



**METHODIST CHURCH  
OF  
NEW ZEALAND  
TIER 3 XERO ANNUAL REPORT GUIDE  
2017**

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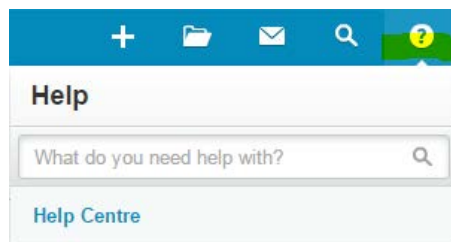
## **INTRODUCTION**

The Xero annual report templates were set up by Xero but they have been modified to fit the needs of the parishes of the Methodist Church of New Zealand. By using these templates, the year end process to prepare the financial accounts should be a lot quicker and easier than in the previous year. Saying that however, it will take time to set them up for individual parishes. Once they've been set up and finalised for this financial year, they can then be copied over for the next year and the balances will update with the new financial year balances.

This guide has been written to help you modify the Methodist Church templates and assist you in preparing your own annual report. It advises you how to change the template to fit your parish's needs but it will not inform you of the content that needs to be included. For this you will need to refer to the XRB guide which can be found on the Methodist Church website [www.methodist.org.nz](http://www.methodist.org.nz).

If you find you're stuck on any part of this, please email [Christinec@methodist.org.nz](mailto:Christinec@methodist.org.nz) and she will get in touch and walk you through it and help explain how to change the template.

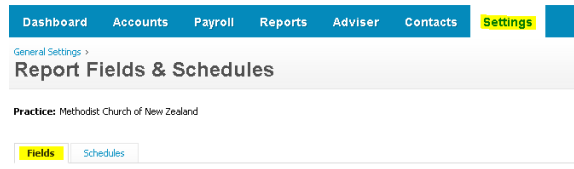
Also, you can use the Xero Help Centre by clicking on the question mark as shown below. Type your query in the search box to access instructions on how the templates can be modified.



## 1) Updating Report Fields and Schedules

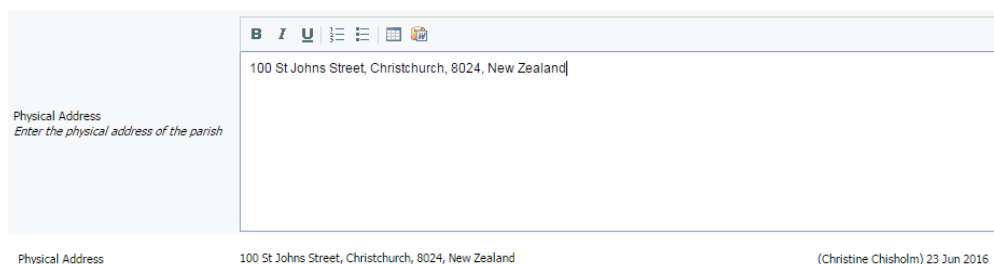
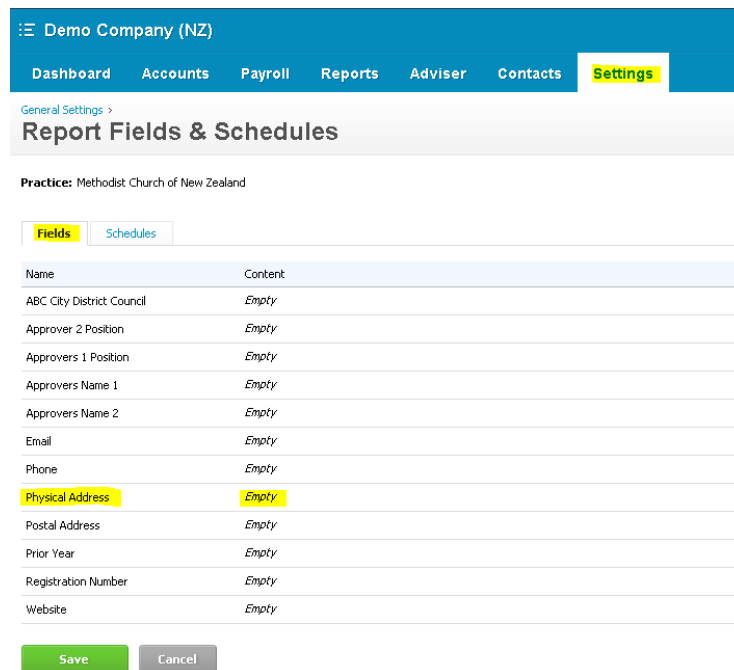
The information entered in the **Report Fields and Schedules** screen integrates into the annual report, so it's best to update these fields first, before you look at the annual report template. To update them:

- Click on **Settings/General Settings/Report Fields & Schedules**.



Click on the **Fields** tab and then click on each individual item one by one. Under the **Name** headings, there are descriptions of the information that needs to be entered.

Below is an example of how the address fields should be entered so the information comes through in the correct format in the annual reports.



Once all the items have been populated click **Save**.

