



Treasurer's Report to Synod 2025 for 2023 and 2024 Financial Years

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1. Executive summary

Surplus for 2024 was R 1,967,539.

- This was due to superior Investment Returns, higher Self-Assessed NELCSA Contribution and a weaker ZAR/Euro rate culminating in higher EKD Grant and some bequest from estates. Pastors in service under recovery is mainly due to arrears Compensation Commissioner payments.
- Of this generous Surplus Church Council allocated funds to Theological Education Fund R500 000. The remaining R 1,467,539 was kept in Retained Earnings Reserve.

Surplus for 2023 was R3,296,494.

- This was due to superior Investment Returns, higher Self-Assessed NELCSA Contribution and a weaker ZAR/Euro rate culminating in higher EKD Grant and Pastors in service salary increases lower than budget
- Of this generous Surplus Church Council allocated funds to Kailager R400 000, Theological Education Fund R500 000 and R250 000 to NELCSA Events Support Fund. The remaining R 2,046,494 was kept in Retained Earnings Reserve.
- Moorleigh congregation closed during this year. As most of the congregants migrated to Winterton congregation, church council allocated the financial assets to Winterton.

Table 1: Summary of Income Statement elements

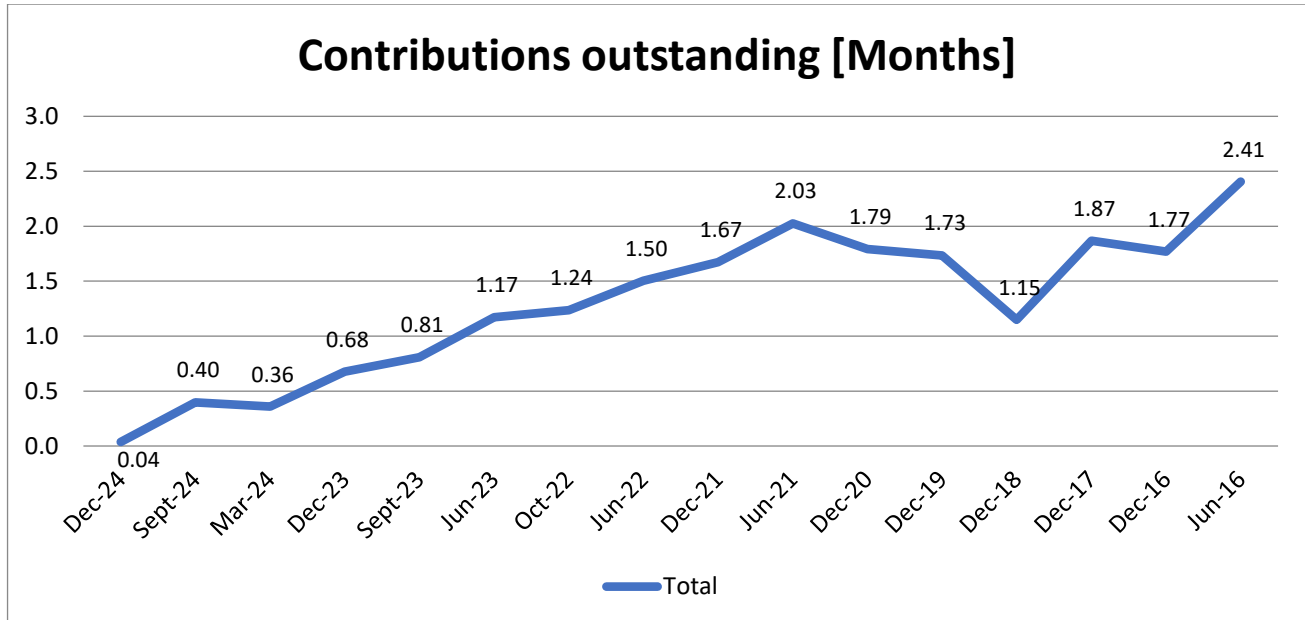
NELCSA Summary of Income Statement Elements	2024	2024	2023	2023
	Budget	Actual	Budget	Actual
Pastors in Service	0	(53,670)	0	259,141
Nett Church Running Costs	0	385,381	0	345,340
Investment Income less Allocation-Investment Carry	740,618	1,635,828	328,283	2,692,013
Subtotal	740,618	1,967,539	328,283	3,296,494
Allocation to NELCSA Events Support Fund				(250,000)
Allocation to Kailager Renovation				(164,000)
Allocation to Kailager Loss 2023				(36,000)
Haus Kandaze -Kailager Maintenance				(300,000)
Theological Education		(500,000)		(500,000)
Received Congregations Closing Down		0		252,245
Allocation to other congregations		0		(252,245)
Total	740,618	1,467,539	328,283	2,046,494

2. Achievements 2017-2024

In the past 7 years the Church Council and the Finance committee “*went with purpose*” to address various challenges facing the Church.

- **Post-retirement medical liability** is now funded and the investment moved to a separate fund. The calculated shortage reduced from R7.4 million in 2019 to an estimated surplus of R 5,714 million at the end of December 2024.
- The **Retirement and Risk Benefits** were restructured together with the ELC Pension Fund. Wolfgang Fechter is the NELCSA trustee on the ELC Pension Fund.
- The **Endeavour Farm** was sold to the Deutsche Schule Hermannsburg (DSH) Trust and a Fund [R5 million] established to finance the half (0.5) School pastors’ post at Hermannsburg School. After 6 years of withdrawals towards the Hermannsburg School pastors’ post, this fund still has a sustainable balance of R5,158 million.
- The NELCSA office **Accounting and Administration** functions were streamlined. Financial reporting to church council is now done monthly and the financial administrators’ post (previously called bookkeeper) was reduced to a 60% post.
- **Contributions from Congregations in Arrears** were managed down from R2.53 million in June 2016 to R0.037 million in December 2024. Or as shown in the graph below:

In 2016 2.45 months’ worth of contributions outstanding to 0.04 months in December 2024



- **Investments** were moved to a new asset manager [PSG] and with that a higher foreign exposure and better results were achieved.
- **Planning of New Office for NELCSA** was delayed due to various issues encountered at the selected location. This endeavour was abandoned after various setbacks with the building plans. A NELCSA office was then installed at the bishop’s residence.

- The **NELCSA property** in Shelley Beach known as '**Haus Kandaze**' was rezoned with business rights and sold.
- Financial and advisory assistance towards renovation and upgrading of the security of the NELCSA property in Port Edward known as '**Kailager**' was given.
- The **NELCSA Properties in Bonaero Park** were sold. The asset was better utilised in the Post-Retirement Medical Liability Fund, thereby discontinuing congregational contributions towards this liability.
- The **Contents of the Archive** were reduced, and selected documents transferred to cloud storage. The remaining contents, including those of the United Evangelical Lutheran Church in Southern Africa (UELCSA), were relocated from Kempton Park to a secure container located at the Johannes Gemeinde.

I would like to thank the Church Council for their support throughout the years.

Bishop Jäckel and the office staff, [Katarina Eldring and Liselotte Gunning] for your support, hard work, and patience.

To all the congregational treasurers and admin personnel, a big thank you for your work.

