

# Performance Report

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2021



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Whanganui Community Foundation Incorporated (Consolidated)  
For the year ended 31 March 2021

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# Entity Information

Whanganui Community Foundation Incorporated (Consolidated)  
For the year ended 31 March 2021

## Legal Name of Entity

Whanganui Community Foundation Incorporated

## Entity Type and Legal Basis

Trust Incorporated under the Charitable Trusts Act 1957

## Registration Number

404391

## Entity's Purpose or Mission

The Foundations mission is to enable Community organisations to carry out Charitable, cultural, philanthropic and recreational activities, to achieve greater social wellbeing and connectedness in the wider Whanganui region.

## Entity Structure

Pursuant to the Community Trusts Act 1999, the Whanganui Community Foundation is incorporated under the Charitable Trusts Act 1957. The group consists of the Foundation and its subsidiary Whanganui Charitable Foundation Ltd which is a limited liability company registered under the Charities Act 2005.

The Foundation is one of 12 Community Trusts nationwide and is governed by 10 Trustees appointed by the Minister of Finance.

Financial management is undertaken by Spooner Hood & Redpath Ltd who are contracted to provide a range of financial and administrative services. Grants are managed by the Foundation manager.

## Main Sources of the Entity's Cash and Resources

The Foundation's administration and granting activities are funded from Investment Income from an Investment Portfolio administered by Craig's Investment Partners and property rentals from the lease of a property at 7 Park Place, Wanganui.

## Main Methods Used by the Entity to Raise Funds

The Whanganui Community Foundation is not an active fundraiser.

## Entity's Reliance on Volunteers and Donated Goods or Services

The entity does not rely on volunteers for donated goods or services.

## Postal Address

162 Wicksteed Street  
P O Box 765  
Whanganui

## Website

[www.whanganuicommunityfoundation.org.nz](http://www.whanganuicommunityfoundation.org.nz)



# Approval of Performance Report

Whanganui Community Foundation Incorporated (Consolidated)  
For the year ended 31 March 2021

The Trustees are pleased to present the approved financial report including the historical financial statements of Whanganui Community Foundation Incorporated for year ended 31 March 2021.

APPROVED:



Dr M Paki

Chairperson

Date: 22 July 2021

T Easton

Deputy Chairperson



Date: 22 July 2021

# Statement of Service Performance

Whanganui Community Foundation Incorporated  
For the year ended 31 March 2021

## Description of Entity's Outcomes

The outcomes of Whanganui Community Foundation include:

To enable community organisations to carry out charitable, cultural, philanthropic and recreational activities in the region so as to achieve greater social wellbeing and connectedness.

To build and maintain the Investment Funds Capital base in real terms (CPI) and to grow such capital value at a level equal to the population base growth of the region.

## Description and Quantification of the Entity's Outputs

Whanganui Community Foundations Outputs	Actual	Budget	Actual	Budget
	2021	2021	2020	2020
	\$	\$	\$	\$
<u>Grants Made/Committed</u>				
Covid 19 Grants	94,170	120,000	-	-
Social Loans	2,040	1,650	1,701	-
Quick Response Grants	224,998	200,000	196,426	200,000
Hikurangi Inc Grants	27,500	50,000	-	-
Community Support Grants	302,500	300,000	272,361	300,000
Capital Grants	100,000	100,000	300,000	100,000
High Engagement Grants	6,280	-	489,195	400,000
	757,488	771,650	1,259,683	1,000,000
Number of Grants Considered	102		91	
Number Approved	82		63	
Total Investment Income	8,109,352		(315,631)	
Total Investment Portfolio	53,195,893		46,587,809	

Both floors of the property at 7 Park Place, are leased to tenants who operate in the "social wellbeing" space. The commercial building provided gross rental income of \$65,389 for the 2021 year.

## Additional Information

1. The increase in the Investment Portfolio Valuation of 14.4% (2020 decrease 2.25%) has met any increase in population growth or CPI increase for the year.
2. Grants allocated were in line with funding budgeted.
3. As a result of research into the deprivation statistics for the region a new strategy has been developed targeting the following areas from 1 April 2017, and superseding the Social Initiatives in Schools programme.
  - (a) Children 0-5 years old.
  - (b) Youth at risk.
  - (c) The elderly in our communities.
  - (d) Activities and programmes that strengthen our communities.