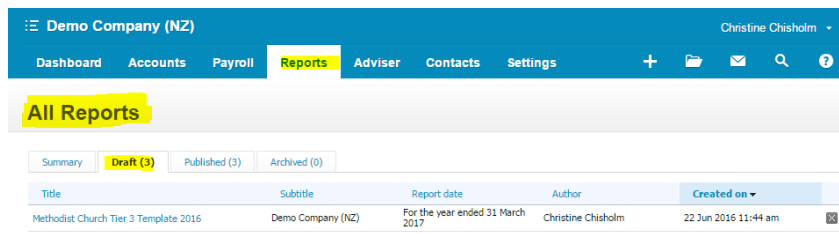
## 2) Updating the Methodist Church Tier 3 Template

To open the Xero annual report, click on **Reports/All Reports/Adviser**. There are various reporting templates to choose from. Click on **Methodist Church Tier 3 Template 20XX**, the template for Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) (PBE SFR-A (NFP)). This template has been modified for the Methodist Church but needs to be updated for each individual parish’s information.

**Before changing the template save it as a draft.** That way, any changes you make will not affect the original template and if you make mistakes in your draft you can always go back and reuse the template again.



Once the draft has been saved it will move to sit under **Reports/All Reports/Drafts**.



### Managing the Reports:

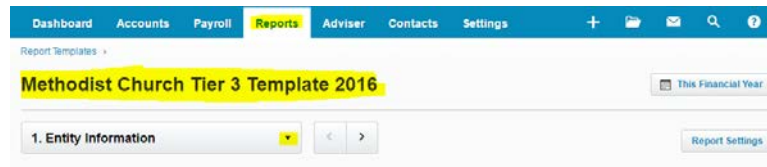
At the top right hand corner of each report there are two buttons; **Custom (1 Jul 2016 – 30 Jun 2017)** and **Report Settings**.



- **Custom (1 Jul 20XX – 30 Jun 20XX)** – if this hasn’t been updated, click on the box to choose the financial year the annual report is to be created for.
- **Report Settings** – these have been pre-set and will not need to be changed.

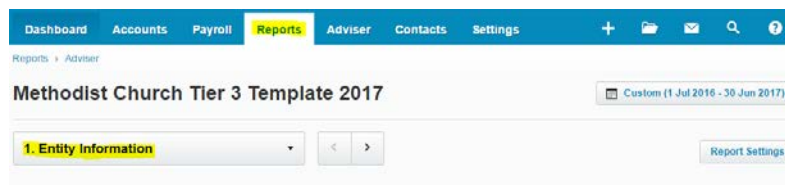
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There are eight reports which make up the annual report and each needs to be completed individually. Click on the down arrow next to the report heading, i.e. **Entity Information**, to see the reports. Each report has been modified for the Methodist Church but they need to be updated for each individual parish's information. The eight reports to be updated are as follows:



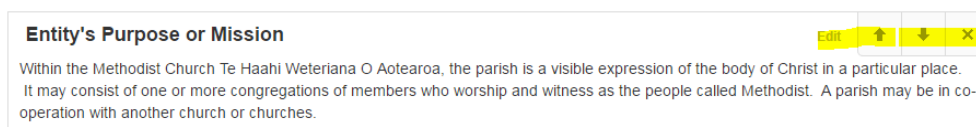
### a. Entity Information

The first page to be updated contains the information about the parish and the environment it operates in. Read through the information on this page and ensure the details entered here are correct and apply to your parish. This has been populated with general information that is relevant to the majority of parishes within the church. Therefore, the information here will need to be adjusted to include information specific to your parish.



Some of the information should not be changed, such as the **Legal Name of Entity**. Please refer to the XRB guide if you're unsure.

### Modifying the text boxes:



- Place the mouse over the sentence/phrase that needs to be changed
- **Edit**, **up** and **down arrows** and a **cross** will appear on the right hand side (as shown below)
  - **Edit** – click on this to change or add to the existing information
  - **Up Arrow** – moves the text block above the previous text block
  - **Down Arrow** – moves the text block below the following text block
  - **X** – deletes the text block. (The existing text boxes are based on the requirements of the XRB for completing the annual report, so they won't need to be deleted on the **Entity Information** page).

The final text box on the **Entity Information** report is the **Contact Details** text box. The information populating here originates from the **Report Fields & Schedules** as detailed above.

#### Contact Details

Physical Address	(Physical Address)
Postal Address	(Postal Address)
Phone	(Phone)
Email/Website	(Email) / (Website)

You'll know if there's information that's missing from **Report Fields & Schedules** because at the beginning of the report the below symbol will be shown



This indicates when there are incomplete fields which need to be populated. Clicking on **View All** will take you to **Report Fields and Schedules** to enter the required information.




Another indication is when there's information in the report that's highlighted in red as below.

#### Registration Number

Registration Number

Go to the **Report Fields and Schedules** to enter the required information.

#### b. Approval of Financial Report

This page needs to be signed by the parish Steward and Treasurer to approve the annual report contents. The information which populates this page integrates from the **Report Fields and Schedules** section. The  as shown below indicates when there are incomplete fields which need to be populated. Clicking on **View All** will take you to **Report Fields and Schedules** to enter the required information.



#### c. Statement of Service Performance

The **Statement of Service Performance** tells the user the activities the entity undertook over the past year to achieve its mission. The description and quantification of the entities output information needs to be entered.


To edit the text boxes, hover the mouse of the box and click on **Edit**.

To edit the numerical boxes, click into them, as highlighted below and you'll be able to enter an amount. At the moment these amounts are shown as to two decimal places but the decimal points will be removed once the report is published in the final stages.

