

# Performance Report

Wakatipu Community Foundation  
For the year ended 31 March 2020

Prepared by Deloitte - Dunedin

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# Entity Information

## Wakatipu Community Foundation For the year ended 31 March 2020

### 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 six 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 a Distributions Committee and to vest in that committee all or any of the Board's power to consider and make 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 2020 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 receive a 33.3% tax credit).

The capital remains intact, 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 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**

12 Stafford Street  
Arrowtown  
9302

### **Postal Address**

12 Stafford Street  
Arrowtown  
9302

## Approval of Financial Report

### Wakatipu Community Foundation For the year ended 31 March 2020

The Trustees are pleased to present the approved financial report including the historical financial statements of Wakatipu Community Foundation for year ended 31 March 2020.

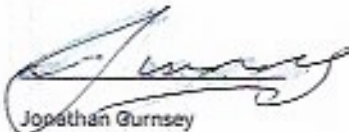
APPROVED



Raymond Key

(Chairman)

Date 14-10-20



Jonathan Gurnsey

(Vice Chairman)

Date 14-10-2020

# Statement of Service Performance

## Wakatipu Community Foundation For the year ended 31 March 2020

'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.

	2020	2019
<b>Description and Quantification of the Entity's Outputs</b>		
Number of endowment donations received	51	1
Value of endowment donations received	229,764	21,333
Number of endowment distributions made	8	-
Value of endowment distributions made	4,000	-
Number pass through donations received	53	2
Value of pass through donation received	434,024	27,500
Number of pass through donations made	22	2
Value of pass through donations made	194,975	30,000
Number of administration donations received	7	5
Value of administration donations received	79,075	30,000

### Additional Output Measures

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

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

2020 Outputs	2019 Outputs
<ul style="list-style-type: none"> <li>Continued positive momentum and increased local awareness</li> <li>New endowments established.</li> <li>Numerous functions organised to raise awareness including the Spirit of the Wakatipu Awards whereby a collective celebration of those individuals, organisations, groups and corporate entities who contribute in a philanthropic way to the Wakatipu occurred.</li> <li>Corporate partners attracted and retained who provide pro-bono services to minimise our costs. these include: legals,accounting, auditing, print media, and wine.</li> <li>Administration of the Wakatipu Greatest Needs and Impact 100 Funds.</li> </ul>	<ul style="list-style-type: none"> <li>Continued positive momentum and increased local awareness</li> <li>New endowments established</li> <li>Numerous functions organised to raise awareness</li> <li>6 Corporate partners attracted who provide pro-bono services to minimise our costs over the next three years. these include: legals,accounting, auditing, print media, and wine.</li> <li>An agreement of 30,000 per year for three years to help cover some of our expenses.</li> <li>Investment Policy approved.</li> <li>SIPO executed with Craigs IP for our investment strategy</li> </ul>

# Statement of Financial Performance

## Wakatipu Community Foundation

For the year ended 31 March 2020

	NOTES	ENDOWMENTS 2020	ADMINISTRATION 2020	TOTAL 2020	ENDOWMENTS 2019	ADMINISTRATION 2019	TOTAL 2019
<b>Revenue</b>							
Donations Received	1	229,764	79,075	308,839	46,333	30,000	76,333
Revenue from providing goods or services	1	-	69,796	69,796	-	-	-
Interest, dividends and other investment revenue	1	(3,902)	-	(3,902)	693	-	693
Administration Fee Income	3	-	1,242	1,242	-	485	485
Other revenue	1	-	351	351	-	-	-
<b>Total Revenue</b>		<b>225,862</b>	<b>150,464</b>	<b>376,326</b>	<b>47,026</b>	<b>30,485</b>	<b>77,511</b>
<b>Expenses</b>							
Volunteer and employee related costs	2	-	32,185	32,185	-	-	-
Grants and donations made		4,000	-	4,000	5,000	-	5,000
Costs related to providing goods or service	2	-	57,349	57,349	-	13,389	13,389
Administration Fee	3	1,242	-	1,242	485	-	485
Other expenses	2	-	11,968	11,968	-	371	371
<b>Total Expenses</b>		<b>5,242</b>	<b>101,501</b>	<b>106,743</b>	<b>5,485</b>	<b>13,760</b>	<b>19,245</b>
<b>Surplus/(Deficit) for the Year</b>		<b>220,621</b>	<b>48,963</b>	<b>269,583</b>	<b>41,541</b>	<b>16,725</b>	<b>58,266</b>



# Statement of Financial Position

Wakatipu Community Foundation

As at 31 March 2020

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

	NOTES	31 MAR 2020	31 MAR 2019
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	4	394,167	84,077
Debtors and prepayments	4	2,875	6,400
Other Current Assets	4	1,062	229
<b>Total Current Assets</b>		<b>398,104</b>	<b>90,706</b>
<b>Non-Current Assets</b>			
Investments	4	184,981	-
<b>Total Non-Current Assets</b>		<b>184,981</b>	<b>-</b>
<b>Total Assets</b>		<b>583,085</b>	<b>90,706</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Pass Through Funds		238,513	2,500
Creditors and accrued expenses	5	104	-
Other current liabilities	5	6,678	-
<b>Total Current Liabilities</b>		<b>245,296</b>	<b>2,500</b>
<b>Total Liabilities</b>		<b>245,296</b>	<b>2,500</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>337,789</b>	<b>88,206</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)		337,789	88,206
<b>Total Accumulated Funds</b>		<b>337,789</b>	<b>88,206</b>