# Statement of Financial Performance

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2021

<b>Account</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Income</b>			
Revenue from providing goods or services	1	65,389	65,098
Interest, dividends and other investment revenue	1	8,043,963	(380,729)
Fair Value Increase in Investment Property	4	55,000	-
Hikuranqi Distribution	1	-	-
<b>Total Income</b>		<b>8,164,352</b>	<b>(315,630)</b>
<b>Expenses</b>			
Trustees related costs	2	134,251	136,919
Costs related to providing goods or service	2	4,349	4,937
Grants and donations made	2	729,988	1,259,683
Costs relating to investment income	2	78,379	61,560
Other expenses	2	110,917	109,467
<b>Total Expenses</b>		<b>1,057,884</b>	<b>1,572,566</b>
<b>(Deficit)/Surplus for the year</b>		<b>7,106,468</b>	<b>(1,888,197)</b>

This statement should be read in conjunction with the accompanying notes to the accounts and attached Audit Report.



# Statement of Financial Position

Whanganui Community Foundation Incorporated (Consolidated)

As at 31 March 2020

Account	Notes	2021	2020
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	2,127,551	567,180
Debtors and prepayments	3	30,293	59,696
Loans Receivable		9,000	34,000
Investments (held to Maturity)	3	964,439	2,812,140
<b>Total Current Assets</b>		<b>3,131,283</b>	<b>3,473,016</b>
<b>Non-Current Assets</b>			
Investment Property	4	750,000	695,001
Loans Receivable		34,333	-
Property Plant & Equipment	5	2,624	1,000
Investments (At Fair Value)	6	49,316,946	42,512,489
<b>Total Non-Current Assets</b>		<b>50,103,903</b>	<b>43,208,490</b>
<b>Total Assets</b>		<b>53,235,186</b>	<b>46,681,506</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	3	316,916	292,594
Employee Costs		2,257	3,672
Unused donations and grants with conditions	3	578,202	854,987
<b>Total Current Liabilities</b>		<b>897,375</b>	<b>1,151,253</b>
<b>Non-current liabilities</b>			
Grants	3	208,000	479,410
<b>Total Liabilities</b>		<b>1,105,375</b>	<b>1,630,663</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>52,129,811</b>	<b>45,050,843</b>
<b>Accumulated Funds</b>			
Accumulated surpluses	9	48,306,538	41,500,070
Discretionary Reserves	9	3,823,273	3,550,773
<b>Total Accumulated Funds</b>		<b>52,129,811</b>	<b>45,050,843</b>

This statement should be read in conjunction with the accompanying notes to the accounts and attached Audit Report.



# Statement of Cash Flows

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2021

Account	2021	2020
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from</b>		
Hikurangi Distribution	-	450,773
Receipts from providing goods or services	65,389	65,098
Interest, dividends and other investment receipts	180,962	265,346
Other Income	-	0
Net GST	6,145	3,175
<b>Cash was applied to</b>		
Payments to Trustees Expenses	(134,401)	(143,081)
Donations or grants paid	(1,291,683)	(1,052,668)
Purchase of goods & services	(187,211)	(189,521)
<b>Total Cash Flows from Operating Activities</b>	<b>(1,360,799)</b>	<b>(600,878)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from</b>		
Receipts from sale of plant and equipment	-	-
Receipts from sale of investments	2,948,688	1,137,146
Proceeds from Social Loans repaid	-	-
<b>Cash was applied to</b>		
Purchase of property, plant & equipment	(1,624)	(1,000)
Payments to purchase investments	(25,895)	(931,483)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>2,921,169</b>	<b>204,663</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>1,560,370</b>	<b>(396,215)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	567,180	963,395
Cash and cash equivalents at end of period	2,127,550	567,180
<b>Net change in cash for period</b>	<b>1,560,370</b>	<b>(396,215)</b>

This statement should be read in conjunction with the notes to the accounts and the attached Audit Report.





# Statement of Accounting Policies

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2021

## Reporting Entity

The reporting entity is Whanganui Community Foundation Inc ('the Foundation'). The Foundation is domiciled in New Zealand and is a charitable organisation incorporated under the Charitable Trusts Act 1957, and a Community Trust pursuant to the Community Trusts Act 1999 ("The Act").

The performance report comprising the Foundation and its controlled entity, the Whanganui Charitable Foundation Limited, ("the Company") are presented for the year ended 31 March 2021

These Group performance reports and the accompanying notes summarise the financial results of activities carried out by the Foundation. The Foundation makes grants to qualifying not for profit entities in the Whanganui, Rangitikei, and Wairarino areas.

The consolidated performance report have been approved and were authorised for issue by the Board of Trustees on 22 July 2021

## Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total expenses equal to or less than \$2,000,000.

All transactions are reported using the accrual basis of accounting. The performance report has been prepared on the assumption that the Foundation will operate in to the foreseeable future.

## Summary of Accounting Policies

The significant accounting policies used in the preparation of these performance reports are set out below.

