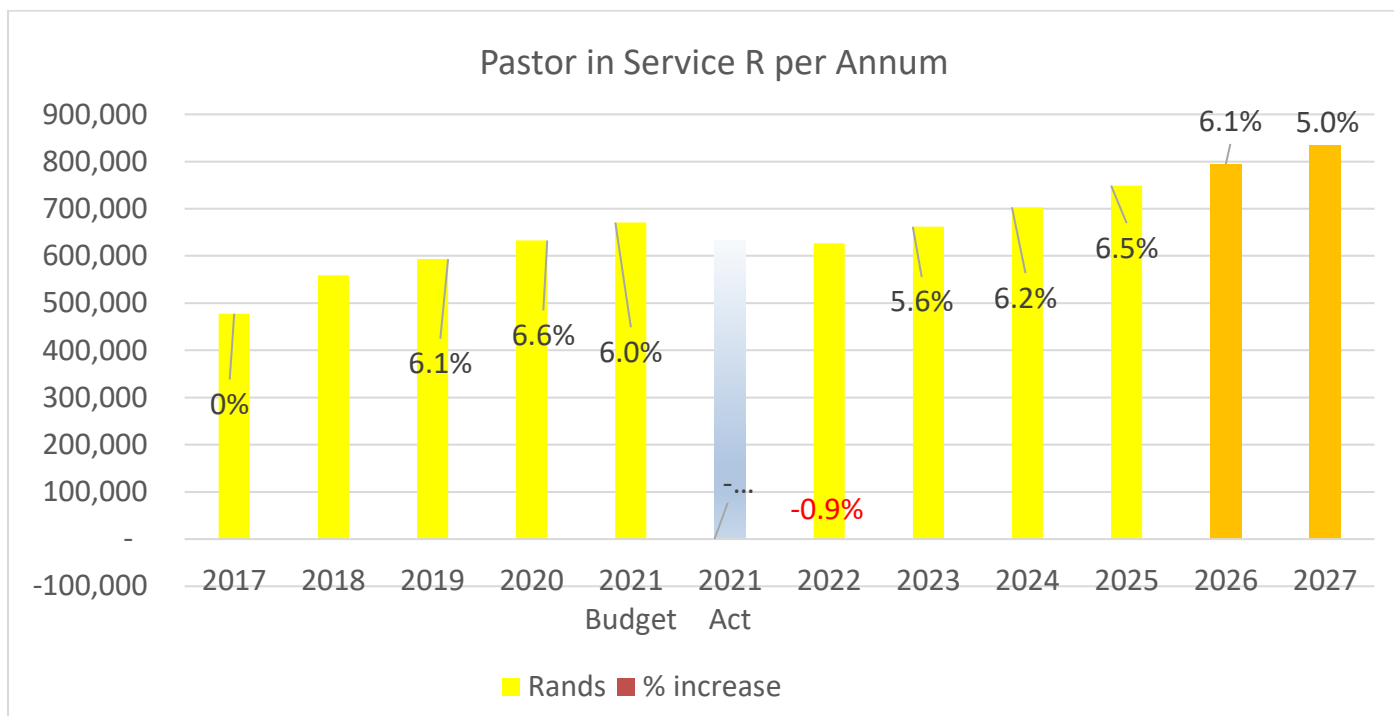
Note that actual cost for 2025 is 2.4% lower than the budget 2025.

Table 4: Cost of Pastor in Service

Standard Pastor cost	BUDGET	ACTUAL	Budget 2026		Budget 2027	
	2025	2025	2026 pa	2026%	2027 pa	2027 %
	2025 pa	2025 pa				
Basic Salary	498,716	496,546	519,763	4.2%	550,948	6.0%
13 th cheque	42,018	41,251	43,726	4.1%	46,350	6.0%
Child Allowance	3,319	2,121	2,121	-36.1%	2,121	0.0%
Uniform Allowance	4,800	4,800	4,800	0.0%	4,800	0.0%
Medical Aid	73,332	62,055	68,260	-6.9%	75,087	10.0%
Total Cost to NELCSA	622,185	606,773	638,671	2.6%	679,306	6.4%
PENSION	75,380	74,004	78,445	4.1%	83,151	6.0%
Pension Ex Group Life	16,387	16,088	17,053	4.1%	18,076	6.0%
UIF	2,244	2,234	2,339	4.2%	2,479	6.0%
Group Life	8,029	7,994	8,368	4.2%	8,870	6.0%
Cost to Company before Related cost	724,226	707,094	744,875	2.9%	791,883	6.3%
% increase to Salary Package	7.8%	-2.4%	2.9%		6.3%	121.3%
Transfer cost provision	9,302	9,302	9,639	3.6%	9,639	0.0%
Theological Education	11,628	11,628	24,096	107.2%	28,916	20.0%
Continuing Professional Development and Conference	7,395	7,395	8,122	9.8%	8,610	6.0%
Compensation Commissioner			1,446	#DIV/0!	1,533	6.0%
Smoothing Reserve	(3,488)	(6,047)	6,265	-279.6%	(6,265)	-200.0%
Total Cost-NELCSA Pastor in Service	749,063	729,373	794,444	6.1%	834,315	5.0%
% increase	6.5%	-2.6%	6.1%		5.0%	

Over the years the Cost of Pastors in Service increased as demonstrated in [Table 5: Pastor in Service 2017-2027](#)

Table 5: Pastor in Service 2017-2027



3.7 Housing and Travelling Cost for Pastor

Housing and travelling cost is budgeted and expensed by individual congregations based on local circumstances and needs.

3.8 Recovery of Pastor in Service Cost

The recovery or collection of Pastors in Service is budgeted to be totally recovered from congregations based on Pastors' Posts actually filled. To smooth or equalize the % increase for the 2026 and 2027 years a "Smoothing transfer" of R130 000 was budgeted for. The over recovery in 2026 will be balanced by an under recovery in 2027.

Table 6 lists the "26.42" Congregations with Pastors' Post, or part thereof, and this forms the basis of the collections and the Pastor in Service costs. Note that current vacancies are budgeted for as "Vacancy Adjustments". The total did change from 2025 budget by 0.83 post. See detail in paragraph 1.2 above.

Table 6: List of Congregations for Contribution Key

CONGREGATION	Actual Pastor's post filed	Pastor's post budget	Net Church Running Costs
Base calculator			
AUGSBURG	1.00	1.00	1.00
BETHANY	1.00	1.00	1.00
BRAUNSCHWEIG	1.00	1.00	1.00
DUIWELSKLOOF/POLOKWANE	-	-	1.00
DURBAN SEAFARERS MISSION	1.00	1.00	1.00
ELCER (Ev. Luth Church East Rand)	-	1.00	1.00
GERDAU/ POTCHEFSTROOM	1.00	1.00	1.00
HERMANNSBURG	0.25	0.25	1.00
HERMANNSBURG School Pastor	0.50	0.50	-
HILLCREST	1.00	1.00	1.00
JOHANNESBURG CHURCH OF PEACE	0.50	0.50	1.00
KEMPTON PARK	1.00	1.00	1.00
KROONDAL	1.00	1.00	1.00
MK-KELVIN	0.50	0.50	1.00
MK-MIDRAND	0.50	0.50	1.00
NELSPRUIT	-	0.50	1.00
NEW GERMANY	1.00	1.00	1.00
NORTHRAND	1.00	1.00	1.00
PIET RETIEF	1.00	1.00	1.00
PIETERMARITZBURG	1.25	1.25	1.00
PRETORIA - JOHANNES	1.00	1.00	1.00
PRETORIA - ST. PETER	1.00	1.00	1.00
ST. PETERS BY THE LAKE	0.50	1.00	1.00
TRINITY ZULULAND	-	0.50	1.00
UELC	1.00	2.00	1.00
VANDEBIJLPARK	1.00	1.00	1.00
VERDEN / DUNDEE	-	0.50	1.00
VRYHEID	0.83	1.00	1.00
WEST RAND	0.50	1.00	1.00
Vryheid/ELM Share	0.167	0.167	-
WINTERTON	-	1.00	1.00
YOUTH PASTOR KZN	0.25	0.25	-
Total	20.75	26.42	29.00
Vacancies		5.67	