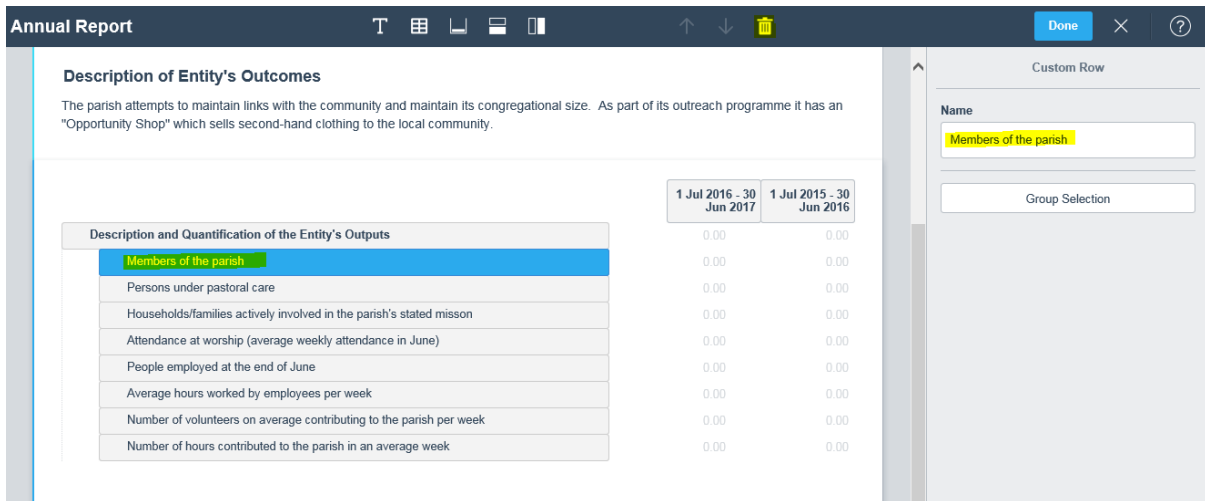
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**Description and Quantification of the Entity's Outputs**

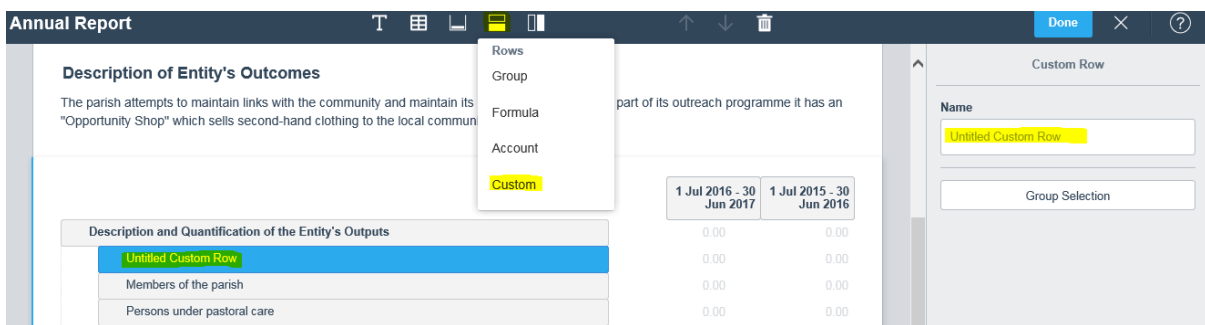
	2016	2015
Members of the parish	100.00	-
Persons under pastoral care	-	-

To delete a row that's not required, click on **Edit**, click on the row to be deleted, and on  which is sitting at the top of the page.

To edit the description of the row, click on the row to be changed and into **Name** box in the section on the right and type in here as required.



To add a new line click on  then **Custom**. The name can be entered on the right hand side as shown below.



Click on **Done** once the editing is complete. And click on **Save Draft**. Always save the report after making any adjustments to ensure the changes aren't lost.





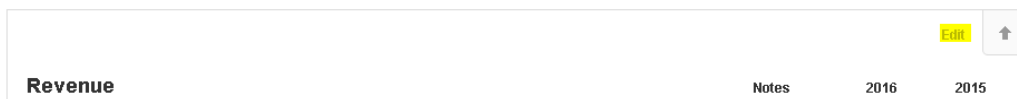
**d. Statement of Financial Performance**

This report is basically a summary of the **Profit and Loss** management report that can be printed from Xero Reports. The revenue and expenses pull directly from the general ledger of Xero and they will update when any changes are made to the ledgers in Xero. All the reports in the Xero template work like this. It's only when the annual report is **Published** that the balances will not update.

To check that the annual report is working as it should, print off the **Profit and Loss** management report from Xero and agree the balance of the **Net Profit/Surplus** to the **Surplus/(Deficit) for the year** on the **Statement of Financial Performance**.

The other balances can be checked in this way as well.

To see which account codes have been allocated under which headings, hover the cursor over the revenue, for example, and click on **Edit**.



Click on the down arrow on a row. This will show each line item and the report codes which are sitting under the line item as shown below.

	Notes	2016	2015
Revenue		0.00	0.00
▼ Donations, fundraising and other similar revenue		0.00	0.00
▼ Donations received		0.00	0.00
Bequests		0.00	0.00
Donations		0.00	0.00
Morning Teas		0.00	0.00
Offerings-Cash		0.00	0.00
Offerings-Envelopes		0.00	0.00
Special Efforts		0.00	0.00
Total Donations received		0.00	0.00
▶ Grants		0.00	0.00
Total Donations, fundraising and other similar revenue		0.00	0.00
▶ Fees, subscriptions and other revenue from members	1	0.00	0.00
▶ Revenue from providing goods or services	1	0.00	0.00
▶ Interest, dividends and other investment revenue	1	0.00	0.00
▶ Other revenue	1	0.00	0.00
Total Revenue		0.00	0.00

Group

Name  
Donations, fundraising and other similar revei

Display Balance  
 Debit Positive     Credit Positive

Group Selection

Add Switch Rule...