### *Basis of Measurement*

These consolidated performance reports have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties and non-derivative financial instruments.

### *Functional and presentational currency*

The consolidated performance reports are presented in New Zealand dollars (\$), which is the Foundation's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

### *Basis of consolidation*

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases.

In preparing the consolidated performance reports, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Foundation and have a 31 March reporting date.

## Goods and Services Tax (GST)

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.

## Income Tax

As a Community Trust, the Whanganui Community Foundation Inc is wholly exempt from New Zealand income tax pursuant to Sec CW 52 of the Income Tax Act 2007.

## Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.



## **Accounts Receivable**

Accounts Receivable are stated at their estimated realisable value. Bad debts are written off in the year they are identified.

## **Revenue**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized

### Revenue from providing goods or services

The Foundation receives revenue from the lease of investment property owned. Revenue is recognized in the period the goods or services are provided

### Interest, dividends and other investment revenue

*Interest:* interest is recognised as it accrues, using the effective interest method

*Dividends:* dividends are recognised when received and recorded gross of any imputation credits

*Realised/unrealised gains:* Realised/Unrealised gains on Investments are recorded in the Statement of Financial Performance

## **Donations**

Donations are recognised as an expense when approved by the Trustees. Donations approved but not paid are recognised as a liability.

## **Property, Plant and Equipment**

Property, plant and equipment are recorded at Cost less accumulated depreciation.

Any gain or loss on disposal is recognised in the Statement of Financial Performance.

## **Depreciation**

Office equipment is depreciated on a diminishing value over the useful life of the asset.

The rates used are those approved by Trustees as follows:

Office Equipment	50%	DV
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## **Tier 2 PBE Accounting Standards Applied**

### PBE IPSAS 6: Consolidated & Separate Financial Statements

The Foundation has opted up to PBE IPSAS 6 (NFP) for the preparation of consolidated performance reports.

### PBE IPSAS 16: Investment Property

After initial recognition at cost, the Directors have elected to measure the Investment Property at Fair Value.

Any gains or losses arising from a change in fair value is recognised as surplus or deficit in the Statement of Financial Performance in the period it arises. The fair value is a reflection of market conditions at the reporting date (Refer Note 4).

### PBE IPSAS 28-30 Financial Instruments

Financial assets are recognised in the Statement of Financial Position when the Foundation becomes party to a financial contract. They include cash balances, investments, term deposits and accrued income.

All assets that are financial instruments are recognised in the Statement of Financial Position.

All financial assets are initially recognised at fair value, being the value of consideration paid. After initial recognition, financial assets designated at fair value through profit or loss are revalued to fair value at each reporting date.

For investments that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the reporting date. Investments in pooled funds are valued at the unit exit price ("bid price") determined by the Fund Manager at the close of business on the reporting date.

All realised and unrealised gains or losses on investments are recognised in the Statement of Financial Performance. Investment transactions are recorded by Fund Managers on a transaction date basis.

Financial assets are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Foundation.

The Foundation ceases to recognise a financial asset when and only when the contractual rights to cash flows from the financial asset expire.

### **Community Social Loans**

Community Loans are valued at Cost.

### **Reserve Accounts**

The Foundation has established three reserves for future use.

#### Capital Grants Reserve

The Capital Grants Reserve is for large capital grants.

#### Grants Reserve

In case of a prolonged downturn in investment income, it has been resolved to form a reserve to cover three years of grants budget. The reserve will require additional transfers only if draw downs have occurred in the future.

#### Hikurangi Reserve

In December 2019 the Foundation received a distribution of the funds from Hikurangi Incorporated totalling \$450,773. The Foundation plans, pursuant to an agreement with Hikurangi, to distribute the funds over time by way of grants to applicants who meet the criteria in the Foundations policies as they pertain to enhancing the wellbeing of isolated elderly in the community

### **Changes in Accounting Policies**

There have been no changes in accounting policies.

All accounting policies have been applied on a basis consistent with the previous period.

