

Does the Financial Information given to Conference Organisers advise them they have to make a profit in order to fund the Institute's Special Projects?

NZILA TREASURER'S REPORT – 2004

PRESENTATION OF THE ANNUAL ACCOUNTS

The Executive Committee is pleased to present the Treasurers report for the 2004 calendar year.

The Annual Account and Audit prepared by Iles & Campbell are attached.

The Institute's finances continue to remain in a healthy position.

The Institute's finances have now effectively been split into four main activity areas.

1. INVESTMENT

(a)	Term Deposit	Start Year	\$76,697.00
		End year	<u>\$80,033.00</u>
		Income (Interest)	\$3,336.00
(b)	Ready Access	Start Year	10,048.00
		End Year	<u>10,186.00</u>
		Income (Interest)	\$138.00
(c)	Annual Account	Income (Interest)	900.00

Total Interest \$4,374.00

1.1 Comment

1.1.2 Investment Account

In keeping with Executive's financial Goal we continue to maintain our Reserves Term Investment at a level consistent with one years Annual Subscriptions. The Interest accrues on this account at 6.20%pa and revolves every 100 days.

1.1.3 Ready Access Account

The value of this account now stands at just over \$10,000.00. We earn an interest of 1% on this money.

This account is the first port-of call if we require additional funds for non-budget items. It is intended that surplus money from the Conference and Awards Accounts would be transferred to this account which will begin to build a base for funds for Special Projects.

It is not envisaged that funds in this account will ever become significant as the number of Special Projects requiring action by the Executive on behalf of members is growing. The allocation of funds would be driven by priorities identified as part of the Executive's Strategy proposals. (To be discussed later).

2. OPERATIONAL (ANNUAL ACCOUNT)

Cheque Account	Income (Less above Interest)	90,951.00
	Expenditure	87,334.00
	Surplus	3,617.00
	<u>Accounts payable</u>	<u>14,016.00</u>
	Net Deficit	-\$10,399.00

2.1 Comment

2.1.1 Income

Income Budget (Less Interest)	82,000.00
<u>Income Actual (Less Interest)</u>	<u>90,951.00</u>
Income Surplus	\$8,951.00

As with last year, the following factors have contributed to this including:

- A good growth in membership

- A greater number of members becoming Registered
- Electronic distribution of information to members using email
- Sundry Income from Job advertisements through the Website and via email
- Increased number of Graduates applying for Associateship

2.1.2 Expenditure

Expenditure Budget (including Interest)	85,500.00
Expenditure Actual	87,334.00
Accounts Payable	14,016.00
Expenditure Total	101,350.00
Expenditure Budget Deficit	-15,850.00
Add Income Surplus	8,951.00
Actual Operational Deficit	-\$6,899.00

2.2 Explanation

2.2.1 General

The budget is an indicative guide for the Executive as to how it should allocate its money and what is anticipated to be spent on each item.

At each Executive meeting the Executive is given a report from the Cashmanger Programme that gives a Budget/Actual comparison. This allows us to reallocate funds into items where expenditure is low or visa versa . It also assists the Executive to make decisions about spending on unbudgeted items. From time to time opportunities or special issues arise that require us to reallocate expenditure.

At the 2003 AGM, membership gave the Executive the mandate spend up to \$5000 on unbudgeted items.

The main items requiring budget re-allocation or incurring overspend include:

2.2.2 Administration Officer

It was with much regret that our long time administrative assistant Anita Fulton resigned in mid 2004. She was not formerly an employee of the Institute and often did work voluntarily for us. The Executive agreed to employ its very first part-time Administrative Officer. It was acknowledged that the \$15000 budgeted for Secretarial services allocated in the budget may not have been sufficient. In July, Melanie Whitaker was engaged for an average of 20hours per week plus office expenses. We would monitor her work-load and expenditure until the end of the year and then revisit the budget allocation in 2005.

Expenditure over budget (\$8000) has been attributed to several factors:

- Transition costs and over lap/training between Anita and Melanie.
- Increased demand from members to provide information
- Increased demand from the Executive for support services.
- Election year administration
- Office set-up

2005 Budget

We have allowed for further funding of Administrative Services in the Budget

2.2.3 President/IFLA Delegate

The President has undertaken some non budgeted activities (\$5,400) including attendance at the 2004 IFLA Region Conference in Taiwan. Di attended this at the invitation of outgoing IFLA General Secretary Di Menzies. The Executive decided that it was important for the NZILA to have a presence at this meeting especially with respect to our members being awarded two International design awards.