Total

As stated previously, these reports have been modified specifically for the Methodist Church, therefore the **Statement of Financial Performance** should not need to be changed for individual parishes. There may be some report codes which are sitting under a different headings in the annual reports from that of the management reports so when you compare the balances they might be slightly different.

To customise this report and change where the account codes are sitting please refer to the section at the end of this guide: **6) Additional Editing**.

e. **Statement of Financial Position**

This report is the parish's balance sheet and should not require any changes. As with the **Statement of Performance** above, print out the parish's balance sheet from Xero and check the balances of this report with that of the parish's balance sheet.

To customise this report and change where the account codes are sitting please refer to the section at the end of this guide - **6) Additional Editing**.

f. **Statement of Cash Flows**

The **Statement of Cash Flows** pulls the cash transactions directly from the ledgers in Xero. As above it has been modified for the requirements of the Methodist Church.

There are some problems associated with this report however, in relation to the disposal of fixed assets. When an asset has been disposed of through the fixed asset register, the transaction is not flowing through to the **Statement of Cash Flows** properly and the balances are distorted. We have consulted Xero support regarding this and they have suggested a work around at this stage which means the disposal will have to be manually adjusted in Xero.

Please email [Christinec@methodist.org.nz](mailto:Christinec@methodist.org.nz) at the Connexional Office if you've disposed of any fixed assets during the year.

To customise this report and change where the account codes are sitting please refer to the section at the end of this guide - **6) Additional Editing**.

g. **Statement of Accounting Policies**

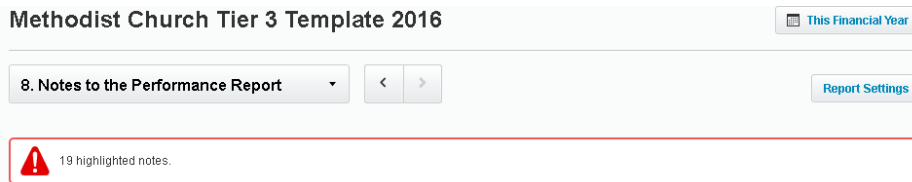
As with the **Statement of Entity Information**, the **Statement of Accounting Policies** needs to be modified to contain the information which is specific to your parish.

As well as changing the wording in the notes, there are a couple of notes here for which you have two choices. Delete the note that doesn't apply to your parish. For example, the GST note as shown below. There's an alternative note which can be deleted if the parish is GST registered by clicking on the **X** at the top right hand corner. If the parish is not GST registered delete the other option and the alternative notes heading will have to be changed to take out "**(Alternative Note)**".

<b>Goods and Services Tax (GST)</b>	Edit	↑	↓	×
The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.				
<b>Goods and Services Tax (GST) (Alternate Note)</b>	Edit	↑	↓	×
The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any).				

**h. Notes to the Performance Report**

**Notes to the Performance Report** contains breakdowns to substantiate the balances contained in the **Statement of Financial Performance** and **Statement of Financial Position**. The top of this report show you how many notes need to be adjusted, as shown below;



Go through each note one by one and ensure the breakdown of balances here correspond to the balances in the **Statement of Financial Performance** and **Statement of Financial Position**.

To customise this report and change where the account codes are sitting please refer to the section at the end of this guide: **6) Additional Editing**.

As you go through each of the text boxes, the text highlighted in yellow needs to be updated with information specific to your parish that will help the reader understand annual report. There are instructions in the text boxes advising you of the information that needs to be entered. If you need more further clarification regarding the content, please refer to the XRB Guide.

As with the **Statement of Accounting Policies**, there are **Alternative Notes** which either need to be deleted if they don't apply, or kept and altered with suitable descriptions which relate to the parish and its operations.

Once one of the notes has been deleted, the numbering for the note will automatically update.

The following takes you through how to update the rest of the **Notes to the Financial Performance**.

**Source and Date of Valuation of Land and Buildings**

This section is the fixed asset breakdown and shows details of how land and buildings values have been reached.

To update the table click on **Edit** and enter the address and current valuation of the land or property in the yellow highlighted section. Delete any extra text here that doesn't apply.

<b>Source and Date of Valuation of Land and Buildings</b>	<b>Current Valuation</b>
[Insert Details] Enter source and date of current valuation	■

To add or delete a row in the table click on the **Table** icon and then click into the body of the table where you want to add or delete a row. This will activate the **Table Options** icon.

Click on the down arrow next to the **Table Options** and a list of options will appear. Choose one of these options to modify the table as required. Once you're happy with the table click on **Done**. This process can be repeated for the Reserves section.

**Commitments**

If the parish doesn't have any commitments delete this note by clicking on the **X** in the top right hand corner which appears when hovering the cursor over the note.



If the parish has commitments which need to be entered in the notes, hover the cursor over the **Commitments** box and click on **Edit**. The below box will appear. Sometimes when clicking on **Edit** the cursor will move to the top of the page. Just move the page down so you can see the **Commitments** box again.

	2017	2016
<b>8. Commitments</b>	0.00	0.00
▼ <b>Commitments To Lease or Rent Assets</b>	0.00	0.00
Explanation and timing	0.00	0.00
<i>Total Commitments To Lease or Rent Assets</i>	0.00	0.00
▼ <b>Commitment to Purchase Property, Plant and Equipment</b>	0.00	0.00
Explanation and timing	0.00	0.00
<i>Total Commitment to Purchase Property, Plant and Equipment</i>	0.00	0.00
▼ <b>Commitments to Provide Loans or Grants</b>	0.00	0.00
Explanation and timing	0.00	0.00
<i>Total Commitments to Provide Loans or Grants</i>	0.00	0.00

Edit these the same way as with the **Statement of Service Performance**.