# Notes to the Performance Report

## Whanganui Community Foundation Incorporated (Consolidated)

### For the year ended 31 March 2021

	2021	2020
<b>1 Analysis of Revenue</b>		
<b>Revenue from providing goods or services</b>		
Lease or Rent Received	65,389	65,098
<b>Total Revenue from providing goods or services</b>	<b>65,389</b>	<b>65,098</b>
<b>Interest, dividends and other investment</b>		
Craig's Investments - Unrealised gains	6,118,494	(2,865,367)
Realised gains	560,611	490,017
NZ Interest	736,198	831,799
NZ Dividends and PIE's	400,137	953,172
Overseas Interest	12,979	14,053
Overseas Dividends	211,794	195,597
Other Income	3,750	-
<b>Total Interest, dividends and other investment revenue</b>	<b>8,043,963</b>	<b>(380,729)</b>
<b>Hikurangi</b>		
Hikurangi Distribution	-	450,773
<b>Total</b>	<b>-</b>	<b>450,773</b>
<b>Total Revenue</b>	<b>8,109,352</b>	<b>135,142</b>
<b>2 Analysis of Expenses</b>		
<b>Trustee &amp; employee costs</b>		
Trustees Fees	68,100	68,837
Trustee Expenses	1,510	6,882
Grants Management Office Costs	64,641	61,200
<b>Total trustee &amp; employee costs</b>	<b>134,251</b>	<b>136,919</b>
<b>Costs related to providing goods or services</b>		
Rates	2,700	2,873
Repairs - Buildings & Grounds	1,649	2,064
<b>Total Costs related to providing goods or services</b>	<b>4,349</b>	<b>4,937</b>
<b>Grants and donations made</b>		
Quick Response Grants	224,998	196,426
Covid 19 Support Grants	94,170	-
Community Support Grants	302,500	272,361
High Engagement Grants	6,280	489,195
Capital Grants	100,000	300,000
Interest on Community Loans	2,040	1,701
<b>Total Grants and donations made</b>	<b>729,988</b>	<b>1,259,683</b>
<b>Costs related to investment income</b>		
Investment Management Costs	78,379	61,560
	<b>78,379</b>	<b>61,560</b>
<b>Other expenses</b>		
Admin /Accounting Fees	53,520	53,520
Audit Fees	9,000	9,000
Consultancy	-	324
Legal expenses	-	1,266
Insurances	8,264	7,600
Occupancy Costs	7,090	6,560
Other	29,043	27,197
Subscriptions	4,000	4,000
<b>Total Other expenses</b>	<b>110,917</b>	<b>109,467</b>
<b>Total Expenses</b>	<b>1,057,884</b>	<b>1,572,566</b>



2021

2020

**3 Analysis of Assets and Liabilities****Current Assets****Bank accounts and cash**

BNZ Cheque Account	195,440	104,952
BNZ Call Account	1,931,139	461,228
BNZ Imprest Account	972	1,000
<b>Total Bank accounts and cash</b>	<b>2,127,551</b>	<b>567,180</b>

**Debtors and prepayments**

Accrued Income	5,285	31,918
Accounts Receivable	754	2
GST Receivable	5,164	11,309
Prepayments	19,090	16,467
<b>Total Debtors and prepayments</b>	<b>30,293</b>	<b>59,696</b>

**Loans Receivable ( Note 8)**

Social Loans - Current Portion	9,000	34,000
	<b>9,000</b>	<b>34,000</b>

**Investments (Held to maturity)**

BNZ Short Term Deposits	964,439	2,812,140
<b>Total Investments Held to Maturity</b>	<b>964,439</b>	<b>2,812,140</b>

**Non-Current Assets****Property Plant & Equipment**

Office Equipment	2,624	1000
	<b>2,624</b>	<b>1000</b>

**Loans Receivable ( Note 8)**

Social Loans - Non -Current Portion	34,333	-
	34,333	-

**Investments (At Fair Value )**

Craig's Investment Portfolio	47,893,555	40,299,819
Craig's Investment - NZ Cash	1,526,756	2,166,758
Craig's Investment - Aust Cash	86,202	45,912
Craig's Investment - US Cash	10,832	-
Craig's Investment - NZ Broker Account	(200,400)	-
<b>Total Investments (At Fair Value )</b>	<b>49,316,946</b>	<b>42,512,489</b>

**Investment Property**

Investment Property (Note 4)	750,000	695,000
<b>Total Property, Plant &amp; Equipment</b>	<b>750,000</b>	<b>695,000</b>

**Total Assets**

53,235,186

46,681,505

**Current Liabilities****Creditors and accrued expenses**

Creditors & Accrued Expenses	66,916	42,594
Employee Costs Payable	2,257	3,672
Sarjeant Art Gallery Redevelopment Project	250,000	250,000
<b>Total Creditors and accrued expenses</b>	<b>319,173</b>	<b>296,266</b>

**Unused donations and grants with conditions**

Capacity Building Grant - Life to the Max	-	22,530
High Engagement Grant - Wanganui Learning Centre	162,202	132,457
Capital Grant - Bulls & District Community Trust	-	300,000
High Engagement Grant -Te Oranganui Trust	100,000	100,000
Capital Grant - Te Ora Hou Whanganui Inc	300,000	300,000
Multi Year Grants -2022	16,000	-
<b>Total Unused donations and grants with conditions</b>	<b>578,202</b>	<b>854,987</b>