Table 7: Recovery Pastors in Service

Pastors in Service	2025	2026	2027	2026	2027
	Budget	Budget	Budget	% increase	
Total Congregation Invoiced	20,068,352	20,787,942	21,831,231	3.6%	5.0%
Vacancy Adjustment	(4,275,855)	(4,501,847)	(4,727,782)	5.3%	5.0%
Contributions -Youth Pastor	195,481	198,611	208,579	1.6%	5.0%
Total Nett Income	15,987,978	16,484,706	17,312,027	3.1%	5.0%
Cost to company Pastors	15,987,978	16,484,706	17,312,027	3.1%	5.0%
Salaries - Pastors in Service	15,378,978	15,586,166	16,301,575	1.3%	4.6%
Compensation Commissioner		30,000	31,800	100.0%	6.0%
Pastors Conference	106,000	112,360	119,102	6.0%	6.0%
Continuing Professional Development	53,000	56,180	59,551	6.0%	6.0%
Transfer Cost	200,000	200,000	200,000	0.0%	0.0%
Theological Education	250,000	500,000	600,000	100.0%	20.0%
Net Pastors in Service	0	0	0		

4 Nett Church Running Cost

4.1 Bishop’s Post Cost to Company, Housing and Vehicle Cost

- **Salary** -at Cost to Company same as the Cost of Pastor in Service Plus a 10% Bishop Allowance
- **Housing** -NELCSA has the policy not to own a house as every new Bishop might have different housing needs and locations. The house is rented in accordance with the guidelines. Energy and water, telephone and internet, and gardening costs are also paid for. As we are renting the property maintenance costs are generally for the Lessor.
The bishop opted to purchase a property and the Church will rent this on an armlength basis and the NELCSA Church office has also been installed on the property.
- **Vehicle** -An annual provision is made for the replacement of the vehicle. The maintenance cost is actively managed by replacing vehicles such that most costs are covered by maintenance service plans. Fuel and other related costs are also budgeted for.

Table 8: Bishop’s Post Cost

Nett Church Running Cost	2025	2026	2027	2026	2027
	Budget	Budget	Budget	% increase	
Bishop [CTC and housing]	1,236,709	1,328,151	1,405,152	7.4%	5.8%
Remuneration-Bishop	779,719	800,925	850,792	2.7%	6.2%
Vehicle Replacement Provision	75,000	75,000	75,000	0.0%	0.0%
Housing	381,990	452,226	479,360	18.4%	6.0%

4.2 Travel and Accommodation.

- Travelling Cost, international and local, are mostly flights by the bishop.
- Church Council -These are costs for Church Council [CC]members’ travel compensation and accommodation to attend Church Council Meetings. Church Council has decided to hold every second Church Council meeting at a congregation. This is for Church Council to get to know our congregations and to introduce CC and the Church leadership to the congregation. This is very successful with good feedback.

The steep increase is due to the 24/25 base was taken out of Covid 19 times when we did not meet in person.

- Provision of R90 000 per annum is made for Cost of Synod which takes place every 2 years.
The Church Office [Rental, Staff costs, Printing and Stationery, Communication, Repairs and Maintenance of Office Equipment, Audit fees, Bank Charges, Insurance]
- Meetings and accommodation are costs for refreshments at meetings held at the office.
- Motor Vehicle Expenses are Fuel and Maintenance Cost for the bishop’s official vehicle.
- The matters discussed above has the effect that for 2026 the increase for this cost item is 17.2%.

Table 9: Travel and Accommodation

Nett Church Running Cost	2025	2026	2027	2026	2027
	Budget	Budget	Budget	% increase	
Travelling and Accommodation	401,503	470,709	498,952	17.2%	6.0%
General	20,102	21,308	22,586	6.0%	6.0%
Overseas Furlough	47,641	50,499	53,529	6.0%	6.0%
Synods	71,461	90,000	95,400	25.9%	6.0%
Church Council	142,922	217,341	230,381	52.1%	6.0%
Meetings and Accommodation	29,775	31,562	33,456	6.0%	6.0%
Motor Vehicle Expenses	89,602	60,000	63,600	-33.0%	6.0%

4.3 Office Cost

- **Personnel Remuneration** -These costs are the bishop’s Personal Assistant and the Financial Administrator remuneration.
- **Rental** -The planned Church Office at Johannesgemeinde has not been completed yet. Covid Lockdown, political infighting at Tshwane municipality and problems with previous building plans slowed down the approval of building plans. In November 2022 the Church Council decided NOT to proceed with building a church office and informed Johannesgemeinde. The Synod 2023 ratified this decision.
Covid Pandemic forced a “Home office /Virtual office “working environment in 2020. The Bishop, Theo Jäckel, moved into his new residence in Willows Pretoria. The Church Council has allocated and installed an office at this address [570 Witogie Street, The Willows] and this will serve as the Church Office.
- **Communication** -This is a need that has become critical in the “Home office /Virtual office” environment.
- **Social media** – A person has been appointed, on a contract basis, to overlook and manage NELCSA social media involvement.
- **Other** -Audit Fees, Bank Charges, Insurance and Office Equipment, Printers and Electronic Equipment.
- **Software Licences** -Shown separate, this was previously included in Equipment.
- Total Office cost Budget 2026 increases with 3.5% over 2025 budget.

Table 10: Office Cost

Nett Church Running Cost	2025	2026	2027	2026	2027
	Budget	Budget	Budget	% increase	
Office Cost	1,106,010	1,144,304	1,212,963	3.5%	6.0%
Printing and Stationery	7,065	7,489	7,938	6.0%	6.0%
Communications and social media	45,151	47,860	50,732	6.0%	6.0%
Office Equipment -Purchase & Maintenance	43,391	15,000	15,900	-65.4%	6.0%
Audit Fees	59,660	63,239	67,034	6.0%	6.0%
Bank Charges	35,730	37,874	40,147	6.0%	6.0%
Office Rental	61,650	42,739	45,304	-30.7%	6.0%
Insurance	21,456	22,743	24,107	6.0%	6.0%
Software Licences	21,200	43,324	45,923	104.4%	6.0%

Sundries	5,300	5,618	5,955	6.0%	6.0%
Office Salaries	805,407	858,418	909,923	6.6%	6.0%

4.4 Membership Fees

Table 11: Membership Fees

Nett Church Running Cost	2025	2026	2027	2026	2027
	Budget	Budget	Budget	% increase	
Membership Fees	176,502	178,437	189,388	1.1%	6.1%
U.E.L.C.S.A	142,167	134,879	143,217	-5.1%	6.2%
L.W.F.	6,467	8,204	8,697	26.9%	6.0%
L.U.C.S.A.	5,297	6,720	7,123	26.9%	6.0%
S.A.C.C.	11,341	14,388	15,251	26.9%	6.0%
Church Unity Commission	11,230	14,246	15,101	26.9%	6.0%

4.5 Circuit Cost

- The allocation to circuits to support work done in the circuit has been inflated by 6% from previous years.
- The Church Law 1 Budget Allocation for the circuits is allocated as follows:
50% equally to the number (4) circuits.
50% allocated according to number of congregations.