Once all the adjustments have been made click on **Done** and **Save Draft** to save your changes.

Use the above process to adjust the following notes:

- Contingent Liabilities and Guarantees
- Assets Used as Security for Liabilities
- Related Parties

### 3) Publishing the Annual Report

Once the Annual Report has been finalised and you are ready to publish the report click on **Publish** in the bottom right hand corner.



The below screen will come up. Most of the options are set appropriately already but please ensure the **Prepared By** field is set at **None** and the **Numbers** field at the bottom of the page is set at **Hide decimals on all pages**.

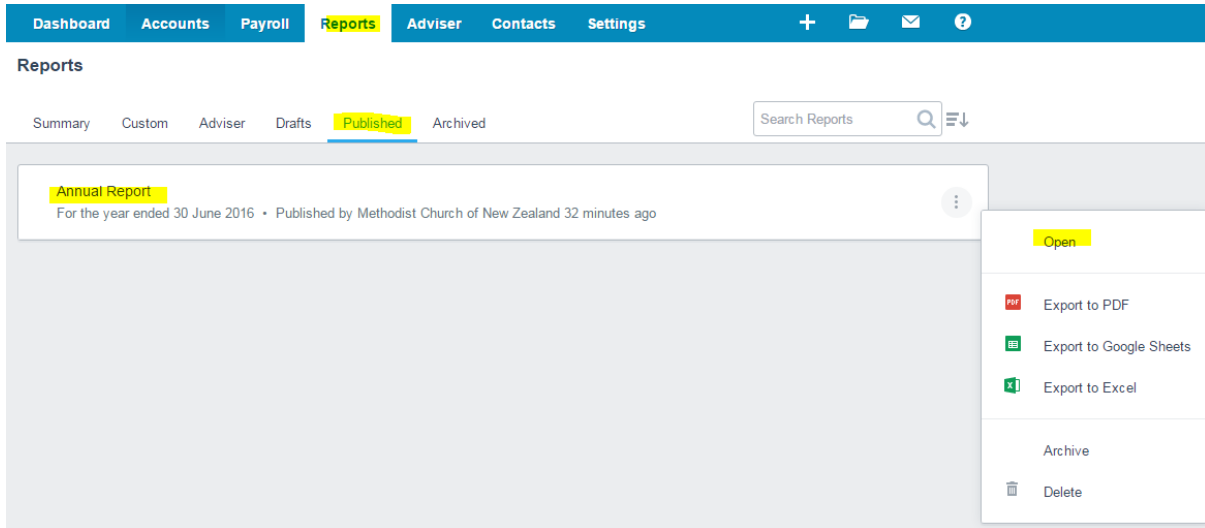
The screenshot shows the 'Publish' configuration screen for an Xero Annual Report. It is divided into four main sections: 'Cover page', 'Contents', 'PDF Styling', and 'Numbers'.  
- **Cover page:** Title is 'Annual Report', Date is 'For the year ended 31 March 2017', and Prepared By is 'None'. A preview shows the report title and company name. A checkbox 'Include cover page' is checked.  
- **Contents:** A list of report sections (Entity Information, Approval of Financial Report, etc.) with 'Edit' links. A preview shows the table of contents. A checkbox 'Include contents page' is checked.  
- **PDF Styling:** Theme is 'Default', Title Colour is '#00A0C6'. A preview shows the word 'Title' in blue.  
- **Numbers:** Radio buttons for 'Hide decimals on all pages' (selected) and 'Show decimals as set on each page'.

Click on **Save** and it will save the report to the **Published** section under **All Reports**.

#### 4) Copying a Published Report to use in the Next Year

First ensure any new account codes that have been added during the year have been given a report code. How to do this is described above.

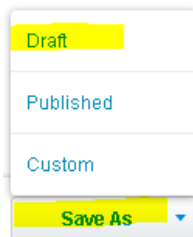
Go into the published report which is sitting in **Reports/All Reports/Published**. Click on last years annual report to open it or click on the three dots on the right hand side.



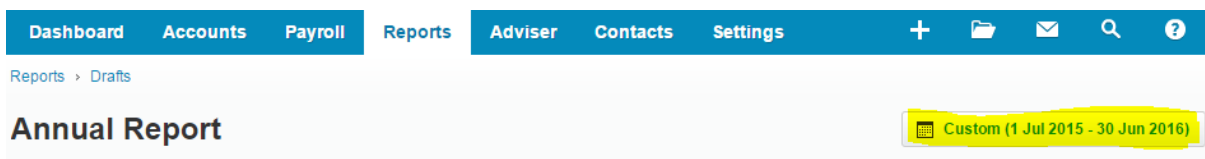
Click on **Copy & Edit** as shown below. This will save a copy of the report under **Reports/All Reports/Drafts**.



