

Performance Report

Whanganui Community Foundation Incorporated (Consolidated)
For the year ended 31 March 2024

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Whanganui Community Foundation Incorporated (Consolidated)
For the year ended 31 March 2024

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Entity Information

Whanganui Community Foundation Incorporated (Consolidated)
For the year ended 31 March 2024

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 Foundation's 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 Toy & Hood 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, Whanganui.

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 2024

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 2024.

APPROVED:

Signed by:

413C686101FA5C2B

Dr M Paki

Chairperson

Date: 26 September 2024



A Main

Deputy Chairperson

Date: 26 September 2024

Statement of Service Performance

Whanganui Community Foundation Incorporated
For the year ended 31 March 2024

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
	2024	2024	2023	2023
	\$	\$	\$	\$
<u>Grants Made/Committed</u>				
Social Loans	1,872	1,650	1,816	1,650
Quick Response and Multi year Grants	216,732	200,000	155,307	200,000
Hikurangi Inc Grants	49,956	50,000	49,043	50,000
Community Support Grants	328,015	300,000	333,000	300,000
Capital Grants	180,000	100,000	70,000	120,000
Housing Grants	505,620	400,000	233,720	-
	1,282,196	1,051,650	842,886	671,650
Number of Grants Considered	103		100	
Number Approved	73		67	
Total Investment Income	5,373,385		(525,803)	
Total Income Earning Assets	54,112,654		50,241,448	

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 \$82,245 for the 2024 year.

Additional Information

- Grants allocated were in line with funding budgeted.
- 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.
 - Children 0-5 years old.
 - Youth at risk.
 - The elderly in our communities.
 - Activities and programmes that strengthen our communities.
- From 1 April 2022 a Special Purposes (Housing) Grants policy has been established with seed funding of \$400,000.



Statement of Financial Performance

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2024

Account	Notes	2024	2023
Income			
Revenue from providing goods or services	1	82,245	74,080
Interest, dividends and other investment revenue	1	5,263,933	(668,174)
Other Revenue	1	7,208	38,291
Fair Value Increase in Investment Property	4	20,000	30,000
Total Income		5,373,385	(525,803)
Expenses			
Trustees related costs	2	147,359	161,572
Costs related to providing goods or service	2	4,638	6,696
Grants and donations made	2	1,052,240	770,343
Costs relating to investment income	2	90,579	84,957
Other expenses	2	136,085	143,308
Total Expenses		1,430,900	1,166,876
Surplus/(Deficit) for the year		3,942,485	(1,692,679)

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 2024

Account	Notes	2024	2023
Assets			
Current Assets			
Bank accounts and cash	3	984,661	862,234
Debtors and prepayments	3	64,426	48,106
Loans Receivable	8	9,000	9,000
Investments	3	1,034,574	990,023
Total Current Assets		2,092,661	1,909,363
Non-Current Assets			
Investment Property	4	880,001	860,000
Loans Receivable	8	7,333	16,334
Property Plant & Equipment	5	673	1,347
Investments (At Fair Value)	6	51,197,085	47,527,844
Total Non-Current Assets		52,085,092	48,405,527
Total Assets		54,177,753	50,314,889
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	51,715	47,342
Employee Costs	3	1,448	5,974
Unused donations and grants with conditions	3	371,000	62,500
Total Current Liabilities		424,163	115,816
Non-current liabilities			
Grants	3	17,500	175,511
Total Liabilities		441,663	291,327
Total Assets less Total Liabilities (Net Assets)		53,736,090	50,023,562
Accumulated Funds			
Accumulated surpluses	9	50,033,285	46,190,800
Discretionary Reserves	9	3,702,806	3,832,762
Total Accumulated Funds		53,736,090	50,023,562