It was agreed that we would pay for Travel (\$2,300) and Registration to the World Congress and the World Council (\$1,400) costs only.

The President's extraordinary expenditure of \$1600 included attendance at a farewell function for the NZ Landscape Editor Barbara Glennie and farewell gifts , meetings with EDS Executives and attendance at their conference as NZILA Partner, attendance at the Auckland Branch Spring Lecture Series. The Expenditure also included books (Raffles) for the Education Foundation Thayer visit.

2005 Budget

We have not provided any funding for the IFLA delegate in this year's budget
We have included an item of \$700 to cover extraordinary President's expenditure.

2.2.4 Marketing/Promotion

The Executive decided to reallocate funds (\$500) to assist with promoting the NZILA at as many opportunities as possible. This was in the form of Press releases that cost in the order of \$400 each.

2005 Budget

We have allowed for four (4) press releases in 2005

2.2.5 Landscape NZ

The Landscape NZ Magazine was remodeled during the year and members now have access to two magazines – Landscape NZ and Urbis Landscapes. The \$2500 overspend is due to the revised payment process for AGM and was an advance payment for the first 2005 issue.

2005 Budget

No additional expenditure is envisaged for this year.

2.2.6 Website Development

The Website underwent a significant revamp in late 2004 with a revision to the formatting and improvements to the layout of the site. The additional cost of this was in the order of \$1,000. The Website continues to be a huge success and is now being used regularly by many members.

We have established linkages with other organizations, market conferences, advertise jobs and provide space for Branch newsletters.

2005 Budget

Although the Budget has only allocated \$1000 for further minor refinements, the Executive agreed at its November meeting to allocate a further \$5000 for a significant revamp for Data Integration and the Website Search Engine.

This work has now been completed and was activated on April 19th.

The Executive have allocated Special funds for this to be drawn from the Conference Account.

2.2.7 Associateship

The Associateship team incurred more travel, accommodation and courier costs than expected \$900 over the budget. The large number of applicants required more time and assessment.

2005 Budget

We have allocated \$2500 in this year's budget. The Portfolio report will outline changes to the Associateship Pack and Interview process.

2.2.8 Urban Design Forum

The Executive agreed to support the BRANZ/YBE document in November.

2005 Budget

A sum of \$2500 has been set aside for this in the budget.

2.2.9 Branch Levies

The Executive returns a significant amount of money to the branches each year.

Telecom Yellow Pages

A subsidy of \$60 is paid to Branches for each of the Major telephone Directories in their area. These payments were made in July 2004.

Auckland	120
Central NI	180
HB Manawatu	240
Wellington	120
Nelson Marlborough	120
Canterbury Westland	120
Southern	120
Total	\$1020

Branch Levies		July	March 2005(Late)	Total
Auckland	2075	350	2425	
Central NI	540	nil	540	
HB Manawatu	300	20	320	
Wellington	855	40	895	
Nelson Marlborough	120	nil	120	
Canterbury Westland	1345	225	1570	
Southern	460	85	545	
Total	\$5,695	\$720	\$6415	

2005 Budget

We have allocated \$8000 for branch levies and \$1000 for the telephone levies.

Branch levies are due to be paid in July and December.

The telephone Levy is due to be paid in July

SUMMARY OPERATIONAL ACCOUNT

Operational Deficit	6,899.00
Special Project (Website)	5,000.00
Transfer Funds required	\$12,000.00

Should it be necessary during the course of the year to correct any shortfall between the 2004 and 2005 operational budgets, then funds will be transferred from the Conference Account.

The Executive were advised by the Treasurer of the implications of the effect of its spending on the above items, and agreed to allocate funds in the knowledge that \$13,000 of operational funds had been previously been allocated as 'Floats' to set up the Conference Account and the Awards Account. The 2004 Budget was managed with this in mind.

Current Situation

Our operational Cheque Account continues to have a healthy balance (\$45,000.00) and there is no need to take any immediate action on transferring funds (Floats).

3. CONFERENCE ACCOUNT

Excluding Float	Income (Sundry)	10,175.00
\$10,000	Income Registrations/Exhibitors	104,344.00
	<u>Expenditure</u>	<u>108,189.00</u>
	Surplus	\$6,330.00

3.1 Comment

3.1.1 2003 EDS Conference

NZILA partnered this Conference in 2003 with a contribution of \$5000. The money returned to us was linked to the level of sponsorship that NZILA could generate. We didn't quite meet the target and made a small loss of -\$620 on our investment in mid 2004.

