

gateway

FINANCE REPORT

01/01/20 - 31/12/20



Finance Report 2020

It has been almost 12 months since I joined Gateway in my capacity as Executive Pastor. During this period it has become very clear that we have been well served over recent years at Gateway by those who are guardians of all things financial. There is transparency, authenticity and prudence which has seen the church remain in a sound financial position. This is only made possible by the faithful giving from those who call Gateway their home.

During our first Covid lockdown we experienced a reasonable decline in tithing and without knowing the longevity of the lockdown and founded upon our strong desire to not only retain our existing staff, but to endeavour to maintain their salary levels, we applied for and received the government's wage subsidy. We held this sum loosely and through careful expense management and a return to normalised giving levels, we were delighted to be able to repay 100% of this subsidy in September.

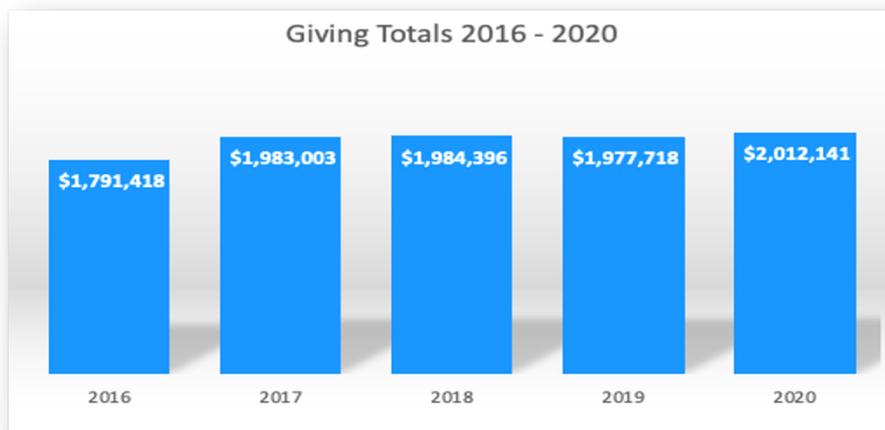
The guiding principles that were established in the 2019 financial year have continued to serve us well and we remain committed to investment into 5 key areas:

Key Area	Target Range	Actual 2020
Mission	10%	12.7%
Operations	10-15%	16.9%
Land and Buildings	20-30%	14.8%
People	50-60%	49.4%
Equipment	5-10%	6.2%

It will be necessary to continue to review these principles and their target range over time and in line with the strategic vision of the Leadership Team.

Tithing

Despite the impact of Covid, your tithes for the financial year totalled \$2m, only slightly short of our expected budget for the year. 2020 represents the highest annual tithing amount for which we are incredibly grateful and we feel blessed to partner with you in this area of discipleship.



Mission Investment:

Our investment into mission continues to include a mix of contributions to overseas missionaries and missions, local initiatives and community projects. As an example, in this financial year, we have supported:

Gateway Missionaries
Beirut Church
Mana Hapori
Women's Refuge
Fiji Cyclone Relief
Hamilton Christian Combined Foodbank

Barnabas Fund:

For those unaware of the background, in 2014 a fund was established by members of our Gateway community specifically for the purpose of giving a financial helping hand when needed to those who call Gateway home. Over the past 12 months we have had the privilege of assisting 47 people with gifts totalling \$26,850. We thank you for your ongoing contribution to this fund which makes a meaningful difference to so many lives. Should you wish to contribute to this fund, our account details can be found on our website www.gatewaychurch.org.nz. under the 'Give' tab. Simply include your tithe number and use 'Barnabas' as a reference.

People Investment:

Our salary expenditure was impacted by our response to lockdowns during 2020. The delivery of online content resulted in substantially increased hours, particularly in our media area. Following a return to normalised tithing levels and at the time of writing this report, 50% of our tithing is now committed to the area of staff remuneration and is within our self-set guidelines.

We continue to review and amend salary levels where possible, remaining mindful of living wage parameters. We also continue to have a desire to see our staff appropriately remunerated and as tithing levels increase this will be an area of future review. For the moment, we have made the decision not to apply a percentage increase across our budgeted remuneration, and this will be reviewed at various stages throughout the 2021 financial year.

