



Financial Forecasting

WHANGAREI ANGLICAN CHURCH

A FORECAST OF POSSIBLE FINANCIAL POSITION TO 2021

Agenda



- ▶ The 'Historic' Trend
- ▶ The 'Present' Trend
- ▶ Risks Factors
- ▶ Vision 2020
- ▶ Forecast of Results
- ▶ Asset Distribution Forecast
- ▶ Where to From Here
- ▶ Open Forum

Historic Trend

Averaged from past 5 years of financial information and averaged for p.a over 5 years.

Pledged Giving:	-8%
Cash Offerings:	-2%
Donations:	5.4%
Fundraising:	9.7%
Building Hire:	-8%
Net Profit from Shop:	-6.5%

62% profit decrease over 5 years (Average 12.4% decrease p.a)

Present Trend

Averaged from past 3 years of financial information and averaged for p.a over 5 years.

Pledged Giving:	8%
Cash Offerings:	2%
Donations:	10%
Fundraising:	9.7%
Building Hire:	-8%
Net Profit from Shop:	-6.5%

2.7% profit increase over 5 years (Average 0.05% increase p.a)

Optimistic Trend

Mixture of 'Present Trend' plus realistic results of increased ministry and mission as part of Vision 2020 project.

	2017	2018	2019	2020	2021	2022
Pledged	75,000	81,000	93,150	105,259	116,838	126,690
Cash	15,000	15,750	17,010	18,370	19,289	20,253
Donations	6,000	6,600	7,260	8,349	9,601	11,041
Fundraising	6,000	6,582	8,556	9,840	10,824	12,447
Building Hire	13,000	11,960	14,950	17,940	16,734	18,072
Shop Profit	18,000	19,170	20,416	21,743	23,156	24,661.56
Diocesan Grant	30,000	30,000	30,000	30,000	0	0

Risk Factors



There are several significant risk factors in the financial future of the parish.

- ▶ **Heavy reliance on few large donors**
- ▶ **Conservatism is as risky as being adventurous**
- ▶ **Will require a community effort to turn around**

Risk Factors



Heavy reliance on few large donors

- ▶ Presently, 3 donors give 21% of our overall pledged giving.
- ▶ With an aging congregation and trend, we will likely lose an average of 2.5% from pledged giving p.a.
- ▶ The average age of a person on our Parish roll is 74 years old.
- ▶ Unless you feel you are able to give more, then we cannot expect others too – we are nearing capacity for financial support from our present congregation.

Risk Factors



Conservatism as dangerous as being adventurous

- ▶ There is no way to maintain this parish with a stipended priest unless significant growth occurs.
- ▶ The financial cost of Peter and Alan has not primarily been borne by this community – there is a possible false sense of security in achievement, leadership, finance and outlook.
- ▶ The only way to return this community to financial security is to build new community and grow community.

Risk Factors



Will require a community effort to turn around

- ▶ Ministry in a growing church community cannot be done by paid people alone. They can lead, but others must engage in the work of ministry.
- ▶ Future ministry and mission will have to involve evangelism, and cannot be community support alone.
- ▶ The energy level and social circle needed to achieve this challenge is bigger than our present capacity.

