

Hibiscus Coast Parish of St John and St Francis

Summarised Financial Statements of the Parish ¹

Statement of Financial Performance For the Year Ended 31 December 2020

	2020	2019
Revenue	\$	\$
Collections		
Cash	33,029	61,729
Envelopes	49,594	75,431
Automatic payments	107,909	100,211
Building fund	<u>54,731</u>	<u>61,041</u>
	245,263	298,412
Parish income		
Car parking	4,167	4,600
Catering	13,970	34,789
Hall hire	1,984	3,813
Memorial gardens	<u>6,952</u>	<u>15,657</u>
	27,072	58,859
Donations & bequests	101,097	13,539
Diocesan collections	9,830	17,631
Interest	2,915	2,213
Wage subsidies (Covid-19)	17,887	-
Other income	<u>2,173</u>	<u>5,830</u>
	133,902	39,212
Total Revenue	406,237	396,482
Expenses		
Parish		
Staff	68,739	68,258
Financial/accounting	8,097	14,621
Catering	5,005	16,900
Cleaning	10,630	13,800
General parish expenses	37,247	44,219
Repairs & maintenance	33,990	28,151
Insurance	9,928	11,906
Utilities	10,962	12,221
Memorial gardens	4,740	4,683
Motor vehicles	<u>5,179</u>	<u>5,581</u>
	194,516	220,341
Allocations		
Diocese	16,632	25,141
Presbytery	<u>62,876</u>	<u>78,332</u>
	79,508	103,473
Depreciation	50,605	53,707
Diocesan collections	9,830	17,636
Interest	2,259	4,166
Total Expenses	336,717	399,322
Surplus/(Deficit) for the year	<u>69,520</u>	<u>(2,840)</u>

**Statement of Financial Position
As at 31 December 2020**

	Note	2020 \$	2019 \$
Current assets			
Cash		208,272	145,522
GST due		1,875	1,192
Debtors		-	1,018
Total current assets		210,147	147,731
Property, Plant & Equipment	2	5,556,103	5,596,019
Total Assets		5,766,250	5,743,750
Current Liabilities			
Accounts payable		14,363	25,090
Holiday pay & employer deductions payable		8,252	5,351
Diocesan loan - current portion		23,783	39,194
		46,398	69,635
Term Liabilities			
Diocesan loan - non current portion		-	23,783
Total Liabilities		46,398	93,418
Net Assets		5,719,852	5,650,332
Accumulated Funds			
Opening accumulated funds		3,956,016	3,958,856
Surplus/(Deficit) for the year		69,520	(2,840)
Closing accumulated funds		4,025,536	3,956,016
Asset revaluation reserve		1,694,316	1,694,316
Total Accumulated Funds		5,719,852	5,650,332

Notes:

- To assist parishioners in understanding the financial position of the parish in a more user friendly manner, the Finance Committee have provided the above summarised Statement of Financial Performance and Statement of Financial Position for the 2020 and 2019 financial years in a more traditional presentation format. These summarised financials do not comply with any accounting standards and the information presented in the summarised financials is for the parish only and does not include any financial information on the presbytery financial statements.
- Property, Plant & Equipment - extracted from the Performance Report for the Year Ended 31 December 2020.

Asset Class	Opening Carrying Amount	Purchases	Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount	Current Valuation	Source and Date of Valuation
Land	2,200,000				2,200,000	3,725,000	Auckland Council
Buildings	3,206,492	500		33,455	3,173,537	3,375,000	valuation July 2017.
Motor vehicles	-				-		
Furniture and fixtures	62,542	6,446		7,696	61,292	7,100,000	Valuation 1 July 2017
Office equipment	57,513	3,749	6	9,454	51,802		
Computers (including software)	-				-		
Machinery	-				-		
Artworks	69,472				69,472		
Total	5,596,019	10,695	6	50,605	5,556,103		

HIBISCUS COAST PARISH OF ST. JOHN AND ST. FRANCIS

Finance Report for the 2020 Year

Purpose of the Finance Committee

The Finance Committee is primarily concerned with helping the Parish Priest in fulfilling the Mission of the Church in terms of:

- To ensure that the Parish has the financial capacity both for the provision of assets and facilities (such as church, presbytery, hall, etc.) and for the financial support of those involved in pastoral works, i.e. the Parish Priest, his staff, Parish pastoral assistants, etc.;
- To plan, in a systematic way, both for the provision of this resourcing and its budgetary management, and
- To account for, administer and safeguard all Parish income, expenditure and assets.
(Extract from the Catholic Diocese of Auckland – Diocesan Norms)

Financial Reporting

The Finance Committee is required to prepare the annual Performance Report of the parish based on the accounting standards for registered charities issued under the Financial Reporting Act 2013. The Performance Report of the parish for the year ended 31 December 2020 has been completed and is available to view in the parish office or a copy of the 2020 Performance Report can be obtained from the parish office – please contact Theresa on 426 5599 or hbcparish@xtra.co.nz.

Commentary on the 2020 Financial Year

The Covid-19 lockdowns were the most extraordinary events to have occurred during 2020 with a major negative impact on collection revenue. The reduction in collection revenue was offset by a large bequest, the covid-19 wage subsidies and an increase in donations.