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 2024

Account	2024	2023
Cash Flows from Operating Activities		
Cash was received from		
Receipts from providing goods or services	82,025	74,080
Interest, dividends and other investment receipts	1,441,310	1,091,420
Other Income	7,208	38,291
Net GST	(3,693)	2,968
Cash was applied to		
Payments to Trustees Expenses	(59,400)	(161,572)
Donations or grants paid	(899,878)	(883,987)
Purchase of goods & services	(464,396)	(273,163)
Total Cash Flows from Operating Activities	103,176	(111,963)
Cash Flows from Investing and Financing Activities		
Cash was received from		
Receipts from sale of investments	1,421,741	1,293,740
Proceeds from loans repaid from other parties	9,001	-
Cash was applied to		
Purchase of property, plant & equipment	-	-
Payments to purchase investments	(1,411,491)	(939,223)
Total Cash Flows from Investing and Financing Activities	19,251	354,517
Net Increase/ (Decrease) in Cash	122,427	242,554
Cash Balances		
Cash and cash equivalents at beginning of period	862,234	619,680
Cash and cash equivalents at end of period	984,661	862,234
Net change in cash for period	122,427	242,554



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 2024

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 2024.

These Foundation 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 has been approved and was authorised for issue by the Board of Trustees on 26 September 2024

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 \$5,000,000.

All transactions are reported using the accrual basis of accounting. The performance report has been prepared on 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.



Revenue

Revenue is recognised 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 41 Financial Instruments

Accounting policy

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Foundation becomes a party to the contractual provisions of the instrument.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

Financial assets are not reclassified subsequent to their initial recognition unless the Foundation changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:



- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above or FVOCRE are measured at FVTSD.

On initial recognition, the Foundation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

Financial assets – Management model assessment

- The Foundation makes an assessment of the objective of the management model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
 - the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
 - how the performance of the portfolio is evaluated and reported to the Foundation's management;
 - the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;
 - how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
 - the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Foundations's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Foundation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Foundation considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Foundation's claim to cash flows from specified assets (e.g., non-recourse features).

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVSD

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit



Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

(c) Derecognition

Financial assets

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Foundation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

The Foundation enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Foundation also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

(d) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Foundation currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

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, pursuant to an agreement with Hikurangi, is distributing the funds over time by way of grants to applicants who meet the criteria in the Foundation's policies as they pertain to enhancing the wellbeing of isolated elderly in the community.

In September 2022 the Foundation received the final distribution from Hikurangi Incorporated totalling \$1,033.



Changes in Accounting Policies

Apart from the adoption of PBE IPSAS 41 there have been no changes in the accounting policies.

PBE IPSAS 41 Financial Instruments is effective from 01 April 2023.

PBE IPSAS 41 has had no material impact on the Foundation measurements and recognition of Financial Instruments.

In accordance with the transitional provisions in PBE IPSAS41 Whanganui Community Foundation Inc has elected not to restate the comparative information which continues to be reported under PBE IPSAS 28-30.

The accounting policies for the year ended 31 March 2024 have been updated to comply with PBE IPSAS 41.



Notes to the Performance Report

Whanganui Community Foundation Incorporated (Consolidated)