Vision 2020



Trying to address these risks and rebuild

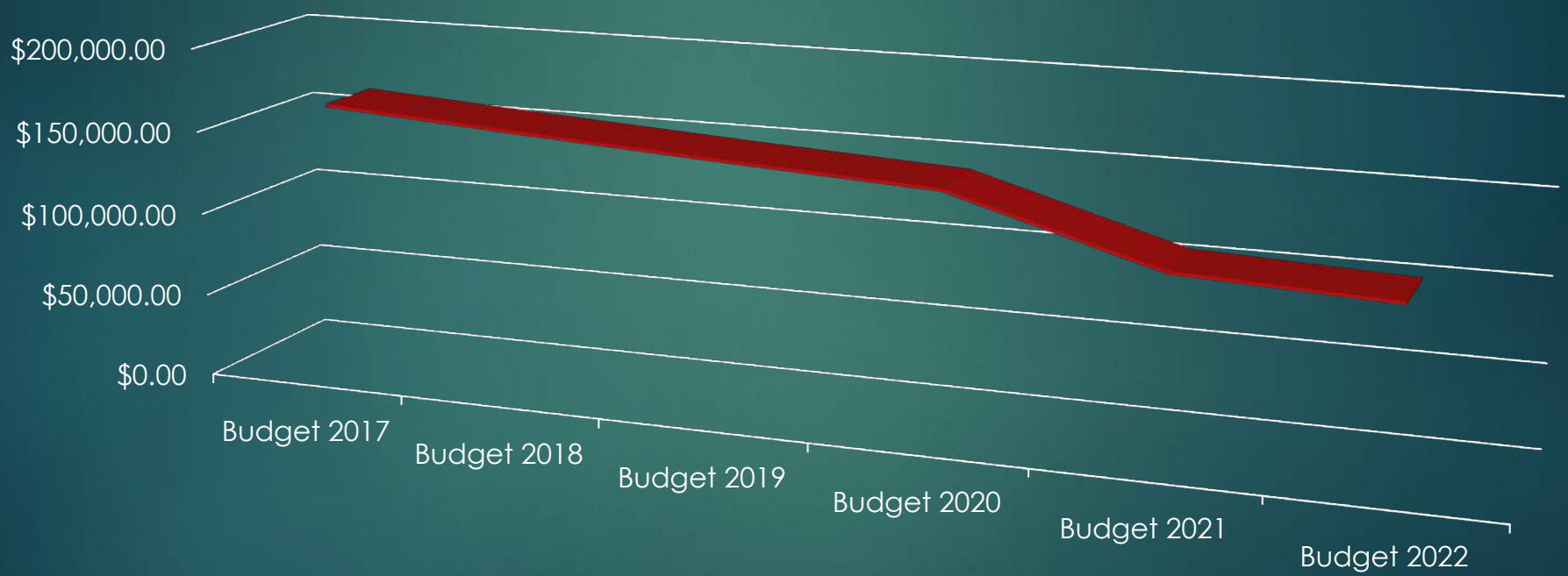
- ▶ Employment of two full time ministry and mission leaders, one pastorally oriented and one outreach oriented.
- ▶ Use of capital reserves to fund the additional salary expenses.
- ▶ Redevelopment of Christ Church as a flexible worship space and community oriented building, opening additional revenue source in form of venue hire.
- ▶ Three year window in which to actively develop new and enhance existing ministries and mission.
- ▶ Building of new communities to broaden demographic and bring the parish back to a stronger position.

The forecasting in this presentation assumes Vision 2020 is enacted and two salaried positions engaged.

Income Projection



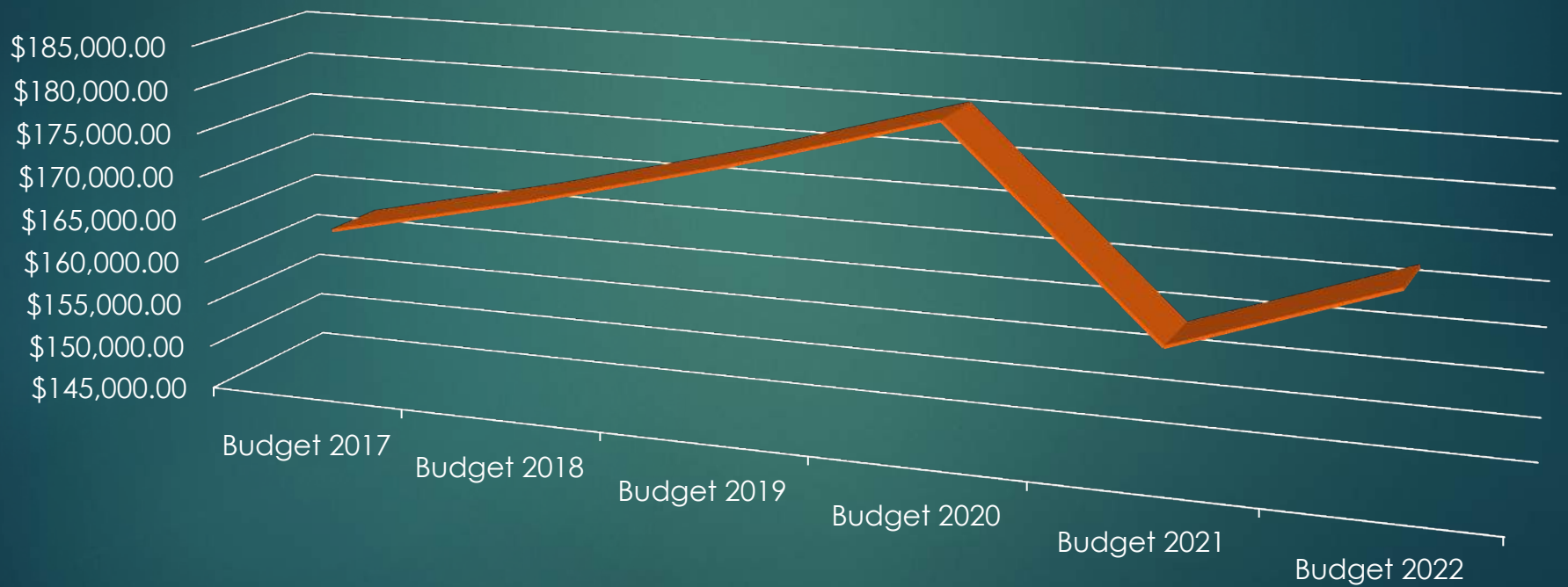
Historic Income Projection - 2017 to 2022