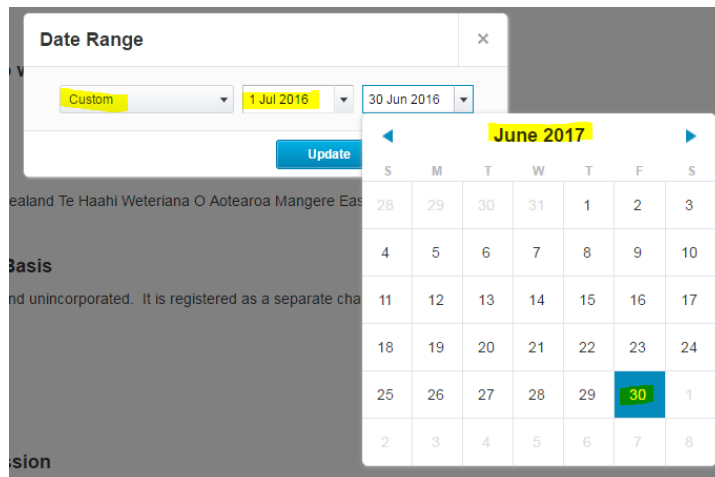
Click on **Save As/Draft**.



The report dates will need to be changed. Click on the box as shown below and change the settings to **Custom** and the appropriate dates.



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After this it would be a good idea to print off the new annual report template sitting in **Reports/All Reports/Adviser**. This is an original report which will help you know if other information needs to be included in this years' annual report or if there have been any updates to the template that you need to be aware of.

**The following reports need to be updated with in the new period:**

- **Statement of Service Performance** – the dates and the balances in the boxes will not automatically move across to the prior period so they will need to be manually keyed in.
- **Statement of Financial Position** – edit the dates to read **2017** and **2016** respectively by clicking into the dates and changing the **Name** fields
- **Statement of Accounting Policies/Depreciation** – change the prior period date. This can be done in the **Report Fields & Schedules** section, as described above. Or manually.
- **Statement of Accounting Policies/Correction of error** – change the dates.



## 5) Report Codes

The following is background information for you to understand how the annual reports work. Most of the work around the report codes has already been completed by the Connexional Office. The only reason you will need to look at this section is if there's been a new account code entered into the **Chart of Accounts**. This will need to be allocated a Report Code to ensure it's feeding into the annual reports correctly.

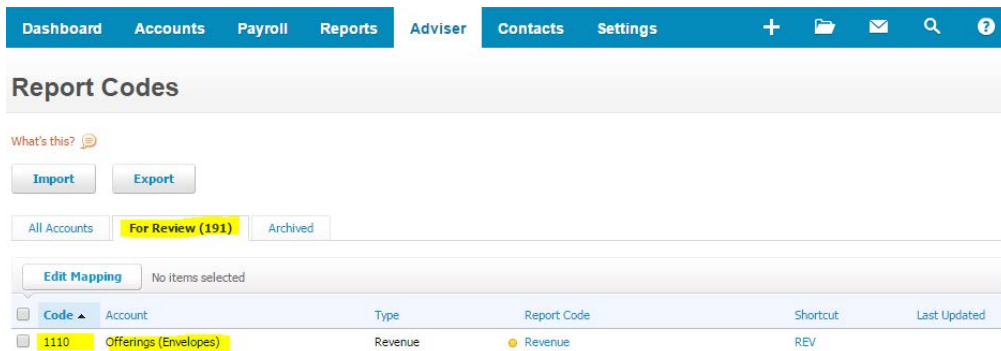
Following is a guide of how to set the report codes to an account code but there's also information in Xero Help function which can be accessed by typing in "Managing report codes flagged for review".

Report codes are used as the basis for producing the annual reports in Xero. Report codes are tags that are applied to each account code individually. These report codes are then allocated to the appropriate revenue, expense, asset, liability or equity line in the annual reports.

### Managing Report Codes:

The account codes have already been allocated report codes by the Connexional Office but if there has been a new account code set up in Chart of Accounts in Xero, it will need to be allocated a report code.

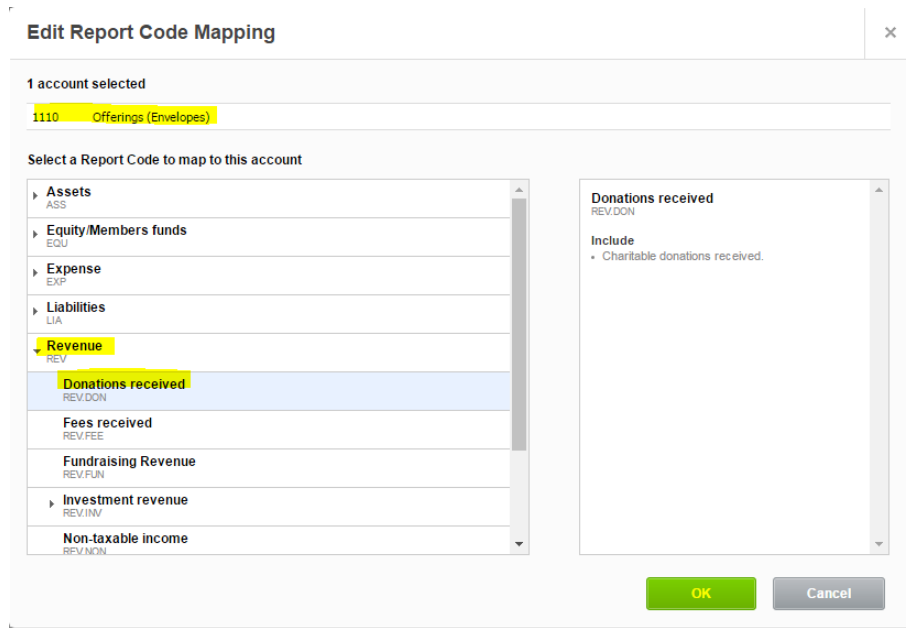
- Click on **Settings/General Settings/Report Codes/For Review**.
- Any accounts sitting in the **For Review** tab need to be allocated a report code.