For the year ended 31 March 2024

1 Analysis of Revenue	2024	2023
Revenue from providing goods or services		
Lease or Rent Received	82,245	74,080
Total Revenue from providing goods or services	82,245	74,080
Interest, dividends and other investment revenue		
Craig's Investments - Unrealised gains / (Losses)	3,228,381	(1,758,758)
Realised gains / (Losses)	513,042	(284,872)
NZ Interest	796,076	640,511
NZ Dividends and PIE's	400,508	342,563
Overseas Interest	2,699	1,043
Overseas Dividends	319,031	312,679
NZ Partnership Income/(Losses)	(26,566)	(11,340)
Other distributions	27,512	-
Rebates Received	3,250	-
Total Interest, dividends and other investment revenue	5,263,933	(668,174)
Other Income		
Grants written back	5,011	-
Grants Refunded	2,197	38,291
Fair Value Increase in Investment Property	20,000	30,000
Total other income	27,208	68,291
Total Revenue	5,373,385	(525,803)
2 Analysis of Expenses		
Trustee & employee costs		
Trustees Fees	59,400	66,059
Trustee Expenses	2,177	1,025
Grants Management Office Costs	85,782	94,488
Total trustee & employee costs	147,359	161,572
Costs related to providing goods or services		
Rates	3,328	2,806
Repairs - Buildings & Grounds	1,310	3,890
Total Costs related to providing goods or services	4,638	6,696
Grants and donations made		
Quick Response Grants	164,232	146,807
Housing Grants	505,620	233,720
Community Support Grants	328,015	341,500
Multi Year Grants	52,500	46,500
Interest on Social Loans	1,872	1,816
Total Grants and donations made	1,052,240	770,343
Costs related to investment income		
Investment Management Costs	90,579	84,957
Total Costs related to investment income	90,579	84,957
Other Expenses		
Admin /Accounting Fees	53,520	53,520
Audit Fees	11,959	10,350
Consultancy	3,848	365
Legal expenses	740	1,600
Insurances	10,884	9,515
Occupancy Costs	7,786	7,958
Other	42,590	55,047
Subscriptions	4,759	4,953
Total other expenses	136,085	143,308
Total Expenses	1,430,900	1,166,876



3 Analysis of Assets & Liabilities

Current Assets

Bank accounts and cash

BNZ Cheque Account	189,407	88,695
BNZ Call Account	793,896	773,219
BNZ Imprest Account	1,358	320
Total Bank accounts and cash	984,661	862,234

Debtors and prepayments

Accrued Income/Accounts Receivable	26,630	18,408
GST Receivable	11,553	7,860
Prepayments	26,243	21,838
Total Debtors and prepayments	64,426	48,106

Loans Receivable (Note 8)

Social Loans - Current Portion	9,000	9,000
Total Loans Receivable (Note 8)	9,000	9,000

Investments

BNZ Short Term Deposits	1,034,574	990,023
Total Investments	1,034,574	990,023

Non-Current Assets

Property Plant & Equipment

Office Equipment	673	1,347
Total Property Plant & Equipment	673	1,347

Loans Receivable (Note 8)

Social Loans - Non -Current Portion	7,333	16,334
Total Loans Receivable (Note 8)	7,333	16,334

Investments (At Fair Value)

Craig's Investment Portfolio	50,417,084	46,831,784
Craig's Investment - NZ Cash	646,957	870,303
Craig's Investment - Aust Cash	92,371	50,007
Craig's Investment - US Cash	21,948	9,370
Craig's Investment - UK Cash	18,725	17,138
Craig's Investment - NZ Broker Account	-	(250,758)
Total Investments (At Fair Value)	51,197,085	47,527,844

Investment Property

Investment Property (Note 4)	880,001	860,000
Total Property, Plant & Equipment	880,001	860,000

Total Assets

54,177,753 50,314,888

Current Liabilities

Creditors and accrued expenses

Creditors and accrued expenses	51,715	47,342
Total Creditors and accrued expenses	51,715	47,342

Employee Entitlements

Employee costs payable	202	1,908
Holiday Pay	1,246	4,066
Total Employee Entitlements	1,448	5,974

Donations and grants Payable

Wai Ora Christian Community Trust - Housing	80,000	40,000
Multi Year Grants -2024	-	22,500
Multi Year Grants -2025	33,000	-
Lorenzdale Park Playground	80,000	-
Tamaupoko Community Led Trust (Housing)	85,000	-
Te Maru O Ruahine Trust (Housing)	93,000	-
Total donations and grants Payable	371,000	62,500



Non-current liabilities

Multi Year Grants -2025	-	15,500
Multi Year Grants -2026	17,500	-
Wai Ora Christian Community Trust – Housing	-	100,000
High Engagement Grant -Te Oranganui Trust	-	60,011
Total Other non-current liabilities	17,500	175,511

Total Liabilities	441,663	291,327
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4 Investment Property

Opening Value	860,000	830,000
Movement in Fair Value	20,000	30,000
Closing Value	880,000	860,000

Total Investment Property	880,000	860,000
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Land & buildings have been restated to valuation in accordance with the valuation report dated 31 March 2024 by graduate valuer, Clinton Peter and peer reviewed by registered valuer Ken Pawson of the firm Morgans Property Advisors.

