

Treasurer's report: AGM 2008

Disclaimer

The attached financial accounts for the NZIF cover the period 1 April 2007 to 31 March 2008. The figures have been prepared from an analysis of banking records. Every attempt has been made to ensure that they portray a true, accurate and sufficient picture of the affairs of the Institute. However I have not had the accounts audited and I take no responsibility for the quality of the information provided to me.

Current financial position

This report should be read in conjunction with the attached accounts. The Institute made a surplus on operations for the year of \$11,600, compared with a budgeted surplus of \$18,900. The result includes the final accounts of the 2007 Conference, which was organised by our hosts in Australia, the IFA. Key differences from budget may be found on:

Page 2:

- **Stocks of publications.** These consist of unsold copies of the NZIF Forestry Handbook (4th edition) and the MDF book. Stocks are reduced by sales of the Handbook, which were lower than expected.
- **Unpresented cheques.** A large number of cheques issued in March were not presented until April.
- **Consultant and Registered Member advances.** Some of the subscriptions for Registered Forestry Consultants and Registered Members are received before balance date and I have started showing these as advances on the next year's accounts. This represents a change in accounting practice.

Page 3:

- **Subscriptions allocated to the Journal.** Refer to 'notes on page 5' below.
- **Corporate sponsorship.** We are still developing our corporate sponsorship policy and testing the response of industry to the idea. Sponsorship this year has been raised for the Conference and included in Conference income.
- **Sundry income.** This includes the migration of Section accounts to the Institute. Strictly this is not Institute money but has been included in the balance sheet.
- **Secretariat.** The process for managing the Newsletter has been subcontracted allowing the Secretariat to reduce its costs.
- **Travel, Council.** Council travel expenses were higher than expected largely as a result of holding the AGM in Coff's Harbour.

Page 4:

- **Conference income and expenses.** For the 2008 Conference some expenses were incurred and income received prior to 31 March. Expenditure is close to budget but I did not include any income in the budget as I was unsure as to the timing and amount.
- **Newsletter advertising and operating costs.** Advertising revenue has been lower than expected, but costs have been much lower. As a result the cost to the Institute of running the newsletter for the year was \$3,000, not \$10,000.
- **Newsletter donations.** Members contributed an excellent level of donations to maintain the newsletter. Though less than budgeted, the donations should provide funding for another 5 years at the present level of costs.
- **CPD seminars.** No CPD seminars were run. They were budgeted to break even when they did occur.

Page 5:

- **Members' Journal subscription.** This figure is maintained at around 33% of members annual subscriptions. It is low and the Journal operates at a loss, but this is desirable for tax purposes.
- **Non-Members' Journal subscriptions.** These continue to fall and the Council is reviewing the structure of Journal subscriptions to address the issue.

Page 6:

- **New Applicants.** There was an encouraging lift in new applicants this year.
- **Expenditure.** Higher travel and attendance costs arose from changes in Board makeup (longer travel distances) and timing differences, which meant that members invoiced for more meetings this year.

Page 7.

- **NZIF Scholarships.** The fund was replenished from the Forester of the Year account but will need addressing in the long term.
- **Balneaves Award.** This fund is essentially exhausted and will be consolidated into the Chavasse Award unless it is refinanced through sponsorship.

Of the Institute's total income (this year around \$165,000) 25% came from sources other than members. Most of it was advance sponsorship for the 2006 Conference (approx \$14,000); non-member Journal sales and advertising (approx \$11,000); interest earned (approx \$10,000); and Newsletter advertising (approx \$6,500). Non-member income is assessable for income tax but related expenses are deductible. Tax has been assessed as \$2,291 this year.

Notes to the accounts

The accounts have been prepared on a cash basis ignoring some changes in working capital. This simplification creates an imbalance on the balance sheet, so that the tangible assets do not match the known liabilities. The imbalance fluctuates from year to year and has been designated as "other reserves." This year it is an asset surplus of \$268.

I put the motion that the Treasurer's report be accepted.



H B Moore
Treasurer.

New Zealand Institute of Forestry Inc.
Te Putahi Ngaherehere o Aotearoa

Financial Accounts

For the 12 months ended 31 March 2008

H B Moore 3/05/2008

	Page
Contents	1
Financial report	2
Council activities	3
Member services	4
Journal account	5
Registration Board	6
Trust funds	7

Statement of Financial Performance

For the 12 months ended 31 March 2008

	\$ Budget 2007/8	\$ Year end March 2008	\$ Year end March 2007
Surplus (deficit) from activity centres:			
Council activities	19,400.00	839.68	(2,914.31)
Member services	(250.00)	18,810.99	6,885.64
Journal	(150.00)	(8,250.60)	(12,529.41)
	<u>19,000.00</u>	<u>11,400.08</u>	<u>(8,558.08)</u>
Tax refund	-	204.88	-
Tax (payments)	(93.00)	-	(342.12)
Transferred to reserves:	<u>18,907.00</u>	<u>11,604.96</u>	<u>(8,900.20)</u>

