



# THE UNITING CHURCH NATIONAL ASSEMBLY TRIENNIAL FINANCIAL REPORT

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- 2 Financial Report -All Agencies excluding Frontier Services
- 3 Financial Report -Frontier Services

## 1.0 Introduction and Conclusion

### 1.1 Summary

The following information provides a summary of the financial position and performance of the Assembly over the past three years. This analysis covers the following agencies ie

Assembly Fund (Secretariat), Uniting Education, UIM, Overseas Aid, UAICC, Coolamon College, Frontier Services(FS), Uniting Care. The Church's superannuation fund(BENEFUND) is not administered by the Assembly and so the accounts are excluded from this analysis.

The nature and size of activities of Frontier Services is significantly different from other Assembly Agencies and accordingly the analysis is presented in two sections ie

**Section 2** All Agencies Excluding Frontier Services - 31 December year end

**Section 3** Frontier Services - 30 June year end

#### **All agencies excluding Frontier Services**

The major impacts over this three year period were:

- ▶ The operations of Coolamon College were transferred to Parkin Wesley College from the 31 December 2008 and this will ensure that the Assembly is not exposed to continuing losses.
- ▶ UCOA was granted full accreditation by AusAID which enables the agency to access more funding. The AusAID web site states that:  
*The accreditation process aims to provide AusAID, and the Australian public, with confidence that the Australian Government is funding professional, well managed, community based organisations that are capable of delivering quality development outcomes.'*
- ▶ With the approval of the Assembly Standing Committee UIM sold its investment in a block of units while two manses were purchased.
- ▶ Our investments in shares dropped significantly and while this has resulted in a book 'loss' of 25% as at 31 December 2008 this result is better than most other comparable investments.

#### **Frontier Services**

The major impacts over this three year period were:

- ▶ Significant growth in aged and community care including:
  - Increase in bed licences at Old Timers and major building extension \$3.77m
  - Capital grant for re-building Derby Aged Care Facility \$1.14m
- ▶ Increase in Patrol Ministry with two additional Patrols in remote Victoria
- ▶ New services including:
  - Mutitjulu (Uluru) Child Care and Community Respite;
  - Pilbara Region Respite;
  - Savannah Regional Health Services;
  - ROST (Respite Options for Senior Territorians) at Palmerston NT;
  - Bollon Nursing Service.

### 1.2 Net Assets at year end

	Frontier Services	All Agencies excluding FS	In the case of Frontier Services most of these net assets comprise investments in property, plant & equipment which is used to support the aged care and other services.
2005	24,023,868	19,367,725	
2006	28,032,301	20,049,547	With the other agencies a significant proportion of funds is in
2007	30,670,044	21,624,620	cash (and cash equivalents) which are 'earmarked' for overseas
2008	30,761,674	21,745,740	and other projects.

### 1.3 Conclusion

**As can be seen from the attached analysis the Assembly finances have been kept on track for the last three years. This has been made possible with a careful budgeting process, with close monitoring by management, and periodically by the National Finance & Audit Committee. Each year, all the financial reports are audited and did not contain audit qualifications. They are general purpose reports and complied with all Australian accounting standards and a detailed set of these accounts will be available for purusal at the Assembly.**

## 2 All Agencies Excluding Frontier Services

### 2.1 Movement in Net Assets

	2008	2005	Increase/ (decrease) over 3 years
Cash	4,212,104	10,428,712	(6,216,608) <b>Note 1</b>
Receivables	180,577	369,860	(189,283)
Financial Assets	11,928,687	2,656,854	9,271,833 <b>Note 1</b>
Other Assets	177,912	77,217	100,695
<b>Total Assets</b>	<b>16,499,280</b>	<b>13,532,643</b>	<b>2,966,637</b>
Property & Equip	5,891,626	6,928,474	(1,036,848) <b>Note 2</b>
<b>Total Assets</b>	<b>22,390,905</b>	<b>20,461,117</b>	<b>1,929,788</b>
Payables	(140,134)	(658,005)	517,871 <b>Note 3</b>
Provisions	(337,427)	(324,894)	(12,533)
Other Liabilities	(167,604)	(110,493)	(57,111)
<b>Total Liabilities</b>	<b>(645,165)</b>	<b>(1,093,392)</b>	<b>448,227</b>
<b>Net Assets</b>	<b>21,745,740</b>	<b>19,367,725</b>	<b>2,378,015</b>

This shows an improvement amounting to \$3.42 million in net assets other than Property, Plant and Equipment and a \$1.0 million reduction in Property, Plant & Equipment assets.