5 Property, Plant & Equipment

2024	Opening Cost	Additions	Disposals	Depn for Year	Accum Depn	Total
Office Equipment	4,368	-	-	673	3,695	674
Total Property, Plant & Equipment	4,368	-	-	673	3,695	674

6 Investments

	2024	%	2023	%
	\$		\$	
Global Equities	12,378,381	24.18	10,715,773	22.55
Australian Equities	7,151,366	13.97	7,399,543	15.57
New Zealand Equities	9,982,362	19.50	10,067,223	21.18
Bonds and Term Deposits	18,906,896	36.93	16,828,125	35.41
Cash NZ/Australia	780,000	1.52	696,061	1.46
Property NZ/Australia	1,998,080	3.90	1,821,120	3.83
Total Investments	51,197,085	100.00	47,527,845	100.00

7 Financial Instruments**Transitional Provisions**

In accordance with the transitional provisions in PBE IPSAS, Whanganui Community Foundation Incorporated has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in operating equity at 1 April 2023 (the date of initial application).

The accounting policies for the year ended 31 March 2024 have been updated to comply with PBE IPSAS 41. The main changes to the Trust's accounting policies are:

Loans and Other Receivables-This policy has been updated to reflect that the impairment of short-term - receivables is now determined by applying the simplified expected credit loss (ECL) model.

Financial Instruments This policy has been updated to reflect:

- The new classification categories;
- The measurement and recognition of loss allowances based on the new expected credit loss (ECL) model.



On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

	Measurement PBE IPSAS 29	Measurement PBE IPSAS 41	31/03/2023 PBE IPSAS 29	01/04/2023 PBE IPSAS 41	Adoption Adjustment
Financial Assets					
Cash and Cash Equivalents	Loan and Receivables	Amortised Cost	862234	862234	\$ -
Debtors	Loan and Receivables	Amortised Cost	18408	18408	\$ -
Loans Receivable	Loan and Receivables	Amortised Cost	25334	25334	\$ -
Investments	Loan and Receivables	Amortised Cost	990023	990023	\$ -
Investments	Fair Value Through profit or loss	Fair Value Through profit or loss	47527844	47527844	\$ -
Financial Liabilities					
Creditors and accrued expenses	Amortised Cost	Amortised Cost	47342	47342	\$ -
Employee Entitlements	Amortised Cost	Amortised Cost	5974	5974	\$ -
Grants Payable	Amortised Cost	Amortised Cost	238011	238011	\$ -

Financial Instrument Categories		2024	2023
Financial Assets			
Cash and Cash Equivalents	Loan and Receivables	-	862,234
Cash and Cash Equivalents	Amortised Cost	984,661	-
Debtors	Loan and Receivables	-	18,408
Debtors	Amortised Cost	26,630	-
Loans Receivable	Loan and Receivables	-	25,334
Loans Receivable	Amortised Cost	16,333	-
Investments	Loan and Receivables	-	990,023
Investments	Amortised Cost	1,034,574	-
Investments	Fair Value Through profit or loss	51,197,085	47,527,844
		53,259,283	49,423,843
Liabilities			
Creditors and accrued expenses	Amortised Cost	51,715	47,342
Employee Entitlements	Amortised Cost	1,448	5,974
Grants Payable	Amortised Cost	388,500	238,011
		441,663	291,327

