

Report Deputies Needy Churches (art. 11) to Synod 12-16 April 2021

1. Purpose

This report was written for the next Synod meeting of the Free Reformed Churches in South Africa (FRCSA) to be held DV 12-16 April 2021 at FRC Belhar.

It focusses on the 3 years after the previous synod @ Soshanguve: August 2017 – April 2021.

This report will be an updated version of the previous Indaba report that was presented at the FRCSA Indaba, held in February 2019

2. Membership of deputyship

Current Members

- Br Wolter Miske (chairman)
- Br Marius Bijker (scribe)
- Sr Thalitha Maite

Members that resigned:

- Br Wim Hofsink – resigned Nov 2020
- Br Motjatjie Maila – resigned June 2020

Br Motjatjie Maila of the Mamelodi congregation and sr Thalitha Maite of the Soshanguve congregation was appointed to our deputyship by the last synod in 2017

3. Instructions of Synod 2017

- a) To report to the next Synod to decrease the local FRCSA allocation to Dep Art11co to at least R100 000 per year. This equates to about 25-30% of the current allocation*
 - The current income from the Synod was: R436486 in 2017, R102128 in 2018, R99280 in 2019
- b) To arrange termination of the foreign contributions from the CanRc to deputies Art 11*
 - Art11 did write a letter to CanRc committee after the previous Synod where we explained the current financial situation and the we want to terminate the foreign contributions to Art11 – see more details in report below
- c) To continue acting as liaison organisation between the FRCA and the FRCSA regarding support from the Australian sister churches*
- d) To send a letter to the FRCA before their next synod in which the changed situation in terms of the target of the financial support from them is explained*
 - Art11 did communicate with the committees in FRCA to explain the change of situation regarding the use of funds that is directed to the deputy Curators. We do not have any contact with FRCA anymore, the FRCA committee do deal with deputy's FRCSA Curators and Pretoria church council directly – see more details in report below

e) To submit an interim report for discussion during an Indaba to be held halfway between Synods 2017 – 2020 and formulate recommendations according to the Rules of Synod as adopted by Synod 2017

- Art11 did write an interim report that was discussed on the Indaba Feb 2019

4. Report on current situation and activities during Aug 2017- December 2020

Appendix 1 shows the budget and comparison between years.

a) Meetings:

Art 11 did meet on the following dates: 3 April 2019 , 3 March 2020. Other communication in between was via e-mails and WhatsApp group

b) Current financial situation :

We are very blessed at the moment (financially), God did provide us more than enough funds to fulfil our mandate to serve the needy congregations in our bond of churches since the previous Synod in 2017.

In 2017 we had a positive bank balance of almost 2 million rand, at the end of 2020 we did have R2 270 263 in the account (see our budget for more details).

The increase are mainly because of a generous and unexpected donation from the bond of churches in Canada. We are pleased to report that we received an amount of R352 143 at the end of 2019, these funds was all collected before they stopped collecting for SA needy churches in the Canadian congregations. We did send them a letter of thanks.

Our expenditure also increased since 2017, the amount to Belhar did increase more than 50% from 2017 – 2018. Art11 deputies also had a meeting with the Church-council of Soshanguve in Jan 2020, we expect that congregation also to be needy soon when they will call their own minister in due course – see more details in report below

c) Deputy Theological Training:

On 21 October 2020 we received a letter from Deputies Theological Training explaining that they owe Art11 an amount of R890 000 in the form of temporary loan through the questor. In the letter they did explain the reason behind the loan, in short they need the funds to be able to keep on paying rev Breytenbach stipend during 2020 and also made payment to rev Breytenbach retirement fund. Deputies Curators will give a full overview of why they run into a shortfall in their own report to the Synod.

Art11 was aware of a temporary loan of R250 000 that was granted Oct 2019 to help with cash-flow situation at that stage until they received the funds from Australia. It was borrowed with the understanding that it will be paid back before end of the year which did happened except for R60 000 that was still outstanding at the end of 2019.

Art11 was not very pleased to read in the letter that Curators did borrowed more in 2020 without our permission, the total added up a bit less than originally indicated, at the end of 2020 the exact amount was R720 000.

