

THE REPORT OF THE TREASURER OF THE GENERAL SYNOD / TE HĪNOTA WHĀNUI 2018

Title B, Canon I, Clause 5.5(h) requires the General Secretary / Treasurer to *“present to the General Synod / te Hīnota Whānui a statement of receipts and expenditure duly audited and a report thereon, and to provide printed copies of such statement and report for the use of the members of Synod.”*

The audited statements of receipts and payments for the 2016 and 2017 calendar years respectively are presented separately. These reports follow the Generally Accepted Accounting Practice (GAAP) statutory format of Accounts for Financial Reporting purposes.

It is important to be aware that the two-year cycle budgeted by Synod Statute differs, by necessity of reporting, with the two years audited and presented to the Synod / te Hīnota.

The statements presented include the unaudited summary of income and expenditure for Parts A and B, and for those bodies whose budgets and finances are managed through the General Synod Office, together with the Statement of Financial Position of the General Synod / te Hīnota Whānui for 2016 and 2017.

If members have any specific questions about the accounts it would be helpful to receive these before the Synod/ Hīnota, so responses can be researched and prepared.

INCOME

Part A

Part A funding comes from Income derived from The General Church Trust Board. The income usage is prescribed by the General Church Trust Statute (1928) and by Title F, Canon V. The Reports of the General Church Trust Board are provided annually to the Standing Committee of the General Synod / te Hīnota Whānui. Part A funds the Archbishops, the meetings of General Synod / te Hīnota Whānui and Standing Committee, many of the Councils, Committees and Commissions of the Church, the Anglican Consultative Council Membership contribution and the General Synod Office. It also contributes to the funding of the Media Officer and Anglican Taonga in Part B.

The General Church Trust Board is required to balance careful and prudent Trusteeship with the need to enable the Church to fulfil its five-fold mission statement. It is fortunate that due to the careful stewardship exercised by the Trust Board, an increase in the level of distribution has been made on a regular basis. We are extremely grateful for the work that they do for this Church. In 2016 a special distribution was made for additional staff cost of the GSO restructure, and in 2017 an extra distribution was made directly to Bishops Endowments with a balance of under one million dollars.

Part B

Part B represents the contributions from Tikanga and from Episcopal Units. Much of this funding is used to support our national and international ecumenical obligations such as the World Council of Churches, Christian Conference of Asia, Uniting Congregations, Tikanga and Polynesia Ecumenical Memberships and the Anglican Roman Catholic Dialogue. It also funds many of the Common Life activities of the Church such as the Media Officer, Anglican Taonga, commitments to the Churches Education Commission, the Interchurch Bioethics Council, Interchurch Council for Tertiary Chaplaincy, and the Anglican Legislative Unit.

Both the Standing Committee and the Distribution Advisory Committee would wish to acknowledge with gratitude the amounts contributed from the Episcopal Units and the regular remittance of funds, which is so important for cash flow purposes. Much of the work of the Church is heavily reliant on this funding and we are extremely grateful that a couple of Units have already been able to commit to a small increase in their contribution over the next two years. Other Units are encouraged to consider if any increase were possible. As previously noted, there will continue to be pressure on the cash flow in Part B and this may result in the need to make hard decisions about what areas of the Part B mission can be afforded in the future.

General Synod Office

Part of the of the General Synod Office accounting is outsourced to Trust Management but the overall financial oversight and management for the following budgets, as well as Part A and Part B, remains with the General Secretary / Treasurer. These areas include:

- New Publications
- Lectionary
- Clerical Directory
- The Anglican Military Affairs Fund
- The Hooper Estate
- The Youth Putea

Other Bodies Managed through the General Synod Office

These bodies, listed below, mostly source their income from the St Johns College Trust Board and primarily for educational purposes, and their accounts are managed through the General Synod Office.

