

Performance Report

Wakatipu Community Foundation
For the year ended 31 March 2023

Prepared by Deloitte - Dunedin



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Entity Information

Wakatipu Community Foundation For the year ended 31 March 2023

Legal Name of Entity

Wakatipu Community Foundation

Entity Type and Legal Basis

Community Foundation, Registered Charity

Registration Number

CC55258

Entity's Purpose or Mission

The Wakatipu Community Foundation builds endowment funds that benefit all aspects of our community, today and tomorrow. The foundation is joining a global movement that matches community aspirations with philanthropic intent to create a local force for good. The purposes of the Foundation are as follows;

- To provide support, both financial and otherwise, for Community Organisations and for any Charitable Purpose.
- To promote and encourage generosity among the people of New Zealand towards Community Organisations and any Charitable Purpose.
- To establish and administer separate named funds within the Trust Fund in order to fulfill the wishes of individual donors who wish to support Community Organisations and any Charitable Purpose.

Entity Structure

The Wakatipu Community Foundation Board of Trustees (all voluntary positions) comprises seven Trustees including a Chair and Vice Chair. The Board shall consist of no fewer than four nor more than eight Trustees at any one time.

The filling of vacancies on the Board is by appointment by majority resolution of the continuing members of the Board. The Board may, by a motion decide by a 75% majority of votes, terminate a Trustee's membership of the Board if it believes that such action is in the best interests of the Trust.

Certain tasks will be allocated to Committees, but ultimately the Board is responsible. Specifically;

- The Board has the power to establish an Investment Committee which has the power decide on the percentage of annual distributions with the grants committee to consider and make untagged distributions from the Trust Fund.
- The Board has the power to establish an Investment Advisory Committee and to vest in that committee all or any of the Board's powers in respect of the investment of all or any part of the Trust Fund.

The underlying investments are managed by Craigs Investment Partners, which acts in accordance with the IPS (Investment Policy Statement).

Wakatipu Community Foundation had one paid employee for the year ended 31 March 2023 to carry out the foundation's administration.

Main Sources of Entity's Cash and Resources

The main source of revenue is endowment fund donations from local donors to support their community. Donations will be pooled and invested.

Donor's can;

- Leave a gift in their will and/or
- donate during their lifetime (and potentially receive a 33.3% tax credit).

The capital is invested and the investment income will be used to make distributions annually to charities and community groups primarily in the region. When making distributions, donor wishes are paramount. They can choose which groups to support, or leave the decision to our Trustees and Distributions Committee who decide each year where the distributions are best needed.

The other main source of revenue will be earned from investments.

Main Methods Used by Entity to Raise Funds

Other than endowment donations and investment income, the main source of funds is administration fees, general donations and funding from Corporate Partners.

The Foundation receives an administration fee of 1% of the total fund value for its administration services.

Corporate Partners will be sought to provide support, allowing the Wakatipu Community Foundation to administer the donor funds in the first instance, continue to build the profile of the Foundation and encourage other potential donors to set up a fund.

Entity's Reliance on Volunteers and Donated Goods or Services

Trustees are volunteers. Various services are offered to the organisation in-kind or at a reduced rate (e.g. accountancy services, audit services, investment management, marketing)

Physical Address

25b Advance Terrace
Arrowtown
9302

Postal Address

25b Advance Terrace
Arrowtown
9302

Statement of Service Performance

Wakatipu Community Foundation For the year ended 31 March 2023

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

1. Promote Philanthropy by helping donors meet their charitable goals and meet the community's greatest needs.
2. Engage and collaborate with community partners to identify creative solutions to current challenges and deepen our knowledge of the region.
3. Grow number of funds established
4. Manage each Endowment Fund - While each Donor Fund is separately monitored and accounted for with personalised quarterly donor reports, the capital of each Fund is combined with all other Funds to achieve economies of scale.