It is important to note that not all of this is available to spend as the Church likes, as some of the funds are "earmarked" by the Donors leaving "Free" funds amounting to \$7.5million.

In addition to meeting the day to day operating needs of the agencies these funds may also be required to replace plant and equipment.

#### Note 1

The decreased level of bank funds is represented by the move into shares and fixed interest securities - a policy change that was approved by the Assembly Standing Committee(minute 4.88 November 2004 meeting)

#### Note 2

The reduction occurred through the sale of the Westmead units and one manse although this was offset by the purchase of two other manses.

#### Note 3

Some major overseas transfers of funds were made in December 2005 but our bank did not process the entries until January 2006.

### 2.2 INCOME

The results of operations for the last three years shows a major increase in income since 2006 - primarily in grants  
The following table is a summary trends for the past three years:

	2008	% of Income	2007	% of Income	2006	% of Income
Synod allocation	4,941,060	42	5,014,050	45	4,730,078	53 <b>Note 1</b>
Donations	2,158,293	18	2,355,625	21	1,797,306	20 <b>Note 2</b>
Interest/dividends	1,113,598	9	950,630	9	718,337	8
Grants	2,084,912	18	1,386,508	13	395,101	4 <b>Note 3</b>
Management Fees	252,022	2	418,731	4	352,542	4 <b>Note 4</b>
Rebate - Telstra	179,320	2	187,903	2	133,463	2
Profit/(Loss) on property disposal	238,754	2	5,084	0	(17,453)	(0)
Other	824,592	7	752,650	7	761,073	9
<b>TOTAL INCOME</b>	<b>11,792,550</b>	<b>100</b>	<b>11,071,179</b>	<b>100</b>	<b>8,870,446</b>	<b>100</b>

#### Note 1

The amounts received from Synods and Agencies(for Uniting Care Australia) has remained consistent in gross terms but now represent a declining percentage of the Assembly's income

#### Note 2

The level of donations increased significantly in 2007 and it proved difficult to maintain this level into 2008. Strategies are in place to ensure that the level does not deteriorate further in 2009.

#### Note 3

UCOA was admitted as a full member of AusAid in 2007 which enabled additional funding(grants) to be available.

#### Note 4

Fee on donations used to fund administration expenses.

## 2.3 EXPENSES

	2008	% of Expenses	2007	% of Expenses	2006	% of Expenses	
Salaries	2,787,849	29	2,618,947	29	2,432,516	29	<b>Note 1</b>
Salaries On-costs	377,471	4	350,881	4	296,836	4	<b>Note 1</b>
Grant payments	4,104,705	43	3,247,116	36	2,791,684	34	<b>Note 2</b>
Travel and accommodation	536,360	6	560,889	6	685,454	8	
Promotion	394,078	4	286,066	3	160,862	2	<b>Note 3</b>
Communications	226,384	2	188,849	2	422,759	5	<b>Note 4</b>
Depreciation	219,256	2	229,532	3	218,664	3	
Occupation	299,411	3	234,759	3	223,397	3	
Project Costs	365,022	4	746,404	8	451,447	5	<b>Note 5</b>
All other Costs	298,065	3	543,245	6	582,784	7	<b>Note 6</b>
Impairment Losses	1,653,792		0		0		<b>Note 7</b>
<b>TOTAL EXPENSES</b>	<b>11,262,393</b>	<b>100</b>	<b>9,006,687</b>	<b>100</b>	<b>8,266,403</b>	<b>100</b>	

### **Note 1**

Salaries and on costs have remained reasonably stable in real terms.