- Te Kotahitanga and Executive Officer
- Te Kotahitanga Forum
- Te Kotahitanga Scholarship Committee
- The Theological Hui
- The Three Tikanga Social Justice Commission
- The Bishops Training Events
- The Centre For Anglican Women's Studies
- The Three Tikanga Youth Commission and Commissioner

Expenditure

The 'Statement of Financial Performance' for both Parts A and B provide a comparison between budgeted and actual, receipts and expenditure, in the categories set by the 2016 Finance Statute. Please note that the Statute authorises the Standing Committee to make adjustments during that time, as and when necessary and appropriate.

In Part A, the following significant differences are noted:

a. *Episcopal and Primateial*

Archbishops Tikanga grants mainly cover administrative support and contribute to the costs of staffing required to support each Archbishop in their role. There was only a partial grant made in 2017 to Tikanga Maori due to the vacancy following Archbishop Turei's death, while some of the shared workload was picked up by the other Archbishops. There were also an unusual number of Episcopal Ordinations, and consequently, Archbishops Combined Expenses and Bishops Meetings/ Ordinations were above budget. It should be noted that the Category "Archbishop – Pākeha" is a higher grant than that of the other two Archbishops due to an agreement between the three that Archbishop Richardson's office be the hub for much of the Common Life Episcopal work that is generated. This has resulted in a larger portion of the grants being applied to enable that work.

b. *Communications Grant, ACC and IAFN/IAWN Grants*

These grants were all to budget. The 5,000 IAFN/IAWN grants were split between these two Networks, following some years of a greater commitment made by Standing Committee be a support partner for IAFN alone.

c. *General Synod / te Hīnota Whānui and Standing Committee*

The two-year comparison reflects the two-yearly Synod / te Hīnota. The 2016 Synod/ Hīnota ran to budget with a small transfer from reserves required, and 2017 provided for the venue deposit for 2018, though this was not required so was reserved against 2018 costs. The provision for a Bicultural Conference was only partially used in each year by the several Hui of the special Bicultural Commission planning for the 2018 GSTHW Wananga. The Standing Committee operated within its overall budgets for both years, as did the Other Groups, due to some bodies not needing to meet, and in 2016 a small transfer from reserves.

d. *General Synod Administration*

Careful management has meant that Administration spending was within overall budgets in 2016 and 2017, despite the increased workload placed on and through the Synod Office by the Synod / te Hīnota, Standing Committee, various Commissions and Councils, and 'special events' around Episcopal Ordinations, Tribunals, and the Oceania Fono.

e. *3 Tikanga Commissions*

Savings continue to be made where possible, and some provisions were not required in this period, though the two new bodies drew on their budgets for meetings and Hui – i.e. the Motion 29 Working Group, and the Decade of Mission Chairs Group.

f. *Reserves*

Careful forward planning is being undertaken in the provision of these reserves for anticipated costs, and as noted in brackets some of these reserves have been drawn on in this period, but the overall balances remain very healthy.

In Part B, the following significant differences are noted:

Despite the relatively fixed nature of contributions in Part B, due to careful management of spending in the Anglican Taonga, Media and Communications budgets across both years, a lower than budgeted call from the Legislative Unit, and generous donations in both years, it has meant that Part B reports a small surplus rather than the deficit budgeted in both 2016 and 2017, when transfers from reserves are taken into account.

The apparent small overspend in some budgets within Ecumenism is due to conference attendance costs being coded here, for which we annually reserve and which were balanced from those reserves.

In both years the Military Affairs expenditures are covered by transfers from the respective reserve held for this purpose.

Future Budget Predictions

The revised budget for the year 2018, and budgets for 2019 to 2020, are the subject of the Finance Statute to be considered by this Synod / te Hīnota, and are set in consultation with GCTB about available distributions.

Audit

BDO Spicer continue to provide an excellent service and have been the Auditors for these Accounts. The Audits for 2016 and 2017 were unqualified.

Thanks

Special thanks must be given to the members of the Distribution Advisory Committee for their practical advice and assistance to me as General Secretary, and to the Standing Committee of the General Synod / te Hīnota Whānui. I particularly acknowledge the Chair of the Distribution Advisory Committee, Mr Ian Pask, for his careful advice and response to questions.



Michael Hughes (Rev'd)
General Secretary and Treasurer