Income Projection



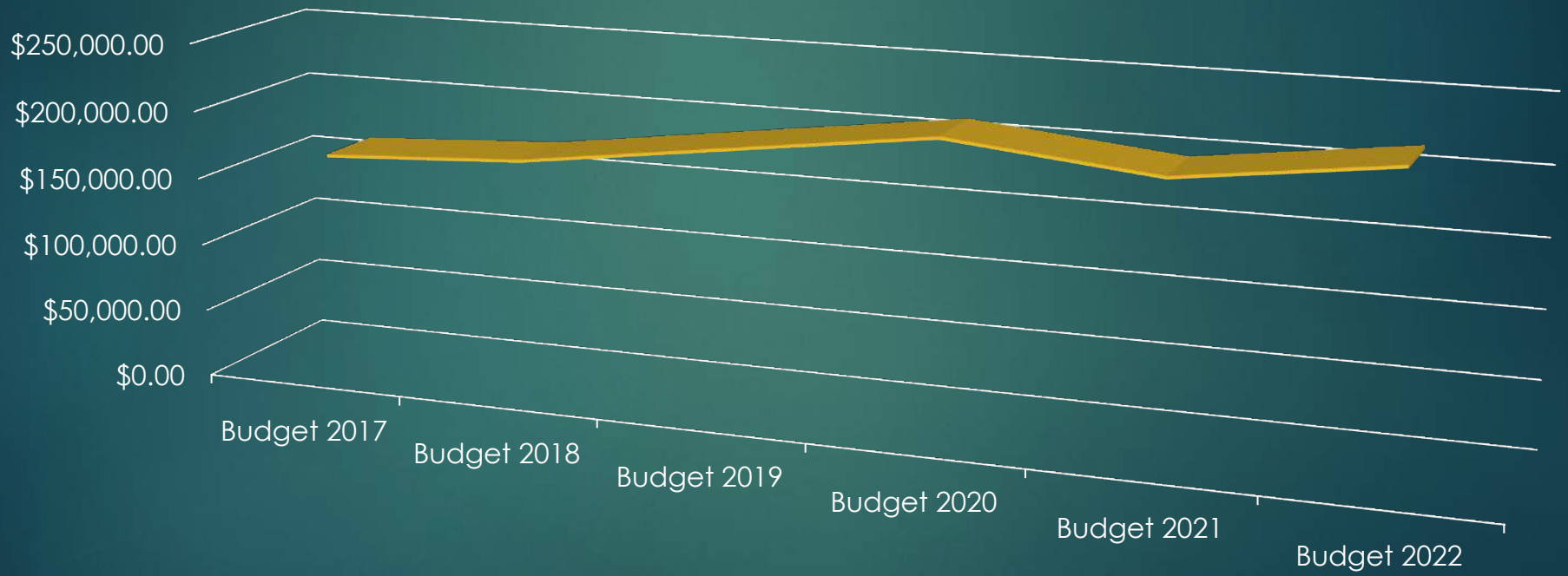
Trended Income Forecast - 2017 to 2022