**Non-current liabilities**

Multi Year Grants -2023	16,000	-
High Engagement Grant - Wanganui Learning Centre	-	37,410
Capital Grant - Sarjeant Art Gallery	-	250,000
High Engagement Grant -Te Oranganui Trust	192,000	192,000
<b>Total Other non-current liabilities</b>	<b>208,000</b>	<b>479,410</b>

**Total Liabilities**

1,105,375

1,630,663



	2021	2020
<b>4 Investment Property</b>		
Opening Value	695,000	660,000
Movement in Fair Value	55,000	35,000
<b>Closing Balance</b>	<b>750,000</b>	<b>695,000</b>
<b>Total Investment Property</b>	<b>750,000</b>	<b>695,000</b>

Land and Buildings were valued on 31 March 2021 by registered valuer, K D (Ken) Pawson, of the firm Morgan's Property Advisors.

#### 5 Property, Plant & Equipment

<u>2021</u>	Opening Cost	Additions	Disposals	Depn for Year	Acc Depn	Total
Office Equipment	1,043	2,217	-	592	636	2,624
	1,043	2,217	-	592	636	2,624

#### 6 Investments

	2021	%	2020	%
	\$		\$	
Global Equities	11,244,239	22.80	9,348,652	21.99
Australian Equities	7,010,274	14.21	5,309,462	12.49
New Zealand Equities	10,100,709	20.48	7,327,720	17.24
Bonds and Term Deposits	17,489,465	35.46	16,960,874	39.90
Cash NZ/Australia	1,423,390	2.89	2,212,670	5.20
Property NZ/Australia	2,048,868	4.15	1,353,112	3.18
Total Investments	49,316,946	100.00	42,512,490	100.00

#### 7 Financial Instruments

##### Fair Value Measurement

Financial instruments are required to be specified in a hierarchy of fair value based on the degree to which fair value is observable.

Level 1 : Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Financial instruments are recorded as follows:

##### Group

	2021		2020	
	Level 1	Level 2	Level 1	Level 2
CIP Property NZ/Aust	2,048,868		1,353,112	-
CIP - NZ Equities	10,100,709		7,327,720	-
CIP - Australian Equities		7,010,274	3,156,513	2,152,949
CIP - International Equities		11,244,239	3,184,233	6,164,420

CIP - Cash NZ/Aust		1,423,390		2,212,670	-
NZ Corporate Bonds		17,489,465		16,960,873	-
		<b>31,062,433</b>	<b>18,254,513</b>	<b>34,195,121</b>	<b>8,317,369</b>

Risks arising from the Group's financial assets and liabilities are inherent in the nature of the Group's activities, and are managed through an ongoing process of risk identification, measurement and monitoring. The Group is exposed to credit risk, liquidity risk and market risk (including currency, interest rate and pricing risks).

The Group's income is generated from its financial assets. Liabilities which arise from its operations are met from cash flows provided by these assets.

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to the Foundation's management and ultimately to the Board of Trustees. The Investment Portfolio is regularly rebalanced to ensure that asset classes remain within the Strategic Asset Allocation set out in the Foundation's Statement of Investment Policy and Objectives (SIPO).

The SIPO sets out the Foundation's investment objectives. These can be summarised as:

To ensure that the investment fund is invested prudently;  
 To provide inter-generational equity with regard to distribution levels over time;  
 To ensure that money is available for distribution, as required, to meet the needs and distribution policies of the Foundation; and  
 To maintain the value of the investment fund's capital base in real terms and to grow such capital value at a level equal to the population base growth of the region. Real in this context relates to the changes in the Consumer Price Index (CPI).

#### **The Investment Portfolio**

The Foundation manages its Investment Portfolio in terms of its SIPO. The SIPO is monitored on a regular basis by the Board of Trustees and, as required, amended to reflect international best investment practice. The Portfolio's Strategic Asset Allocation is reviewed at three yearly intervals. The Strategic Asset Allocation was last reviewed in May 2020. Craig's Investment Partners (CIP) assists both management and trustees with investment advice and portfolio monitoring, and are contracted to manage the Investment Portfolio.

#### **Portfolio Characteristics**

The Foundation is not directly involved with the analysis, sale or purchase of individual asset securities other than term deposits. Investments are made into either securities directly owned by the Foundation but held in custody by CIP or pooled funds with CIP. The performance of each asset class is measured against an appropriate internationally accepted standard or index for each asset class.

#### **Global Equities:**

This portfolio is invested by CIP in a range of Australian and International equities

#### **New Zealand Bonds:**

The New Zealand Bond Portfolio is managed by CIP. The Investment Guidelines provide strict limits on the underlying investment categories, along with credit and duration restrictions. The portfolio is measured against the NZX Corporate Investment Grade index.