### **Note 2**

Increased as a result of additional funding available from AusAid through UCOA.

### **Note 3**

Increased focus on promotions and communication to ensure that Church members are aware of the work being done and to assist in developing our level of donation income.

### **Note 4**

Use of alternative and cheaper distribution methods(eg in house printing of certain publications) led to a decrease.

### **Note 5**

The bulk of these costs relate to the administration costs allowed to be charged against grants received from AusAID. The actual amounts are 'lumpy' as they depend on the timing of the amounts spent.

### **Note 6**

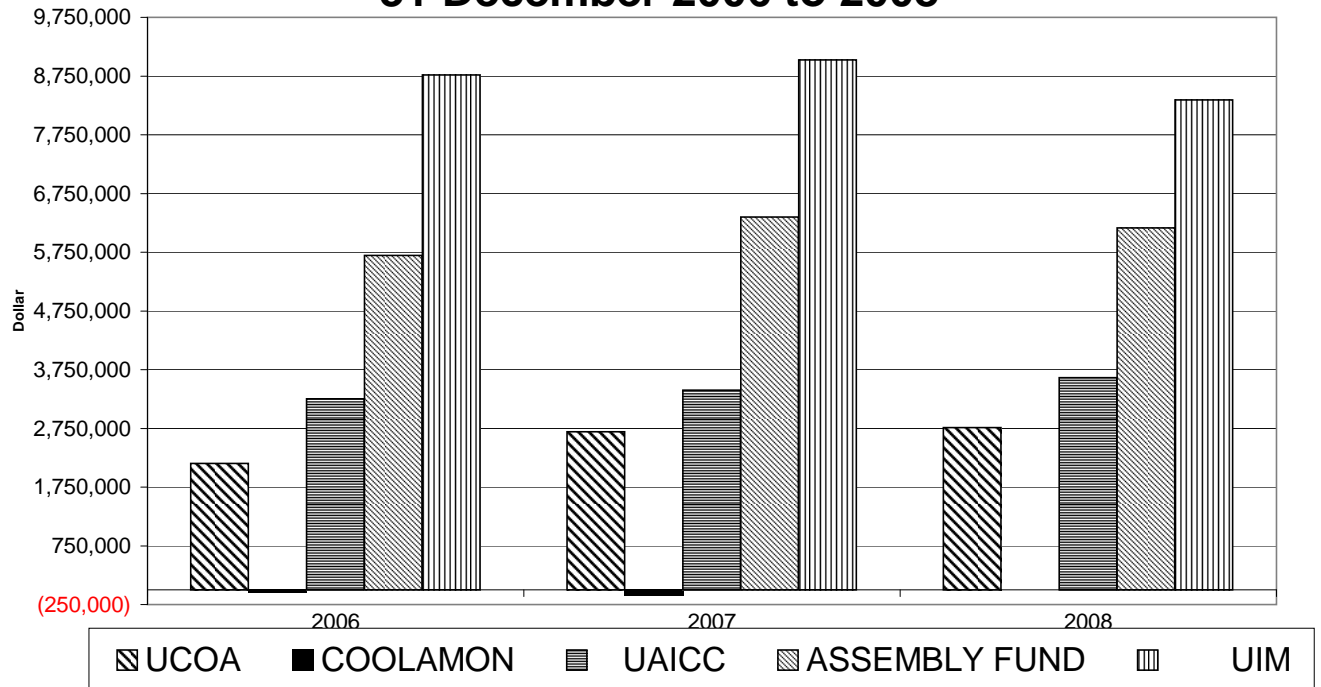
The major items

	2008	2007	2006
Governance	137,267	136,457	178,407
IT Support Costs	117,783	86,294	98,318