Your Brother in Christ,



Vernon Filter
Treasurer
NELCSA
DATE: 24 May 2025

Detailed Treasurer Report 2023 and 2024

3. Income and Expenditure

3.1. Pastors in Service

Table 2: Pastors in Service

Pastors In Service	2024	2024	2023	2023
	Budget	Actual	Budget	Actual
Month out of 12				
Total Congregation Invoiced	18,974,217	18,806,562	17,862,374	18,035,236
Vacancy Adjustment	(4,042,532)	(6,649,672)	(2,647,374)	(5,501,574)
Bad Debt Written off	0	(66,250)	0	(207,794)
Contributions -Youth Pastor	183,869	199,629	172,861	172,861
Total Nett Income	15,115,554	12,290,269	15,387,860	12,498,729
Cost to Company Pastors	15,115,554	12,343,938	15,387,860	12,239,588
Salaries - Pastors in Service	14,515,554	11,720,394	15,087,860	11,980,527
Compensation Commissioner		90,567		
Pastors' Conference	100,000	30,530	-	
Transfer Cost	200,000	200,000	200,000	200,000
Theological Education	250,000	250,000		
Continuing Professional Development	50,000	52,448	100,000	59,061
Net Pastors in Service	0	(53,670)	0	259,141

'Pastors in Service':

In **2023** there was an **over** recovery of R 259,141 despite conditional Bad Debt Write downs, this was because of lower than budgeted Salary increases. (The Continuing Professional Development (CPD) cost budget was also underspent.)

In **2024** the result was an **under** recovery of R (53,670). This was due to the payment of arrears of the Compensation Fund.

3.2. Nett Church running Cost.

Table 3: Nett Church Running cost

Nett Church Running Costs	2024	2024	2023	2023
	Budget	Actual	Budget	Actual
Bishop [CTC and Housing]	1,149,455	1,127,095	1,100,572	1,093,034
Remuneration	717,455	702,777	696,500	635,137
Vehicle Replacement Provision	75,000	75,000	75,000	84,432
Housing	357,000	349,318	329,072	373,464
Traveling and Accommodation	378,776	354,101	357,336	457,359
General	18,964	19,651	17,890	7,410
Overseas	44,944	27,649	42,400	47,035
Synods	67,416	67,416	63,600	66,264
Church Council	134,832	194,054	127,200	255,234
Meetings and Accommodation	28,090	11,855	26,500	5,445
Motor Vehicles Expenses	84,530	33,475	79,746	75,971
Office Cost	1,049,787	1,046,266	1,067,661	1,032,184
Printing and Stationery	6,665	1,695	6,288	7,768
Communication & Social Media	42,596	32,321	40,184	18,221
Purchases, Repairs and Maintenance of Office Equipment	40,935	2,979	38,618	56,845
Audit Fees	56,283	56,496	53,097	53,077
Bank Charges	33,708	31,992	31,800	21,539
Rental/Rates	58,160	38,160	100,704	42,000
Insurance	20,241	15,025	19,095	4,008
Software Licenses	20,000	38,682	-	36,876
Sundries/Legal Costs	5,000	-	10,600	-
Office Salaries	766,200	828,917	767,275	791,849
Co-Worker Training	75,000	49,186	75,000	12,554
Membership Fees	165,836	287,333	150,312	166,652
Circuits	318,684	318,684	300,645	300,645
Total Church Running Costs	3,137,538	3,182,664	3,051,527	3,062,428
Setoff Income	2,234,400	2,673,014	2,177,000	2,533,237
Self-Assessed NELCSA Contribution	750,000	1,017,096	800,000	918,654
Grant from E.K.D	1,458,000	1,582,257	1,377,000	1,576,183
Rental Received	-	6,000	-	12,000
Bequests from Estates	-	33,693	-	-
Other Income-Admin DSM	26,400	33,968	-	26,400
Nett Church Running Costs to be Recovered	903,138	509,650	874,527	529,190
Church Running Cost Contribution from Congregations	903,138	895,031	874,526	874,530
Excess/(Under Recovery)	0	385,381	0	345,340

The **Nett Church Running Cost** was positive in both years. The factors contributing to this are a lower cost for bishops' cost and office cost.

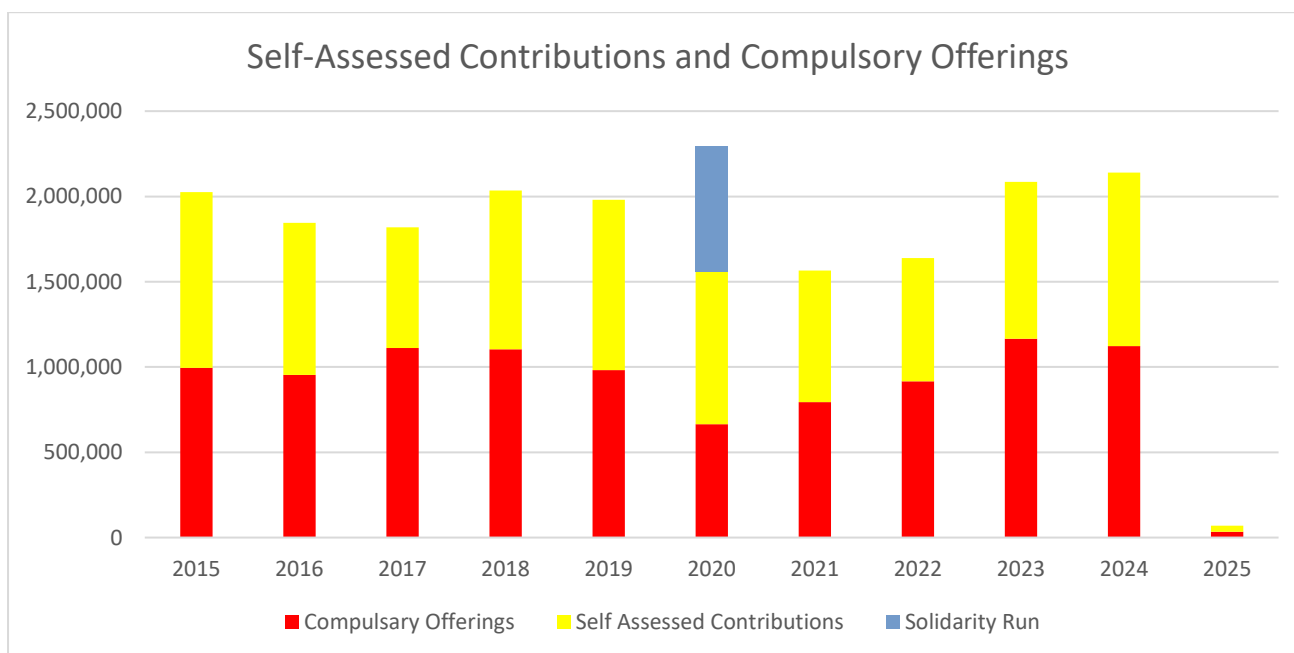
Travelling and Accommodation costs are higher due to the rise in Church Council (CC) costs. The increase is because CC has decided to hold every second CC meeting at a congregation. This is for CC to get to know our congregations and to introduce the NELCSA leadership to the congregations. This is very successful and good feedback is received.

In 2024 the **Membership Fees of Partner Organisations** and or churches are inflated, this was caused by higher-than-normal UELCSA Membership fees in 2024.

The annual **EKD Grant** increased in Rand value due to the ZAR/Euro exchange rate.