#### **Cash:**

The Cash Portfolio is managed by CIP along with some term deposits placed directly with Bank of New Zealand. The investment guidelines places limits on the underlying investment categories, along with credit and duration restrictions. The portfolio is measured against the NZX 90 day bank bill index.

The SIPO sets out the following risks and mitigations:

Interest rate risk, reinvestment risk, default risk, currency risk, inflation risk, market volatility risk, market downturn risk, manager risk and timing risk. Comprehensive strategies are in place to mitigate each of these risks.



## Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities. This risk is managed through the Group's investment in a diversified portfolio of financial assets.

The Foundation's investment portfolio consists largely of listed securities and unit trust investments which under normal market conditions are readily convertible to cash. These are smaller holdings in offshore Unit Trusts. In addition, the Group maintains sufficient cash and cash equivalents to meet normal operating requirements.

## Financial Liabilities

The Foundation's financial liabilities comprise accounts payable and grants approved but not yet paid.

At balance date, all accounts payable were current, and are normally settled on the 20th of the month following invoice date.

Grants approved but not yet paid are held as current liabilities pending the satisfaction of conditions under which the grant was paid.

At balance date grants approved but not yet paid totalled \$1,036,202 (2020 \$1,584,396).

## Maturity Analysis of Financial Liabilities

Financial liabilities comprise accounts payable, accrued employees' entitlements and grants that have been approved but not yet paid. All are considered to be current. No conditions placed on grants to be satisfied before payment would prevent payment within the 12 months.

## 8 Social Loans

The Foundation makes loans to community organisations from time to time. The loans are secured and regular monthly repayments are made. The loans are at a concessionary interest rate of 6% which is accounted for as a community distribution grant with interest foregone being added back to the income.

On the 26 March 2020 The Trustees resolved that the loan repayment requirement for Hockey Whanganui Incorporated may be deferred for up to 12 months.

Total loan repayments during the year amounted to \$667

	Current 2021 \$	Term 2021 \$	Total 2021 \$	Total 2020 \$
+ Wanganui Football Charitable Trust	1,000	9,000	10,000	-
Hockey Whanganui Incorporated	8,000	25,333	33,333	34,000
<b>Totals</b>	<b>9,000</b>	<b>34,333</b>	<b>43,333</b>	<b>34,000</b>

## 9 Accumulated Funds

The Foundation annually transfers 10% of the grants budget to a Capital Grants Reserve. balance has been aligned with the Capital Grants made where conditions are yet to be met.

### Accumulated Surplus

Opening Balance	41,500,070	43,153,267
Operating Surplus/(Deficit) for the year	7,051,468	(1,437,424)
Property Impairment	55,000	35,000
Transfers to/from Reserves	(300,000)	(250,773)
Capital returned to owners or members	-	-
<b>Balance as at 31 March 2021</b>	<b>48,306,538</b>	<b>41,500,070</b>

### Discretionary Reserves

Opening Balance	3,550,773	3,300,000
Hikurangi Inc - Granted	-	450,773
Hikurangi Inc - Distributed	(27,500)	-
Transfer to/from Accumulated Surpluses	300,000	(200,000)
<b>Balance as at 31 March 2021</b>	<b>3,823,273</b>	<b>3,550,773</b>

<b>Total Accumulated Funds</b>	<b>52,129,811</b>	<b>45,050,843</b>
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### Breakdown of Discretionary Reserves

Grants Reserve	Cover for 3 years budgeted grants	2,500,000	2,500,000
		<b>2,500,000</b>	<b>2,500,000</b>



## **10 Operating Commitments**

The foundation has an Accounting/Administration contract commitment of \$36,880 (2020:\$36,880).

The foundation has a Fluxx Grants Management contract commitment of US\$13,000 annually (2020:US\$10,000)

## **11 Capital Commitments**

There are no capital commitments at balance date (2020:\$Nil).

## **12 Significant Grants and Donations with Conditions not Recorded as a Liability**

There are no Significant grants not recorded as a liability.

## **13 Related Parties**

From time to time, Trustees have and disclose interests in, or a relationship with, grantee organisations and abstain from those decisions.

Hakeke Street Community Centre, of which Tim Easton is a Trustee, received grants of \$22,860 during the year.

## **14 Events After the Balance Date**

On the 24 June 2021 the Foundation committed \$70,000 to the Ratana Orakenui Trust playground project, conditional on full funding being achieved.

(2020:\$120,000 Covid grant funding commitment).