Income Projection

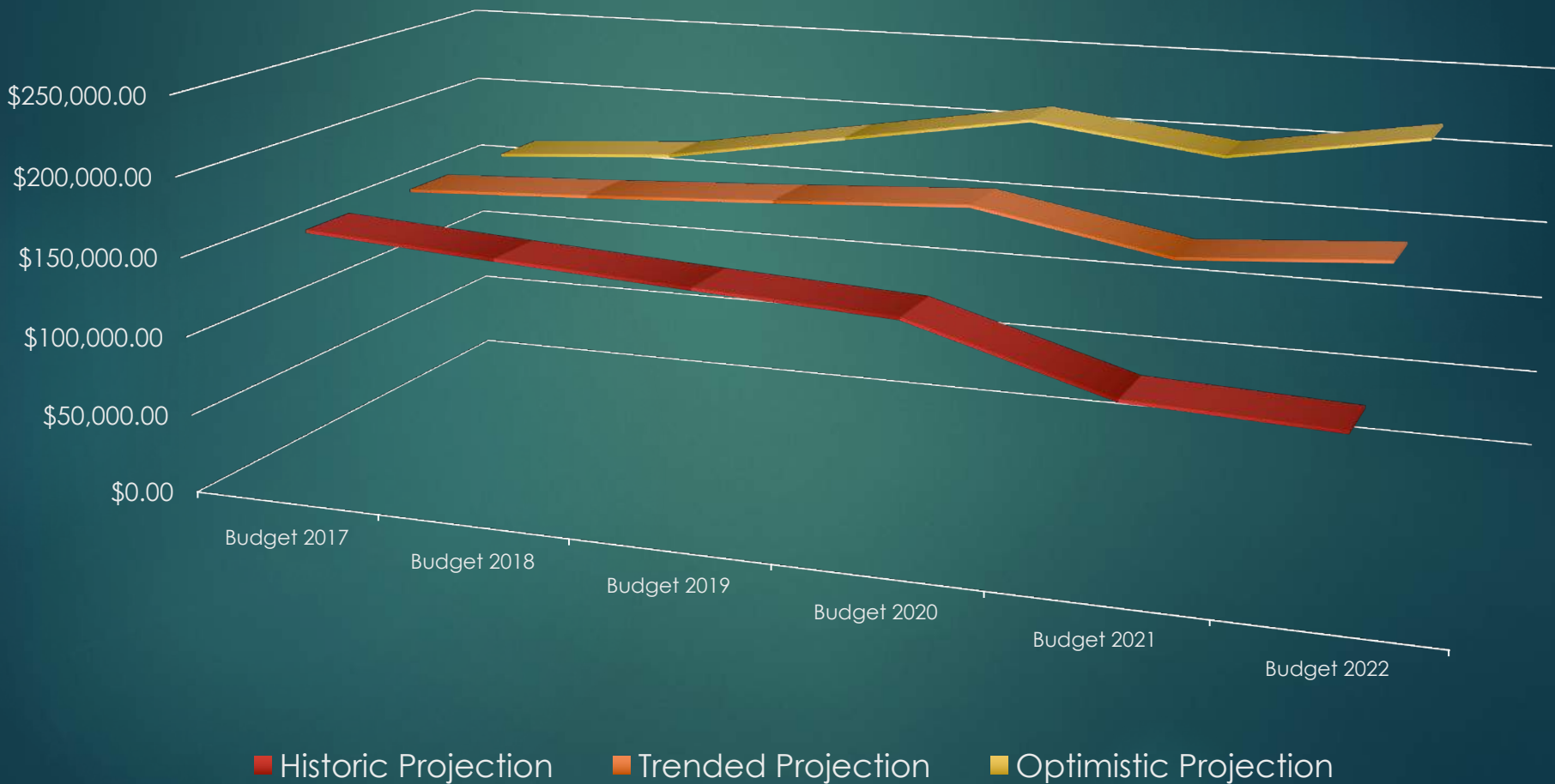


Optimistic Income Projection - 2017 to 2022