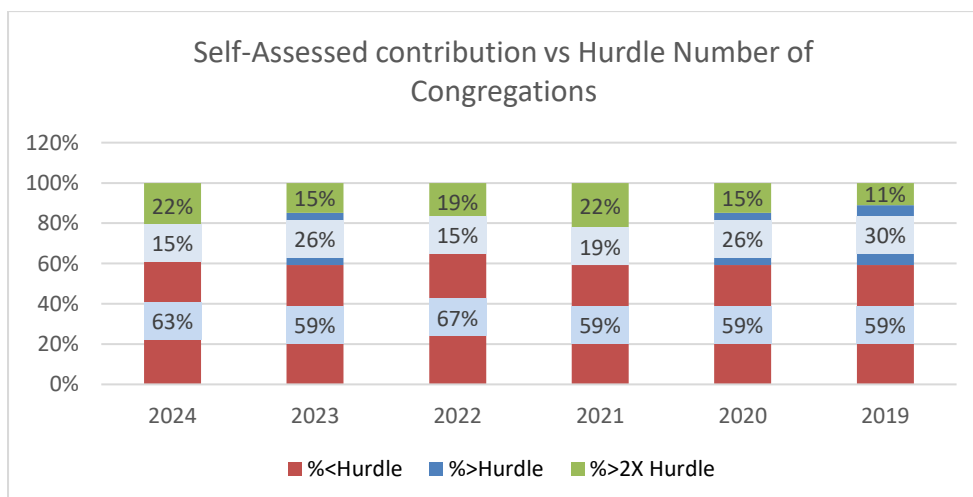
4.6 Co-worker Training

- A provision has been made for training of co-workers and helpers in congregations in general, but specifically to support small congregations who rely on lay-led ministry.

4.7 Setoff Income

- **Self-Assessed NELCSA Contributions** -During a very difficult 2022 an amount of R 721 882 was received from congregations.
The budget for 2024/25 was R750 000 and R700 000 as we hoped and prayed for a recovery in those years. The Actual 2024 Sel-Assessed NELCSA Contribution was R 1,017,096. We thank the congregations for their contributions.
For 2026/27 we are so bold to budget R950 000 and R1 000 000 respectively.
For the last 6 years the profile of congregations contributing to the Self-Assessed NELCSA Contributions are demonstrated in the Table Below.

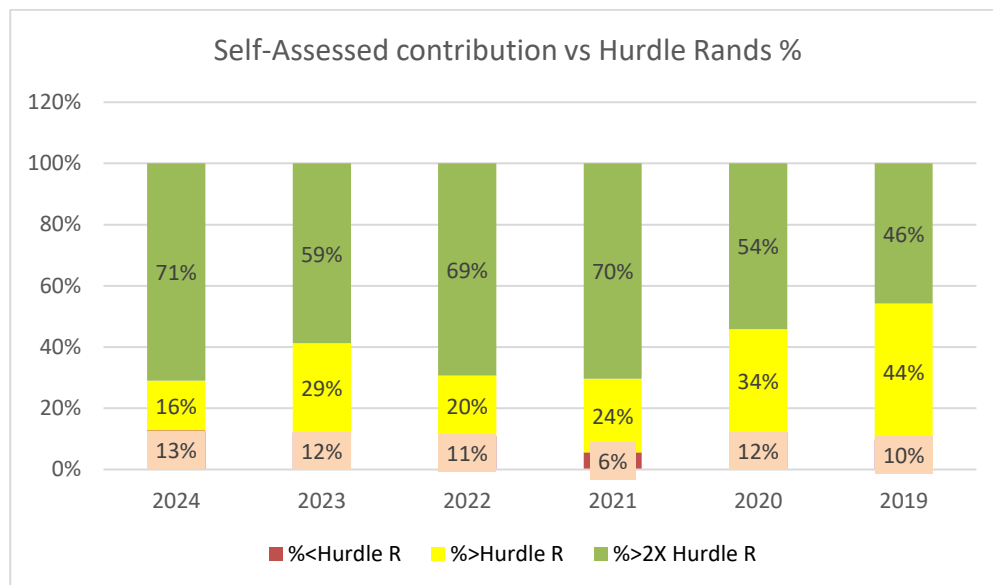
Table 12: Self-Assessed Contributions: Percentage of Congregations



Around 60 % of the congregations struggle to reach at least the **Hurdle** Contribution makes it clear that the support of especially the top 15-22% contributing congregations is absolutely essential for smaller congregations, and our Church to survive.

The picture gets even clearer if the Rand Amounts contributed as shown as %. Around 70% of the Self-assessed NELCSA contributions come from 20% of the congregations.

Table 13: Self-Assessed Contributions: Rand Percentage



- Subsidies from EKD** -Funding is maintained at 81 000 Euro and we are very thankful for this support. We have been told for some time now that this will reduce and the economic pressures in European economies affecting the Churches in Europe this might now increase the risk of it becoming reality, but we don't know to what extent.

The amount received in ZAR is dependent on the Euro/ZAR exchange rate. We used 19.50 ZAR/Euro amounting to R 1,579,500 in 2026 and 20.00 ZAR/Euro amounting to R 1,620,000 in 2027.

- We have entered into an agreement with the “Deutsche Seafarer’s Mission” [DSM] to perform administrative and accounting functions for their station in Durban [Manned by Pastor Ron Küsel]. For this work, performed by the Treasurer and the Bookkeeper, NELCSA collects income of R2750 [2025] per month, inflated annually.

Table 14: Net Church Running Cost-Summary

	2025	2026	2027	2026	2027
	Budget	Budget	Budget	% increase	
Nett Church Running Cost					
Bishop [CTC and housing]	1,236,709	1,328,151	1,405,152	7.4%	5.8%
Travelling and Accommodation	401,503	470,709	498,952	17.2%	6.0%
Office Cost	1,106,010	1,144,304	1,212,963	3.5%	6.0%
Co-Worker Training	75,000	79,500	84,270	6.0%	6.0%
Membership Fees	176,502	178,437	189,388	1.1%	6.1%
Circuits	337,805	358,073	379,558	6.0%	6.0%
Total Church running costs	3,333,528	3,559,175	3,770,283	6.8%	5.9%
% increase	6.2%	6.8%	5.9%		
Setoff Income	2,266,984	2,564,480	2,657,079	13.1%	3.6%
Self-Assessed NELCSA Contributions	700,000	950,000	1,000,000	35.7%	5.3%
Grant from EKD	1,539,000	1,579,500	1,620,000	2.6%	2.6%
Admin fees DSM	27,984	34,980	37,079	25.0%	6.0%
Nett Church Running Costs to be recovered	1,066,544	994,695	1,113,204	-6.7%	11.9%
Church Running Cost Contribution from Congregations	1,066,544	994,695	1,113,204	-6.7%	11.9%
Excess / (Under Recovery)	0	0	0		
Number of Congregations	27.85	29.00	29.00	4.1%	0.0%
Amount Recovered per Congregation	38,296	34,300	38,386	-10.4%	11.9%
	18.1%	-10.4%	11.9%		

Total cost to recover reduced by 6.7% from 2025 to 2026 the Denominator of congregations increased from 27.85 to 29 [4.1%], this is explained in paragraph 1.2. This results in a decrease of 10.4% for 2026 year.

5 Investment Carry

The Church Council uses an investment manager, and our investments are now with PSG Wealth Funds. The emphasis was also to diversify investments as a higher emphasis was placed on offshore investments.

Investment assumptions	2025	2026	2027
Interest Yield	7.00%	7.00%	7.00%
Dividend Yield	2.00%	2.00%	2.00%
Capital Growth	4.00%	4.00%	4.00%

We believe this is not overly aggressive as the assumption is only 1% above our inflationary assumption of 6%. The risk area is clearly the Capital Growth of 4% but with the geopolitical tensions in the markets seemingly behind us, we believe this is a conservative assumption.