We had a meeting with Br Hagg on 4 November to get more background information of how and why it did happened. We also met with Curators on 19 November to work out a plan to resolve this matter.

We agreed on the following: The R120 000 loan will be paid back by Curators out of their own budget The balance of R600 000 will then still be outstanding.

We want to recommend to Synod that the collection for Art11 must be increased with an additional R200 000 per year for the next 3 years in order to pay the R600 000 back.

Alternatively Synod can decide to keep the R200 000 per year on the Deputy Curators budget so that they are able to pay the funds back to Art 11 in 3 years time.

We as Art11 commission do not have the mandate to use Art11 funds for other purpose than to help needy churches, we are not in a position to write a portion or even all of the money that was borrowed off, the Synod need to make a decision on how to deal with this issue, because this need to be resolved by the bond of churches, we wish the Synod wisdom from our God to guide us in the right direction.

d) FRC Soshanguve-North

They are currently still vacant. As mentioned above, we had a meeting with representative of the Church council of Soshanguve, and with rev Breytenbach (consulent of Soshanguve) on 25th January 2020. We discussed their current financial situation, and their request for financial help when they are going to call a minister dv in the near future.

After consideration and discussion at our own meeting on 3 March 2020, we decided to approve their request and provide them with R20 000 per month to help with the shortfall in the new minister stipend.

We are glad to see that they are almost at the point to call a minister after several years without a pastor, and we therefore pray that God will soon provide someone to serve His church there as well.

e) FRC Mamelodi:

Rev Sam Matlhokoane currently serves this congregation, they are currently not a needy church, and they support their own minister.

f) FRC Belhar :

Art11, FRC Belhar and a few members of the Mission board of FRC Belville in Cape Town had a meeting on 18 August 2017. Wolter Miske and Marius Bijker did attend the meeting on behalf of Art11 and we met at Belhar's church building to discuss several matters regarding Belhar's current situation and their financial needs.

Thanks to professional help from some members in the FRC Belville, we did received financials from 2016 - Feb 2019. We also received well worked out budgets from 2017 - 2020.

All the information gave us the opportunity to discuss the real need in Belhar, and also the financial responsibility of the FRC Belville Mission board and Art 11 towards rev Abraham's stipend.

It was decided on the meeting in 2017 that there will be more or less a 50% split between the 2 parties, based on his 50% workload for mission work and 50% for Belhar congregation. That implicate that Art 11 will have to increase their support to just over R300 000 for 2017, which was later approved at the next Art11 meeting. This will be increased and evaluated on a year by year basis after receiving all the relevant information from them.

Belhar also asked for financial help in 2017 to pay the outstanding Tax issues with SARS. Because there was not enough funds to pay ref Abraham's tax in full for the years before, it accumulated and needed to be settled ASAP. Art 11 did approved it as a once-off agreement, and the amount of R45 000 was paid out.

The situation remained the same for 2018 to 2020. We did received financials for Feb 2018 - Feb 2019 at the end of March 2020, but we are now waiting for Feb 2020 financials and 2021 budget so that we can discuss it with Belhar financial committee. We wanted to meet with them in person early in 2020, but it did not realize because of the lock-down situation, we did however had a informal Zoom meeting in Sept 2020, depending on the lock-down we would like to meet with them again in 2021.

g) Funding from Canada

After the last Synod decision to terminate the foreign contributions from Canada, we want to thank the Lord that after many years of financial contribution from them, and also the unexpected donation of R354 669 at the end of 2019, we are now in a situation where we do not need contributions from abroad any more, that was communicated to the deputy's in Canada with a letter of thanks.

h) Funding from Australia

The situation regarding the funding by the FRCA Free Reformed churches in Australia to Rev Breytenbach has also changed since the previous Synod. FRCA did make a decision at their last Synod in June 2018 to change their mandate in order to support any project in South-African Churches, not only needy churches. That paved the way for the FRCSA Deputy Curators to deal with the deputy's in Australia directly instead of through Art11. The payments will still go through the "Questor" as always, but this matter will not be on Art11 budget anymore.