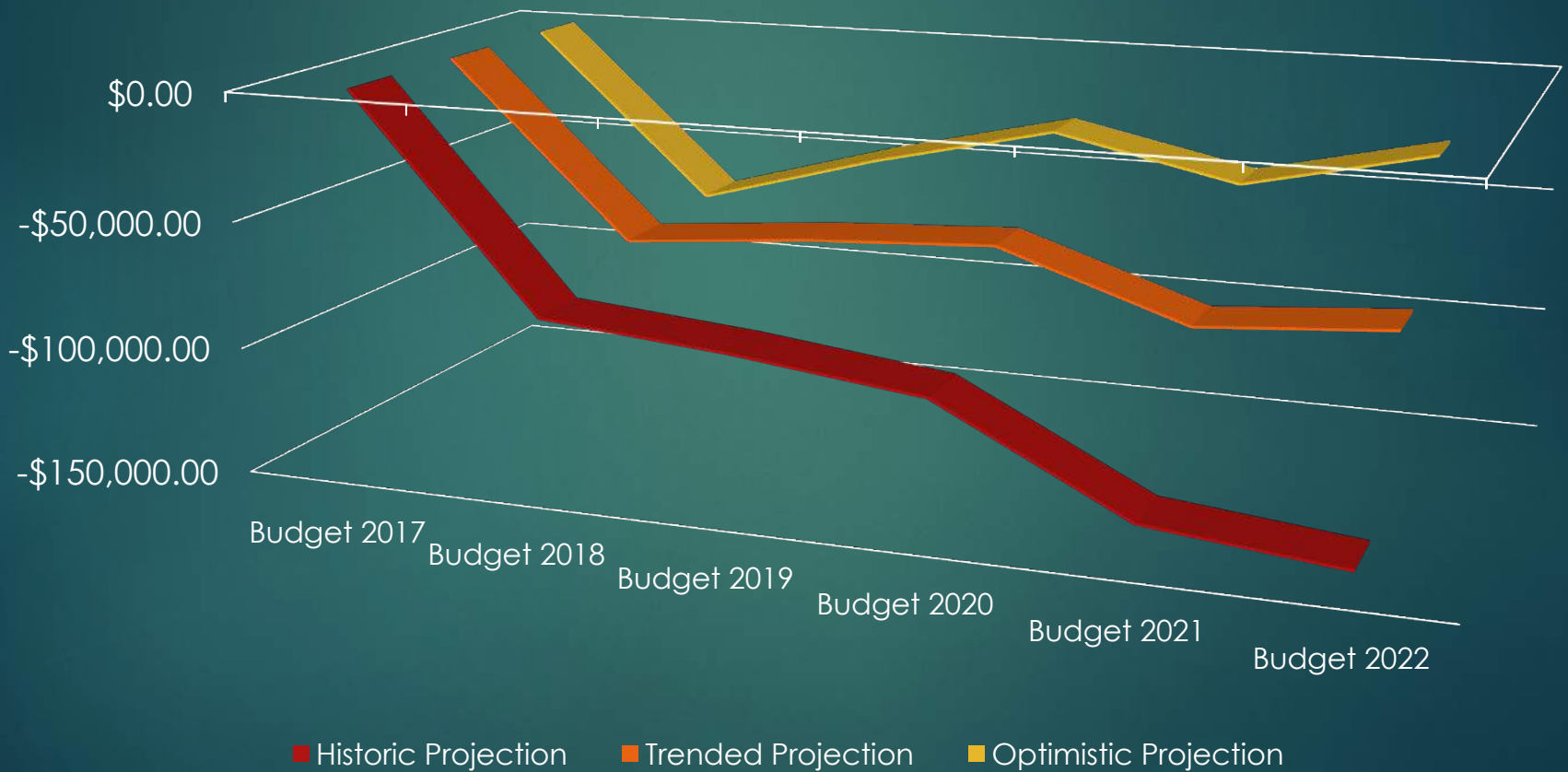
Income Projection

Total Income Comparative - 2017 to 2022