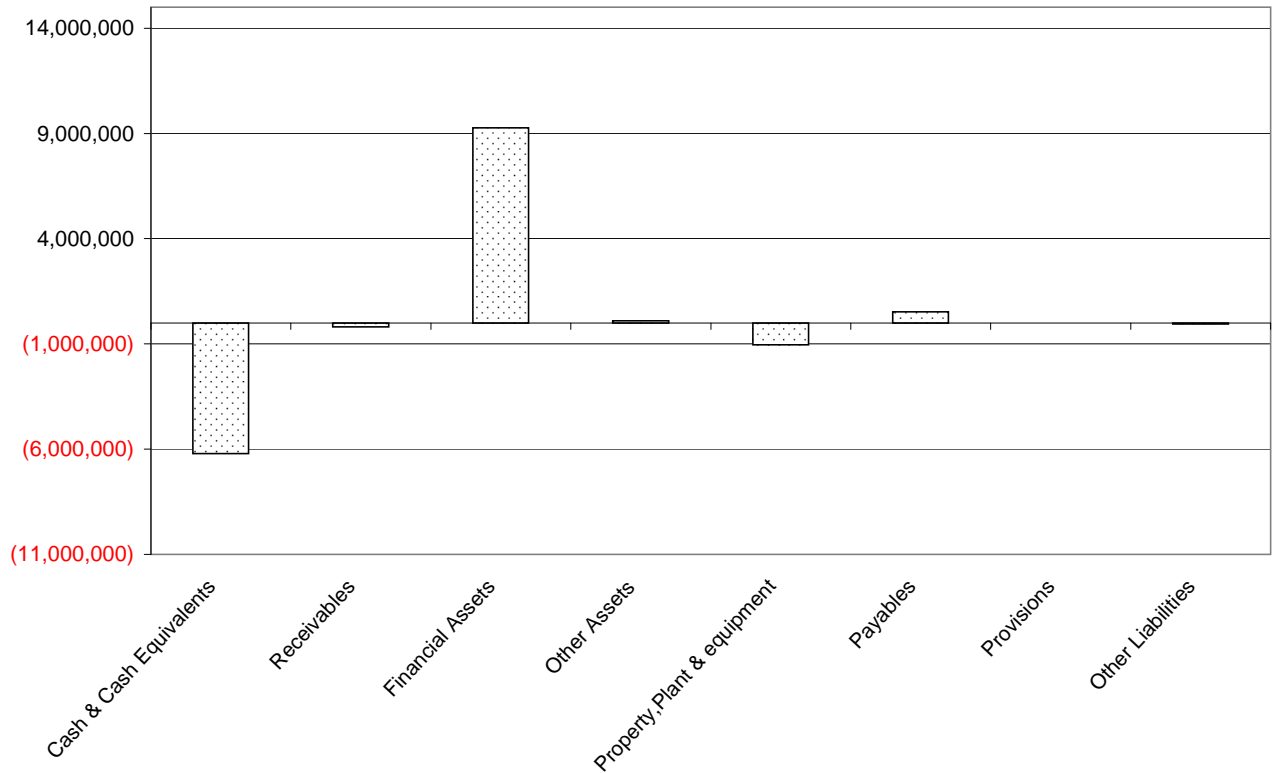
### **Note 7**

The impairment charge is a book loss that rises out of comparing the purchase cost of shares with the market value as at 31 December 2008.