Fair Value Measurement

Financial instruments are recognised at Fair value through profit and loss 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	2024		2023	
	Level 1	Level 2	Level 1	Level 2
CIP Property NZ/Aust	1,998,080		1,821,120	
CIP - NZ Equities	9,982,362		10,067,223	
CIP – Australian Equities		7,151,366		7,399,543
CIP – International Equities		12,378,381		10,715,773
CIP Cash NZ/AUST	780,000		696,061	
NZ Corporate Bonds	18,906,896		16,828,125	
	31,667,338	19,529,747	29,412,529	18,115,316

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 October 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, employee entitlements 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 liabilities pending the satisfaction of conditions under which the grant was paid.

At balance date grants approved but not yet paid totalled \$388,500 (2023 \$319,731).

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.

Total loan repayments during the year amounted to \$9,000.

	Current 2024 \$	Term 2024 \$	Total 2024 \$	Total 2023 \$
Wanganui Football Charitable Trust	1,000	6,000	7,000	8,000
Hockey Whanganui Incorporated	8,000	1,333	9,333	17,334
Totals	9,000	7,333	16,333	25,334

Wanganui Stockcar and Speedway Club Incorporated

In December 2022 the club applied for funding of \$70,000 towards a new safety wall. It was resolved that they be offered an interest free loan. In April 2023 the loan documentation was approved. However, at Balance date the documents were not signed and the funds not drawn down.

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.

	2024	2023
Accumulated Surplus		
Opening Balance	46,190,800	47,983,479
Operating Surplus/(Deficit) for the year	3,922,485	(1,722,679)
Property Fair Value Increase	20,000	30,000
Transfers to/from Reserves	(100,000)	(100,000)
Balance as at 31 March 2024	50,033,285	46,190,800



Discretionary Reserves		
Opening Balance	3,832,762	3,850,772
Hikurangi Inc - Funds received	-	1,033
Hikurangi Inc – Distributed	(49,956)	(49,043)
Transfer to/from Accumulated Surpluses	100,000	100,000
Ratana Orakeinui - Playground	-	(70,000)
Lorenzdale Park Playground	(80,000)	-
Ruapehu Emergency Services Charitable Trust	(100,000)	-
Balance as at 31 March 2024	3,702,806	3,832,762

Total Accumulated Funds	53,736,090	50,023,562
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Breakdown of Discretionary Reserves		
Capital Grants Reserve	950,000	1,030,000
Hikurangi Reserve	252,807	302,763
Grants Reserve	Cover for 3 years budgeted grants	2,500,000
Breakdown of Discretionary Reserves	3,702,807	3,832,763

10 Operating Commitments

The foundation has an Accounting/Administration contract commitment of \$58,500 (2023: \$36,880).
The foundation has a Fluxx Grants Management contract commitment of US\$14,430 annually (2023:US\$13,000)

11 Capital Commitments

There are no capital commitments as at balance date. (2023: \$80,000)

12 Significant Grants and Donations Approved after balance date

On 18 April 2024, the Foundation approved a Capital Grant to the Whanganui Cancer Society of \$100,000 for the purchasing a building in Koromiko Road, Whanganui.

13 Related Parties

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

14 Events After the Balance Date

There are no significant events after balance date.

15 Contingent Liability

There are no Contingent liabilities at balance date (2023: \$Nil)

16 Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

17 Grants Committed

Social Loans		\$
Whanganui Kai Trust		600
Wanganui Football		487
Hockey Wanganui		785
		<hr/>
		1,872
Quick Response Grants		
Anxiety NZ Trust		1,500
Aphasia NZ Charitable Trust		4,000
ARAN Animal Rescue NZ		2,000
Awa Kings Muay Thai Club incorporated		4,000
Badminton Whanganui Incorporated		4,000
Brain Injury Association Whanganui Incorporated		4,000
Bulls & District Community Trust		1,477
Bulls & Toy Library Incorporated		4,000
Community House (Whanganui) Association Incorporation		5,000
Dance Therapy NZ		3,500
Hunterville Playcentre		5,000
Lotus Women's Group		3,000
Manawatu Whanganui Weightlifting Club		2,500
Netball Whanganui Incorporated		4,000