The arrangement with the **German Seafarers' Mission** (GSM) to administrate the fund via the NELCSA office yielded additional income.

The **Compulsory Offerings** have shown a decline over the years, and the decline increased in 2020 due to Covid Pandemic. In 2022 the trend reversed slightly and thankfully in 2023 and 2024 the trend is very encouraging as can be seen in the graph below.

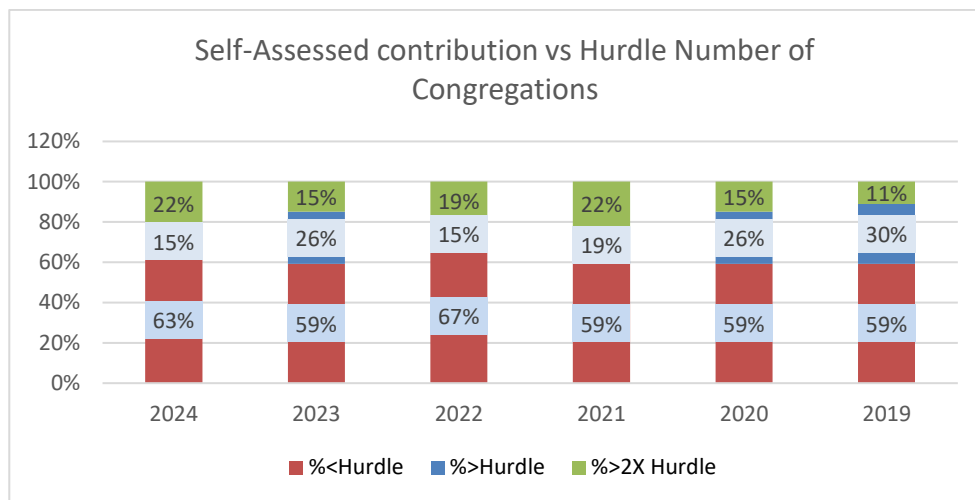


Fortunately, the **Self-Assessed NELCSA Contributions** increased in the last 3 years and were higher than the budget for 2023 and 2024. This contribution is critical for the survival of our smaller congregations.

During a very difficult 2022 an amount of R 721 882 was received from congregations. The budget for 2023/24 was R750 000 and R700 000 as we hoped and prayed for a recovery in those years. The actual 2024 Self-Assessed NELCSA Contribution was R 1,017,096. We thank the congregations for their contributions.

For the last 6 years the profile of congregations contributing to the Self-Assessed NELCSA Contributions is demonstrated in the Table below.

Table 4: Self-Assessed Contributions: Percentage of Congregations



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

The picture gets even clearer if the Rand Amounts contributed are shown as %.

70% of the Self-assessed NELCSA contributions come from 20% of the congregations.

Table 5: Self-Assessed Contributions: Rand Percentage

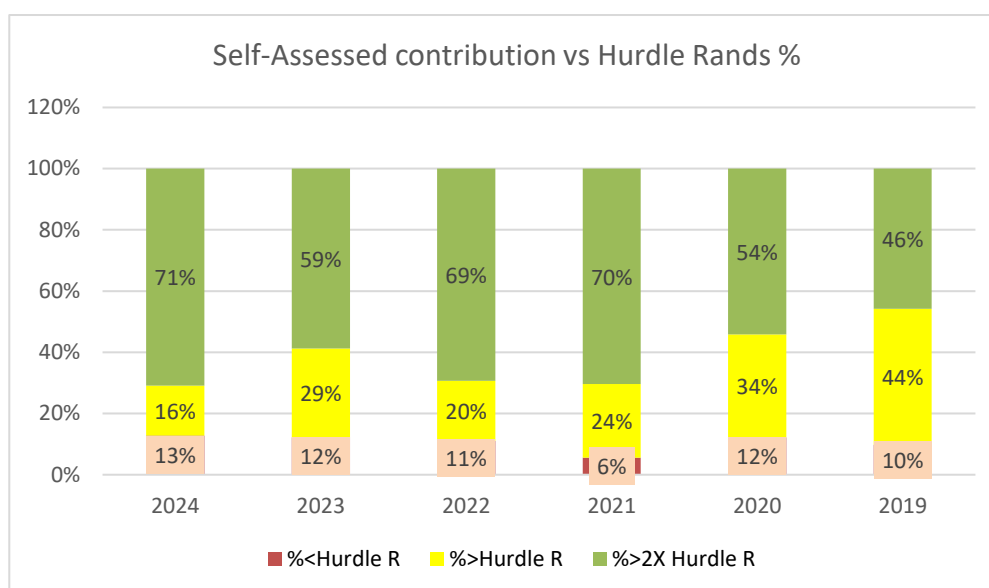


Table 4 below shows the movements in the **Prescribed Offerings Funds** from 2019 to 2024.

While Offerings have decreased, the fund balances are not yet critical due to corresponding reductions in expenses.

However, the **Theological Education Fund** has declined significantly. This fund needs to be replenished as the UELCSA Theological Education facility in Stellenbosch is expanding and requires financial support. The Theological Education Fund had a balance of R1,136 million at the end of December 2024, which includes a R1 million allocation from budget surpluses in 2023 and 2024. It is concerning to note that substantial expenditures are still anticipated, as indicated by the 2024 expense trends.

Table 6: Balances of Prescribed Offerings Funds

Year	Fund	OPENING BALANCES	Offerings and DONATIONS	Other RECEIPTS	INTEREST	PAYMENTS/ TRANSFERS	FROM/TO INCOME STATEMENT	CLOSING BALANCE
19	Church Music	287,811	50,620	0	14,695	(94,515)	0	258,611
20	Church Music	258,611	20,686	0	7,715	(58,870)	0	228,142
21	Church Music	228,142	67,833	69,652	12,797	0	0	378,424
22	Church Music	378,424	104,965	0	16,919	0	0	500,307
23	Church Music	500,307	88,065	0	18,925	(47,655)	0	559,642
24	Church Music	559,642	51,737	0	28,046	(50,466)	0	588,959
19	M&D	1,898,023	565,577	0	116,891	(515,422)	0	2,065,069
20	M&D	2,065,069	349,191	4,050	73,353	(322,505)	0	2,169,159
21	M&D	2,169,159	399,145	0	84,086	(156,726)	0	2,495,664
22	M&D	2,495,664	445,364	0	92,777	(290,271)	0	2,743,534
23	M&D	2,743,534	667,953	0	100,089	(551,813)	0	2,959,762
24	M&D	2,959,762	517,540	23,276	158,430	(331,987)	0	3,327,021
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	0	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

3.3. Investment Carry

The investment returns for 2017 were reasonable, but disappointing for 2018.

In December **2018**, the NELCSA Asset Managers were changed to PSG Wealth with a larger portion of the investments exposed to foreign assets. Since then, investment returns were generally better than budgeted.

Investment performance in **2021** was exceptional, with the NELCSA portfolio generating returns of R6.2 million, significantly exceeding the budgeted amount of R1.9 million. This outperformance enabled the Church Council to allocate R1 million back to congregations to provide relief on their NELCSA dues.

In contrast, **2022** presented a more challenging environment, marked by rising inflation driven by ongoing COVID-related supply chain disruptions and the impact of the war in Eastern Europe. The portfolio experienced a negative return of R4.1 million, with most of the loss—approximately R3.45 million—affecting the Medical Liability and Hermannsburg School Pastor funds. Despite this, both funds remain in a healthy position, and there is no immediate cause for concern.