	2023	2022
Description and Quantification of the Entity's Outputs		
Number of endowment donations received	79	41
Value of endowment donations received	551,980	364,901
Number of endowment distributions made	5	9
Value of endowment distributions made	3,050	3,500
Number pass through donations received	422	304
Value of pass through donation received	500,386	271,131
Number of pass through donations made	97	47
Value of pass through donations made	472,862	179,576
Number of administration donations received	24	44
Value of administration donations received	147,676	240,425

Additional Output Measures

The Wakatipu Community Foundation was established by Deed of Trust dated 6th Nov 2017. It received its charitable status on the 15th March 2018.

In this short time the Foundation has achieved the following qualitative outputs:

2023 Outputs	2022 Outputs
<ul style="list-style-type: none"> • Continued positive momentum and increased local awareness • New endowments established. • Corporate partners attracted and retained who provide pro-bono services to minimise our costs. These include: legals,accounting, auditing, print media, and wine. • Administration of several initiatives including; the Wakatipu Greatest Needs, Impact 100, Matt's Good Walk, Love Wanaka and Love Queenstown Funds. 	<ul style="list-style-type: none"> • Continued positive momentum and increased local awareness • New endowments established. • Corporate partners attracted and retained who provide pro-bono services to minimise our costs. These include: legals,accounting, auditing, print media, and wine. • Administration of the Wakatipu Greatest Needs and Impact 100 Funds.

Statement of Financial Performance

Wakatipu Community Foundation For the year ended 31 March 2023

	NOTES	2023	2022
Revenue			
Donations, fundraising and other similar revenue	1	700,136	605,326
Revenue from providing goods or services	1	15,234	20,461
Interest, dividends and other investment income	1	1,996	(49,767)
Other revenue	1	13,726	6,672
Total Revenue		731,093	582,691
Expenses			
Volunteer and employee related costs	2	121,253	75,510
Grants and donations made	2	458,129	159,012
Costs related to providing goods or services	2	78,656	14,794
Other expenses	2	49,197	36,178
Total Expenses		707,235	285,494
Surplus for the Year		23,858	297,197

This performance report has been approved by the Trustees, for and on behalf of Wakatipu Community Foundation.

APPROVED



Raymond Key

(Chairperson)

Date 7-9-23



Joan Kiernan

(Vice Chairperson)

Date 6/9/2023



Statement of Financial Position

Wakatipu Community Foundation

As at 31 March 2023

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAR 2023	31 MAR 2022
Assets			
Current Assets			
Bank accounts and cash	3	780,364	1,001,794
Debtors and prepayments	3	31,100	67,025
Other Current Assets	3	-	597
Goods and services tax	4	728	-
Total Current Assets		812,192	1,069,416
Non-Current Assets			
Investments	3	1,316,119	757,183
Total Non-Current Assets		1,316,119	757,183
Total Assets		2,128,311	1,826,599
Liabilities			
Current Liabilities			
Pass Through Funds	4	447,155	420,119
Creditors and accrued expenses	4	258,941	4,354
Goods and services tax	4	-	3,769
Total Current Liabilities		706,096	428,243
Total Liabilities		706,096	428,243
Net Assets		1,422,214	1,398,356
Accumulated Funds			
Accumulated surpluses	6	1,422,214	1,398,356
Total Accumulated Funds		1,422,214	1,398,356

Statement of Cash Flows

Wakatipu Community Foundation For the year ended 31 March 2023

	2023	2022
Cash Flows		
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	1,950,524	607,134
Receipts from providing goods or services	30,837	27,133
Net movement in GST	(4,305)	3,738
Interest, dividends and other investment receipts	20,899	(8,108)
Donations or grants paid	(1,403,802)	(386,287)
Payments to suppliers/employees	(245,191)	(126,482)
Net Cash Flow from Operating Activities	348,962	117,128
Cash Flows from Investing and Financing Activities		
Receipts from the sale of investments	1,206,795	2,137,387
Payments to purchase investments	(1,777,188)	(2,627,323)
Total Cash Flows from Investing and Financing Activities	(570,393)	(489,936)
Cash and Cash Equivalents		
Cash and cash equivalents at the start of the period	1,001,794	1,374,599
Net increase/(decrease) in cash	(221,430)	(372,805)
Cash and cash equivalents at the end of the period	780,364	1,001,794

Statement of Accounting Policies

Wakatipu Community Foundation

For the year ended 31 March 2023

'How did we do our accounting?'