The Investment Returns and Balances for 2026/27 are calculated and shown in [Table 15: Investment](#)

[Returns](#)[Table 15: Investment Returns:](#)

Table 15: Investment Returns

INVESTMENTS General Funds	2027 Budget			2026 Budget		
	Opening Value	Market Value	Fair Value Adjustment	Opening Value	Market Value	Fair Value Adjustment
SATRIX Bond Index Fund	4,828,570	5,166,570	338,000	4,512,682	4,828,570	315,888
PSG Wealth Income FoF	3,433,464	3,639,472	206,008	3,239,117	3,433,464	194,347
PSG Wealth Global Creator Feeder Fund	10,375,175	10,997,685	622,510	9,787,901	10,375,175	587,274
PSG Moderate FoF	10,164,526	10,774,398	609,872	9,589,176	10,164,526	575,351
Closing Balance	28,801,735	30,578,125	1,776,390	27,128,876	28,801,735	1,672,859
Income Statement	Total	Realised	Fair Value Adjustment	Total	Realised	Fair Value Adjustment
Fair Value Adjustment	1,776,390		1,776,390	1,672,859		1,672,859
Management Cost	(267,209)	(267,209)		(251,688)	(251,688)	
	1,509,180	(267,209)	1,776,390	1,421,172	(251,688)	1,672,859
Absolute Return	5.24%	-0.93%	6.17%	5.24%	-0.93%	6.17%
INVESTMENTS Medical Fund	2027 Budget			2026 Budget		
	Opening Value	Market Value	Fair Value Adjustment	Opening Value	Market Value	Fair Value Adjustment
PSG Wealth Income FoF (D)	373,730	396,528	26,161	1,530,590	373,730	107,141
PSG Wealth Global Flex FeedFundD	2,743,186	2,907,777	164,591	2,587,911	2,743,186	155,275
SATRIX Bond Index Fund	2,414,356	2,583,361	169,005	2,256,408	2,414,356	157,949
PSG Wealth Global Creator Feeder Fund	10,381,497	11,004,386	622,890	9,793,865	10,381,497	587,632
PSG Moderate FoF	5,602,099	5,938,225	336,126	5,284,999	5,602,099	317,100
Closing Balance	21,514,868	22,830,277	1,318,773	21,453,772	21,514,868	1,325,096
Income Statement	Total	Realised	Fair Value Adjustment	Total	Realised	Fair Value Adjustment
Fair Value Adjustment	1,496,789		1,496,789	1,503,112		1,503,112
Management Cost	(193,634)	(193,634)		(193,084)	(193,084)	
	1,303,155	(193,634)	1,496,789	1,310,028	(193,084)	1,503,112
Absolute Return	6.06%	-0.90%	6.96%	6.11%	-0.90%	7.01%
Hermannsburg School Pastor Fund	2027 Budget			2026 Budget		
	Opening Value	Market Value	Fair Value Adjustment	Opening Value	Market Value	Fair Value Adjustment
Investment PSG Wealth	5,072,666	4,964,120	309,433	5,152,673	5,072,666	314,313
Investment PSG Wealth	5,072,666	4,964,120	309,433	5,152,673	5,072,666	314,313
Income Statement	Total	Realised	Fair Value Adjustment	Total	Realised	Fair Value Adjustment
Pay-out received	417,979	417,979		394,320	394,320	
Fair Value Adjustment	(62,893)		(62,893)	(33,633)		(33,633)
Management Cost	(45,654)	(45,654)		(46,374)	(46,374)	
	309,433	372,325	(62,893)	314,313	347,946	(33,633)
Absolute Return	6.10%	-0.90%	-1.24%	6.10%	-0.90%	-0.65%
Standard Bank	2027 Budget			2026 Budget		
	Opening Value	Market Value	Fair Value Adjustment	Opening Value	Market Value	Fair Value Adjustment
Standard Bank Call Account	3,466,800	3,709,476	0	3,240,000	3,466,800	0
Interest Received	242,676	242,676	242,676	226,800	226,800	226,800
Annualised Return	7.00%	7.00%		7.00%	7.00%	

The 2024/25 Budget the interest allocation was set at 3.5% but with the worldwide inflation and subsequently interest rates increased. The Church Council took the decision to increase this to 5% effective from January 2024 to keep track with changing circumstances.

Interest at 5% is allocated to funds we hold and manage on behalf of Church Institutions and Causes.

Applying these assumptions, the forecast for investment yield and allocation thereof is:

Table 16: Investment Returns and Allocation

Investment Income less Allocation-Investment Carry	2025	2026	2027
Investment Income	Budget	Budget	Budget
General Funds	390,507	1,421,172	1,509,180
Medical Funds	1,098,182	1,310,028	1,303,155
Hermannsburg School Pastor Fund	235,379	314,313	309,433
INVESTMENT INCOME	1,724,068	3,045,513	3,121,768
Interest on Loans and Money Market	1,015,317	226,800	242,676
Gross Investment Income	2,739,385	3,272,313	3,364,444
Interest Allocation			
General Funds (3.5%)	(662,084)	(1,110,268)	(1,138,805)
Net Interest Carry after Allocation	2,077,301	2,162,045	2,225,639
Medical Funds	(1,098,182)	(1,310,028)	(1,303,155)
Hermannsburg School Pastor Fund	(235,379)	(314,313)	(309,433)
Net Investment Carry	743,740	537,704	613,052
Investments per Balance Sheet	44,540,224	56,975,321	58,856,069
%Return on Total Investment	6.15%	5.74%	5.72%

The detail of Allocated Interest [5%] is in the table below:

Table 17: Interest Allocation to Internal Funds

INTEREST ALLOCATION TO FUNDS		
TRANSIENT	2026	2027
Senior Residences	0	0
Church Youth Work	31,098	26,697
Youth Work - Northern Circuit	0	0
Youth Work - Central Circuit	5,498	5,773
Youth Work - K.Z.N.	16,965	17,813
Youth Work - K.Z.N. Hub	8,635	3,111
Circuit Funds	72,552	76,180
Northern Circuit	33,534	35,210
Central Circuit	13,322	13,988
Eastern Circuit	15,172	15,931
Southern Circuit	10,525	11,051
Church Music	28,536	29,006
Brass Band Association	25,351	26,706
Ministry and Discipleship [M&D]	167,622	177,338
Theological Education	17,932	8,384
HMB Foundation	0	0
Diaconical Fund	17,721	18,608
Seafarers' Account	14,930	15,676
TOTAL TRANSIENT	375,744	378,595
FUND SPECIFIC RESERVE		
Building Reserve -Northern Parish	22,672	23,624
Hermannsburg School Pastor fund	314,313	309,433
Development Fund	639,131	663,588
NELCSA Events Support Fund	12,500	12,500
Motor Vehicle Reserve	21,361	26,179
Kailager	9,413	9,884
Haus Kandaze Reserve	30,939	32,486
FUND SPECIFIC RESERVE	1,050,329	1,077,693
NELCSA Medical Provision-Pensioners	1,310,028	1,303,155
Total Allocation	2,736,101	2,759,443
From Individual Investments		
Hermannsburg School Pastor Fund	(314,313)	(309,433)
Medical Investments	(1,310,028)	(1,303,155)
From General Funds	1,111,760	1,146,855

6 Summary Income Statement

The summary Income Statement is shown below.

Table 18: Summary Income Statement

Summary of Income Statement elements	Actual	Budget	Budget	Budget
Pastors in Service	(53,670)	0	0	0
Nett Church Running Costs to be recovered	385,381	0	0	0
Investment Income less Allocation-Investment Carry	1,635,828	743,740	536,212	605,001
Surplus before Allocations	1,967,539	743,740	536,212	605,001
Theological Education	(500,000)			
Total	1,467,539	743,740	536,212	605,001

7 Fund and Project Income Statement

7.1 Transient Funds

The various funds received via compulsory collections, voluntary donations and other receipts and expenses paid for “Projects” or “Funds on behalf of” are shown here.

These Receipts and Expenses do not directly impact the contributions by congregations to the Church.

The Church Work related projects include Church Music, Church Mission, Church Youth and Theological Education.

Circuits- Circuits had continuous struggles to operate in the increasing Regulations and FICA requirements environment. In 2024 CC, on request of the Circuits moved the circuit funds to the Church and NELCA office is also fulfilling basic accounting functions.

Certain NELCSA Institutions like Brass Band Association, Choir Association and Kailager have transferred their funds to the Church as they have experienced problems with FICA arrangements at the banks.

Seafarers’ Mission Fund -This fund originated from 2018 when the property of the Seafarers was sold, and Pastor Ron Kusel took over the ministry. Since 1 January 2022 a new arrangement has been made with the Seafarers’ Mission, a NELCSA Pastor is seconded for a 100% post and the NELCSA office is dealing with the administration and accounting function for a fee.