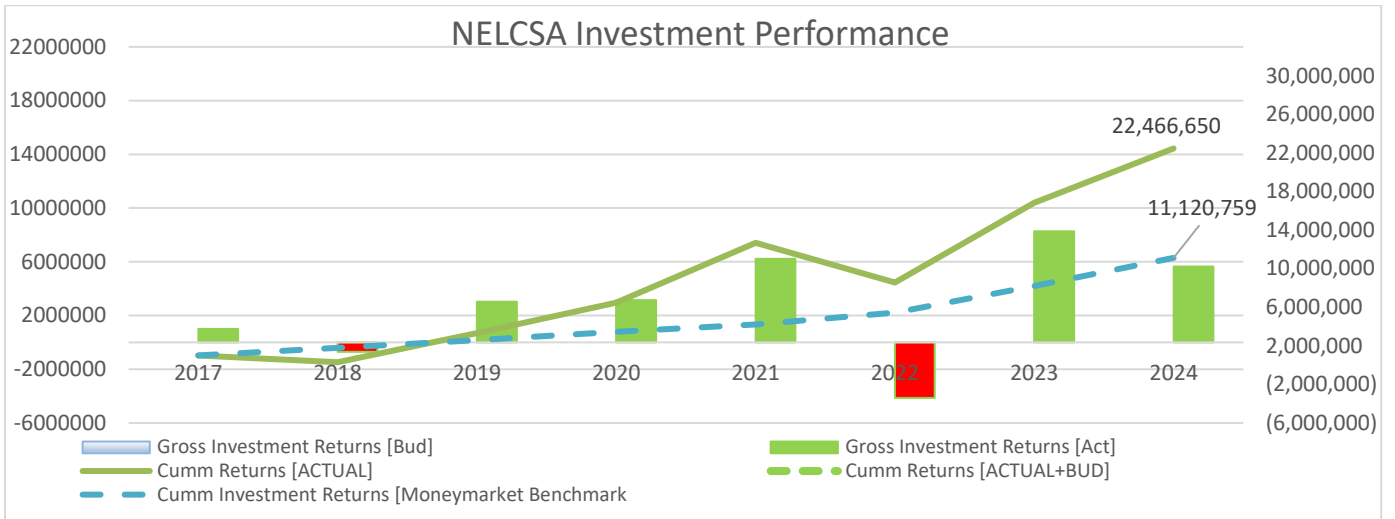
Both **2023** and **2024** years were good positive returns of R5.6 and R8.3 respectively.

We are very thankful for this blessing which also allowed Church council to allocate the resulting Surplus to deserving causes.

Despite the setback in 2022 the cumulative investment yields over the past 8 years are still positive [22.5 million] as shown in the graph below. If we had stuck with a safer Money market investment the cumulative yield would be R11,1 million [modelled simulation]

Table 7 Investment Carry

Investment Income less Allocation-Investment Carry	2024	2024	2023	2023
	Budget	Actual	Budget	Actual
Investment Income				
General Funds	368,403	1,930,527	480,428	2,000,699
Medical Funds	1,163,162	2,344,163	1,169,759	3,966,989
Hermannsburg Schule Pastor fund	241,815	529,892	304,517	933,799
INVESTMENT INCOME	1,773,380	4,804,582	1,954,704	6,901,487
Interest on Arrears Accounts		34,226	0	29,566
Interest on Loans and Money Market	1,014,315	799,987	243,164	1,346,200
Gross Investment Income	2,787,695	5,638,795	2,197,868	8,277,253
Interest Allocation				
General Funds	(642,100)	(1,128,911)	(395,309)	(684,451)
Net Investment Carry after Allocation	2,145,595	4,509,883	1,802,559	7,592,801
Medical Funds	(1,163,162)	(2,344,163)	(1,169,759)	(3,966,989)
Hermannsburg Schule Pastor fund	(241,815)	(529,892)	(304,517)	(933,799)
Net Investment Carry	740,618	1,635,828	328,283	2,692,013



3.4 Summary Income Statement

Table 8: Summary of Income Statement Elements

NELCSA

Summary of Income Statement Elements

Pastors in Service

Nett Church Running Costs

Investment Income less Allocation-Investment Carry

Subtotal

Allocation to NELCSA Events Support Fund

Allocation to Kailager Renovation

Allocation to Kailager Loss 2023

Haus Kandaze -Kailager Maintenance

Theological Education

Received Congregations Closing Down

Allocation to other congregations

Total

	2024	2024	2023	2023
	Budget	Actual	Budget	Actual
Pastors in Service	0	(53,670)	0	259,141
Nett Church Running Costs	0	385,381	0	345,340
Investment Income less Allocation-Investment Carry	740,618	1,635,828	328,283	2,692,013
Subtotal	740,618	1,967,539	328,283	3,296,494
Allocation to NELCSA Events Support Fund				(250,000)
Allocation to Kailager Renovation				(164,000)
Allocation to Kailager Loss 2023				(36,000)
Haus Kandaze -Kailager Maintenance				(300,000)
Theological Education		(500,000)		(500,000)
Received Congregations Closing Down		0		252,245
Allocation to other congregations		0		(252,245)
Total	740,618	1,467,539	328,283	2,046,494

4. Balance Sheet

Table 9: Balance Sheet

Northeastern Evangelical Lutheran Church in South Africa

BALANCE SHEET AT

31 December 2024

CAPITAL

FUNDS AND RESERVES

Transient Funds

Hermannsburg Schule Reserve

Specific Reserves

LONGTERM PROVISION AND LIABILITES

NELCSA Medical Provision-Pensioners

CURRENT LIABILITIES

Account Payables and Provisions

Capital and Liabilities			
	<u>2024</u>	<u>%</u>	<u>2023</u>
	9,499,711	18.3%	8,032,172
	29,151,004	10.4%	26,416,055
	8,434,313	30.1%	6,483,450
	5,157,561	3.3%	4,991,569
	15,559,130	4.1%	14,941,037
	21,296,793	6.1%	20,065,326
	1,000,588	-35.2%	1,544,352
	<u>60,948,097</u>	8.7%	<u>56,057,906</u>

Assets

NON-CURRENT ASSETS

IMMOVABLE PROPERTY

INVESTMENTS

Investments General Funds

Investments Medical Funds

Investment Hermannsburg Schule Reserve

Investec Bank Money Market

Standard Bank Money Market

Total Investments

Attributable to Funds and Reserves

Attributable to Transient Funds

Attributable to Fund Specific Reserves

Attributable to Long-Term Provisions

Attributable to General Purposes

CURRENT ASSETS

Sundry Congregations

Luther Rose Stock Balance

Bank Accounts

Cash on Hand

	<u>2024</u>	<u>%</u>	<u>2023</u>
	370,600	0.0%	370,600
	59,548,359	12.1%	53,114,455
	25,514,441	87.8%	13,583,914
	21,296,696	5.7%	20,149,655
	5,158,425	3.3%	4,992,433
	0	-100.0%	13,831,325
	7,578,798	1260.3%	557,129
	59,548,359	12.1%	53,114,455
	59,548,359	12.1%	53,114,455
	8,434,313	30.1%	6,483,450
	20,716,692	3.9%	19,932,605
	21,296,793	6.1%	20,065,326
	9,100,562	37.2%	6,633,073
	1,029,138	-60.0%	2,572,851
	37,726	-94.6%	698,426
	8,840		
	972,572	-48.1%	1,874,425
	10,000	#DIV/0!	0
	<u>60,948,097</u>	8.7%	<u>56,057,906</u>