Net Position Projection

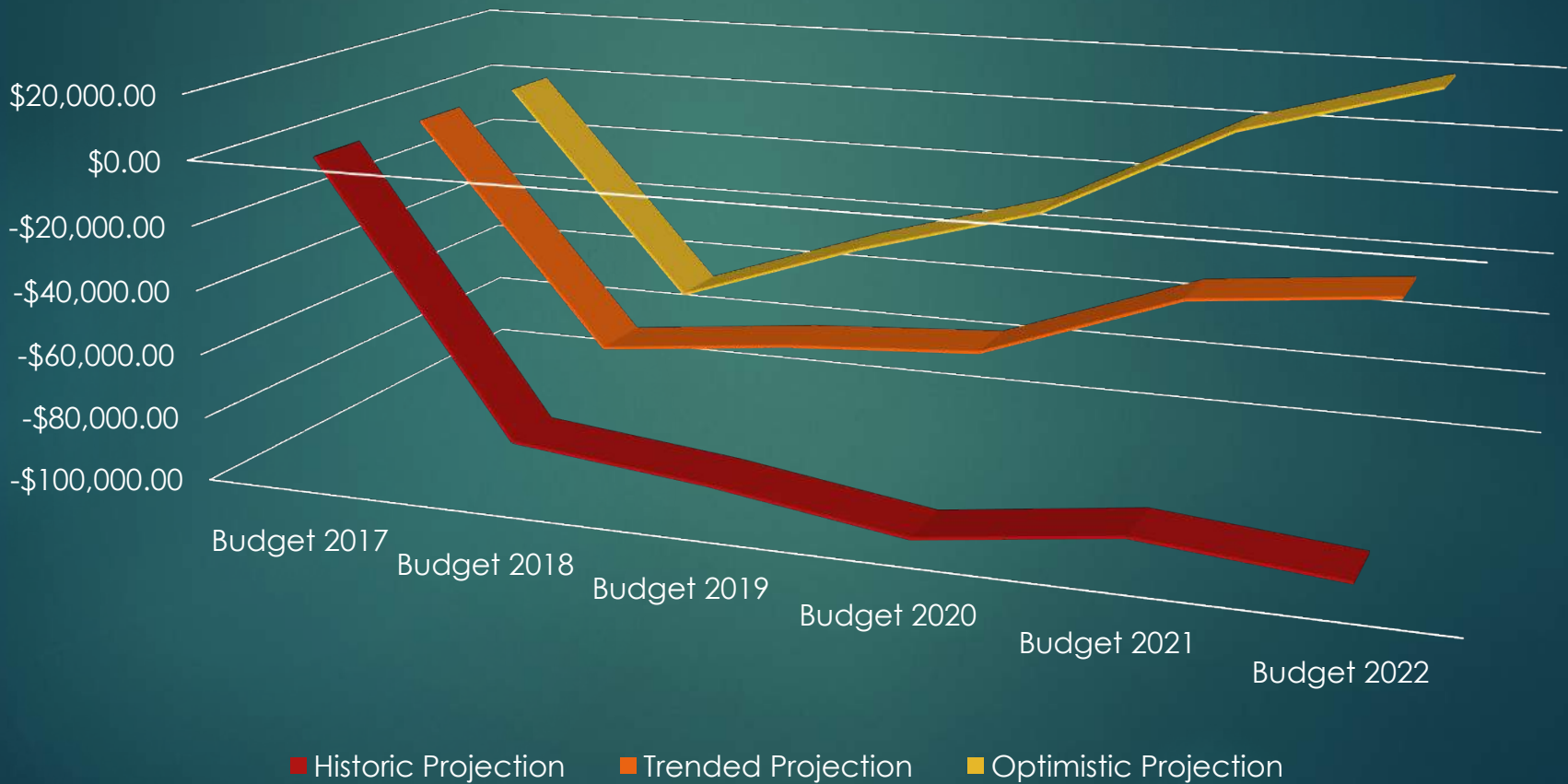
Deficit with Two Stipends through to 2022