- When you have clicked on the **For Review** tab, click on the account code and look for the most appropriate report code to allocate to it.

If you're unsure which report code to use then please email [Christinec@methodist.org.nz](mailto:Christinec@methodist.org.nz). If an incorrect report code is used, the account code might show in the incorrect place in the annual report, so it's best to check first.

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- Because there aren't enough Report Codes which cover all of the account codes of the Methodist Church, and new ones can't be created and the existing ones can't have their names changed, we've had to allocate existing Report Codes with their existing names to the account codes. Therefore some of the names of the Report Codes look very weird.
- Below is a table which shows you the different codes we've had to use and the expense category that against that code so the expense or revenue is separated in the annual reports. This isn't a full list of report codes that can be chosen, only a list of the "weird" ones we've had to use. If you want a full list of the **Report Codes** and how they're mapped to the account codes please email [Christinec@methodist.org.nz](mailto:Christinec@methodist.org.nz).

<u>Report Code Abbreviation</u>	<u>Report Code</u>	<u>Revenue/Expense Category</u>
<b><u>Revenue</u></b>		
REV.TRA.FAR.WOO	Sale of Wool	Revenue from providing goods and services/property income – residential
REV.TRA.FAR.PIG	Sale of pigs	Revenue from providing goods and services/property income – commercial
REV.TRA.RET	Retail goods and services	Revenue from providing goods and services/opportunity shop

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<u>Report Code Abbreviation</u>	<u>Report Code</u>	<u>Revenue/Expense Category</u>
<b><u>Expense</u></b>		
UDE	User Defined	Voluntary & employment related costs/allowance, reimbursement. & other employment costs
UDE1	User Defined 1	Costs related to providing Goods or Services/property expenses – residential costs
UDE2	User Defined 2	Costs related to providing Goods or Services/property expenses – commercial costs
UDE3	User Defined 3	Voluntary & employment related costs/allowance, reimbursement. & other ministry costs
UDE4	User Defined 4	Voluntary & employment related costs/stipend
UDE5	User Defined 5	Voluntary & employment related costs/allowance, reimbursement. & other ministry costs
EXP.FAR.ANI	Animal Health	Costs related to providing goods or services/cost of service provision

## 6) Additional Editing

The following instructions include detailed explanations of how the reports can further manipulated for the entity's own reporting purposes. You may not have to look at this section if you're happy with the annual reports content and how it's displaying the balances.


If you want to go into further detail then the following will help you. Again, the Xero Help tool is also very useful.

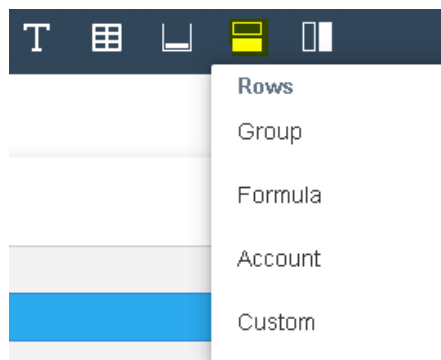
### a. To modify the financial content of a report:

Click on **Edit** which will appear when the cursor is on the section you want to modify.

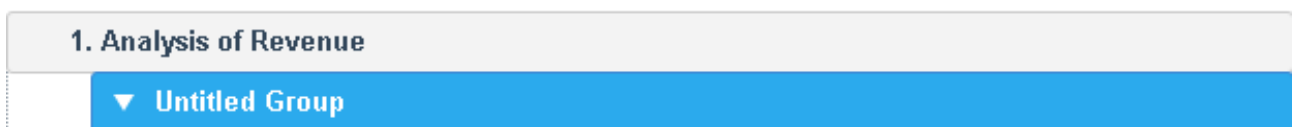
This will show where each account code sits and under which heading.

### b. To add a new heading/group:

Click in the area where the new line will go. Click on  and **Group** as shown below.



A new line will appear.



**Group**

---

**Name**

Untitled Group

**Display Balance**

Debit Positive
Credit Positive

---

Group Selection

Add Switch Rule...

---

Opening Balance

Total

- **Name** – Enter the description of the group
- **Display Balance** – Automatically assigned
- **Group Selection** – Adds more groups
- **Add Switch Rule** – Changes the where the account code sits in the report according to if the balance is a credit or a debit.
- **Opening Total** – Tick to include in the report
- **Total** – Tick to include to total the balances of the accounts sitting under the group heading

**c. To move an account to sit under another heading/group:**

If a line item was sitting under the wrong heading as below; for example if **Donations** should be sitting under **Donations and Other Similar Revenue** instead of **Fundraising**. Drag and drop the line to where it should be.

<b>1. Analysis of Revenue</b>	
▼ Fundraising	Donations
	<i>Total Fundraising</i>
▼ Donations and Other Similar Revenue	
	Bequests
	Grants Received
	Morning Teas
	Offerings-Cash

**d. To change a note number:**

This is needed in the **Statement of Financial Performance** and **Statement of Financial Position** to show the reader which notes in the Notes to the Performance Report relates to the breakdown.

<b>Revenue</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
Donations, fundraising and other similar revenue	1	45,369	255,963
Revenue from providing goods or services	1	7,102	8,831
Interest, dividends and other investment revenue	1	29,525	37,458
Other revenue	1	614	2,137

Click on **Edit** in the report and on the note number to change.