4.1 Capital

CAPITAL

Fixed Property -Revaluation

Retained income

	<u>2024</u>	<u>2023</u>
	370,600	370,600
	9,129,111	8,911,572
	<u>9,499,711</u>	<u>9,282,172</u>

4.2 Funds and Reserves 2023

Northeastern Evangelical Lutheran Church in South Africa

FUNDS AND RESERVES FOR THE YEAR ENDED December 2023

	OPENING BALANCES	Offerings and DONATIONS	Other RECEIPTS and Provisions	INTEREST and INTERNAL ALLOCATIONS	PAYMENTS/ TRANSFERS	FROM/TO INCOME STATEMENT	CLOSING BALANCE
TRANSIENT							
Senior Residence Offerings	4 536	47 101	0	0	(34 318)	0	17 319
Church Youth Work	664 826	193 437	67 607	20 719	(131 641)	0	814 948
Youth Work - General	3 600				(3 600)	0	0
Youth Work - Northern Circuit	48 075	47 962			(1 400)	0	94 637
Youth Work - Central Circuit	80 510	33 962			(1 000)	0	113 472
Youth Work - K.Z.N.	169 498	111 513		8 575	(36 000)	0	253 587
Youth Work - K.Z.N. Hub	363 143	0	67 607	12 143	(89 641)	0	353 253
Church Music	500 307	88 065	0	18 925	(47 655)	0	559 642
Choir Association	48 933		10 200		(41 001)		18 132
Brass Band Association	498 489		211 694	18 063	(119 822)		608 425
Ministry and Discipleship [MAD]	2 743 534	667 953	0	100 089	(551 813)	0	2 959 762
Theological Education	302 028	216 683		8 879	(265 037)	500 000	762 551
HMB Foundation	5 935	37 798		0	(23 241)	0	20 492
Diaconal Fund	326 136	0	0	11 415	0	0	337 551
Seafarers' Account	378 266		1 525 321	36 624	(1 578 861)		361 350
Refugee Fund	23 276		0		0		23 276
	<u>5 496 268</u>	<u>1 251 036</u>	<u>1 814 822</u>	<u>214 713</u>	<u>(2 793 388)</u>	<u>500 000</u>	<u>6 483 450</u>
FUND SPECIFIC RESERVE							
Building Reserve Church Office	400 179		0		(72 316)		327 863
Building Reserve -Northern Parish	426 704		0	14 825	(3 140)		438 388
Hermannsburg School Pastor Fund	4 393 769		0	933 799	(336 000)		4 991 569
Development Fund	8 491 125	0	3 610 000	413 566	(284 953)		12 229 738
NELCSA Events Support Fund	0					250 000	250 000
Motor Vehicle Reserve	712 291		215 000	24 910	(300 000)	84 432	736 634
Kailager	35 771		65 860	(109)	(132 417)	200 000	169 105
Haus Kandaze/Kailager	472 761			16 547	0	300 000	789 308
	<u>14 932 601</u>	<u>0</u>	<u>3 890 860</u>	<u>1 403 538</u>	<u>(1 128 826)</u>	<u>834 432</u>	<u>19 932 605</u>
LONGTERM PROVISION AND LIABILITES							
Medical Provision-Pensioners	5 593 898		0	1 245 819	(1 005 546)		5 834 170
Medical Provision-Pastors in Service	11 509 986			2 721 170	0	0	14 231 156
	<u>17 103 883</u>	<u>0</u>	<u>0</u>	<u>3 966 989</u>	<u>(1 005 546)</u>	<u>0</u>	<u>20 065 326</u>
TOTAL DEDICATED RESERVES	<u>37 532 752</u>	<u>1 251 036</u>	<u>5 705 682</u>	<u>5 585 239</u>	<u>(4 927 760)</u>	<u>1 334 432</u>	<u>46 481 382</u>
Retained Earnings	<u>5 615 079</u>			<u>0</u>		<u>2 046 494</u>	<u>7 661 572</u>
TOTAL RESERVES	<u>43 147 831</u>	<u>1 251 036</u>	<u>5 705 682</u>	<u>5 585 239</u>	<u>(4 927 760)</u>	<u>3 380 926</u>	<u>54 142 954</u>

4.3 Funds and Reserves 2024

FUNDS AND RESERVES FOR THE YEAR ENDED December 2024

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 Residence Offerings	17,319	36,186	0	0	(53,505)	0	(0)
Church Youth Work	814,948	164,263	36,774	35,025	(315,489)	0	735,522
Youth Work - Northern Circuit	94,637			0	(94,637)	0	0
Youth Work - Central Circuit	113,472	31,255		5,236	(40,000)	0	109,963
Youth Work - K.Z.N.	253,587	129,554		16,157	(60,000)		339,298
Youth Work - K.Z.N. Hub	353,253	3,455	36,774	13,631	(120,852)	0	286,261
Circuit Funds	0	0	1,564,805	69,097	(182,856)	0	1,451,045
Northern Circuit			693,144	31,937	(54,405)		670,675
Central Circuit			298,577	12,687	(44,830)		266,435
Eastern Circuit			293,237	14,450	(4,244)		303,442
Southern Circuit			279,847	10,023	(79,377)		210,493
Church Music	559,642	51,737	0	28,046	(50,466)	0	588,959
Choir Association	18,132		2,800	1,612	11,306		33,851
Brass Band Association	608,425		84,435	24,064	(211,572)		505,353
Ministry and Discipleship [M&D]	2,959,762	517,540	23,276	158,430	(331,987)	0	3,327,021
Theological Education	762,551	389,918	250,000	30,317	(796,126)	500,000	1,136,661
HMB Foundation	20,492	41,086		0	(58,703)	0	2,875
Diaconal Fund	337,551	0	0	16,878	0	0	354,429
Seafarers' Account	361,350		1,775,719	39,510	(1,877,981)		298,598
Refugee Fund	23,276		(52,546)		29,269		0
	<u>6,483,450</u>	<u>1,200,731</u>	<u>3,685,263</u>	<u>402,979</u>	<u>(3,838,109)</u>	<u>500,000</u>	<u>8,434,313</u>

FUND SPECIFIC RESERVE

Building Reserve Church Office	327,863		34,717		(114,733)		247,846
Northern Parish	438,388		0	21,757	(3,243)		456,903
Hermannsburg School Pastor Fund	4,991,569		0	529,892	(363,900)		5,157,561
Development Fund	12,229,738	0	90,183	615,839	(3,133)		12,932,629
NELCSA Events Support Fund	250,000			12,500			262,500
Motor Vehicle Reserve	736,634		0	40,582	0	75,000	852,215
Kailager	169,105		373,700	5,789	(360,330)		188,264
Haus Kandaze/Kailager	789,308		0	29,465	(200,000)		618,773
	<u>19,932,605</u>	<u>0</u>	<u>498,600</u>	<u>1,255,825</u>	<u>(1,045,339)</u>	<u>75,000</u>	<u>20,716,692</u>

