

Performance Report

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2019

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Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2019

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Entity Information

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2019

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 a Community Engagements and Grants 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

Approval of Performance Report

Whanganui Community Foundation Incorporated (Consolidated)
For the year ended 31 March 2019

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 2019.

APPROVED:



J. Herewini

Chairperson

Date: 25 July 2019

T. J. Goodwin

Deputy Chairperson

Date: 25 July 2019



Statement of Service Performance

Whanganui Community Foundation Incorporated

For the year ended 31 March 2019

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
	2019	2019	2018	2018
	\$	\$	\$	\$
<u>Grants Made/Committed</u>				
Social Loans	1,050	-	6,015	-
Quick Response Grants	184,731	200,000	170,778	200,000
Community Support Grants	299,068	300,000	282,500	300,000
Capital Grants	300,000	100,000	1,000,000	-
High Engagement Grants	245,000	200,000	393,720	400,000
	1,029,849	800,000	1,853,013	900,000
Number of Grants Applications	112		135	
Number Approved	68		63	
Total Investment Income	3,502,821		3,024,583	
Total Investment Portfolio	45,113,799		45,896,630	

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 \$63,996 for the 2019 year.

Additional Information

1. The increase in the Investment Portfolio Valuation of 4.0% (2018 4.9%) exceeds any increase in population growth and the CPI increase.
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 2019

Account	Notes	2019	2018
Income			
Revenue from providing goods or services	1	63,996	63,328
Interest, dividends and other investment revenue	1	3,438,825	2,922,527
Fair Value Increase in Investment Property	1	-	38,728
Total Income		3,502,821	3,024,583
Expenses			
Trustees related costs	2	120,509	102,344
Costs related to providing goods or service	2	3,840	15,309
Grants and donations made	2	1,029,849	1,853,013
Costs relating to investment income	2	58,276	115,402
Other expenses	2	115,490	534,496
Total Expenses		1,327,964	2,620,565
Surplus for the year		2,174,857	404,018

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 2019

Account	Notes	2019	2018
Assets			
Current Assets			
Bank accounts and cash	3	963,394	1,261,447
Debtors and prepayments	3	113,591	44,990
Investments (held to Maturity)	3	2,678,540	923,636
Total Current Assets		3,755,525	2,230,073
Non-Current Assets			
Investment Property	4	660,000	660,000
Investments (At Fair Value)	5	43,490,405	41,344,445
Investments (Held to Maturity)	3	-	1,758,103
Total Non-Current Assets		44,150,406	43,762,548
Total Assets		47,905,931	45,992,621
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	308,504	664,975
Employee Costs		6,780	5,516
Unused donations and grants with conditions	3	504,850	141,190
Total Current Liabilities		820,134	811,681
Non-current liabilities			
Grants	3	632,530	902,530
Total Liabilities		1,452,664	1,714,211
Total Assets less Total Liabilities (Net Assets)		46,453,267	44,278,410
Accumulated Funds			
Accumulated surpluses	8	43,153,267	41,178,410
Discretionary Reserves	8	3,300,000	3,100,000
Total Accumulated Funds		46,453,267	44,278,410

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 2019

Account	2019	2018
Cash Flows from Operating Activities		
Cash was received from		
Receipts from providing goods or services	63,996	63,328
Interest, dividends and other investment receipts	1,181,348	1,396,495
Other Income	334	
Net GST	(7,480)	(4,677)
Cash was applied to		
Payments to Trustees Expenses	(122,299)	(97,789)
Donations or grants paid	(946,189)	(540,278)
Purchase of goods & services	(470,961)	(313,443)
Total Cash Flows from Operating Activities	(301,251)	503,636
Cash Flows from Investing and Financing Activities		
Cash was received from		
Receipts from sale of plant and equipment	-	174
Receipts from sale of investments	-	14,998,036
Proceeds from Social Loans repaid	51,000	93,000
Cash was applied to		
Payments to purchase investments	(47,801)	(15,106,246)
Total Cash Flows from Investing and Financing Activities	3,199	(15,036)
Net Increase/(Decrease) in Cash	(298,052)	488,600
Cash Balances		
Cash and cash equivalents at beginning of period	1,261,447	772,847
Cash and cash equivalents at end of period	963,395	1,261,447
Net change in cash for period	(298,052)	488,600

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 2019

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 2019.

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 Wairarapa areas.

The consolidated performance report have been approved and were authorised for issue by the Board of Trustees on 25 July 2019.