## **15 Contingent Liability**

On the 5th July 2018 the trustees resolved to allocate from the Capital Grants Reserve, \$500,000 to the Regional Velodrome Development Trust for the Velodrome project, contingent on the project proceeding (2020: \$500,000). On the 24 June 2021 the Board withdrew the funding pledge as the project has not proceeded.

## **16 Ability to Continue Operating**

The entity will continue to operate for the foreseeable future.

## **17 Covid -19 Impact**

The effects of Covid -19 were felt at the end of the 2020 Financial year, with a drop in the value of the investments held. However the markets have recovered and Craigs Investment partnerss are actively managing the investments to mitigate any negitavte impacts of the Foundations income and investments.

## 17 Grants Committed

16

### Social Loans

Hockey Wanganui

2,040

2,040

### COVID -19 Financial Support

Balance Aotearoa

1,304

Cancer Society of NZ - Wanganui-Waimarino-Rangitikei Incorporated

4,066

Christain Social Services (Whanganui)

10,000

Community House ( Whanganui) Association Incorporated

1,092

Counselling Centre Marton Incorporated

1,000

Family Support Sevices Whanganui

10,000

Hakeke St Community Centre

2,860

Hockey Wanganui Incorporated

4,948

Hospice Whanganui

5,000

Nga Iwi o Mokai Patea Services Trust

5,000

Ronald McDonald House Charites NZ Trust

5,000

Sustainable Whanganui Trust

700

Te Oranganui Trust ( Incorporated)

5,000

Te Whariki Manaki O Tatou

5,000

The Hearing Association Wanganui Branch Incorporated

1,795

The Young Men's Christain Assocaition Central

4,800

Thrive Whanganui Trust

5,000

Wai Ora Christine Community Trust

4,500

Wanganui Boy's and Girls Gym Club

362

Wanganui Community Arts Centre Trust

5,000

Wanganui Enterprises Trust

613

Whanganui Creative Space

1,056

Whanganui High School

5,000

Women's Refuge Whanganui Charitable Trust Board

3,881

Youth Services Trust Whanganui

1,194

94,170

### Quick Response Grants

Alzheimer's Whanganui Incorporated

18,000

Aramoho Whanganui Rowing Club Incorporated

4,000

Arthritis NZ ( Kaiponapona Aotearoa)

4,000

Autism New Zealand Incorporated - Whanganui

4,500

Barnardos NZ Incorporated

10,000

Birthright Wanganui Incorporated

7,500

Bulls Toy Library Incorporated

2,500

Cancer Society of NZ - Wanganui-Rangitiki- Waimarino Centre Incorporated

10,000

Centre For Social Impact NZ Ltd -Via Rata Foundation Ltd

4,948

Counselling Centre (Marton) Incorporated

10,000

Community House ( Whanganui) Association Incorp

18,000

Cystic Fibrosis Association of NZ

3,600

Epilepsy Association of New Zealand Incorporated

5,000

IHC NZ Incorporated

7,500

KidsCan Charitable Trust

4,000

Life Education Trust Wanganui & Districts

5,000

Lotus Women's Group

500

NZ Council Of Victum Support Groups Incorporated

3,500

Ohakune Carrot Adventure Park

2,000

Para Kore Marae Incorporated

7,500

People First NZ Incorporated

5,000

Pride Whanganui Trust

4,000

Quinlan Court

4,950

Ronald McDonald House Charities New Zealand

8,000

Springvale Playcentre

2,000

Taki Rua Productions Society Incorporated

7,000

The Compassionate Friends Whanganui Chapter

2,500



The Girl Guides Association NZ Incorporated	4,000	
The Order of St Johns Central Region Trust Board	3,000	
The Parkinson's New Zealand Charitable Trust	4,000	
The Scout Association of NZ ( Whanganui)	3,000	
The Taihape & District Historical & Museum Society Incorporated	5,000	
The Wanganui Blind & Partially Blind Craft Group Incorporated	2,000	
The Whanganui Riverboat Restoration & Navigation Trust	8,000	
Wanganui Area neighbourhood Support Groups Incorporated	2,500	
Wanganui Creative Space	4,000	
Wanganui Multiple Sclerosis Society Incorporated	3,000	
Whanganui Group of the Riding for the Disabled Association	3,000	
Whanganui Regional Heritage Trust Board	5,000	
Whanganui Toy Library Incorporated	1,000	
Whanganui Volunteer Centre Trust	12,000	
	<hr/>	224,998