LONGTERM PROVISION AND LIABILITES

Medical Provision-Pensioners	5,834,170		0	1,094,300	(1,112,696)		5,815,774
Medical Provision-Pastors in Service	14,231,156			1,249,863	0	0	15,481,019
	<u>20,065,326</u>	<u>0</u>	<u>0</u>	<u>2,344,163</u>	<u>(1,112,696)</u>	<u>0</u>	<u>21,296,793</u>

TOTAL DEDICATED RESERVES

Retained Earnings	<u>7,661,572</u>			<u>0</u>		<u>1,467,539</u>	<u>9,129,111</u>
TOTAL RESERVES	<u>54,142,954</u>	<u>1,200,731</u>	<u>4,183,863</u>	<u>4,002,967</u>	<u>(5,996,144)</u>	<u>2,042,539</u>	<u>59,576,909</u>

4.4 NELCSA Post-Retirement Medical Liability

Table 10: NELCSA Post-Retirement Medical Liability

Post-Retirement Medical Liability	2022	2023	2024	Actual up to 2024
Opening Balance	20,705,487	17,103,884	20,065,229	0
Contributions	0	0	0	12,965,767
Excess contribution	0	0	0	5,058,051
Interest /Yield	(2,682,013)	3,966,989	2,344,163	10,234,327
Payments	(919,590)	(1,005,644)	(1,112,696)	(6,961,450)
Balance of Provision	<u>17,103,884</u>	<u>20,065,229</u>	<u>21,296,696</u>	<u>21,296,695</u>
Liability Calculation	<u>17,410,739</u>	<u>16,009,355</u>	<u>15,581,781</u>	<u>15,581,781</u>
(Shortage) /Surplus [Total]	<u>(306,855)</u>	<u>4,055,874</u>	<u>5,714,914</u>	<u>5,714,914</u>

The negative yield in **2022** left the fund with a temporary deficit of R (306 855) at the end of 2022.

The positive yields for **2023** [R3.96 million] and for **2024** [R2.34 million] boosted the fund to a calculated surplus of R5.7 million at the end of 2024.

4.5 Account Payables and Provisions

Table 11: Accounts Payables and Provisions

<u>ACCOUNTS PAYABLE</u>	<u>2024</u>	<u>2023</u>
Medical Aid	<u>0</u>	<u>800</u>
Total Clearing Accounts	0	800
Provision for Transfers	947,814	1,169,232
Provision for Synod	67,416	0
RMM Funds	0	(28,182)
Equip Account	14,990	30,190
Funds Received in Advance	0	211,729
Suspense	<u>(29,632)</u>	<u>160,583</u>
	<u>1,000,588</u>	<u>1,544,352</u>

At the end of December **2024** an amount of R947,814 is provided for **Pastors' Transfers** as not many transfers took place in the years 2023 and 2024. Some transfers are expected in **2025**.

The **Suspense** account is money to be recovered from UELCSA for storage cost of their space in the archive storage container.

4.6 Immovable Property

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
Northeastern Evangelical Lutheran Church in South Africa
FOR THE YEAR ENDING 31 December 2024
IMMOVABLE PROPERTY

	<u>2024</u>	<u>2023</u>
<u>Farm Tullochgorum</u>	370,600	370,600
Being Sub 2(of 1) of the Farm Tullochgorum No. 11312, situated in the Southern Natal; Joint Services Board Area, Administrative District of KwaZulu - Natal in extent 2,1774ha - bequeathed by Estate Late A.M.H. Kaiser - Deed of Transfer 23413.94		
At Valuation for Estate Duty Purposes	200,000	200,000
Kailager - Cost of Development	170,600	170,600
	<u>370,600</u>	<u>370,600</u>

This Property is known as “Kailager” and is located near Port Edward on the South Coast.

Table 12 Kailager Historic Financial Overview

Kailager Historic Financial reports	2020	2021	2022	2023	2024	2025	Total 6 Years	Total 6 Years Excl donations
Total Expenses	177,003	278,718	270,460	132,417	360,330	28,668	1,247,596	1,247,596
Repairs and Maintenance	107,796	170,690	164,078	34,538	254,339	0	731,440	731,440
Running Cost	69,207	108,028	106,382	97,879	105,991	28,668	516,156	516,156
Total Receipts	348,904	200,226	185,750	265,751	379,489	6,720	1,386,841	338,019
Camp Fee Revenue	19,780	6,800	101,555	63,360	143,140	3,384	338,019	338,019
Donations and other Support	325,700	190,075	82,000	202,500	230,560	0	1,030,835	
Interest	3,424	3,351	2,195	(109)	5,789	3,336	17,986	
Net for the Year	171,901	(78,492)	(84,710)	133,334	19,159	(21,948)	139,244	(909,577)
Opening Balance	27,072	198,973	120,481	35,771	169,105	188,264	27,072	
Closing Balance	198,973	120,481	35,771	169,105	188,264	166,316	166,316	(909,577)

The utilization of this facility has declined over the years and is not self-sustaining as can be seen in the financial overview above.

In the last 6 years the various donations and support from various sources have allowed this facility to survive. The net shortage, excluding the donation would have been R909 577.

Various challenges in a changing environment [safety, security, ageing of facility etc] is putting strain on the NELCSA maintaining it.

A longer term or permanent solution must be found.

4.7 Investments

Table 13: Investments

INVESTMENTS General Funds	Months 12 2024			Months 12 2023		
	Book Value	Market Value	Fair Value Adjustment	Book Value	Market Value	Fair Value Adjustment
SATRIX Bond Index Fund	4,000,000	4,178,409	178,409	0	0	0
PSG Wealth Income FoF [D]	2,500,000	3,055,771	555,771	4,500,000	4,692,413	192,413
PSG Wealth Global Creator Feeder Fund	7,395,355	9,233,869	1,838,514	3,395,355	4,441,679	1,046,324
PSG Moderate FoF	7,025,370	9,046,392	2,021,022	3,025,370	4,449,823	1,424,453
Closing Balance	20,920,725	25,514,441	4,593,716	10,920,725	13,583,914	2,663,190
Income Statement	Total	Realised	Fair Value Adjustment	Total	Realised	Fair Value Adjustment
Fair Value Adjustment	2,124,980		2,124,980	2,100,636		2,100,636
Management Cost	(194,453)	(194,453)		(99,938)	(99,938)	
	1,930,527	(194,453)	2,124,980	2,000,699	(99,938)	2,100,636
Absolute Return	14.21%	-1.43%	15.64%	23.53%	-1.18%	24.70%
Annualised Return	14.21%	-1.43%	15.64%	23.53%	-1.18%	24.70%

INVESTMENTS Medical Funds	2024			2023		
	Book Value	Market Value	Fair Value Adjustment	Book Value	Market Value	Fair Value Adjustment
PSG Wealth Income FoF (D)	285,793	540,660	254,867	313,801	496,614	182,812
PSG Wealth Global Flex FeedFundD	2,014,398	2,441,425	427,028	2,014,398	2,248,714	234,316
SATRIX Bond Index Fund	2,000,000	2,089,266	89,266	0	0	0
PSG Wealth Global Creator Feeder Fund	4,774,241	11,239,495	6,465,254	6,866,955	11,880,390	5,013,436
PSG Moderate FoF	2,041,583	4,985,848	2,944,265	3,117,983	5,523,936	2,405,953
Closing Balance	11,116,015	21,296,696	10,180,680	12,313,137	20,149,655	7,836,517
Income Statement	Total	Realised	Fair Value Adjustment	Total	Realised	Fair Value Adjustment
Fair Value Adjustment	2,532,936		2,532,936	4,146,998		4,146,998
Management Cost	(188,773)	(188,773)		(180,009)	(180,009)	
	2,344,163	(188,773)	2,532,936	3,966,989	(180,009)	4,146,998
Absolute Return	11.63%	-0.94%	12.23%	19.16%	-0.87%	20.03%
Annualised Return	11.32%	-0.91%	12.23%	19.16%	-0.87%	20.03%