In addition to salary reviews, we will continue to review our staffing requirements, prioritising these in line with ministry needs and supporting the fulfilment of Gateway's vision.

As commented on in the 2019 financial report, our staff serve with a heart of generosity and many would attract a much higher hourly rate within other organisations given their various skills. We say this only to highlight that we are blessed and humbled by the calibre of our staff and their response to God's calling.

Operations Investment:

The operations budget largely involves fixed expenditure covering items such as electricity and insurance etc. We believe this area to be well controlled and resourced and we see no pressing expenditure that would impact the other areas of budgeted allocation.

Equipment investment:

There is an ongoing need to invest in this area, particularly in the areas of musical and media equipment, IT solutions and sound. We have taken a 'need to have' approach as opposed to a 'nice to have' approach in this area and we can assure you there is no unnecessary spending. Having said this, we need to continue to allocate budget in these particular areas as repairs of aging equipment can become uneconomical.

Land and Building Investment:

As you will no doubt be aware, our current building requires ongoing maintenance, (yes, there have been buckets strategically located in the roof and on the floor!) during the year we committed funding to have these leaks repaired and this has, to some degree, enhanced the working environment for our staff. This is simply one sign of an aging building and that leads us to the conclusion that it is not a prudent use of funds to continually invest into a property that is deteriorating and, in many respects, no longer meeting the needs of our Gateway family.

Many of you will be acutely aware that for several years we have been exploring opportunities to relocate or to refurbish Gateway, and while we do want to pay tribute to those that have invested heavily with their time during this exploration process, it would be fair to say that there have been many frustrations as doors were held ajar and then ultimately closed.

At a meeting of the leadership team on Tuesday 13 October a recommendation was made by our newly-formed building advisory group to actively pursue the potential to construct a purpose-built facility on our existing site which was unanimously supported. We are therefore currently moving through a process which will determine feasibility, including consideration of cost, application for consents, design briefs, design, financial metrics and potential debt levels. Our desire is to see a building that is a place of belonging, a symbol that represents the presence of God in our city and an investment for future generations. We do not take this responsibility lightly and we are grateful for the expertise we have within our community that will help guide us through this important phase.

As a church we rarely speak about money. We have seen God's miraculous provision time and time again and we are confident that He will make a way. We have continued to allocate a portion of our annual tithe to a building fund in the hopes that one day we would be in a position to take action. While this accumulation is helpful, on its own, it will not be adequate to do what we need to do. We know that many will want to contribute to this vision and for this reason, as more details come to hand, we will keep you informed and involved as we work on this together. Please pray for wisdom as this assessment takes place.

Audit Review:

Our annual independent audit review took place in February. We were very pleased to receive a clean bill of health. Our sincere thanks to Kezz Pawley (Gateway - Head of Operations) for her ongoing diligence in ensuring we are meeting the requirements of a Charitable Trust in an ethically responsible manner.

Summary:

We wish to emphasise our gratitude for your continued generosity. We acknowledge and accept that we have a responsibility to be good stewards and we do not treat this lightly. Our current financial position is strong with appropriate levels of cash reserves, and we are balancing this with our desire to be a generous people. Our management processes are robust.

You can access our latest audited accounts at:

<https://www.register.charities.govt.nz/CharitiesRegister/Search>

Our charity name is Gateway Christian Centre Trust.

Mike Frew

Executive Pastor on behalf of the Finance team

A note from our Senior Leaders:

To be able to produce such a report there are many people to be acknowledged. To those who have given faithfully, generously and often sacrificially, we thank you. To others who have done the work to provide us with these reports, figures and analysis we thank you too.

Also thank you for taking the time to read this report as it is important and encouraging to us that you do. As a Leadership, we want to be as open and as transparent as we can, and this only really works when such information is read and known by our Gateway family.

We are very grateful to God for His faithfulness to us once again over this past year. In what has been, and continues to be a challenging season for us all, His goodness to us at Gateway is unmistakable.

Don and Karen

Chris and Hope

Senior Leaders