3.1.2 2004 Ecopolis Christchurch

This conference was partnered with LIANZ and made a surplus of \$9481.00 40% (\$3793.00) was returned to LIANZ and the NZILA had a surplus of \$5689.00.

3.1.3 2004 Other Accountant Report \$640.

3.1.4 2005 Heritage Landscape Dunedin

The \$839 pre-payment to the Dunedin Conference has not been included in the 2004 report.

3.1.5 2004 EDS Conference

NZILA partnered this conference with a \$5000 sponsorship. We managed to generate sponsorship in excess of \$10000 thanks to Waitakere City Council and Harrison Grierson. We will be receiving \$5625. This is a small surplus of \$625.

3.2 Current Situation

As at the end of December 2004 we had \$19,954 in the Conference Account.

3.3 Distribution of Conference Funds 2004

As indicated in the Treasurers Report 2003

.....Conferences provide the greatest opportunity for the Institute to move forward with strategic issues in the future. The Executive has not yet decided on a capitation level for this account, but I suspect that retaining an operational balance of about \$15000 between conferences would be sufficient for any organizing committee to work with. Income generated in excess of this amount would return to the Ready Access account for the advancement of strategic projects.

The Executive has agreed on a discretionary policy of returning 15% of a conference surplus back to organising branches and determined that 10% of any surplus would also be donated to the NZILA Education Foundation Trust.

- NZILA Conference 2004 (Ecopolis) \$853.32 to Canterbury Westland Branch
- NZILA Conference 2004 (Ecopolis) \$568.88 to NZILA Education Foundation Trust

3.4 2005 Budget

The outgoing Executive had believed that NZILA needed to expand its sphere of influence and its association with other environmental organizations. The aim was to provide members with a CPD opportunity and market ourselves to a wider more diverse professional community. The association with EDS was a sound one but did involve considerable time and effort from Executive members to effectively generate what amounted to a financially balanced outcome.

The merits/risks of entering future partnering agreements needs to be considered further by the Incoming Executive.

No commitment has been made in this year's budget.

4. AWARDS ACCOUNT

Excluding Float
\$3,000

Income Sponsorship	14,667.00
Income Entry/Dinner	30,073.00
<u>Expenditure</u>	<u>43,606.00</u>
Surplus	\$1,146.00

4.1 Comment

The joint NZILA/LIANZ Awards were organized as part of the 2004 Conference in Christchurch.

Renee Lambert was convener. The Executive is keen to make this Portfolio as independent as possible in the future. It is intended that the initial Float of \$3000 will remain in the Account until the 2006 Awards.

Last year I mentioned that.....the Executive has not yet decided on a capitation level for this account, but I suspect that retaining an operational balance of about \$10,000 between awards events would be sufficient for any organizing committee to work with. Surpluses generated above this sum would return to the Ready Access account for strategic development.

A separate Report will be presented on this Portfolio.

SUMMARY

NZILA POSITION AT END DECEMBER 2004

Taking into account the performance of all the NZILA business activities, the Accountant advises that we have a **surplus of Income over Expenditure of \$15,468 as at 31 December 2004.**

Operational Surplus	7,991
Conference Surplus	6,330
<u>Awards Surplus</u>	<u>1,146</u>
Total Surplus	\$15,468

Current Assets	130,525
Less Liabilities (Accounts Payable)	14,016
Net Current	116,509
Add Current Assets	1,845
<u>Intangible Assets</u>	<u>1,509</u>
<u>Net Assets</u>	<u>119,862</u>
Total Members Funds	\$119,862

STRATEGY FOR 2004

Accounting Procedures

Branch Accounting

No progress has been made on undertaking a review of branch accounting practices.

Review of Interest Earning Deposits

No progress has been made on reviewing the Term Investment opportunities.

Review of Chart of Accounts

The Chart of Accounts for all accounts has been reviewed to give a better breakdown of activities.

Cashmanager

The Executive have upgraded to a multi company Cashmanager programme to allow the Conference and Awards data to be processed and managed better in the future. A budget programme now allows us to assess Budget/Actual comparisons following each GST period.

Subscriptions

Invoices were reformatted to improve information to members and make it easier for us to manage the various categories.

Education Foundation Donations

Rather than donations being paid to the Foundation through the NZILA we prepared a separate form allowing members to send this directly to the Trust. The Trust is organizing its own letterhead and the use of this will provide better definition in next year's mail out.

Co-Signatory

I'd like to thank David Mc Kenzie for continuing to assist me with co-signing cheques.