Hermannsburg School Pastor Fund	2024			2023		
	Book Value	Market Value	Fair Value Adjustment	Book Value	Market Value	Fair Value Adjustment
Investment PSG Wealth	3,043,184	5,158,425	2,115,241			
Investment PSG Wealth	3,043,184	5,158,425	2,115,241	3,407,084	4,992,433	1,585,349
Income Statement	Total	Realised	Fair Value Adjustment	Total	Realised	Fair Value Adjustment
Pay-out received	363,900	363,900		336,000	336,000	
Fair Value Adjustment	211,732		211,732	645,736		645,736
Management Cost	(45,739)	(45,739)		(47,936)	(47,936)	
	529,892	318,161	211,732	933,799	288,064	645,736
Absolute Return	10.91%	5.98%	3.98%	19.17%	5.40%	12.10%
Annualised Return	10.91%	5.98%	3.98%	19.17%	5.40%	12.10%
Annualised Management Cost %		-0.83%			-0.87%	

Standard Bank Investec Money Market	2024			2023		
	Book Value	Market Value	Fair Value Adjustment	Book Value	Market Value	Fair Value Adjustment
Standard Bank Call Account	7,578,798	7,578,798	0	557,129	557,129	0
Interest Received	521,175	521,175	0	272,050	272,050	0
Annualised Return	6.88%	6.88%	0.00%	106.79%	106.79%	0.00%
Investec Money Market	0	0	0	13,831,325	13,831,325	0
Interest Received	278,812	278,812	0.00%	1,074,149	1,074,149	0.00%
Annualised Return	9.29%	9.29%		9.48%	9.48%	

4.8 Arrears Contributions

Table 14: Arrears Contributions

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>ACCOUNTS RECEIVABLE</u>						
EAS001 – East Rand (ELCER)	0	261,721	285,320	312,657	343,788	304,846
JCP001 - Johannesburg Church of Peace	57,661	(5)	0	(4)		(1)
KEL001 - Kelvin	25,335	1,108	1,105	1,111	(13,888)	1,113
KEM001 - Kempton Park	0	226,433	531,254	395,082	122,785	(3,485)
MID001 - Midrand	(1,327)	(1,324)	(7)	(1)		0
NOR001 - North Rand	0	5,234	0	(300)	(10,000)	0
SBL001 - St Peters by the Lake	0	(436)	(4,305)	163,769	264,039	414,913
VBP001 - Vanderbijlpark	(3,828)	(1,931)	(332)	(698)	(34,840)	(852)
WES001 - West Rand	0	0	547,713	1,090,513	1,437,644	1,466,644
WES002 - West Rand	(23,676)	903	0	2,616	(9,595)	7,224
Central Circuit	54,165	491,704	1,360,747	1,964,744	2,099,933	2,190,403
AUG001 - Augsburg	0	(248)	0	0	7,296	0
BRA001 - Braunschweig	(2,702)	0	0	0	(0)	(120)
PIE001 - Piet Retief	0	(16,121)	(54,411)	0	(169)	(5)
VER001 - Verden/Dundee	0	5,234	0	1,000	0	0
VRY001 - Vryheid	0	0	0	0	0	0
Eastern Circuit	(2,702)	(11,135)	(54,411)	1,000	7,127	(125)
DKP001 - Duiwelskloof/Polokwane	0	0	0	0		
GER001 - Gerdau/Potchefstroom	(6,951)	(625)	0	0	(21,700)	52,175
JOH001 - Pretoria - Johannesgemeinde	0	1	0	0		0
KRO001 - Kroondal	0	0	(1,715)	(12)	24	(8)
NEL001 - Nelspruit	0	3,925	0	5,231	0	790
SPP001 - St Peters Pretoria	0	236,654	84,328	67,047	53,614	0
Northern Circuit	(6,951)	239,955	82,613	72,266	31,938	52,957
BET001 - Bethany	0	(3,127)	(18,256)	(24,522)		(46,000)
DOL001 - Dolphin Coast (LCDC)			0	(23,525)	(22)	(999)
HER001 - Hermannsburg	0	0	0	0		(5,117)
ULC001 - United Evangelical Lutheran Congregation			0	0		0
HIL001 - Hillcrest	0	0	0	(130)	(130)	(65)
NEW001 - New Germany	0	(9,730)	0	(6,384)	(2,477)	(2,649)
PMB001 - Pietermaritzburg	0	(4,000)	0	0		0
SHH001 - Hermannsburg School Pastor	(460)	(4,299)	(14,922)	(4,932)	(2,003)	(5,074)
TRI001 - Trinity Zululand	(6,326)	1	1	0	191,575	116,868
WIN001 - Winterton	0	0	0	0	1,503	3,383
Southern Circuit	(6,786)	(21,156)	(33,178)	(59,493)	188,446	60,347
LUC001 - LUCSA			0	(20,000)	0	0
Roodekrans Trust			0	0	25,846	16,963
KLE001 - Rev Emmanuel Kleinbooi			0	0	3,000	0
Non-Congregations	0	0	0	(20,000)	28,846	16,963
YBE001 - Bethany Youth Pastor	0	0	0	2,961		0
YDO001 - Dolphin Coast Youth Pastor	0	0	0	(4,966)	(0)	0
YHB001 - Hermannsburg Youth Pastor	0	0	(1,529)	(5,332)	(5,718)	0
YHC001 - Hillcrest Youth Pastor	0	0	0	(30)	(0)	1
YNG001 - New Germany Youth Pastor	0	(0)	0	(0)	(9)	(1)
YPA001 - Augsburg Youth Pastor	0	(6,320)	(12,295)	0		0
YPB001 - Braunschweig Youth Pastor	0	0	(3,200)	0		(4,149)
YPM001 - PMB/Bishopstowe Youth Pastor	0	0	(0)	0		0
YPR001 - Piet Retief Youth Pastor	0	0	(2)	(0)	(383)	(3,903)
YPT001 - Trinity Zululand Youth Pastor	0	(0)	(0)	0		0
YPV001 - Vryheid Youth Pastor	0	0	0	0		0
YUL001 - United Evangelical Luth Congr-Youth Past	0	0	0	0		0
YVD001 - Verden/Dundee Youth Pastor	0	5,378	7,607	0		0
YWI001 - Winterton Youth Pastor	0	(0)	0	0	1,107	1,068
KZN Youth	0	(943)	(9,420)	(7,368)	(5,004)	(6,984)
Total Receivables	37,726	698,426	1,346,351	1,951,150	2,351,286	2,313,561

The table above details the arrears of contributions from the various congregations over the past 6 years. The outstanding contributions have been reduced by R1.3 million in the past 2 years.