Reporting Entity

The Wakatipu Community Foundation is a charitable trust constituted by Deed of Trust dated 6th November 2017 (the "Trust Deed"), incorporated under the Charitable Trust Act, 1957 (and amended from time to time) and registered with the Charities Commission CC55258.

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 annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The entity has elected to adopt PBE NFP IPSAS 41, with Reduced Disclosure Requirements applied, in accounting for its financial instruments. This is an allowable departure from PBE SFR-A (NFP).

The performance report is presented in New Zealand dollars and rounded to the nearest dollar.

Goods and Services Tax (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.

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. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Donations

Donations are recognised as revenue on the date they are received.

Interest, Dividends and Investments

Interest, dividends and investment revenue is recognised in the Statement of Financial Performance as it is earned, on an accrual basis.

Goods and Services

Revenue from the sale of goods are recognised when the goods are sold to the customer. Revenue from services is recognised by the stage of completion of the services at balance date.

Administration Fee

The Foundation receives an administration fee annually for the management services it provides to the endowment funds. The fee is calculated as 1% of the total fund value in accordance with the Wakatipu Community Foundation Trust Deed.

Endowment Funds Revenue

Endowment funds received are treated as other income and are recognised on the date they are received. Endowment fund balances are maintained as part of equity in the Balance Sheet.

Acting as an Agent

Amounts paid on behalf of others (that is, as agent of another entity) are not treated as revenue and expenses of the Foundation. This occurs in relation to pass through funds where the Foundation acts as an agent.

Pass-Through Funds

A pass-through payment is a “donation” which is received by the Wakatipu Community Foundation as an agent of a third party with the understanding or intention that it is passed through the Wakatipu Community Foundation to benefit a specific individual or programme determined by the third party. These amounts collected as an agent will not give rise to an increase in net assets or revenue of the Wakatipu Community Foundation. The key in distinguishing pass-through payments from other donations is therefore based on the amount of control and discretion that the Wakatipu Community Foundation has over how the money will be spent.

Income Tax

Wakatipu Community Foundation is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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.

Trade Receivables

Trade receivables are recognised at fair value, less an allowance for any noncollectable amounts. Individual debts that are known to be noncollectable are written off in the period they are identified.

Financial Instruments

The foundation is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtor, creditors, and investments. All financial instruments are recognised in the Balance Sheet and all revenue and expenses in relation to financial instruments in the Income Statement when incurred. Subsequent to initial recognition, investments in listed equity and fixed interest securities are measured at fair value, and changes therein are recognised in the Income Statement. The carrying value of the financial instruments approximates their fair value. Fixed term investments are recorded at market value adjusted for amortisation of the premium or discount on purchase price. Shares are recorded at market value. Cash deposits are recorded at cost.

Investments

Investments in listed equity and fixed interest securities are stated at fair value. Upon initial recognition, attributable transaction costs are recognised in the Income Statement when incurred. Subsequent to initial recognition, investment in listed equity and fixed interest securities are measured at fair value, and changes therein are recognised in the Income Statement.

Non-quoted or unlisted securities are initially recognised at cost or, if donated, at fair value which is deemed as cost. After initial recognition, they are carried at lower of cost or net realisable value.

Purchases and sales of investments are recognised on the trade date or the date on which the Foundation commits to purchase or sell the asset.

Changes in Accounting Policies

(i) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by the entity on that date.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

The above standards and interpretations were applied for the first time in 2023. The adoption of PBE IPSAS 41 Financial Instruments, which introduces new recognition and measurement requirements for financial assets, did not have a material impact on the financial statements (refer note 8).

