

## **Presbyterian Church of Aotearoa New Zealand**

### **Financial Report to 31 December 2007 (Un-audited)**

Attached are the General Assembly accounts for the six months to 31 December 2007 as reported to the Council of Assembly and the Resource Sub-committee. These accounts, which have not been audited, comprise:

- Statement of Financial Performance
- Statement of Financial Position

#### **Summary**

The year-to-date performance in terms of operating surplus and cash position is pleasing and consolidates the performance of the past two years. This is the third successive year where income has been above the level anticipated despite the best endeavours of Resource to realistically budget Assembly's receipts.

This higher than expected income has been brought about by strong financial support provided to a number of Assembly agencies through increased levels of grants and donations. It is also pleasing to see a number of additional parishes meeting both current Assembly Assessment and arrears.

In addition the strong cash position of Assembly has been significantly affected by the sale of a number of houses in Dunedin that are now surplus to requirements. These funds, or the income generated by them, will be used to meet leadership training expenses.

Assuming the same positive results continue into the second half, Assembly should be in a position to be able to fund additional high priority expenditure in 2008/09 as well as moving toward an Assembly Assessment target of 10% of assessable parish income.

#### **Key Points**

##### **Statement of Financial Performance:**

1. Financial year-to-date operating surplus is \$429k compared to a budget surplus of \$210k.
2. Extraordinary Items, including prior period adjustments, total \$272k, contributing to an adjusted operating surplus of \$701k. Extraordinary items are:
  - \$3k loss on sale of four Dunedin Houses sold between July and December.

- \$300k transferred from Provision for Doubtful Debt to Income due to a greater than expected collection of Assembly Assessment arrears from previous years.
- The reversal of \$55k in accrued expenses from previous years.
- The accrual of \$80k in study Leave liability for Ministers employed by General Assembly, that had not previously been recorded.

3. Total income of \$3.38m is 6% over budget. Variances include:

- \$43k over budget for investment income. This is primarily because deposits in the Presbyterian Investment Fund are greater than budgeted due to the deposit of \$1.15m proceeds from the sale of property.
- Income from Grants and Donations are \$167k (32%) over budget, summarized:

	<b>YTD</b> <b>(\$000's)</b>	<b>Budget</b> <b>(\$000's)</b>	<b>Variance</b> <b>(\$000's)</b>
Knox Centre for Christian Leadership	198	181	17
Global Mission Office	265	200	65
National Mission Enabler	63	26	37
Archives	31	31	-
Kids Friendly Project	94	52	42
Communications	30	25	5
	681	515	166

- Sundry Income is \$31k (63%) over budget because of income generated by the Knox center for Christian Leadership for registrations and lecture fees, as well as greater than expected Spanz sales and advertising revenue.

4. Total expenditure of \$2.95m is 1% under budget. Variances include:

- Salaries are \$60k (5%) over budget. Note the budget anticipated higher expenditure between January and June 2008 for National Mission and Knox Center for Leadership. The year to date expense is over budget because some of these costs were incurred in the first half of the year.
- Both Staff Costs and Allowances and Travel Costs are under budget, by 50% and 27% respectively. This is largely due to setup and operating costs for leadership training and the youth ministry being delayed and now likely to be incurred in the second half of the financial year.

- Grants and Donations paid are \$85k (24%) over budget. A higher level of grants and donations received has enabled the higher level of payments, as set out below:

	YTD (\$000's)	Budget (\$000's)	Variance %
Knox Centre for Christian Leadership	106	56	50
Global Mission Office	147	74	73
Kids Friendly Project	5	0	5
General Assembly to Te Aka Puaho	57	89	(32)
General Assembly to Moderator	21	18	3
General Assembly to UCANZ	20	20	0
Presbyterian Foundation Grants	60	96	(36)
Other Grants	25	2	23
	<u>441</u>	<u>355</u>	<u>86</u>

### Statement of Financial Position

5. Year to date Assembly Assessment Collection is 89.3% of total billings which means the shortfall in collection is \$217k (budget \$220k). This is encouraging and reflects successful settlements of current and previous year arrears negotiated between a number of parishes and the Resource Committee. It may also reflect the reduction of Assembly Assessment as a proportion of parish assessable income achieved over the past two years.
6. Total Ministers and Parish Loans have decreased by \$320k to \$1.477m.
7. Cash Reserves, which include unrestricted funds held by the Church Property Trustees as well as funds deposited with bankers, have increased by \$172k to \$977k



John Trainor  
Convener  
Resource Subcommittee



Cunningham Atchison  
Deputy Convener  
Resource Subcommittee

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2007**

	Actual	Budget
<b>INCOME</b>		
Parish Contributions	1,929,196	1,956,500
Administration Levies and Recharges	74,833	76,500
Grants and Donations Received	681,378	514,500
Investment Income	542,878	499,000
Property Income	68,948	88,500
Other Income	80,266	50,000
<b>TOTAL INCOME</b>	<b>3,377,499</b>	<b>3,185,000</b>
<b>EXPENDITURE</b>		
Salaries and Stipends	(1,266,034)	(1,206,500)
Staff Costs and Allowances	(83,903)	(164,000)
Travel and Accommodation	(150,163)	(205,500)
Grants and Donations	(441,047)	(355,500)
Property Costs	(109,640)	(105,500)
Administration	(358,842)	(367,500)
Provision for Doubtful Debts	(217,610)	(220,500)
Computer Costs	(62,424)	(54,500)
Publications	(63,103)	(84,000)
Student Training	(153,712)	(133,500)
Sundry Costs	(42,326)	(78,000)
<b>TOTAL EXPENDITURE</b>	<b>(2,948,804)</b>	<b>(2,975,000)</b>
<b>OPERATING SURPLUS</b>	<b>428,695</b>	<b>210,000</b>
<b>EXTRAORDINARY ITEMS</b>		
Gain/Loss on Property Sale	(3,465)	
Previous year Debtor Overprovision	300,000	
Previous Year Over-Accruals	55,953	
Previous year Study Leave accrual	(80,000)	
Prior Year Adjustments	<b>272,488</b>	
<b>ADJUSTED OPERATING SURPLUS</b>	<b>701,183</b>	<b>210,000</b>

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND  
STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2007**

	<b>Dec 31 2007</b>	<b>July 1 2007</b>
<b>Equity</b>	<b>(23,747,648)</b>	<b>(22,779,153)</b>
<b>Liabilities:</b>		
Trade Creditors	(\$32,242)	(153,368)
Accruals	(\$394,639)	(356,928)
CWM Funds Payable	(\$546,211)	(601,211)
Ministers Deposits	(\$269,712)	(305,152)
<b>Total Liabilities</b>	<u>(1,242,803)</u>	<u>(1,416,659)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>(24,990,451)</b></u>	<u><b>(24,195,812)</b></u>
<b>Current Assets:</b>		
Cash and Bank	272,791	125,993
Accounts Receivable and Accruals	197,207	207,472
Ministers Loans	613,894	621,330
Deposits Presbyterian Investment Fund	17,645,602	15,772,663
<b>Total Current Assets</b>	<u>18,729,494</u>	<u>16,727,458</u>
<b>Non Current Assets</b>		
Parish Loans	858,103	886,871
Land and Buildings	5,262,302	6,418,300
Office Furniture and Equipment	140,552	163,183
<b>Total Fixed Assets</b>	<u>6,260,957</u>	<u>7,468,354</u>
<b>TOTAL ASSETS</b>	<u><b>24,990,451</b></u>	<u><b>24,195,812</b></u>