Nga Waihua o Paerangi Trust (Ngati Rangi)	10,000	
NZ Choral Federation Incorporated	2,700	
NZ Continnence Association Incorporated	5,000	
NZ Council of Victim Support Groups Incorporated	4,000	
Para Kore Marae Incorporated	6,000	
Presbyterian Support (Northern)	9,500	
Progress Castlecliff Incorporated	2,500	
Rangitikei Environment Group Incorporated	2,000	
Robert Bartley Foundation	3,615	
Stroke Central NZ Incorporated	2,000	
Sustainable Whanganui Trust	4,000	
Te Kai Whaka Ora - Marton Youth Trust	2,000	
Te Rau o Nuku Via The Gift Trust	8,000	
Tennis Whanganui Incorporated	4,000	
The Compassionate Friends Whanganui Chapter	1,200	
The Girl Guides Association NZ Incorporated	2,000	
The Marton & Districts Historical Society Incorporated	2,000	
The Scout Association of New Zealand	2,000	
The Taihape & District Historical & Museum Society Incorporated	5,000	
The Wanganui Blind & Partially Blind Craft Group Incorporated	3,000	
Unity Trust Ltd	3,000	
Wanganui City College	6,100	
Whanganui Agricultural & Pastoral Association Incorporated	2,500	
Whanganui Athletic Football Club Incorporated	6,000	
Whanganui Boys and Girls Gym Club Trust	2,050	
Whanganui Literary Festival Trust	2,880	
Whanganui Repertory Theatre Incorporated	3,710	
Whanganui Vintage Weekend Trust	7,500	
Whanganui Toy Library Incorporated	2,000	
	<hr/>	164,232
Community Support Grants		
Alzheimer's Whanganui Incorporated	8,000	
Birthright Wanganui	25,000	
CORE Education Ltd	50,000	
Community Education Whanganui Trust	16,000	
Freedom to Learn Charitable Trust (Irlen Fund)	5,000	
Hospice Whanganui	15,000	
Huntermville Community Assets Trust	18,215	
Life to the Max Trust	42,500	
Presbyterian Support Central (Family Works)	10,500	
NZ Family & Fostercare Federation Incorporated	7,500	
Te Ora Hou Marae	20,000	
Te Ora Hou Whanganui Incorporated	27,000	
The Stroke Foundation of New Zealand Ltd	8,000	
Whanganui Violence Intervention Network Via Jigsaw	5,500	
Women's Network (Wanganui) Incorporated	15,000	
Volcano Vibe Collective	18,800	
Woven Rivers Trust	10,000	
YMCA Central Incorporated	16,000	
Youth Services Trust Whanganui	10,000	
	<hr/>	328,015
Housing Grants		
Waitara Initiatives Supporting Employment Charitable Trust	88,400	
Tamaupoko Community Led Trust (TCLD)	170,000	
Door of Hope Rangitikei Charitable Trust	10,000	
Grace Foundation Charitable Trust Wanganui	51,220	
Te Maru o Ruahine Trust	186,000	
	<hr/>	505,620



Special Purpose - Housing Grants

Wai Ora Christian Community Trust

In June 2022 the board agreed that a grant of \$200,000 be made for their Transactional Housing Project subject to condition, as at balance date \$80,000 was outstanding. \$60,000 has been paid in May 2024, leaving a balance of \$20,000 remaining.

Grace Foundation Charitable Trust

In May 2023 The board approved \$51,220 for housing and Rehabilitation of inmates exiting prison.

Tamaupoko Community Led Trust (TCLD)

In October 2022 the board pledged \$170,000 for their project to improve substandard housing for the over 65's, with conditions. The initial payment was made in December 2023, the second payment is to be made 12 months later, subject to satisfactory progress report four weeks before due date.