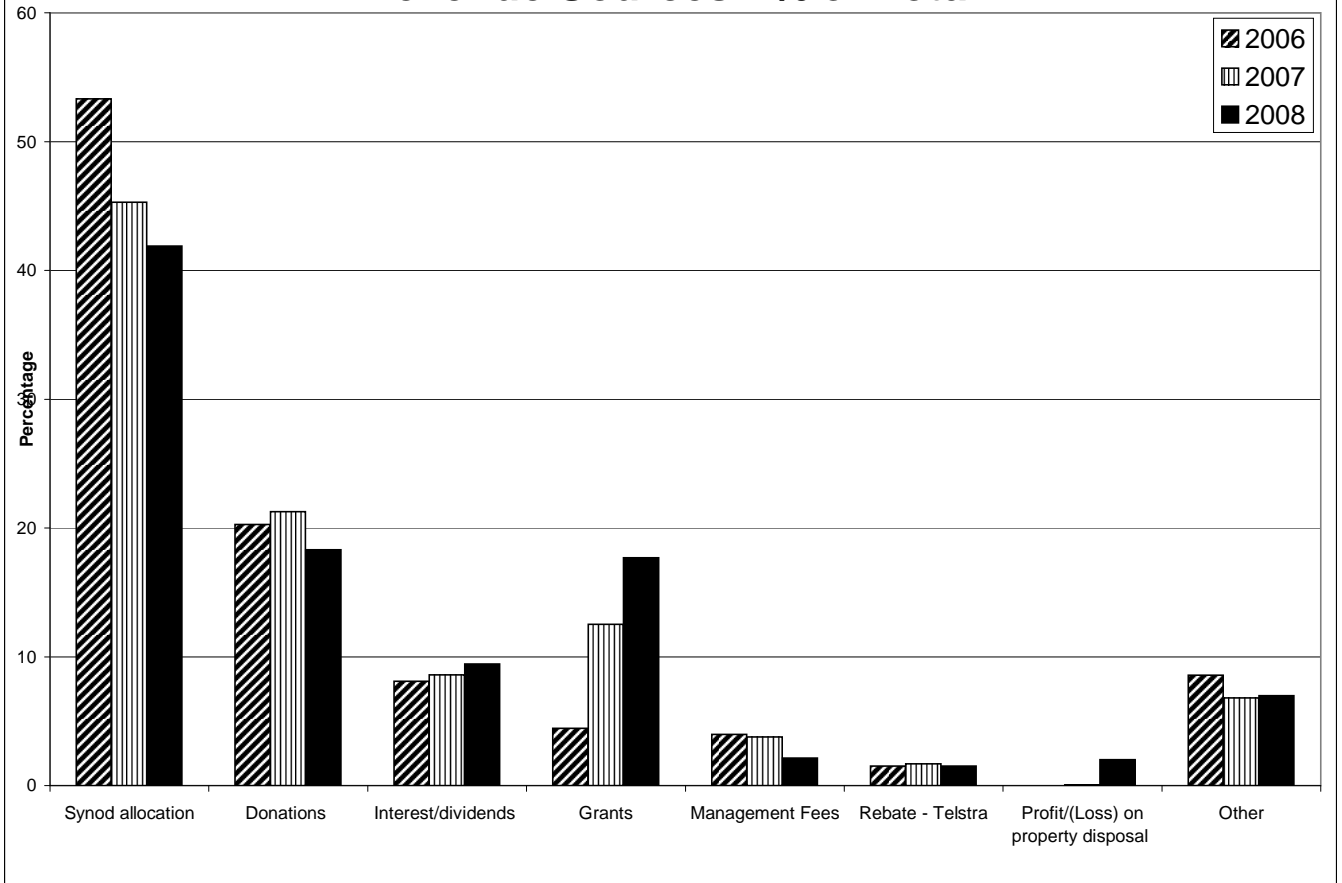
## Movement in Net Assets 31 December 2006 to 2008