Notes to the Performance Report

Wakatipu Community Foundation For the year ended 31 March 2023

	2023	2022
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Charitable Initiatives	-	50,000
Corporate Donations	21,500	10,000
Donations - General	54,864	119,653
Endowment Funds Received	551,981	364,901
Establishment Donations	15,000	15,000
Sponsorship Revenue	(3,209)	45,772
Grants Received	50,000	-
Grants and Scholarships Donations	10,000	-
Total Donations, fundraising and other similar revenue	700,136	605,326
Revenue from providing goods or services		
Revenue from providing goods or services	15,234	20,461
Total Revenue from providing goods or services	15,234	20,461
Interest, dividends and other investment revenue		
Investment Portfolio Increase (Decrease) in Value	(27,033)	(60,526)
Interest Received	9,713	1,337
Dividends Received	19,316	9,422
Total Interest, dividends and other investment revenue	1,996	(49,767)
Other revenue		
Administration Fee	13,226	6,672
Scholarship Admin Fee Income	500	-
Total Other revenue	13,726	6,672

The Foundation receives an administration fee annually for the management services it provides to the endowment funds. The fee is calculated as 1% of the total fund value in accordance with the Wakatipu Community Foundation Trust Deed.

2023

2022

2. Analysis of Expenses

Grants and donations made

Current Year Distributions Approved	458,129	159,012
Total Grants and donations made	458,129	159,012

Costs related to providing goods or services

Promotion & Publicity Including Event Related Costs	78,656	14,794
Total Costs related to providing goods or services	78,656	14,794

Volunteer and employee related costs

Wages	121,253	75,510
Total Volunteer and employee related costs	121,253	75,510

Other expenses

Administration Fee	13,226	6,672
Audit Fee	4,700	4,350
Bank Fees	117	17
Consulting & Accounting	24,856	18,547
Entertainment	774	1,445
General Expenses	1,103	1,049
Investment Portfolio Management Fee	1,389	3,006
Subscriptions and Memberships	2,793	1,092
Telephone & Internet	239	-
Total Other expenses	49,197	36,178

2023

2022

3. Analysis of Assets

Bank accounts and cash

ASB Bank Accounts	370,106	276,769
Jennifer Belmont ASB VISA	(1,358)	-
Impact 100 Fund	371,361	231,988
Endowment Holding Account	40,255	493,037
Total Bank accounts and cash	780,364	1,001,794

Debtors and prepayments

Accounts Receivable	31,100	67,025
Total Debtors and prepayments	31,100	67,025

Other current assets

Tax Receivable	-	597
Total Other current assets	-	597

Investments

Fixed Interest Securities - NZ	330,998	156,387
Property - NZ	9,105	11,090
Equities - NZ	239,077	174,260
Equities - Australia	231,574	135,881
Equities - International	345,844	264,381
Cash - NZ	124,927	1,771
Cash - Australia	19,553	1,378
Cash - International	15,041	12,035
Total Investments	1,316,119	757,183

2023 2022

4. Analysis of Liabilities

Pass Through Funds

Pass Through Funds	295,349	420,119
Impact 100 Pass Through Funds	151,806	-
Total Pass Through Funds	447,155	420,119

Creditors and accrued expenses

Accounts Payable	258,941	4,354
Total Creditors and accrued expenses	258,941	4,354

Other current liabilities

GST	(728)	3,769
Total Other current liabilities	(728)	3,769

At 31 March, 2023 there were total grants of \$245,200 payable from the Impact100 Pass Through Fund. These grants have been allocated to the following charities; Pivotal Point Charitable Trust (\$41,200) St John Wakatipu Area Committee (\$148,000), Routeburn Dart Wildlife Trust (\$16,000), Central Otago Living Options Charitable Trust (\$40,000).

The payment of these funds would leave a balance of \$151,805 in the Impact100 Pass Through Fund.

5. Property, Plant and Equipment

No property, plant and equipment purchases were made during the year ended 31 March 2023 (2022:Nil)

6. Equity and Reserves

	Endowment Fund Reserve	Endowment Fund Distribution Reserve	Accumulated Surpluses	Total
2023				
Opening Balance	718,937	36,757	642,662	1,398,356
Net Surplus	-	-	23,858	23,858
Transfer to Reserves	520,932	41,864 -	562,796	-
Closing balance	1,239,869	78,620	103,724	1,422,214
2022				
Opening Balance	454,869	13,570	632,720	1,101,159
Net Surplus	-	-	297,197	297,197
Transfer to Reserves	264,068	23,187 -	287,255	-
Closing balance	718,937	36,757	642,662	1,398,356
			2023	2022