STRATEGY FOR 2005

Attend to uncompleted 2004 tasks

Review of Subscription Invoicing

Consider streamlining this process (see separate information)

Fees Increases for 2006

Consider adjusting fees in line with 1995 Policy (see separate Information)

Cashmanager

Prepare Chart of Accounts for the Awards and Conference Accounts and input transactions for the 2005 year.

PRESENTATION OF THE OPERATIONAL BUDGET FOR 2005

Income

In setting the budget for 2005 we have assumed an income based on a slight rise over the 2004 figures. This is predicted to come from an increase in membership numbers, more members registering, the CPI increase and sundry income.

Generally, as in previous year's expenditure and income run close together. Executive are continuing to improve communication with membership.

The Operational Budget **excludes** assessment of activities associated with the Conference and Awards Accounts. Income/Expenditure projections for these activities is generally unreliable as they can fluctuate depending on the success of the event.

The Annual Report prepared by the Accountant still has to incorporate these activities to provide our collective end of year position.

The Operational Budget this year **excludes** interest income generated from the Investment and Ready Access Accounts. This income is predictable, however as we intend to continue to roll-over income earned within each account, it is not prudent to place it within the Operational Budget. The Annual Report prepared by the Accountant still has to incorporate these activities to provide our collective end of year position.

Please find attached the 2005 budget and the financial statements for the 2004 calendar year.

Expenditure Items

The budget is divided into Portfolio activities and administrative expenses in order to track the expenditure and to allow Executive Portfolio holders to manage their own budgets.

The main addition to the list of activities is for the Urban Design Forum. The Executive believe that in the Year of the Built Environment that we must try to improve our public profile with respect to Urban Design issues.

Although activity associated with the Construction Industry Council was not realized fully last year we wish to retain this item on the budget. It is likely that there will be a correlation between this groups activities and the Urban Design Forum. Membership are increasingly demanding more from the institute with respect to advice on Documentation, Building related issues and CPD programmes. Our involvement in the CIC places us in a good position to coordinate information from other professional bodies and government agencies.

As explained previously some decisions were made in the 2004 year that have impacts on the 2005 budget.

The main items in the budget to note for additional funding are:

- | | |
|-----------------------------|------|
| • Secretarial | 8000 |
| • President's Extraordinary | 700 |
| • Marketing | 400 |
| • Urban Design Forum | 2500 |
| • Associateship | 500 |

Special Project Funding

- | | |
|----------------------------|------|
| • Website Data Integration | 5000 |
|----------------------------|------|

No allowance has been made for the IFLA Delegate

RECOMMENDATION

- **That the Budget be approved by the membership.**
- **That Iles and Campbell be retained as the Institute's Accountants and Auditors for a further term.**

Treasurer
Grant Edge

PROPOSED NZILA OPERATIONAL BUDGET 2005

INCOME (ex GST)	Budget 2003	Actual 2003	Budget 2004	Actual 2004	Budget 2005
Income					
Subscriptions	66,000	72,282	78,000	85,487	85,000
Assoc. Application fees	500	1,387	1,500	1,733	2,500
Sponsorship					
Accreditation					
Awards					
Education Foundation				41	
Interest Received Investment Accounts Ready Access	3,000	3,477	3,500	4,374	Separate
Interest Current Account				216	250
Awards					Separate
Sundry	1,500	2,122	2,500	3,473	3500
Conference Income		1,620			Separate
Yellow Pages Reimburse					
Funds Introduced					Separate
Net GST					1,380
TOTAL	71,000	80,888	85,500	95,325	92,630