Diaconical Fund – This fund, formally referred to as “The Gossman Trust”, has been agreed with the Trustee/Executrix [Mrs Brown] that the Trust has donated the amount to Diaconical Fund in control of the Church Council.

7.2 Fund Specific Reserve

Hermannsburg School Pastor Fund- This is a fund originating from the sale of the farm left to the school by the Hermannsburg Mission. It is retained to specifically fund the 50% Pastors’ Post for the school.

Development Reserve -This was formally known as Building Reserve Dolphin Coast- This originates from the sale of the former Durban properties and was set aside by the Church Council to plant a new Durban congregation. The Dolphin Coast congregation closed, and the Church Council kept this reserve intact and renamed it to the Development Reserve to be used for development and growth project in our church.

Other Property Reserve Funds are from congregations who closed, and the properties were sold, and funds deposited for use by the remaining structures of those congregations.

NELCSA Events Support Fund- This fund was created from surplus in 2023 to be used to subsidise cost of Church events. Applications for support should be forwarded to the church office for approval by Church Council.

Kailager and Haus Kandaze- The Funds from the Haus Kandaze sale are earmarked for support of the Kailager. Kailager property is becoming more difficult to maintain, and usage is dwindling.

7.3 Long-term Provision and Liabilities

The NELCSA Provision for Post-Retirement Medical Liabilities is prefunded in this provision. Refer to Table 2.

The Balances are shown in ~~Table 19: Funds and Reserves~~ **Table 19: Funds and Reserves** and the Income and Expenses in **Table 15: Fund Income Statement**.

Table 19: Funds and Reserves

	2024	2025	2026	2027
	Actual	Budget	Budget	Budget
<u>FUNDS AND RESERVES and Long-term Provisions</u>	49,947,798	39,043,300	50,078,181	50,697,052
Transient Funds	7,934,313	5,327,501	7,927,347	7,987,224
Hermannsburg School Pastor Fund	5,157,561	3,792,114	5,077,554	4,969,008
Specific Reserves	15,559,130	15,450,983	15,716,684	16,406,308
NELCSA Medical Provision-Pensioners	21,296,793	14,472,704	21,356,596	21,334,513

Table 20: Fund Income Statement

Fund Income Statement

	Budget 2025	Budget 2026	Budget 2027
Collections and donations	876,159	929,865	973,758
Church Music	28,941	30,388	31,907
Ministry and Discipleship [M&D]	405,169	425,427	446,699
Church Youth	189,000		
Senior Residences	21,000	22,050	23,153
Theological Education	210,000	430,000	450,000
HMB Foundation	22,050	22,000	22,000
Other Fund Receipts	2,598,349	3,037,207	3,234,193
Church Music	-	-	-
Brass Band Association	48,058	45,770	48,058
Theological Education	250,000	500,000	600,000
KZN Youth Hub	39,368	41,437	43,635
Church Youth	57,881		
Northern Circuit		150,000	150,000
Central Circuit		150,000	150,000
Eastern Circuit		150,000	150,000
Southern Circuit		150,000	150,000
Seafarer's	2,045,542	1,700,000	1,785,000
Kailager	157,500	150,000	157,500
Total fund income	3,474,508	3,967,072	4,207,951
Project Expenditure	4,906,427	6,580,226	6,423,523
Church Music	46,305	48,620	51,051
Brass Band Association	42,000	44,100	46,305
Ministry and Discipleship [MaD]	347,288	400,000	420,000
Church Youth	198,450		
Northern Circuit		150,000	150,000
Central Circuit		150,000	150,000
Eastern Circuit		150,000	150,000
Southern Circuit		150,000	150,000
KZN Youth Hub	148,838	155,000	162,750
Senior Residences	21,000	22,050	23,153
Theological Education	502,342	1,140,448	1,258,911
HMB Foundation	22,050	22,000	22,000
Development Fund	38,296	150,000	150,000
Seafarer's	2,045,542	1,700,000	1,785,000
Building Reserve -Northern Parish	3,298	3,463	3,636
Hermannsburg School Pastor	372,000	394,320	417,979
NELCSA Medical Provision	961,520	1,250,225	1,325,239
Kailager	157,500	150,000	157,500
Vehicle Reserve Fund	0	500,000	
Net Income and Expenditure in Funds and Projects	(1,431,919)	(2,613,155)	(2,215,572)

7.4 Fund Statements-Balances and movements

See detail Budget Fund and Reserve Statements for 2026 and 2027 in **Annexure A**.

8 Balance Sheet

The Projected/Budgeted Balance Sheet for NELCSA is shown in [Table 21: Balance Sheet](#)~~Table 21: Balance Sheet~~.

Table 21: Balance Sheet

Northeastern Evangelical Lutheran Church in South Africa

BALANCE SHEET AT

FUNDS AND RESERVES and Long-term Provisions

	2024	2025	2026	2027
	Actual	YTD	Budget	Budget
FUNDS AND RESERVES and Long-term Provisions	49,947,798	51,351,755	50,078,181	50,697,052
Transient Funds	7,934,313	9,775,426	7,927,347	7,987,224
Hermannsburg School Pastor Fund	5,157,561	5,008,344	5,077,554	4,969,008
Specific Reserves	15,559,130	15,707,126	15,716,684	16,406,308
NELCSA Medical Provision-Pensioners	21,296,793	20,860,858	21,356,596	21,334,513

CURRENT LIABILITIES

Account Payables and Provisions	1,000,588	1,210,993	1,000,000	1,000,000
	60,948,097	61,774,557	59,039,005	59,657,876

NON-CURRENT ASSETS

IMMOVABLE PROPERTY	370,600	370,600	370,600	370,600
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INVESTMENTS

INVESTMENTS	59,548,359	60,878,604	58,860,957	59,843,828
Investments General Funds	25,514,441	25,293,677	28,801,735	30,578,125
Investments Medical Funds	21,296,696	20,897,476	21,514,868	21,296,696
Hermannsburg School Pastor Fund	5,158,425	5,009,208	5,077,554	4,969,008
Standard Bank Money Market	7,578,798	9,678,243	3,466,800	3,000,000
Total Investments	59,548,359	60,878,604	58,860,957	59,843,828
Attributable to Funds and Reserves	59,548,359	60,878,604	58,860,957	59,843,828
Attributable to Transient Funds	7,934,313	9,775,426	7,927,347	7,987,224
Attributable to Fund Specific Reserves	15,558,266	15,706,262	15,716,684	16,406,308
Attributable to Long-term Provisions -Medical	21,296,793	20,860,858	21,356,596	21,334,513
Attributable to Hermannsburg School Pastor Fund	5,158,425	5,009,208	5,077,554	4,969,008
Attributable to General Purposes	9,600,562	9,526,849	8,782,776	9,146,776

CURRENT ASSETS

	1,029,138	525,353	(192,552)	(556,552)
Accounts Receivable	46,566	151,245	100,000	100,000
Bank Balances	982,572	374,108	(292,552)	(656,552)
	60,948,097	61,774,557	59,039,005	59,657,876

9. Summary of impact to Congregation Contribution

The lower than budget salary increases in 2024/25 combined with higher increases in medical aid contributions to Pastors in Service, the use of a “Smoothing Reserve” and the containing of the Church Running cost allowed the Church Council to keep the Congregation Contribution at an increase of 4.7% and 5.2 % respectively in 2026 and 2027.

This includes a funding for Theological Education to support the very important work of the UELCSA Theological Education program at Stellenbosch University.