Statement of Financial Position

For the 12 months ended 31 March 2008

Assets			
Trading bank accounts	85,000.00	65,499.67	73,358.71
Section accounts		1,949.51	
Term investments, BNZ	12,500.00	51,832.93	21,473.45
AMP cash investments	10,000.00	10,072.54	10,082.82
Registration Board a/c	52,000.00	53,768.03	46,950.76
Plus GST (due to) / owed by IRD	10,000.00	12,929.77	11,712.65
Cash held	-	72.75	72.75
Debtors owing	-	-	2,222.00
Stocks of publications	35,000.00	38,570.25	41,666.90
Office equipment	-	-	-
Total assets	204,500.00	234,695.45	207,540.04
Liabilities			
Unpresented cheques	10,000.00	21,147.07	24,694.55
Consultants and RM advances	-	13,949.50	5,466.67
Journal advances	-	-	-
MDF book funds held	-	-	-
External liabilities	<u>10,000.00</u>	<u>35,096.57</u>	<u>30,161.22</u>
Revenue reserves			
Opening reserves	(4,181.59)	(4,181.59)	4,211.03
Plus operating surplus (deficit)	18,907.00	11,604.96	(8,900.20)
Other reserves	(785.82)	268.24	507.59
Closing reserves carried forward	<u>13,939.60</u>	<u>7,691.61</u>	<u>(4,181.59)</u>
Trust funds			
Opening Trust funds	181,560.41	181,560.41	178,821.16
Bequests			
Plus growth, less awards	(1,000.00)	10,346.87	2,739.25
Closing Trust funds	<u>180,560.41</u>	<u>191,907.27</u>	<u>181,560.41</u>
Total liabilities and members' equity	204,500.00	234,695.45	207,540.04

Statement of Financial Performance - National Council Activities

For the 12 months ended 31 March 2008

\$	Budget 2007/8	Year end March 2008	Year end March 2007
<u>Revenue</u>			
Membership subscriptions (1)	80,000.00	77,993.22	71,417.33
Less subs allocated to Journal	(29,000.00)	(25,737.76)	(24,996.07)
Membership writeoff	-	-	-
Corporate sponsorship	25,000.00	-	-
Interest on cheque a/c (02, 25)	1,200.00	1,296.43	1,338.32
Sundry income	-	2,772.25	245.85
Total revenue	77,200.00	56,324.13	48,005.43
<u>Expenditure</u>			
Accounting services	-	-	-
Accreditation	-	-	-
Audit fee	-	-	-
Awards and trophies	600.00	76.44	580.45
Bank charges	2,500.00	1,964.85	2,123.69
Council expenses	-	-	-
Communication strategy	-	-	-
Fees and subscriptions	1,500.00	1,653.49	247.78
General	1,200.00	1,785.50	1,279.44
Honorarium, Secretary	6,000.00	5,499.99	6,722.20
Insurance	2,000.00	2,090.00	2,090.00
Interest paid	-	-	-
Meetings, Council	1,000.00	1,061.56	1,134.96
Meetings, Working parties	500.00	-	190.61
Payments to sections (3)	1,000.00	335.00	761.67
Postage, prepaid envelopes	3,000.00	1,708.44	3,200.03
Printing and stationery	2,500.00	3,433.76	2,645.72
Public relations	500.00	-	-
Representation	-	-	-
Secretariat (4)	17,000.00	14,104.49	16,884.92
Submissions and critiques	2,000.00	1,200.00	-
Telephones	500.00	276.80	475.95
Trademarks and branding	-	-	-
Travel, Council	15,000.00	18,863.64	11,761.42
Travel, working parties	1,000.00	1,430.49	820.90
Total expenditure	57,800.00	55,484.45	50,919.74
<u>Council activities surplus (deficit)</u>	19,400.00	839.68	(2,914.31)

Budget notes:

33% of subscriptions allocated to Journal

Statement of Financial Performance - Member Services

For the 12 months ended 31 March 2008.