Press Release: FRCA Synod Bunbury June 2018:

The provision of financial support for the FRCSA was included in the mandate for the deputies at Synod Baldivis 2015, and at Synod Bunbury the deputies were once again mandated "to coordinate responses to any requests for support from Deputies within the FRCSA (including either Needy Churches or Theological Training) and to involve the local congregations of the FRCA as appropriate."

Once again we are very thankful to the Lord, for the support that the FRCA has given us in the past years when Art11 was in a financial uncertain situation, and also when Bethal congregation needed it the most, He provided us enough funding so that we did managed to go through these times.

5. How will our financial situation change in the next few years?

Although we are in a healthy financial situation at the moment, where we are very thankful off, and we only have one needy church (Belhar) at this point of writing this report, we do expect the positive balance to decrease in the next few years. Our income from the SA churches is only R100 000 per year at the moment, and we were fortunate to receive a bank interest of +- R130 – R140 000 per year for the last few years when the interest rate was still high. (In 2020 it was only R63684). We do expect our expenses will be far more than our income in the coming years (see budget for more details).

At the end of 2018 our shortfall was R115 899, end of 2019 it should have been R88 000, but thanks to the Canadian donation of R354 669 we did have an excess off R266 610. At the end of 2020 we also had a shortfall of R182479.

At the end of in 2021-2023 we are expecting to have a shortfall of R450 000 – R550 000 each year, if we do work on the scenario that we support only 2 x churches in 2021-2023

It might happen that another needy church want to apply for funds from Art11 in the next year or 2, then our situation will be totally different at the next Synod dv in 2023/2024 from the situation we are in now.

We therefore want to iterate to the Synod, to the bond of churches in South-Africa and to all the mission committees to take into account each mission point financial situation and their ability to be self-sustainable when a mission church want to become independent.

We must try and prevent to create a needy bond of South African churches. It is therefore of most importance to educate the proposed newly instituted churches to be financial independent and as much self-sustainable as possible.

One big concern we have is that multiple deputies and personal opinions is that the Art11 reserve funds can resolve a number of problems. We have iterated our mandate several times in the past and believe that the current scenario where the collections for Art11 is much less than our expenditure to support needy churches, our reserve funds will deplete fairly quickly. We believe that we should focus on our mandate only and with the current scenario where “demand” seems to be growing with little to no additional income we will have to use our reserves first.

To summarize our income and expense scenario at the moment:

1. Art.11 foreign income has been stopped based on previous Synod report in 2017.
2. Art.11 local income has decreased by 75% by previous Synod, these contributions were re-assigned to Curators.
3. Art.11 expects more needy churches in the next 1-3 years based on current mission changes, that will have a major effect on the expenditure.

On the other hand we must still keep our faith in God, he have ALWAYS provided his churches in the past with more than we need and asked for, and He will also do it in the future, in ways that we never would have imagined, let’s keep on praying for His guidance and for wisdom to serve His church in our country!

6. Art11 Deputy new members

Currently we do have 3 members left serving in the committee, 2 members did resigned in 2020, they are Br Motjatjie Maila (Mamelodi) and br Wim Hofsink (Maranata)

2 of the remaining 3 members have served 3 terms now, they are br Marius Bijker (Pta) and br Wolter Miske (Maranata). Sr Thalitha Maite (Soshanguve) are busy with her first term.

Br Motjatjie and br Hofsink need to be replaced, as well as br Bijker and Miske need to be replaced as they may only serve a max of 3 terms.

To help the Synod, we did identify a few candidates that might be able to replace the outgoing members. We did not discuss it with them, so it serves only as a proposal from our side.

Br Ad Smit – Maranata

Br Roelof Middeljans - Maranata

Sr Hermien Bijker – Johannesburg

Arjan Bijker (Johannesburg)

7. Recommendations to Synod :

We recommend the following to the Synod:

- a) To increase the collections from local FRCSA churches to Art11 from the current +-R100 000 too at least R250 000 per year so that we can decrease the loss that we are making every year (This amount exclude the loan repayment).