<b>Revenue</b>	<b>Notes</b>
▶ Donations, fundraising and other similar revenue	1
▶ Fees, subscriptions and other revenue from members	1

A box will appear on the right hand side as shown below. From here, click on the drop down box to choose the note number required.

**Notes**

---

**Link To**

Notes to the Performance Report ▼

1. Analysis of Revenue ▼

**e. To add a new text box**

Click on **Edit Layout** which sits on the bottom left hand side of the page.

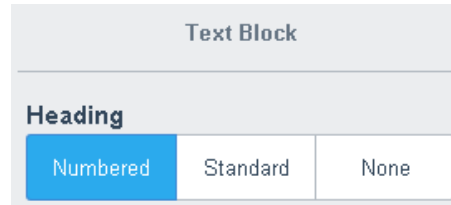
Edit Layout

Save Draft

Export ▼

Publish

Click on the **T** on the top of the page. This will add a text box to the bottom of the page. On the right hand side there are three choices as to how you want the text box to look. Choose the most appropriate one.



The image shows a configuration panel for a 'Text Block'. At the top, it says 'Text Block'. Below that, there is a section labeled 'Heading' with three buttons: 'Numbered' (which is highlighted in blue), 'Standard', and 'None'.

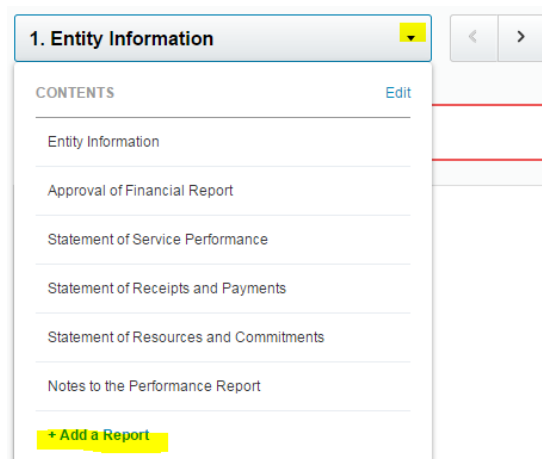
Click on **Done** when it's finished

Before moving on to the next report, click on **Save Draft**.

**f. To add a new report to the template**

A new report would need to be added if there had been a lot of changes made to an existing report by the Connexional office, for example, this year there were some changes made to the wording of the Statement of Service Performance. To add in this new report follow the below:

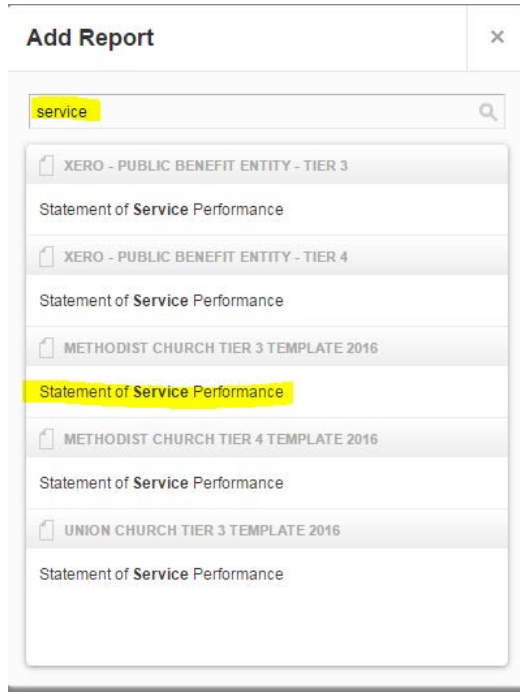
Click on the down arrow and **+ Add a Report**



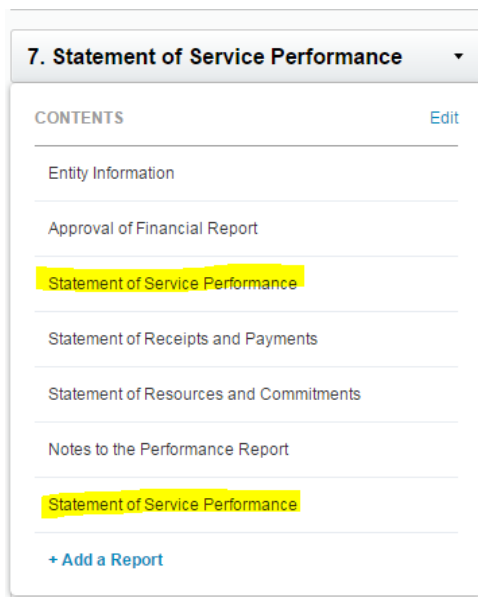
The image shows a report template editor. At the top, it says '1. Entity Information' with a yellow dropdown arrow. Below that, there is a section labeled 'CONTENTS' with an 'Edit' link. The contents list includes: Entity Information, Approval of Financial Report, Statement of Service Performance, Statement of Receipts and Payments, Statement of Resources and Commitments, and Notes to the Performance Report. At the bottom, there is a yellow button labeled '+ Add a Report'.

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Enter in the report that you want in the search box, as shown below. This will bring up the choices from the various templates that are in Xero. The one to choose sits under the **METHODIST CHURCH TIER 3 TEMPLATE 20XX**.



Click on the report that you want and it will add it to the bottom of the Contents.





The next step is to delete the old report. Click on **Edit** and the below box will appear. Click on the **x** next to the report to be deleted.