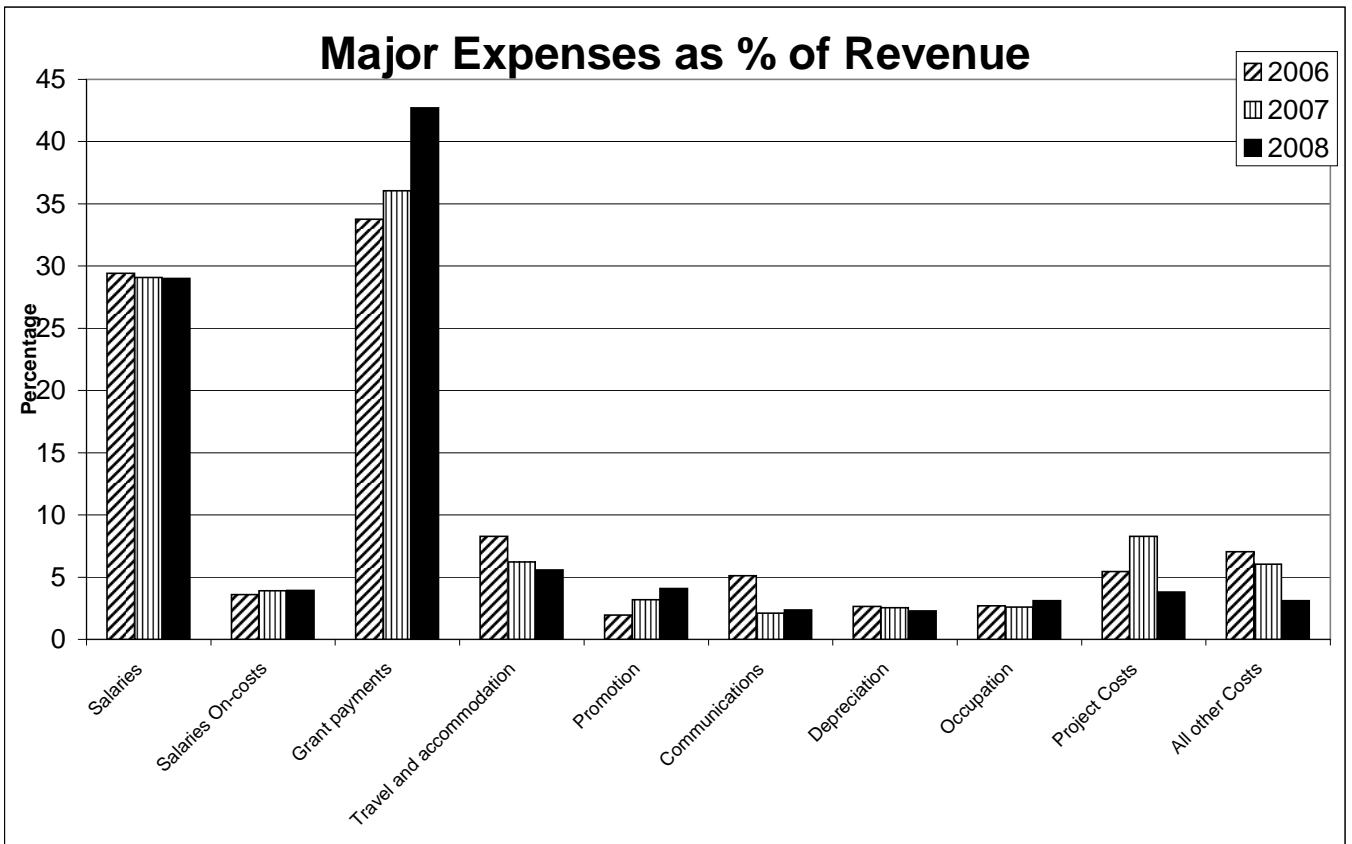
## Movement in Assets and Liabilities 31 December 2006-2008