Statement of Financial Performance

The main points to note on income and expenses for the year are:

1. Collections

Obviously the parish did not receive any envelope and cash collections during the lockdown periods and this did have a negative impact on the amount received from collections. On the other hand, a number of parishioners commenced paying on a regular basis via a bank automatic payment (AP) and also gave via lump sum donations.

A summary of the collections for the 2020 and 2019 years are:

Source	December 20		December 19		Collection %	
	\$	\$	\$ Variance	% Variance	2020	2019
Automatic Payments	143,878.60	131,334.97	12,543.63	9%	59%	44%
Building Fund	18,761.10	29,917.05	(11,155.95)	-37%	8%	10%
Cash	36,236.35	61,728.55	(25,492.20)	-41%	15%	21%
Envelopes	46,387.30	75,430.95	(29,043.65)	-39%	19%	25%
Total	245,263.35	298,411.52	(53,148.17)	-18%	100%	100%

It can be clearly seen that the amount of cash and envelope collections has significantly reduced this year. However, it is pleasing to report that the amount of collections from APs has increased and has increased from 44% of the total collections in 2019 to 59% of total collections in 2020.

The following table clearly shows this impact on the collection revenue for the months of the lock downs:

Month	2020	2019	\$ Variance	% Variance
	\$	\$		
January	23,410.70	22,811.90	598.80	3%
February	22,074.05	23,200.70	(1,126.65)	-5%
March	20,044.80	27,669.38	(7,624.58)	-28%
April	11,325.50	26,453.60	(15,128.10)	-57%
May	14,423.50	24,986.47	(10,562.97)	-42%
June	26,416.30	24,671.90	1,744.40	7%
July	22,072.10	23,481.32	(1,409.22)	-6%
August	16,274.80	23,043.40	(6,768.60)	-29%
September	15,374.20	26,471.30	(11,097.10)	-42%
October	24,576.30	24,154.30	422.00	2%
November	26,143.20	23,160.63	2,982.57	13%
December	23,127.90	28,306.62	(5,178.72)	-18%
Total	245,263.35	298,411.52	(53,148.17)	-18%

A very big thank you to all parishioners who have continued to provide significant financial support to the parish during this unusual year.

The building fund will no longer be required after 1 July of this year and as part of closing this fund, those parishioners giving by envelope each week have only one envelope from April instead of the previous two envelopes. Also from April, there will be no allocation to the building fund from the AP collections. In effect, this means that all collections from April are now treated the same and the Parish follows the Diocesan directions in allocating all the collections received.

2. Donations

While the collections income from envelopes and cash had significant drops this year, these decreases were partially offset by parishioners making lump sum donations. General donations for 2020 were \$19,114 against only \$6,948 in 2019.

3. Covid-19 Wage Subsidies

The parish was entitled to apply for the government's Covid-19 wage subsidies and so the parish applied for and received a subsidy of \$15,429.60 in April 2020 and \$2,457.09 in September 2020. These subsidies were to be applied to the wages paid by the parish during the lockdowns.

4. Bequest

In June 2020 the parish received a bequest of \$76,037.63 from the estate of a parishioner. The receipt of the bequest came at a fortuitous time and is a most magnificent gift to the parish. Another bequest of \$2,000 was received in September.

5. Expenses

During the lockdown the parish continued to operate as much as possible under the circumstances but there was a focus on reducing costs wherever possible. The reduction in expenses in 2020 compared with 2019 is a pleasing outcome of this exercise. All expense categories reduced and parish and accounting expenses had the biggest reductions.

Statement of Financial Position

The parish is in a relatively healthy financial position as at 31 December 2020 given the impact of the covid-19 lockdowns. The increase in the cash at bank reflects the bequests received during the year.

The good news on the current liabilities is that the parish only has \$23,783 outstanding of the Diocesan loan and this loan will be fully repaid on 1 July of this year. The repayment of the loan will have a positive cash flow impact in the second half of this financial year.

The Outlook for 2021

The most pressing financial need of the parish in 2021 is to rebuild the income from collections, and particularly from cash and envelopes, closer to the pre-covid-19 level. While the impact of covid-19 is understandable in 2020 there has been a worrying trend over the last few months for the income from cash and envelopes to continue at a level that is well below previous levels of giving. While the collections by automatic payments has increased, this has not compensated for the decrease in cash and envelope collections.

The parish will also face significant repairs and maintenance costs over the coming years as the St. John church and carpark are now 20 years old and this aging of the St. John assets will require ever increasing amounts for repairs and maintenance. A parish of this size will always require a substantial income from collections and bequests to cover increasing costs while also funding the mission activities of the parish.

All parishioners are requested to consider, on at least a yearly basis, their level of giving so that the parish can fulfil the Mission of the Church and look forward to the future with financial confidence. Consideration should also be given to providing a bequest to the parish in your will.

And finally, in order to provide more certainty of income from collections, please consider your giving to the parish via a bank automatic payment. Such a payment method is easy to set up and Theresa will be only too willing to help and discuss.

Finance Committee

March 2021