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 recognized as it accrues, using the effective interest method

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

Realized/unrealized 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.

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 two 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.

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 2019

	2019	2,018
1. Analysis of Revenue		
Revenue from providing goods or services		
Lease or Rent Received	63,996	63,328
Total Revenue from providing goods or services	63,996	63,328
Interest, dividends and other investment revenue		
Craig's Investments - Unrealised gains	1,671,752	1,387,868
Realised gains	50,835	138,608
NZ Interest	863,782	869,418
NZ Dividends and PIE's	628,649	378,723
Overseas Interest	13,139	489
Overseas Dividends	210,334	147,421
Other Income	334	-
Total Interest, dividends and other investment revenue	3,438,825	2,922,527
Total Revenue	3,502,821	2,985,855
2. Analysis of Expenses		
Trustee & employee costs		
Trustees Fees	67,500	67,500
Trustee Expenses	2,055	6,120
Grants Management Office Costs	50,954	28,724
Total trustee & employee costs	120,509	102,344
Costs related to providing goods or services		
Rates	2,722	2,565
Repairs - Buildings & Grounds	1,118	12,744
Total Costs related to providing goods or services	3,840	15,309
Grants and donations made		
Quick Response Grants	184,731	170,778
Community Support Grants	299,068	282,500
High Engagement Grants	245,000	393,720
Capital Grants	300,000	1,000,000
Interest on Community Loans	1,050	6,015
Total Grants and donations made	1,029,849	1,853,013
Costs related to investment income		
Investment Management Costs	58,276	115,402
	58,276	115,402
Other expenses		
Admin /Accounting Fees	61,815	68,506
Audit Fees	9,500	10,000
Boundary Change - TSB Community Trust	-	350,000
Consultancy	1,625	-
Consultancy - Grants	1,968	41,772
Legal expenses	975	2,575
Insurances	7,591	7,367
Occupancy Costs	6,279	6,377
Other	21,737	31,649
Subscriptions	4,000	4,000
Te Kete Putea Ltd	-	12,250
Total Other expenses	115,490	534,496
Total Expenses	1,327,964	2,620,565

3. Analysis of Assets and Liabilities

Current Assets

Bank accounts and cash		
BNZ Cheque Account	23,708	39,880
BNZ Call Account	938,593	1,221,567
BNZ Imprest Account	1,093	-
Total Bank accounts and cash	963,394	1,261,447

Debtors and prepayments

Accrued Income	73,341	22,715
Accounts Receivable	10,000	-
GST Receivable	14,484	7,004
Prepayments	15,766	15,271
Total Debtors and prepayments	113,591	44,990

Investments (Held to maturity)

BNZ Short Term Deposits	2,678,540	872,636
Social Loans - Current Portion (Note 7)	-	51,000
Total Investments Held to Maturity	2,678,540	923,636

Non-Current Assets

Investments (At Fair Value)		
Craig's Investment Portfolio	42,850,793	39,510,158
Craig's Investment - NZ Cash	530,738	1,824,344
Craig's Investment - Aust Cash	108,874	9,942
Total Investments (At Fair Value)	43,490,405	41,344,444

Held to Maturity Investments

BNZ Term Deposit	-	1,758,103
Total Investments Held to Maturity	-	1,758,103

Investment Property

Investment Property (Note 4)	660,000	660,000
Total Property, Plant & Equipment	660,000	660,000

Total Assets	47,905,930	45,992,620
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Current Liabilities

Creditors and accrued expenses		
Creditors & Accrued Expenses	58,505	64,974
Boundary Change - TSB Community Trust	-	350,000
Sarjeant Art Gallery Redevelopment Project	250,000	250,000
Total Creditors and accrued expenses	308,505	664,974

Unused donations and grants with conditions

High Engagement Grant "Life to the Max"	100,000	100,000
Capacity Building Grant "Life to the Max"	24,850	41,190
High Engagement Grant - Wgi Learning Centre	80,000	-
Bulls & District Community Trust	300,000	-
Total Unused donations and grants with conditions	504,850	141,190

Non-current liabilities

High Engagement Grant "Life to the Max"	-	100,000
Capacity Building Grant "Life to the Max"	52,530	52,530
High Engagement Grant - Wgi Learning Centre	80,000	-
Sarjeant Art Gallery Redevelopment Project	500,000	750,000
Total Other non-current liabilities	632,530	902,530

Total Liabilities	1,445,885	1,708,694
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4 Investment Property

Opening Value	660,000	621,272
Movement in Fair Value	-	38,728
Closing Balance	660,000	660,000

Total Investment Property	660,000	660,000
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Land and Buildings were valued on 31 March 2019 by registered valuer, R D (Rob) Boyd, of the firm Morgan's Property Advisors. There was no change to the value.