Net Position Projection



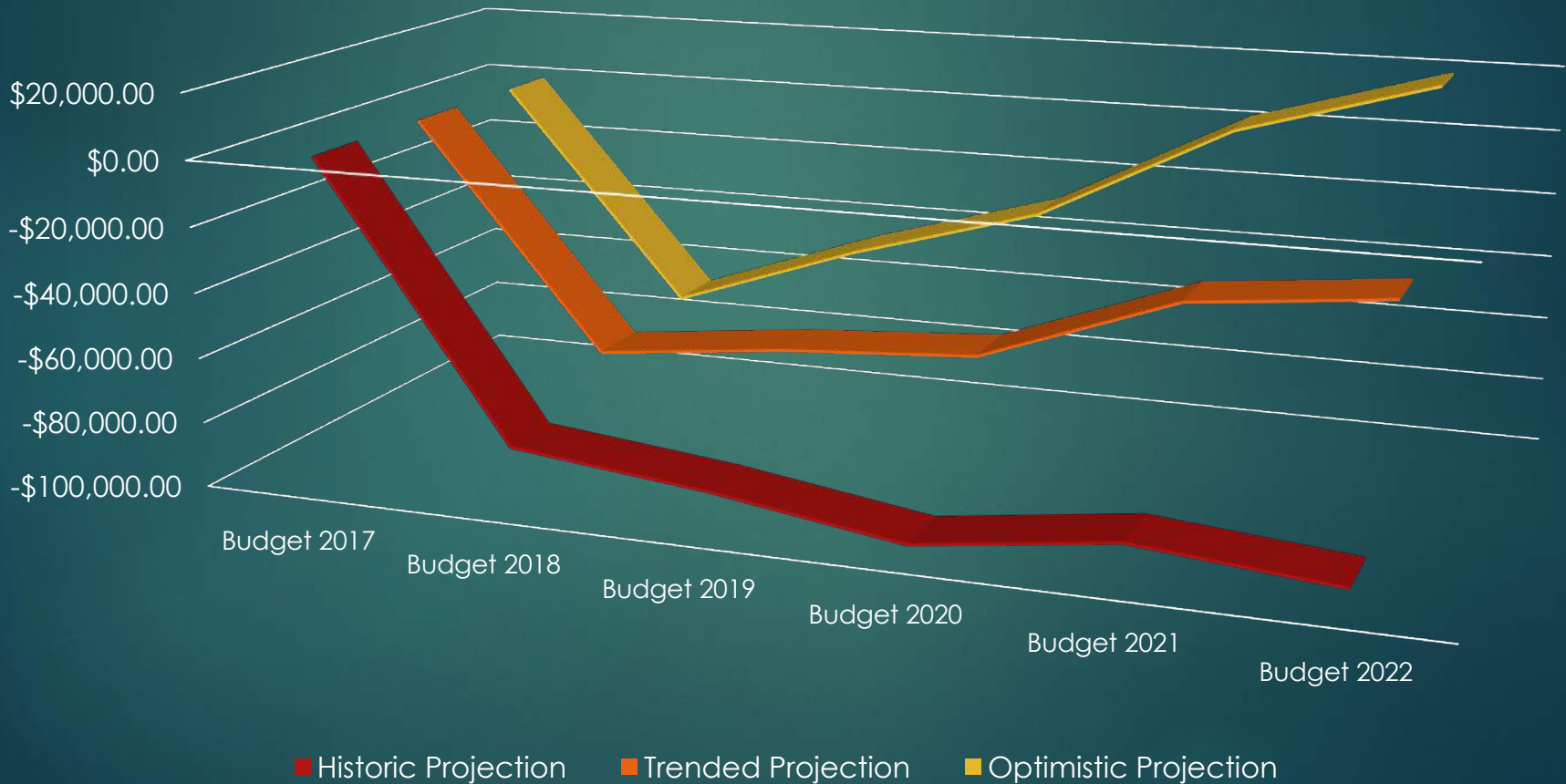
Deficit/Surplus with Two Stipends
Diocesan Grant Continued