	\$ Budget 2007/8	\$ Year end March 2008	\$ Year end March 2007
<u>Revenue</u>			
Conference income	-	14,188.89	55,156.98
Forest valuation standards	1,000.00	1,073.03	729.11
Forestry handbook 1995 sales	-	-	8.89
Professional Handbook 1999 sales	-	-	-
Forestry handbook 4th edition	-	-	-
South African Journal sales	-	-	133.34
MDF book sales	-	-	11,066.52
Newsletter advertising	10,000.00	6,521.15	9,206.29
CPD seminars	2,000.00	-	1,904.44
Newsletter donations	20,000.00	17,388.89	-
Total revenue	33,000.00	39,171.96	78,205.57
<u>Expenditure</u>			
Conference expenses 2008	10,000.00	8,470.34	52,593.72
CPD seminars (Valuation workshops)	2,000.00	-	2,283.56
Tane's Tree Trust workshops	-	-	-
Forest valuation standards	-	-	-
Professional Handbook 1999	-	-	203.50
NZIF Handbook 4th edition	-	-	248.22
Newsletter	20,000.00	9,643.15	6,241.85
Publication postage	-	247.48	299.50
Transfer to Journal on-line	-	-	-
MDF book sales costs	-	-	8,214.63
Web hosting and content updates	1,250.00	2,000.00	1,234.95
Total expenditure	33,250.00	20,360.97	71,319.93
<u>Member services surplus (deficit)</u>	(250.00)	18,810.99	6,885.64

Budget notes:

Statement of Financial Performance - New Zealand Journal of Forestry
For the 12 months ended 31 March 2008

	\$ Budget 2007/8	\$ Year end March 2008	\$ Year end March 2007
<u>Revenue</u>			
Advertising	2,000.00	1,348.44	1,710.01
Members' Journal contribution *	29,000.00	25,737.76	24,996.07
Non-members' Journal subscriptions	15,000.00	9,764.15	14,588.87
Journal reprints, back copies	-	467.97	-
Transfer to Journal on-line	-	-	35.56
Total revenue	46,000.00	37,318.32	41,330.51
<u>Expenditure</u>			
Advertising commission	500.00	-	272.68
Editor's honorarium	10,000.00	10,000.00	10,000.00
Journal postage	5,500.00	5,448.22	5,259.53
Journal printing (1)	30,000.00	30,000.00	30,000.00
Journal reprints	-	-	-
Journal on-line project	-	-	8,206.22
Microfiche	150.00	120.70	121.49
Total expenditure	46,150.00	45,568.92	53,859.92
<u>Journal trading surplus (deficit)</u>	(150.00)	(8,250.60)	(12,529.41)

*33% of each member's subscription is allocated to the Journal from each sub.

Budget notes:

(1) Assumes there are no changes to the Journal format

Statement of Financial Performance - Registration Board

For the 12 months ended 31 March 2008

	\$ Budget 2007/8	\$ Year end March 2008	\$ Year end March 2007
<u>Revenue</u>			
Registered members' subscription			
- Existing consultants	22,000.00	21,328.90	22,407.17
- New applicant's fee	500.00	1,911.11	266.67
- Non-consultants	1,000.00	1,488.89	533.33
Total revenue	23,500.00	24,728.90	23,207.17
<u>Expenditure</u>			
Registration Board administration (1)	2,500.00	2,666.67	1,513.62
Registration Board attendance	7,000.00	6,516.66	7,358.33
Registration Board interviews, reviews	1,500.00	1,891.67	1,225.00
Registration Board travel	7,000.00	8,387.21	6,769.60
Legal and other expenses	500.00	637.89	552.14
Directory development/ maintenance	-	-	-
Total expenditure	18,500.00	20,100.10	17,418.69
<u>Registration Board surplus (deficit)</u>	5,000.00	4,628.80	5,788.48

Budget note:

(1) Figures provided by the Registration Board

for both income and expenditure.

New Zealand Institute of Forestry Inc
Te Putahi Ngaherehere o Aotearoa

Trusts and Special Funds Account

For the 12 months ended 31 March 2008

	\$	Total	Consultants fund	Life members	NZIF scholarships	Kirk medal	Forester of the year	Mavis Davidson	Chavassa	Balneaves	Section accounts
Opening Balance 1 April 2006	\$	181,560.41	46,950.76	34,729.08	3,266.49	5,345.30	24,148.21	3,799.58	60,848.04	1,490.15	981.90
Allocation of interest		100.00%	25.3%	19.1%	1.8%	2.9%	13.3%	2.1%	33.5%	0.8%	0.5%
Interest income		8,462.90	2,188.47	1,618.79	152.26	249.16	1,125.60	177.11	2,836.29	69.46	45.77
Earnings and donations		5,550.54	4,628.80		3,320.00		(3,320.00)				921.84
Awards granted		(3,666.57)			(3,666.67)						
Nett activity		10,346.37	6,817.27	1,618.79	(194.41)	249.16	(2,194.40)	177.11	2,836.29	69.46	967.61
Closing Balance	\$	191,907.27	53,768.03	36,347.87	3,072.08	5,594.46	21,953.81	3,976.69	63,685.23	1,559.61	1,949.51
Year end March 2008											