The reset of the Contribution Key Denominator resulting in an increase from 27.85 to 29 congregations affected the decrease in Net Church Running Cost to -10.4% and then an increase of 11.9 % respectively

Table 22: Summary of Increases

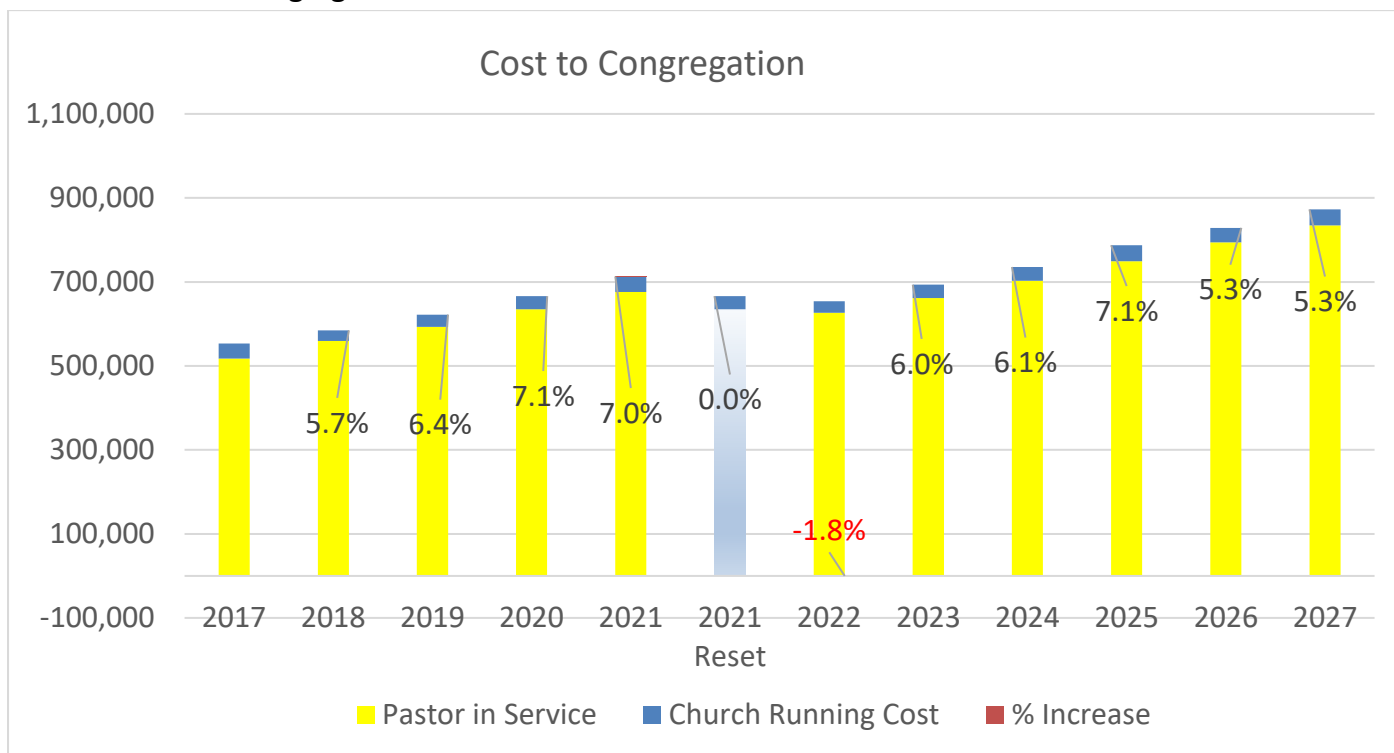
Summary of Increases	2025	% increase	2026	% increase	2027
Pastors in Service Cost	749,063	6.1%	794,444	5.0%	834,315
Net Church Running Cost	38,296	-10.4%	34,300	11.9%	38,386
Total	787,359	5.3%	828,743	5.3%	872,701

The proposed 2026 contributions are 5.3% higher than 2025

The proposed 2027 contributions are 5.3 % higher than 2026.

For the past 10years the Cost to Congregations with a Pastor is shown in Table 21

Table 23: Cost to Congregation



9.1 Invoicing and Self-Assessed Contributions

For administrative purposes and to remind the congregational treasurers and administrative staff to pay contributions regularly an “Invoicing” system has been introduced by the Church Bookkeeping Function.

Table 24: Invoicing to Congregation

Typical Cost Invoice to a Congregation 100% PASTORS POST	2025		2026		2027	
	Per Annum	Per Month	Per Annum	Per Month	Per Annum	Per Month
Cost of Pastor in Service	749,063	62,422	794,444	66,204	834,315	69,526
Net Church Running Cost	38,296	3,191	34,300	2,858	38,386	3,199
Total Invoicing	787,359	65,613	828,743	69,062	872,701	72,725
Expected "Hurdle" Self-Assessed Contribution	25,135	2,095	32,759	2,730	34,483	2,874
Total Contribution NOT to be Subsidised	812,494	67,708	861,502	71,792	907,184	75,599

The Self-Assessed NELCSA Contribution appeals to the more affluent congregations to contribute voluntary so that the less affluent congregations contribute only the invoiced portion.

Congregations should assess themselves on how much self-assessed contributions it could afford. We would appeal to affluent congregations to see this as a contribution to the further existence of our Church. If we cannot bank on the self-assessed contributions, the annual contributions required from smaller congregations are going to increase to unaffordable levels which will lead to the “loss” or “closure” of congregations, but cost will continue to be collected from the remaining congregations. Any congregation contributing **less than** R32,759 [2026] or R34,483 [2027] to Self-Assessed NELCSA Contribution is being subsidised.

10 Church Law 1

10.1 Church Law 1 -Schedule 1

Table 25: Church Law 1

Church Law 1 Schedule 1

	Per Contribution Schedule		
	2025	2026	2027
Financial contributions by congregations	17,793,619	18,479,413	19,478,462
Pastors in service	15,987,978	16,484,706	17,312,027
Net Church running Cost	1,066,544	994,695	1,113,204
KZN Youth Hub Fund	39,096	50,012	53,232
Per Contribution Schedules	17,093,619	17,529,413	18,478,462
Self-Assessed Contributions	700,000	950,000	1,000,000
Other income-subsidy and Net investment return	2,310,724	2,150,692	2,262,080
EKD Subsidy	1,539,000	1,579,500	1,620,000
Admin Fees DSM	27,984	34,980	37,079
Net investment return	743,740	536,212	605,001
Total Income	20,104,342	20,630,104	21,740,542
Expenditure	19,360,603	20,093,893	21,135,541
Pastors in service	15,987,978	16,484,706	17,312,027
Total Church running costs	3,333,528	3,559,175	3,770,283
KZN Youth Hub Fund	39,096	50,012	53,232
Income less Expenses	743,740	536,212	605,001

10.2 2026 Contribution Schedule 2

Schedule 2 = Contributions 2026

CONGREGATION	2026						
CONGREGATION	Actual Pastor's post filed	Pastor's post budget	Net Church Running Costs	Pastors' post filled	Net Church Running Costs	Youth Pastor KZN	TOTAL Amount Payable
Base calculator				794,444	994,695	248,623	
AUGSBURG	1.00	1.00	1.00	794,444	34,300	16,575	845,318
BETHANY	1.00	1.00	1.00	794,444	34,300	16,575	845,318
BRAUNSCHWEIG	1.00	1.00	1.00	794,444	34,300	16,575	845,318
DUIWELSKLOOF/POLOKWANE	-	-	1.00	0	34,300	0	34,300
DURBAN SEAFARERS MISSION	1.00	1.00	1.00	794,444	34,300	0	828,743
ELCER (Ev. Luth Church East Rand)	-	1.00	1.00	0	34,300	0	34,300
GERDAU/ POTCHEFSTROOM	1.00	1.00	1.00	794,444	34,300	0	828,743
HERMANNSBURG	0.25	0.25	1.00	198,611	34,300	16,575	249,486
HERMANNSBURG School Pastor	0.50	0.50	-	397,222	0	0	397,222
HILLCREST	1.00	1.00	1.00	794,444	34,300	16,575	845,318
JOHANNESBURG CHURCH OF PEACE	0.50	0.50	1.00	397,222	34,300	0	431,522
KEMPTON PARK	1.00	1.00	1.00	794,444	34,300	0	828,743
KROONDAL	1.00	1.00	1.00	794,444	34,300	0	828,743
MK-KELVIN	0.50	0.50	1.00	397,222	34,300	0	431,522
MK-MIDRAND	0.50	0.50	1.00	397,222	34,300	0	431,522
NELSPRUIT	-	0.50	1.00	0	34,300	16,575	50,875
NEW GERMANY	1.00	1.00	1.00	794,444	34,300	16,575	845,318
NORTH RAND	1.00	1.00	1.00	794,444	34,300	0	828,743
PIET RETIEF	1.00	1.00	1.00	794,444	34,300	16,575	845,318
PIETERMARITZBURG	1.25	1.25	1.00	993,055	34,300	16,575	1,043,929
PRETORIA - JOHANNES	1.00	1.00	1.00	794,444	34,300	0	828,743
PRETORIA - ST. PETER	1.00	1.00	1.00	794,444	34,300	0	828,743
ST. PETERS BY THE LAKE	0.50	1.00	1.00	397,222	34,300	0	431,522
TRINITY ZULULAND	-	0.50	1.00	0	34,300	16,575	50,875
UELC	1.00	2.00	1.00	794,444	34,300	33,150	861,893
VANDEBIJLPARK	1.00	1.00	1.00	794,444	34,300	0	828,743
VERDEN / DUNDEE	-	0.50	1.00	0	34,300	16,575	50,875
VRYHEID	0.83	1.00	1.00	662,036	34,300	16,575	712,911
WEST RAND	0.50	1.00	1.00	397,222	34,300	0	431,522
Vryheid/ELM Share	0.167	0.167	-	132,407	0	0	132,407
WINTERTON	-	1.00	1.00	0	34,300	16,575	50,875
YOUTH PASTOR KZN	0.25	0.25	-	198,611	0	(198,611)	0
Total	20.75	26.42	29.00	16,484,706	994,695	50,012	17,529,413