- New arrangement with West Rand Lutheran Community Church (WRLCC). What a great success story. WRLCC stuck by their commitment and reduced the debt from R1.7 million in 2019 to R ZERO January 2023. Thanks to all who contributed to this achievement.
- Kempton Park congregation went through a tough financial time but was able to pay off total debt in 2024.
- East Rand (ELCER) sold its property in Heidelberg and was able to pay of their debt.
- St Peters Pretoria sold their second manse and was able to settle a long outstanding debt with NELCSA in December 2024.

I would like to thank all congregations who do pay on time.

5. Project and Fund Income Statement

Fund Income Statement	<u>2024</u>	<u>2023</u>
Offerings and donations	1,200,731	1,251,036
Church Music	51,737	88,065
Church Mission	517,540	667,953
Church Youth	164,263	193,437
Church Seniors/Old Age Homes	36,186	47,101
Theological Education	389,918	216,683
HMB Foundation	41,086	37,798
Other Fund Receipts	4,713,132	6,955,682
Church Music	0	0
Choir Association	2,800	10,200
Brass Band Association	84,435	211,694
Theological Education	750,000	500,000
NELCSA Events Support Fund		250,000
Church Youth	36,774	67,607
Northern Circuit	693,144	
Central Circuit	298,577	
Eastern Circuit	293,237	
Southern Circuit	279,847	
Haus Kandaze/Kailager	0	300,000
Building Reserve Dolphin Coast	90,183	3,610,000
Building Reserve Church Office	34,717	0
Seafarer's	1,775,719	1,525,321
Kailager	373,700	265,860
Vehicle Fund Sold Vehicle	0	215,000
Total fund income	5,913,863	8,206,718
Project Expenditure	6,025,414	4,927,760
Church Music	50,466	47,655
Choir Association	(11,306)	41,001
Brass Band Association	211,572	119,822
Ministry and Discipleship [M&D]	331,987	551,813
Church Youth	315,489	131,641
Northern Circuit	54,405	
Central Circuit	44,830	
Eastern Circuit	4,244	
Southern Circuit	79,377	
Church Seniors/Old Age Homes	53,505	34,318
Theological Education	796,126	265,037
HMB Foundation	58,703	23,241
Church Office write-down	114,733	72,316
Haus Kandaze	200,000	0
Building Reserve Dolphin Coast	3,133	284,953
Seafarer's	1,877,981	1,578,861
Building Reserve -Northern Parish	3,243	3,140
Hermannsburg School Pastor Fund	363,900	336,000
NELCSA Medical Provision	1,112,696	1,005,546
Kailager	360,330	132,417
Vehicle Reserve Fund	0	300,000
Nett Income and Expenditure in Funds and Projects	(111,551)	3,278,958
Transfer to/(from) Income Statement	1,542,539	2,130,926
Interest allocation	4,002,967	5,585,239
Net movement in Funds and Projects	5,433,955	10,995,124
Opening Balance of Funds and Projects	54,142,954	43,147,831
Closing Balance of Funds and Projects	59,576,909	54,142,954

5.1 Notes to specific Projects and Funds

- **The Hermannsburg School Pastor Fund**

This fund was established from the sale of the Endeavour Farm to the Deutsche Schule Hermannsburg (DSH Trust). A portion of 50% from the sale was allocated to the Hermannsburg School Pastor Fund and is used to fund the half pastors' post at the Hermannsburg School.

- **German Seafarers' Mission (GSM)**

An arrangement was made between GSM and NELCSA regarding the post of Chaplain at GSM Durban. Pastor Ron Küsel was appointed as full-time chaplain at GSM Durban. The cost is funded by DSM and funds are transferred early in the year to NELCSA. The NELCSA office administers the financial record keeping and payments and receives a monthly administration fee for this.

- **Kailager**

Accounting and banking functions are managed at NELCSA office. Camp site bookings and management are managed by the Kailager committee, chaired by Pastor Martin Büttner with Heinz Engelbrecht managing the practical matters on site.

- **Financial Administration of the Circuit Funds**

Banking and basic accounting functions were moved to the NELCSA office.

- **Prescribed Offerings**

As demonstrated in Table 13 below, the funds allocated as prescribed offerings show a steady increase since the decrease in 2020 due to the Covid Pandemic.

Table 15: Prescribed Offerings

Fund Income Statement	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Offerings and donations	713,907	903,304	958,047	1,251,036	1,200,731
Church Music	20,686	2,021	104,965	88,065	51,737
Ministry & Discipleship	349,191	518,091	445,364	667,953	517,540
Youth	148,161	37,985	175,065	193,437	164,263
Theological Education	146,869	235,821	190,805	216,683	389,918
Other Offerings	664,907	793,918	916,199	1,166,138	1,123,459
Seniors Homes	17,578	92,423	19,165	47,101	36,186
Deutsche Schule Hermannsburg	31,422	16,963	22,683	37,798	41,086

- On pages 14 and 15 the Funds and Reserves for 2023 and 2024, the Income and Expenditure and resultant balances of the various Funds and Reserves are shown in detail.

6. Cashflow

Northeastern Evangelical Lutheran Church in South Africa

STATEMENT OF CASH FLOW

FOR THE YEAR ENDING

31 December 2024

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	<u>2024</u>		<u>2023</u>
Contributions	13,919,919	-1%	14,062,750
Pastors in Service	12,290,269	-2%	12,498,729
Church Running Cost	895,031	2%	874,530
Bequests from Estates	33,693		
Interest on arrears Receivables	34,226	16%	29,566
Rental received	6,000	100%	12,000
Movement in Account Receivable nett of Bad debts Written off	660,700	2%	647,925
Self-Assessment Receipts	1,017,096	11%	918,654
Total Received from Congregations	14,937,014	0%	14,981,404
Grants Received	1,582,257	0%	1,576,183
Investment income per Income Statement	5,604,569	-32%	8,247,686
Sundry Income	33,968	29%	26,400
Total Receipts	22,157,809	-11%	24,831,674
Total Household Expenditure	15,535,443	2%	15,302,016
Pastors in Service	12,343,938	1%	12,239,588
Bishop Costs	1,127,095	3%	1,093,034
Office Staff	828,917	5%	791,849
Travelling and Accommodation	354,101	-23%	457,359
Office Costs	217,349	-10%	240,335
Co-Worker Training	49,186	100%	12,554
Membership Fees	287,333	72%	166,652
Circuits	318,684	6%	300,645
Luther Rose Stock Balance	8,840		
New Church Office			
Non-Cash flow items			
Movement in Accounts Payable	543,764	-335%	(231,484)
Transfer from Income Statement to Funds	500,000		1,250,000
Transfer to Vehicle Reserve	(75,000)		(84,432)
Total Expenses paid	16,504,207	-19647%	16,236,099
Nett Operating cash flow	5,653,602		8,595,574
Fund and Project Receipts	5,913,863	-31%	8,206,718
Fund and Project Expenses	(6,025,414)	-173%	(4,927,760)
Total Movement in Financial Funds for the year	5,542,051		11,874,532
Funds available at beginning of year	54,988,880	363%	43,114,348
Bank and Cash	1,874,425		1,082,959
Financial Investments	53,114,455		42,031,389
Funds available at end of year	60,530,931	44%	54,988,880
Funds available at end of year	60,530,931		54,988,880
Bank and Cash	982,572		1,874,425
Financial Investments	59,548,359		53,114,455