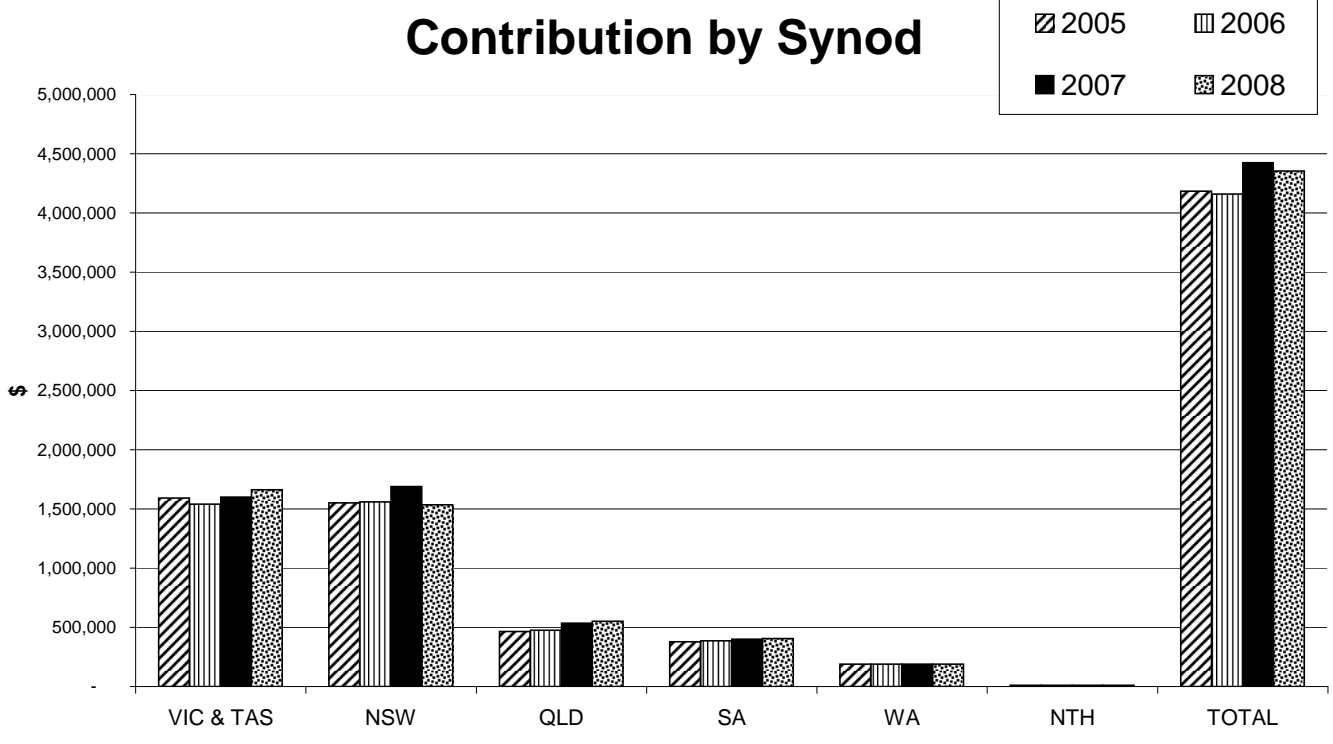
## Revenue Sources - % of Total



## Major Expenses as % of Revenue



# Contribution by Synod





### 3 Frontier Services

#### 3.1 Movement in Net Assets

	30 June 2008	30 June 2005	Increase/ (decrease) over 3 years
Cash assets	1,842,506	539,976	1,302,530
Receivables	500,745	230,977	269,768
Short Term Deposits	4,220,567	3,015,920	1,204,647 <b>Note 1</b>
Other financial assets	9,010,435	6,739,796	2,270,639 <b>Note 2</b>
Prepayments	149,030	124,495	24,535
	15,723,283	10,651,164	5,072,119
Property plant & equipment	25,044,501	20,238,851	4,805,650 <b>Note 3</b>
<i>Total assets</i>	40,767,784	30,890,015	9,877,769
Payables	(1,674,968)	(1,235,923)	(439,045)
Accommodation bonds	(1,901,435)	(1,143,449)	(757,986) <b>Note 4</b>
Provisions	(1,668,154)	(1,264,708)	(403,446)
Funding received in advance	(3,561,553)	(1,722,067)	(1,839,486)
Mortgage on Kent Street property	(1,200,000)	(1,500,000)	300,000 <b>Note 5</b>
<i>Total liabilities</i>	(10,006,110)	(6,866,147)	(3,139,963)
<b>Net assets</b>	<b>30,761,674</b>	<b>24,023,868</b>	<b>6,737,806</b>

#### Comment

##### Note 1

Of the increase

\$1.14 million from Health & Ageing for Capital upgrade Derby aged care facility

##### Note 2

Of the increase

\$0.75 million from the increase in accommodation bonds

\$1.79 million from capital gains in Managed funds reinvested with Macquarie

##### Note 3

Of the increase

\$3.77 million represents cost of additional beds & building extensions at Old Timers nursing home, Alice Springs

##### Note 4

As at June 2008 we held 19 bonds (at an average value of \$100,000) whereas in June 2005 only 13 bonds were held (at an average value of \$88,000).