10.3 2027 Contribution Schedule 3

Schedule 3 = Contributions 2027

CONGREGATION	2027						
CONGREGATION	Actual Pastor's post filed	Pastor's post budget	Net Church Running Costs	Pastors' post filled	Net Church Running Costs	Youth Pastor KZN	TOTAL Amount Payable
Base calculator				834,315	1,113,204	261,810	0
AUGSBURG	1.00	1.00	1.00	834,315	38,386	17,454	890,155
BETHANY	1.00	1.00	1.00	834,315	38,386	17,454	890,155
BRAUNSCHWEIG	1.00	1.00	1.00	834,315	38,386	17,454	890,155
DUIWELSKLOOF/POLOKWANE	-	-	1.00	0	38,386	0	38,386
DURBAN SEAFARERS MISSION	1.00	1.00	1.00	834,315	38,386	0	872,701
ELCER (Ev. Luth Church East Rand)	-	1.00	1.00	0	38,386	0	38,386
GERDAU/ POTCHEFSTROOM	1.00	1.00	1.00	834,315	38,386	0	872,701
HERMANNSBURG	0.25	0.25	1.00	208,579	38,386	17,454	264,419
HERMANNSBURG School Pastor	0.50	0.50	-	417,157	0	0	417,157
HILLCREST	1.00	1.00	1.00	834,315	38,386	17,454	890,155
JOHANNESBURG CHURCH OF PEACE	0.50	0.50	1.00	417,157	38,386	0	455,544
KEMPTON PARK	1.00	1.00	1.00	834,315	38,386	0	872,701
KROONDAL	1.00	1.00	1.00	834,315	38,386	0	872,701
MK-KELVIN	0.50	0.50	1.00	417,157	38,386	0	455,544
MK-MIDRAND	0.50	0.50	1.00	417,157	38,386	0	455,544
NELSPRUIT	-	0.50	1.00	0	38,386	17,454	55,840
NEW GERMANY	1.00	1.00	1.00	834,315	38,386	17,454	890,155
NORTHRAND	1.00	1.00	1.00	834,315	38,386	0	872,701
PIET RETIEF	1.00	1.00	1.00	834,315	38,386	17,454	890,155
PIETERMARITZBURG	1.25	1.25	1.00	1,042,893	38,386	17,454	1,098,734
PRETORIA - JOHANNES	1.00	1.00	1.00	834,315	38,386	0	872,701
PRETORIA - ST. PETER	1.00	1.00	1.00	834,315	38,386	0	872,701
ST. PETERS BY THE LAKE	0.50	1.00	1.00	417,157	38,386	0	455,544
TRINITY ZULULAND	-	0.50	1.00	0	38,386	17,454	55,840
UELC	1.00	2.00	1.00	834,315	38,386	34,908	907,609
VANDEBIJLPARK	1.00	1.00	1.00	834,315	38,386	0	872,701
VERDEN / DUNDEE	-	0.50	1.00	0	38,386	17,454	55,840
VRYHEID	0.83	1.00	1.00	695,262	38,386	17,454	751,102
WEST RAND	0.50	1.00	1.00	417,157	38,386	0	455,544
VRYHEID/ELM Share	0.17	0.17	-	139,052	0	0	139,052
WINTERTON	-	1.00	1.00	0	38,386	17,454	55,840
YOUTH PASTOR KZN	0.25	0.25	-	208,579	0	(208,579)	0
Total	20.75	26.42	29.00	17,312,027	1,113,204	53,232	18,478,462
Vacancies		5.67	-				
Gross income						53,232	18,478,462

11. Prescribed Offerings

Prescribed Offerings change from the current Section 74 (1) increase Theological Education and reduce Ministry and Discipleship [M&D] by 2 offerings in order to support Theological Education.

In accordance with Section 74 (1) of the Constitution of NELCSA the following prescribed Offerings for the church are prescribed:

<u>Prescribed Offering</u>	Prescribed number
Ministry and Discipleship [MAD]	8
Circuit Youth Work (see * below)	4
Theological Education	8
Church Music (Cantate)	1
Total	21

(*The Southern and Eastern Circuit offerings are paid into the KZN Youth Work Fund. The Youth Work Northern and Central Circuit offerings are paid into their respective Youth Work Funds.)

<u>b) Additional Recommended Offering's</u>	Prescribed number
Self-Assessed Contributions	6
HMB Foundation**	4
Old Age Homes: APN / Richmond Road / local home*	2
Circuit Senior work*	2
Total	14

* Does not form part of the 10% as set in (2)

** See reason for change in 10.2 below

- (2) Congregations with the practice that offerings and tithes/contributions are given on the altar, can apply to Church Council to give 10% of these giving's at the altar in lieu of prescribed offerings. The compulsory and voluntary offerings are still announced every Sunday.
- (3) The 10% offerings received from congregations participating in the practice as approved in (2) will be allocated as follows:

Offering 10 % arrangement	Number	%
Ministry and Discipleship [MAD]	8	30%
Circuit Youth Work	4	15%
Theological Education	8	30%
Church Music (Cantate)	1	4%
Self-Assessed Contributions	6	22%
Total	27	100%