Te Maru o Ruahine Trust

In November 2023 the board approved a housing grant of \$186,000. A reporting schedule will be requested, 50% of the funds up front and 50% due within 12 months

Multi Year Grants Committed

Epilepsy Association of NZ Incorporated

In September 2022, the foundation pledged a multi year grant of \$15,000 towards field support services to be paid in instalments of \$5,000 over 3 years.

Citizens Advice Bureau Whanganui

In April 2022, the foundation pledged a multi year grant of \$15,000 towards operating funding to be paid in instalments of \$5,000 over 3 years.

Life Education Trust Wanganui and Districts

In February 2023, the foundation pledged a multi year grant of \$16,500 towards an educator salary to be paid in instalments of \$5,500 over 3 years.

Counselling Centre (Marton) Incorporated

In May 2023 the foundation pledged a multi year grant of \$30,000 towards Counselling and family therapy to be paid in instalments of \$10,000 over 3 years

30,000

Whanganui Multiple Sclerosis Society Incorporated

In June 2023 the foundation pledged a multi year grant of \$10,500 towards rent and the Community advisor's mileage to be paid in instalments of \$3,500 over 3 years

10,500

Whanganui Volunteer Centre Trust

In September 2023 the foundation pledged a multi year grant of \$12,000 towards the administrator's wage to be paid in instalments of \$4,000 over 3 years.

12,000

52,500

Hikurangi Reserve Grants

The Stroke Foundation of NZ Ltd

9,956

Alzheimer's Whanganui Incorporated

5,000

Community Education Whanganui Trust

7,000

Hospice Whanganui

8,000

Pride Whanganui Trust

10,000

Hakeke Street Community Centre

10,000

49,956

Capital Grants

Lorenzdale Park Playground

80,000

Ruapehu Emergency Services Charitable Trust

100,000

180,000

High Engagement Grant

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.

The unclaimed funds of \$5,010 was written back.

Total Grants Approved

\$1 282 196



**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF WHANGANUI COMMUNITY FOUNDATION INC**

Report on the Consolidated Performance Report

Opinion

We have audited the consolidated performance report of Whanganui Community Foundation Inc ("the Foundation"), which comprises the consolidated entity information, the consolidated statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 31 March 2024, the consolidated statement of financial position as at 31 March 2024, and the consolidated 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 consolidated statement of service performance are suitable;
- b) the accompanying consolidated performance report presents fairly, in all material respects:
 - the consolidated entity information for the year ended 31 March 2024;
 - the consolidated service performance for the year then ended; and
 - the consolidated financial position of the Foundation as at 31 March 2024, 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, consolidated statement of accounting policies and notes to the consolidated performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the consolidated entity information and consolidated statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("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 the Foundation in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) 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 Foundation.

Other Matter

The performance report of the Foundation for the year ended 31 March 2023 was audited by another auditor, who expressed an unmodified opinion on those statements dated 22 September 2023.

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 consolidated statement of service performance;
- b) the preparation and fair presentation of the consolidated performance report on behalf of the Foundation which comprises:
 - the consolidated entity information;
 - the consolidated statement of service performance; and
 - the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of accounting policies and notes to the consolidated 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 consolidated performance report, the Trustees are responsible on behalf of the Foundation for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated 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 assesses the risks of material misstatement of the entity information, consolidated financial statements and service performance information, 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 the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the Group to select what and how to report its service performance.
- Evaluates whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the audit opinion. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the entity information, consolidated financial statements and service performance information, including the disclosures, and whether the entity information, consolidated financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and service performance information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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.

Who we Report to

This report is made solely to the Foundation's trustees, as a body. Our audit work has been undertaken so that we might state those matters which 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 Foundation and the Foundation's trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Manawatu Audit Limited

BDO Manawatu Audit Limited
Palmerston North
New Zealand

26 September 2024