5 Investments

	2019	%	2018	%
	\$		\$	
Global Equities	9,528,209	21.91	8,792,346	21.27
Australian Equities	6,465,879	14.87	6,109,274	14.78
New Zealand Equities	8,464,267	19.46	6,874,720	16.63
Bonds and Term Deposits	16,689,876	38.38	16,152,367	39.07
Cash NZ/Australia	639,612	1.47	1,834,286	4.44
Property NZ/Australia	1,702,562	3.91	1,581,451	3.83
Total Investments	43,490,405	100.00	41,344,444	100.00

6 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

	2018		2018	
	Level 1	Level 2	Level 1	Level 2
CIP Property NZ/Aust	1,702,562		1,581,451	-
CIP - NZ Equities	8,464,267		6,874,720	-
CIP - Australian Equities	497,945	5,967,934	248,408	5,860,866
CIP - International Equities	2,645,031	6,883,178	-	8,792,346
CIP - Cash NZ/Aust	639,612		1,834,286	-
NZ Corporate Bonds	16,689,876		16,152,367	-
	30,639,293	12,851,112	26,691,232	14,653,212

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 November 2017. Craig's Investment Partners (CIP) 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 largely in a pooled fund administered by Quay Street International Equity Fund.

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 \$1,406,852 (2018 \$1,311,720).

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.

7 Social Loans

The Foundation makes loans to community organisations from time to time. The loans are secured and 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.

Total loan repayments during the year amounted to \$51,000

	Current 2019 \$	Term 2019 \$	Total 2019 \$	Total 2018 \$
YMCA	-	-	-	21,000
Te Oranganui	-	-	-	30,000
Totals	-	-	-	51,000

8 Accumulated Funds

The Foundation annually transfers 10% of the grants budget to a Capital Grants Reserve.

Accumulated Surplus

Opening Balance	41,178,410	39,874,392
Operating Surplus/(Deficit) for the year	2,174,857	404,018
Transfers to Reserves	(200,000)	900,000
Balance as at 31 March 2019	43,153,267	41,178,410

Discretionary Reserves

Opening Balance	3,100,000	4,000,000
Transfer to Accumulated Surpluses	200,000	(900,000)
Balance as at 31 March 2019	3,300,000	3,100,000

Total Accumulated Funds	46,453,267	44,278,410
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Breakdown of Discretionary Reserves			
Grants Reserve	Cover for 3 years budgeted grants	2,500,000	2,500,000
Capital Grants Reserve	For large grants	800,000	600,000
Balance as at 31 March 2019		<u>3,300,000</u>	<u>3,100,000</u>
Total Discretionary Reserves		3,300,000	3,100,000

9 Capital Commitments

There are no capital commitments as at balance date.(2018:nil)

10. Operating Commitments

The foundation has an Accounting/Administration contract commitment of \$36,880 (2018:\$35,000).

The foundation has a Fluxx Grants Management contract commitment of US\$10,000 annually

11. Significant Grants and Donations with Conditions not Recorded as a Liability

There are no Significant grants not recorded as a liability.

12. Related Parties

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

13. Events After the Balance Date

A social loan of \$40,000 has been made to Hockey Wanganui, subsequent to balance date.

14. 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 (2018:nil).

The Grant is on the condition that any funding received surplus to the target is rebated to the Foundation.

15. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

15. Grants Approved

\$

Quick Response Grants

Allergy ADHD Wanganui Incorporated	1,000
Alzheimer's Whanganui Incorporated	5,000
Aramoho Rowing Club Incorporated	8,000
Awa Kings Muay Thai Club Inc	1,190
Bulls Toy Library Incorporated	1,472
Cancer Society of New Zealand - Wanganui	5,000
Citizens Advice Bureau Whanganui	4,000
Counselling Centre (Marton) Inc	10,000
Cystic Fibrosis Association of NZ	2,500
English Language Partners New Zealand Trust	1,000
Epilepsy Association of New Zealand Incorporated	2,500
Friends of St Mary's (Upokongara)	3,000
Hospice Wanganui	6,000
KidsCan Charitable Trust	6,000
Marton & District Historical Society Incorporated	4,000
Marton School Parent & Friends	2,000
Ohakune 2000 Inc	5,000
Parent to Parent New Zealand Incorporated	1,000
Project Litefoot Trust	2,000
Project Marton Incorporated	2,000
Rangitikei District Council - Swim for All	5,000
River City Boxing Club Incorporated	3,000
Ronald McDonald House Charities New Zealand	8,000
Ruapehu College - Cactus 2019	6,419
Saint Pauls Memorial Church Putiki Restoration Trust	8,000
Snow Sports NZ Inc	1,000
Spirit of Adventure Trust	4,000
Springvale Play Centre	2,600
Taihape & District Historical Society Incorporated	2,000
Taihape Music Group	1,000
Te Whanau OSCAR Mo Nga Tamariki	4,000
The Charities Act - Review Gift	3,000
The Hearing Association Whanganui Branch Incorporated	2,200
The Marton & Surrounds ICT Hub Charitable Trust Board	6,000
The Parenting Place Charitable Trust	2,000
The Parkinson's New Zealand Charitable Trust	7,000
Wai ora Christian Community Trust	3,000
Wanganui Community Arts Centre Trust	5,000
Wanganui Community Education Services Incorporated	5,000
Wanganui Multiple Sclerosis Society Incorporated	2,000
Wanganui Sports Foundation	5,000
Whangaehu School - Defibrillator	2,550
Whanganui District Employment Training Trust	3,500
Whanganui Enterprises Trust	7,000
Whanganui Toy Library Incorporated	1,000
Whanganui Volunteer Centre Trust	3,000
Whanganui(New Zealand) Masters Games Trust	5,000
Women's Network (Wanganui) Incorporated	4,800

184,731



Community Support Grants

Age Concern Wanganui Incorporated	30,000	
Jigsaw Whanganui	99,068	
Mental Health & Wellbeing Support/Hapai Oranga	10,000	
Ngati Rangi Trust - Te Pae Tata	20,000	
NZ Family and Foster Care Federation Inc	20,000	
Te Ora Hou Whanganui Incorporated - Positive Youth Development	45,000	
Te Ora Hou Whanganui Incorporated - Whakatikatika te Whare	20,000	
Wanganui Group of the Riding for the Disabled Association Incorp	20,000	
Wellington Community Trust	5,000	
Women's Refuge Whanganui Charitable Trust Board	30,000	
		<u>299,068</u>

High Engagement Grants

Life to the Max Trust

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.

Whanganui Learning Centre Trust 240,000

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.

In addition there is a commitment to grant up to \$92,000 for capacity building and evaluation. The budget for which is to be quantified.

Wellington Community Trust 5000

The Foundation contributed \$10,000 to this project into the gap between government funding an community based NGO social services for children and families and teh real cost of delivery there of.
The balance of the funds was paid from the Community Support Grant.

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 annual payments of \$250,000 for the next 3 years.

Bulls & District Community Trust 300,000

On the 5th July 2018 the trustees resolved to allocate from the Capital Grants Reserve \$300,000 to the Bulls and District Community Trust for the Bulls Community Centre.

The Grant is on the condition that any funding received surplus to the target is rebated to the Foundation.

Total Grants Approved \$1,028,799



INDEPENDENT AUDITOR'S REPORT

To the Trustees of Whanganui Community Foundation Incorporated (Consolidated)

Report on the Performance Report

We have audited the performance report of Whanganui Community Foundation Incorporated (Consolidated) on pages 1 to 17 which comprises the entity information, the statement of service performance, the statement of financial performance, statement of movements in equity and statement of cash flows for the year ended 31 March 2019, the statement of financial position as at 31 March 2019, 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 performance report on pages 1 to 17 presents fairly, in all material respects,
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Whanganui Community Foundation Incorporated (Consolidated) as at 31 March 2019, and its financial performance, and 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 statement of financial performance, statement of financial position, 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 Performance Report section of our report. We are independent of Whanganui Community Foundation Incorporated (Consolidated) 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 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 performance report on behalf of the entity which comprises:

- the entity information;
- the statement of service performance; and
- the statement of financial performance, statement of financial position, 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 performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of Whanganui Community Foundation Incorporated (Consolidated) 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 Whanganui Community Foundation Incorporated (Consolidated) 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 performance report is 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) and ISAE (NZ) 3000 (Revised) 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 this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The financial statements of the Whanganui Community Foundation Incorporated (Consolidated) for the year ended 31 March 2018 were audited by another auditor who expressed an unqualified opinion on those statements on the 16 August 2018.

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.



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 25 July 2019