Annexure A: Fund and Reserve Statements 2026,2027

FUNDS AND RESERVES FOR THE YEAR ENDED December 2026	OPENING BALANCES	Offerings and Donations	Other RECEIPTS and Provisions	INTEREST and INTERNAL ALLOCATIONS	PAYMENTS/ TRANSFERS	FROM/TO INCOME STATEMENT	CLOSING BALANCE
TRANSIENT							
Senior Residences	(0)	22,050			(22,050)		(0)
Church Youth Work	735,522	0	41,437	31,098	(155,000)	0	653,057
Youth Work - Northern Circuit	0					0	0
Youth Work - Central Circuit	109,963			5,498			115,461
Youth Work - K.Z.N.	339,298			16,965			356,262
Youth Work - K.Z.N. Hub	286,261		41,437	8,635	(155,000)	0	181,333
Circuit Funds	1,451,045	0	600,000	72,552	(600,000)	0	1,523,598
Northern Circuit	670,675		150,000	33,534	(150,000)		704,209
Central Circuit	266,435		150,000	13,322	(150,000)		279,756
Eastern Circuit	303,442		150,000	15,172	(150,000)		318,614
Southern Circuit	210,493		150,000	10,525	(150,000)		221,018
Church Music	588,959	30,388	0	28,536	(48,620)	0	599,262
Choir Association	33,851		0				33,851
Brass Band Association	505,353		45,770	25,351	(44,100)		532,373
Ministry and Discipleship [M&D]	3,327,021	425,427	0	167,622	(400,000)	0	3,520,071
Theological Education	569,098	430,000	500,000	17,932	(1,140,448)	0	376,582
HMB Foundation	2,875	22,000			(22,000)	0	2,875
Diaconical Fund	354,429			17,721		0	372,150
Seafarers' Account	298,598		1,700,000	14,930	(1,700,000)		313,528
	<u>8,434,313</u>	<u>929,865</u>	<u>2,887,207</u>	<u>375,744</u>	<u>(4,132,219)</u>	<u>0</u>	<u>7,927,347</u>
FUND SPECIFIC RESERVE							
Building Reserve Church Office	247,846		0				247,846
Building Reserve -Northern Parish	456,903			22,672	(3,463)		476,112
Hermannsburg School Pastor fund	5,157,561			314,313	(394,320)		5,077,554
Development Fund	12,932,629		0	639,131	(150,000)		13,421,760
NELCSA Events Support Fund	262,500			12,500			275,000
Motor Vehicle Reserve	852,215			21,361	(500,000)	75,000	448,576
Kailager	188,264		150,000	9,413	(150,000)		197,677
Haus Kandaze Reserve	618,773			30,939			649,712
	<u>20,716,692</u>	<u>0</u>	<u>150,000</u>	<u>1,050,329</u>	<u>(1,197,783)</u>	<u>75,000</u>	<u>20,794,238</u>
LONGTERM PROVISION AND LIABILITES							
NELCSA Medical Provision- Pensioners	5,815,774			357,745	(1,250,225)		4,923,294
NELCSA Medical Provision- Pastors in Service	15,481,019			952,283			16,433,302
	<u>21,296,793</u>	<u>0</u>	<u>0</u>	<u>1,310,028</u>	<u>(1,250,225)</u>	<u>0</u>	<u>21,356,596</u>
TOTAL DEDICATED RESERVES	<u>50,447,798</u>	<u>929,865</u>	<u>3,037,207</u>	<u>2,736,101</u>	<u>(6,580,226)</u>	<u>75,000</u>	<u>50,078,181</u>
Retained Earnings	<u>9,129,111</u>			<u>0</u>		<u>536,212</u>	<u>9,665,323</u>
TOTAL RESERVES	<u>59,576,909</u>	<u>929,865</u>	<u>3,037,207</u>	<u>2,736,101</u>	<u>(6,580,226)</u>	<u>611,212</u>	<u>59,743,504</u>

**FUNDS AND RESERVES FOR
THE YEAR ENDED December
2027**

FUNDS AND RESERVES

TRANSIENT

	OPENING BALANCES	Offerings and Donations	Other RECEIPTS and Provisions	INTEREST and INTERNAL ALLOCATIONS	PAYMENTS/ TRANSFERS	FROM/TO INCOME STATEMENT	CLOSING BALANCE
Senior Residences	(0)	23,153			(23,153)		(0)
Church Youth Work	653,057	0	43,635	26,697	(162,750)	0	560,639
Youth Work - Northern Circuit	0					0	0
Youth Work - Central Circuit	115,461			5,773			121,234
Youth Work - K.Z.N.	356,262			17,813			374,076
Youth Work - K.Z.N. Hub	181,333		43,635	3,111	(162,750)	0	65,329
Circuit Funds	1,523,598	0	600,000	76,180	(600,000)	0	1,599,778
Northern Circuit	704,209		150,000	35,210	(150,000)		739,420
Central Circuit	279,756		150,000	13,988	(150,000)		293,744
Eastern Circuit	318,614		150,000	15,931	(150,000)		334,545
Southern Circuit	221,018		150,000	11,051	(150,000)		232,069
Church Music	599,262	31,907	0	29,006	(51,051)	0	609,124
Choir Association	33,851		0				33,851
Brass Band Association	532,373		48,058	26,706	(46,305)		560,833
Ministry and Discipleship [M&D]	3,520,071	446,699	0	177,338	(420,000)	0	3,724,108
Theological Education	376,582	450,000	600,000	8,384	(1,258,911)	0	176,055
HMB Foundation	2,875	22,000			(22,000)	0	2,875
Diaconical Fund	372,150			18,608		0	390,757
Seafarers' Account	313,528		1,785,000	15,676	(1,785,000)		329,204
TRANSIENT	7,927,347	973,758	3,076,693	378,595	(4,369,170)	0	7,987,224

FUND SPECIFIC RESERVE

Building Reserve Church Office	247,846						247,846
Building Reserve -Northern Parish	476,112			23,624	(3,636)		496,100
Hermannsburg School Pastor fund	5,077,554			309,433	(417,979)		4,969,008
Development Fund	13,421,760		0	663,588	(150,000)		13,935,348
NELCSA Events Support Fund	275,000			12,500			287,500
Motor Vehicle Reserve	448,576			26,179		75,000	549,755
Kailager	197,677		157,500	9,884	(157,500)		207,561
Haus Kandaze Reserve	649,712			32,486			682,197
FUND SPECIFIC RESERVE	20,794,238	0	157,500	1,077,693	(729,115)	75,000	21,375,316

**LONGTERM PROVISION AND
LIABILITES**

NELCSA Medical Provision- Pensioners	4,923,294			300,414	(1,325,239)		3,898,469
NELCSA Medical Provision- Pastors in Service	16,433,302			1,002,741			17,436,044
	21,356,596	0	0	1,303,155	(1,325,239)	0	21,334,513

TOTAL DEDICATED RESERVES

	50,078,181	973,758	3,234,193	2,759,443	(6,423,523)	75,000	50,697,052
Retained Earnings	9,665,323			0		605,001	10,270,324
TOTAL RESERVES	59,743,504	973,758	3,234,193	2,759,443	(6,423,523)	680,001	60,967,377

Annexure A- Denominator for recovering the Church running cost

CONGREGATION	2026/2027		2024/2025
	Net Church Running Costs	Net Church Running Costs changes	Net Church Running Costs
Base calculator			
AUGSBURG	1.00	0.00	1.00
BETHANY	1.00	0.00	1.00
BRAUNSCHWEIG	1.00	0.00	1.00
DUIWELSKLOOF/POLOKWANE	1.00	0.90	0.10
DURBAN SEAFARERS MISSION	1.00	0.00	1.00
ELCER (Ev. Luth Church East Rand)	1.00	0.00	1.00
GERDAU/ POTCHEFSTROOM	1.00	0.00	1.00
HERMANNSBURG	1.00	0.75	0.25
HERMANNSBURG School Pastor	-	(0.50)	0.50
HILLCREST	1.00	0.00	1.00
JOHANNESBURG CHURCH OF PEACE	1.00	0.00	1.00
KEMPTON PARK	1.00	0.00	1.00
KROONDAL	1.00	0.00	1.00
MK-KELVIN	1.00	0.50	0.50
MK-MIDRAND	1.00	0.50	0.50
NELSPRUIT	1.00	0.50	0.50
NEW GERMANY	1.00	0.00	1.00
NORTHRAND	1.00	0.00	1.00
PIET RETIEF	1.00	0.00	1.00
PIETERMARITZBURG	1.00	(0.25)	1.25
PRETORIA - JOHANNES	1.00	0.00	1.00
PRETORIA - ST. PETER	1.00	(0.50)	1.50
ST. PETERS BY THE LAKE	1.00	0.00	1.00
TRINITY ZULULAND	1.00	0.00	1.00
UELC	1.00	(1.00)	2.00
VANDEBBIJLPARK	1.00	0.00	1.00
VERDEN / DUNDEE	1.00	0.50	0.50
VRYHEID	1.00	0.00	1.00
WEST RAND	1.00	0.00	1.00
WINTERTON	1.00	0.00	1.00
YOUTH PASTOR KZN	-	(0.25)	0.25
Total	29.00	1.15	27.85