PROPOSED NZILA OPERATIONAL BUDGET 2005

EXPENSES (ex GST)	Actual 2003	Budget 2004	Actual 2004	Budget 2005
Secretarial	16517	15,000	20122	20,000
Secretarial Expenses			3144	3,500
Office Equipment Purchases			172	250
Photocopying (incl Insite)	1954	2000	656	350
Postage			72	350
General Admin & Expenses	40	200	268	250
Annual Report & Brochures		500		450
Exec travel & expenses	7684	9,500	10,224	10,500
President Honorarium	4583	5,000	4444	5,000
Presidents Extraordinary			1503	700
Ruru Group				250
Awards Fellow/Life				450
Awards Student x 3	300	300		450
Accounting Auditor Cashbk	4010	4,200	3,982	4,500
Legal expenses		1,600		450
Telecom (including 0800)	970	1,500	1,216	1,500
Associateship	2227	2,000	2,962	2,500
Accreditation			272	250
Education Portfolio		1000		
CPD National				500
Graduate/Student Portfolio		1000		900
Environment Portfolio		500		850
High Country Landscape	773	1,500	919	850
Urban Design Forum				2,500
Documentation Portfolio		1,000		1000
Printing				450
Stationery				760
Printing, Stationery & Post	3314	3,500	1,233	
Construction Industry Council	2,398	3,500	750	1,500
CIC Exec Expenses				1,500
Registration	1110	300		250
Marketing/Promotion	1,104	1,200	1,780	1,600
Landscape NZ	11,667	10,000	12,500	10,000
Website Hosting	4,412	600	805	850
Website Development		4,000	4,880	1,000
Web Master	364.44	2,500	737	3,000
Sponsorship Student MD	5527	600		600
Subscriptions & Seminars	195	300	156	200
IFLA International Fees		2,500	2193	2,500
IFLA regional fees & awards	1999	1,000	623	1,000
IFLA Delegate/Travel/Accom		500	3839	
Branch Levies	6806	7,500	5,215	8,000
Branch Telephone Levies	360	400	900	1000
NZILA Conference Account	7768.29			Separate
NZILA Awards Account				Separate
Bank Charges	70	100	197	120
Education Foundation			714	
Subscription Refunds	1,031.10			
Subscription Dishonor	427.56			
Ordinary Depreciation	286	200	851	
Interest Cheque			4	
TOTAL	78,306.00	85,500	87,334	92,630

Notes

1. The budget is balanced. 2. Budget allows for CPI increase in fees.

NZILA FINANCIAL STRATEGY FOR 2006

A separate report will be presented on the NZILA Strategic Directions.

SPECIAL PROJECTS - FINANCIAL IMPLICATIONS

Two issues high on the agenda for some action by the Executive are:

1. Documentation Portfolio

The working group has requested that the Executive provide funding for an Associate Landscape Architect to undertake a review of current Documentation provided by organizations such as the Australian Institute of Landscape Architects, the Landscape Institute, the NZIA, IPENZ, NZ Standards and the like. This would involve a web searching, letter writing, emailing and gathering information. The information would be presented to the Working Group to assess its appropriateness and see if our organisation could adapt information currently issued by other or if it is necessary for us to produce our own.

In tandem with this the working group would target specific high priority documents.

2. Graduate/Student Pack

This has been on the agenda for some time and would be aimed at providing such things as a marketing video about the Institute for students and Graduates, a CPD programme specifically to assist Graduates to become Associates.

Costs

The Executive has undertaken preliminary estimates of costs and believe that they would both require funding in the order of \$5000 each.

FUNDING FOR SPECIAL PROJECTS

Review of Subscription Invoicing

The Institute has a very complicated system of invoicing.

Subscriptions are based on Membership categories.

We have three payment options: Discount, Standard and Late

We have overseas rates and hardship rates.

BACKGROUND

NZILA Executive Policy Statements

1995 Fees Policy:

Students and First year Graduates 1/6 of Associates

Second, Third and Forth year 2/3 of Associates

Fifth year - same as Associates

1998 Fees Policy

The 1998 Budget provided for a decrease of fees for G2 to \$120 and Students to \$25

2002 Fees Policy

Overseas: Registered = Std Overseas \$144.00 (Std reduced rate 1/3 associate) + 55 surcharge +GST

Overseas: Associates and Graduates Year 3, 4 5/5+ \$144.00 (Std reduced rate 1/3 associate) +GST

THE CONSTITUTION:

Clause 2.10 Fees and Subscriptions

(a) The amount of fees and annual subscriptions for the various grades of members shall be such as are recommended by the committee and are approved from time-to-time by the members voting at a General Meeting.

(f) Members of the Institute who have been in the Graduate category who have been in practice for five years will have their annual subscription raised to be equal to the subscription paid by Associate members.

PROPOSAL FOR DISCUSSION ONLY

That membership consider the following ideas as a way of generating more funds for Special Projects

- 1 To **streamline** the subscription payment process by **removing** the Discounted rate.
2. To **adjust** fees (upwards) in 2006 for Students and Graduates 2, 3, 4 in line with 1995 Policy in order to:
 - (a) Generate income (\$5000) to recover costs associated with the Graduate/Student Pack.
 - (b) Simplify and correct subscription anomalies.
 - (c) Improve Regional and National CPD Programme
3. To **adjust** fees (upward) in 2006 for Registered members in line with 2000 Policy in order to:
 - (a) Correct a subscription anomaly
 - (a) Maintain the \$55.00 Premium over Associate Fees
 - (b) Improve Marketing of Registered Members
 - (c) Improve CPD programme for Registered members