Motivation: As per our budget, Synod will see that from 2021 Art11 funds will decrease with R450 – R550 000 per year, so in 2023 / 24 there will be less than halve the funds left if we work on the scenario that in 2021 there will be 2 x needy churches. If another church apply for funds in the next 3 years, there will even be less funds left, so we rather apply for more funds sooner than later.

- b) To resolve the issue of the funds that was borrowed by Deputies Theological Training / Deputy Curators – see paragraph 4 C

Recommendation: To increase the collection with an additional R200 000 per year in the next 3 years either for Dep Theological training or to Art11 in order to pay the funds back. As per our budget, Art11 will need the funds in the next few years

- c) Appoint 4 x new members – see paragraph 6

8. Conclusion

When we look back, we are grateful and thankful that we as Art 11 deputies were very blessed that the Lord provided us with enough funds in the past years to fulfil our mandate so that we can serve the needy churches in the bond of SA churches. He provided us with sufficient funds

to support the needy church-councils, where after they can pay the shortfall in the stipend of their ministers.

We thank the Lord for His guidance and grace, for the support from our local churches, and we also acknowledge the financial support by the Free Reformed Churches of Canada and Australia who were instruments in His hand.

We pray that the Lord may provide new ministers to the vacant churches so that they also have the privilege to have a full time minister soon in their congregation to spread the Word!

We also pray the Lord that He may bless the upcoming Synod, and that it may be to the benefit of His Churches in South Africa.

The deputies:

- Br Wolter Miske
- Br Marius Bijker
- Sr Thalitha Maite

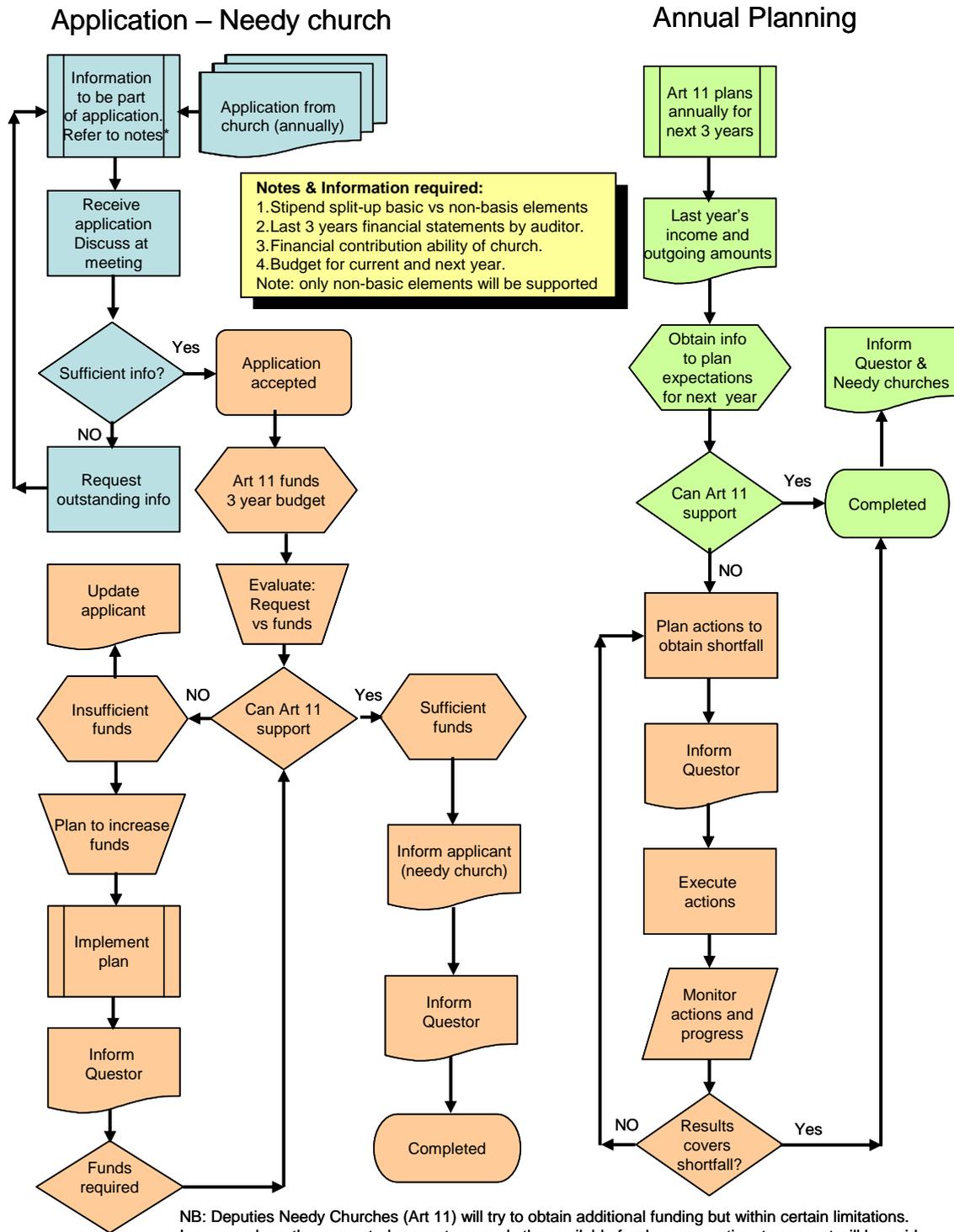
27 January 2021

Appendix 1: Budget and Income statement

<u>2021 Budget v4 27/01/2021</u>	<u>Deputies Art11 (Needy Churches) of the Free-Reformed churches in South-Africa</u>							
	<u>Income statement for the years 2009-2024 and budgeting for 2021 -2024</u>							
				Budget				
<u>Needy Churches</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Opening balance	1,916,532	2,302,031	2,186,132	2,452,742	2,270,263	1,813,282	1,320,063	788,431
Balance / year	385,499	(115,899)	266,610	(182,479)	(456,980)	(493,219)	(531,632)	(572,350)
Income	1,222,720	238,768	596,638	169,699	150,000	150,000	150,000	150,000
Income received	436,486	102,128	99,280	106,015	100,000	110,000	120,000	130,000
Johannesburg	18,057	9,406	8,600	9,116				
Kaapstad	155,804	37,872	32,540	34,493				
Maranatha	143,876	25,957	27,514	29,165				
Pretoria	118,749	28,685	30,406	32,230				
Belhar	-	208	220	234				
Mamelodi	-							
Soshanguve	-			777				
Total received	651,429	-	354,669	-	-	-	-	-
SDSA								
Jan Hulsjerfonds	-							
Anoniem			-					
Australië	461,429	-	-	-	-	-	-	-
Canada	190,000	-	354,669	-	-	-	-	-
Interest received	134,805	136,640	142,689	63,684	50,000	40,000	30,000	20,000
Expenditure	837,221	354,667	330,028	352,178	606,980	643,219	681,632	722,350
Total paid out :	834,487	352,143	327,085	349,981	603,980	640,219	678,632	719,350
Johannesburg	36,078	-	-	-	-	-	-	-
Mamelodi	-	-	-	-	-	-	-	-
Soshanguve	-	-	-	-	240,000	254,400	269,664	285,844
Bethal	-	-	-	-	-	-	-	-
Pta / Currators - Dr Breytenbach	468,277	-	-	-	-	-	-	-
Kwestor Debit JHF	105,020							
Other	3,420		3,450					
Belhar	221,692	352,143	323,635	349,981	363,980	385,819	408,968	433,506
Bank charges	2,734	2,524	2,943	2,197	3,000	3,000	3,000	3,000
Closing balance	2,302,031	2,186,132	2,452,742	2,270,263				
Note :	Loan to Curators (see Synod report for more information):		(60,000)	(660,000)				
	Closing balance if Curators loan was taken into account:		2,392,742	1,550,263				

Appendix 2 :

Flow diagrams for Deputy Needy Churches



NB: Deputies Needy Churches (Art 11) will try to obtain additional funding but within certain limitations. In cases where the requested support exceeds the available funds, a proportionate amount will be paid. If churches want to obtain foreign funding outside art 11, an application should be made to Deputies RFC (BBK).