7. Community Foundations of New Zealand Disclosure

Equity Funds

Endowment Funds	1,318,490	755,694
Charitable Initiatives	118,376	503,811
Administration Funds	(14,652)	146,704
Total Equity Funds	1,422,214	1,406,209
Pass Through Funds	692,355	420,119
Total Community Foundations of New Zealand Disclosure	2,114,569	1,826,328

Pass Through funds are held on behalf of Davis Endowment, Arrowtown Autumn Festival, Brannigans, Craigs IP Workplace Giving, Edgar Charitable Fund, Impact 100, Generation Give, John and Mary Thompson Fund, NZ Sotherbys, Te Hau Toka, Cancer Lion, Matts Good Walk, School Football Programme and Mountain Club.

Endowment Funds

Donated funds held in perpetuity or with a door-directed pay down period of three or more years from the date the donation is made.

Administration Funds

Funds held for the running of the foundation and not held for charitable purposes.

Pass-through funds

Funds donated with the intention that the funds be fully paid out to charitable purposes within three years of the date of the donation.

2023

2022

8. Financial Instruments

Financial Assets - Carrying amount (\$)

Amortised cost

Cash and cash equivalents	780,364	1,001,794
Accounts Receivable	31,100	67,025
Total Amortised cost	811,464	1,068,819

Fair value through surplus or deficit

Investment Portfolios	1,316,119	757,183
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Financial Liabilities - Carrying amount (\$)

Amortised cost

Accounts Payable	(258,941)	(4,354)
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The entity adopted PBE IPSAS 41. This has not had a material change to the recognition or measurement of these financial assets.

The entity initially recognises financial instruments when the entity becomes a party to the contractual provisions of the instrument. The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The entity also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The entity classifies financial assets into the following categories:

Financial assets Classification and subsequent measurement

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

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

- i. it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- ii. 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 are measured at FVTSD. This includes the investment portfolios (see note 3).

Financial assets – Management model assessment

The entity 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:

- i. the stated policies and objectives of the portfolio.
- ii. how the performance of the portfolio is evaluated and reported to the entity's management.
- iii. 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; and
- iv. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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 – 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, foreign exchange gains and losses 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. The entity classifies all its financial liabilities at amortised cost. These 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 or deficit.

Impairment of non-derivative financial assets

The entity recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The entity measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- i. bonds and term deposits that are determined to have low credit risk at the reporting date; and
- ii. other bonds and term deposits and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The entity considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month

ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the entity is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the entity assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The entity considers bonds and term deposits to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

9. Commitments

There are no commitments as at 31 March 2023 (2022:Nil)

10. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2023 (2022:Nil)

11. Related Parties

Jennifer Belmont is a paid employee of the Foundation and Trustee. The Wakatipu Community Foundation holds an individual employment agreement and the remuneration \$90,000 gross per annum (2022:\$60,000) is considered to be arms length for the administration services provided.

Other Trustee's regularly provide their time and skill to the oversight and operating of the Trust at no charge.

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

(2022: COVID)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WAKATIPU COMMUNITY FOUNDATION

Report on the Performance Report

Opinion

We have audited the statement of financial performance and statement of cash flows for the year ended 31 March 2023, the statement of financial position as at 31 March 2023, and the statement of accounting policies and other explanatory information ("the financial information") in the performance report of Wakatipu Community Foundation ("the Trust").

In our opinion the financial information in the accompanying performance report presents fairly, in all material respects, the financial position of the trust as at 31 March 2023, 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 financial information in the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). 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 trust 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 trust.

Other Information

The trustees are responsible for the other information. The other information obtained at the date of this auditor's report is the entity information and the statement of service performance, which are included in the performance report.

Our opinion on the financial information in the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial information in the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial information in the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 trust 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 the trust for assessing the trust'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 trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the financial information in 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) 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 the financial information in this performance report.

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

- Identify and assess the risks of material misstatement of the financial information in 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 trust'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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information in the performance report, including the disclosures, and whether the financial information in the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

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 trust'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 trust and the trust's trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Invercargill

BDO Invercargill
Invercargill
New Zealand
7 September 2023