Net Position Projection



Surplus/Deficit – 2 Stipend to 2020
With 1.5 Stipend from 2021



Asset Distribution

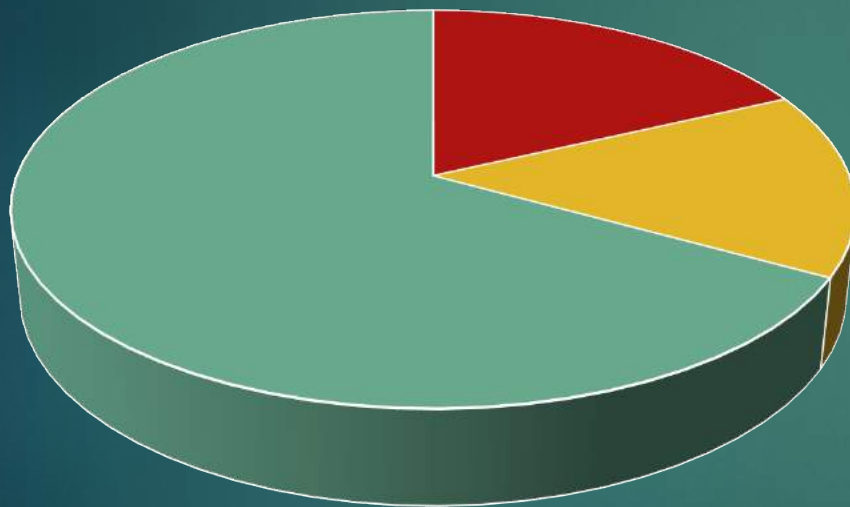
Assets	2018	2022
Cash/ Short Term Investments	\$335,000	\$567,000
TIML Funds	\$279,529.29	\$100,000
Property Assets	\$1,244,150	\$677,150
Total Assets	\$1,858,679.29	\$1,344,150

Transition of assets following drawdown and use for salary and building works (stage one). Shifting of assets from property to Cash/Short Term Investments. Final two stages of building works estimated at \$700,000.

Asset Distribution

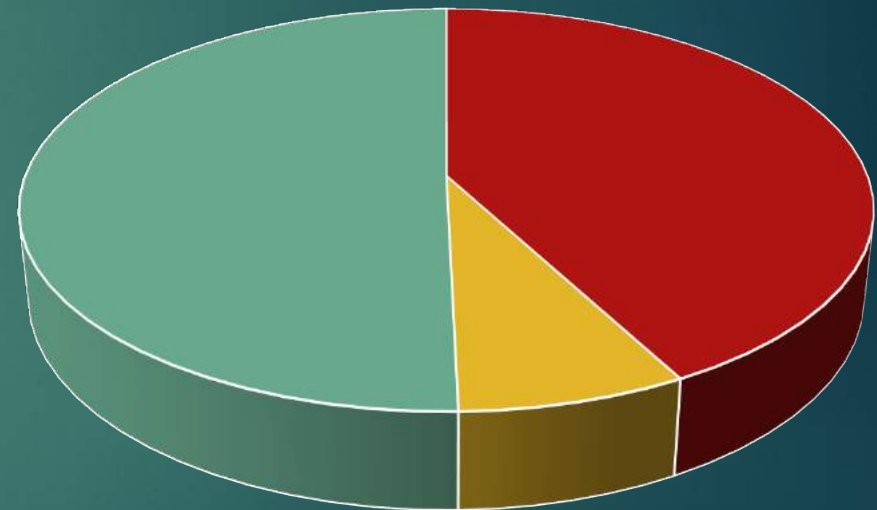


Asset Distribution – 2018 (1.8M)



- Cash/Short Term Investments
- TIML Funds
- Property Assets

Asset Distribution – 2022 (1.3M)



- Cash/Short Term Investments
- TIML Funds
- Property Assets

Where to now?

More than mucking in to come

- ▶ The next 5 years are going to require bravery and investment; financial, spiritual and of time, from everyone that wants to see this community thrive
- ▶ We cannot rely on external sources to sustain us. The diocese may financially assist, but bigger structural issues are too much for them at the present time.
- ▶ You are going to need good vestry members and leadership to undertake the capital works as well as necessary property sales and asset redistribution.

Where to now?

More than mucking in to come

- ▶ The right personnel will be needed to achieve the ministry and mission aims of Vision 2020 and the optimistic financial returns we have forecasted.
- ▶ If you cannot support the initiatives the Vestry has come to with consultation, we need to hear how you would do it differently because there is no avenue for 'steady as she goes'.
- ▶ With Peter and Alan's help, the Parish as a whole has reversed an entrenched historical decline. The Parish can continue to do that – Peter and Alan are not the determinative factor!