### Community Support Grants

Age Concern Wanganui Incorporated	20,000	
Arthritis NZ ( Kaiponapona Aotearoa)	20,000	
Family Support Services Whanganui Trust (Jigsaw)	80,000	
Hakeke St Community Centre.	20,000	
Hospice Whanganui	7,500	
Life to the Max Trust	55,000	
Matipo Community Development Charitable Trust	5,000	
NZ Family & Foster Care Federation Incorporated	18,000	
Presbyterian Support Central (Family Works)	10,000	
Wanganui Enterprises Trust	15,000	
Whanganui (NZ) Masters Games Trust	15,000	
Women's Network (Wanganui) Incorporated	15,000	
Youth Services Trust Whanganui	22,000	
	<hr/>	302,500

### Multi Year Grants

Alzheimers Whanganui Incorporation

In September 2020 the foundation pledged a multi year grant of \$18000 towards Operating and Administration expenses to be paid in instalmentsof \$6000 over 3 years.

Community House (Whanganui) Association Incorp

In Feburary 2021 the foundation pledged a multi year grant of \$18000 towards Operating Expenses to be paid in instalments of \$6000 over 3 years.

Whanganui Volunteer Centre Trust

In August 2020 the foundation pledged a multi year grant of \$12000 towards the Administrators Wages to be paid in instalments of \$4000 over 3 years.

### Hikurangi Reserve Grants

Quinlan Court	5,000	
Age Concern Wanganui Incorporated	15,000	
Hospice Whanganui	7,500	
	<hr/>	27,500

### High Engagement Grants

Life to the Max Trust 6,280

In October 2017, the Foundation pledged a High Engagement grant of \$300,000 over a 3 year period, along with an additional \$93,720 for capacity building and evaluation over the 3 year period. The project is to expand their social worker service, and increase capacity/client load, and to commission and external longitudinal evaluation of the impact of the service on clients who have previously engaged with Life to the Max.

There was additional funding of \$6280 made at the time of the Final Instalment.



Whanganui Learning Centre Trust

In October 2017, the Foundation pledged a High Engagement grant of \$240,000 over a 3 year period to employ an intensive case worker (ICW) who will work with whanau to identify barriers to educational and social participation in the low-decile/low socio-economic areas of Whanganui, to overcome these barriers to advance social and educational achievements for young children and youth.

Te Oranganui - Korowaitia Te Puna o Te Moke

In September 2019 a grant of \$100,000 Per Annum for 3 Years Plus an evaluation/capacity building grant of \$92,000 was approved to fund an Oral Health Project being facilitated by Te Oranganui

**Capital Grant**

Sarjeant Gallery redevelopment

In June 2016 , the Foundation pledged up to \$1M to the Sarjeant Gallery Redevelopment project, conditional on the project proceeding. In March 2018 the project achieved the fund raising goal and the pledge is to be fulfilled by payment of \$250,000 in the 2021/2022 year.

Te Ora Hou Whanganui Inc

In June 2019 it was agreed to assist with funding a new Whare for Te Ora Hou, with a grant of \$300,000, subject to conditions being met and funds uplifted within 3 years.

Marton Development Group Inc

In April 2020 a grant application of \$100,000 was approved for a new playground , conditional on full funding been achieved.

This was achieved and funds granted in February 2021.

**Total Grants Approved**

100,000  
\$729,988



## INDEPENDENT AUDITOR'S REPORT

To the Whanganui Community Foundation Incorporated (Consolidated)

### Report on the Consolidated Performance Report

We have audited the consolidated performance report of Whanganui Community Foundation and Group on pages 1 to 18 which comprises the entity information, the statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 31 March 2021 the consolidated statement of financial position as at 31 March 2021, and the statement of accounting policies and other explanatory information.

#### In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying consolidated performance report on pages 1 to 18 presents fairly, in all material respects,
  - the entity information for the year then ended;
  - the service performance for the year then ended; and
  - the consolidated financial position of Whanganui Community Foundation and Group as at 31 March 2021, and its consolidated financial performance, and consolidated cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board

#### Basis for Opinion

We conducted our audit of the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Performance Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Whanganui Community Foundation Incorporated (Consolidated) or any of its subsidiaries.



## Responsibilities of the Trustees for the Consolidated Performance Report

The Trustees are responsible for:

(a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

(b) the preparation and fair presentation of the consolidated performance report on behalf of the entity which comprises:

- the entity information;
- the statement of service performance; and
- the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and

(c) such internal control as the Trustees determine is necessary to enable the preparation of the consolidated performance report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated performance report, the Trustees are responsible on behalf of the Group for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditors responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>







**SILKS AUDIT**  
Chartered Accountants Ltd



**Restriction on Responsibility**

This report is made solely to the trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Silks Audit*

**Cameron Town**  
**Silks Audit Chartered Accountants Limited**  
**Whanganui, New Zealand**

**Date: 22 July 2021**