##### Note 5

Mortgage on 379 Kent Street held with (NSW) Trust Association @ 7.85% per annum

### 3.2 Income

The following table is a summary trends for the past three years:

	2008	% of Income	2007	% of Income	2006	% of Income	
Government Grants	10,249,491	31.69%	8,137,550	28.04%	7,291,074	26.39%	<b>Note 1</b>
Aged Care Grants	12,491,864	38.62%	11,596,352	39.96%	13,004,176	47.07%	
Synod Grant	260,483	0.81%	254,569	0.88%	259,873	0.94%	
Fees (Residents/Students & Other Clients)	3,779,899	11.69%	3,647,249	12.57%	3,353,684	12.14%	
Donations	1,714,019	5.30%	1,525,139	5.26%	1,325,627	4.80%	
Merchandise Sales	70,676	0.22%	98,238	0.34%	55,336	0.20%	
Interest & Dividends	1,014,304	3.14%	902,669	3.11%	800,880	2.90%	
Rental	370,272	1.14%	344,405	1.19%	354,878	1.28%	
Sundry & Other income	2,393,182	7.40%	2,513,304	8.66%	1,179,356	4.27%	
<b>TOTAL INCOME</b>	<b>32,344,190</b>	<b>100%</b>	<b>29,019,475</b>	<b>100%</b>	<b>27,624,884</b>	<b>100%</b>	

### 3.3 Expenses

	2008	% of Expenses	2007	% of Expenses	2006	% of Expenses	
Salaries	18,881,957	62.1%	16,485,323	60.7%	15,237,599	60.6%	<b>Note 2</b>
Salaries On-costs	1,960,824	6.4%	1,862,585	6.9%	1,790,666	7.1%	
Administration	794,876	2.6%	392,751	1.4%	409,388	1.6%	
Advertising & media	254,070	0.8%	259,377	1.0%	197,190	0.8%	
Comms	414,366	1.4%	392,751	1.4%	355,785	1.4%	
Depreciation	1,169,089	3.8%	1,078,230	4.0%	1,022,898	4.1%	
Food & House	1,027,741	3.4%	928,008	3.4%	809,312	3.2%	
Repairs	715,567	2.4%	693,877	2.6%	568,945	2.3%	
Service & Program Costs	1,400,964	4.6%	2,312,864	8.5%	1,520,839	6.1%	
Travel & accomm	502,344	1.7%	441,940	1.6%	343,487	1.4%	
Utilities	578,437	1.9%	577,670	2.1%	496,912	2.0%	
Vehicle Costs	588,361	1.9%	467,466	1.7%	452,894	1.8%	<b>Note 3</b>
All other Costs	2,139,024	7.0%	1,278,412	4.7%	1,927,875	7.7%	<b>Note 4</b>
<b>TOTAL EXPENSES</b>	<b>30,427,620</b>	<b>100.00%</b>	<b>27,171,254</b>	<b>100.00%</b>	<b>25,133,790</b>	<b>100.00%</b>	

**Note 1** The increase in Government Grants is mainly due to  
 > additional funding for existing programs 758,970  
 > funding for new programs 1,319,899  
 > funding for capital works 768,378

**Note 2** The increase in Salaries is mainly due to  
 > Additional staff in aged care including increase in Old Timers 831,000  
 > Other additional services and additional staff 538,800  
 > increase in premium paid on additional agency staff 540,190  
 > Additional staff in Mititjulu programs 144,500  
 > Salary increases in Aged Care 462,000  
 > Salary increases in other services 479,700

**Note 3** Increase in vehicle fleet from 80 to 102

**Note 4** Major items in 2008 include  
 Medical Expenses 292,806  
 Laundry & Cleaning 398,954  
 Training & Recruitment 596,110  
 Interest paid 98,918 *on mortgage over level 5 379 Kent Street*