# Statement of Cash Flows

## Wakatipu Community Foundation For the year ended 31 March 2020

	2020	2019
<b>Cash Flows</b>		
<b>Operating Cash Flows</b>		
Receipts from Donations	303,198	69,933
Receipts from providing goods or services	70,147	-
Receipts from Pass Through Funds	216,013	(22,500)
Receipts from Investments	871	464
Grants Made	(4,000)	(5,000)
Payments to Suppliers	(86,018)	(13,760)
<b>Net Cash Flow from Operating Activities</b>	<b>500,211</b>	<b>29,137</b>
<b>Cash Flows from Investing Activities</b>		
Sale of Investments	118,993	-
Investments (placed)	(309,115)	-
<b>Total Cash Flows from Investing Activities</b>	<b>(190,122)</b>	<b>-</b>
<b>Cash and Cash Equivalents</b>		
Cash and Cash Equivalents at the Start of the Period	84,077	54,940
Net Change in Cash during the Period	310,089	29,137
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>394,166</b>	<b>84,077</b>



# Statement of Accounting Policies

## Wakatipu Community Foundation For the year ended 31 March 2020

'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 CC55285.

### 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.

### Goods and Services Tax (GST)

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any).

### Revenue

Donations are recognised on the date they are received.

### 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.

### 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 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. This is an allowable departure from PBE SFR-A (NFP), based on the appropriate standard PBE IPSAS 29 Financial Instruments. 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**

There have been no changes in accounting policies. Policies have been applied on a consistent basis during the reporting period.



# Notes to the Performance Report

## Wakatipu Community Foundation For the year ended 31 March 2020

	2020	2019
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Corporate Donations	20,000	-
Endowment Funds Received	229,764	46,333
Donations - General	59,075	30,000
<b>Total Donations, fundraising and other similar revenue</b>	<b>308,839</b>	<b>76,333</b>
<b>Revenue from providing goods or services</b>		
Gala Event	46,383	-
Carrie Morgridge Dinner	1,413	-
Sponsorship Revenue	22,000	-
<b>Total Revenue from providing goods or services</b>	<b>69,796</b>	<b>-</b>
<b>Interest, dividends and other investment revenue</b>		
Investment Portfolio Increase (Decrease) in Value	(5,352)	-
Interest Received	1,379	693
Dividends Received	70	-
<b>Total Interest, dividends and other investment revenue</b>	<b>(3,903)</b>	<b>693</b>
<b>Other revenue</b>		
Wage Subsidy	351	-
<b>Total Other revenue</b>	<b>351</b>	<b>-</b>
	<b>2020</b>	<b>2019</b>

## 2. Analysis of Expenses

<b>Grants and donations made</b>		
Current Year Distributions Approved	4,000	5,000
<b>Total Grants and donations made</b>	<b>4,000</b>	<b>5,000</b>
<b>Costs related to providing goods or services</b>		
Promotion & Publicity Including Event Related Costs	57,349	13,389
<b>Total Costs related to providing goods or services</b>	<b>57,349</b>	<b>13,389</b>
<b>Volunteer and employee related costs</b>		
Wages	32,185	-
<b>Total Volunteer and employee related costs</b>	<b>32,185</b>	<b>-</b>
<b>Other expenses</b>		
Consulting & Accounting	4,669	-
Audit Fee	2,575	-
Legal expenses	2,500	-
Bank Fees	314	-
Subscriptions	1,865	371



	2020	2019
General Expenses	44	-
<b>Total Other expenses</b>	<b>11,968</b>	<b>371</b>

### 3. 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.

	2020	2019
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### 4. Analysis of Assets

#### Bank accounts and cash

ASB Bank Accounts	250,367	84,077
Impact 100 Fund	19,300	-
Greatest Needs Fund	124,500	-
<b>Total Bank accounts and cash</b>	<b>394,167</b>	<b>84,077</b>

#### Debtors and prepayments

Accounts Receivable	2,875	6,000
Sundry Debtors	-	400
<b>Total Debtors and prepayments</b>	<b>2,875</b>	<b>6,400</b>

#### Other current assets

Tax Receivable	597	229
GST	465	-
<b>Total Other current assets</b>	<b>1,062</b>	<b>229</b>

#### Investments

Fixed Interest Securities - NZ	32,324	-
Property - NZ	9,202	-
Equities - NZ	13,619	-
Equities - Australia	9,969	-
Equities - International	6,984	-
Cash - NZ	112,857	-
Cash - Australia	25	-
<b>Total Investments</b>	<b>184,981</b>	<b>-</b>

	2020	2019
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### 5. Analysis of Liabilities

Pass Through Funds	238,513	2,500
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#### Creditors and accrued expenses

Accounts Payable	104	-
<b>Total Creditors and accrued expenses</b>	<b>104</b>	<b>-</b>

#### Other current liabilities

Wage Subsidy	6,678	-
<b>Total Other current liabilities</b>	<b>6,678</b>	<b>-</b>

	2020	2019
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## 6. Property, Plant and Equipment

No property, plant and equipment purchases were made during the year ended 31 March 2020 nor the year ended 31 March 2019.

## 7. Equity and Reserves

	Endowment Fund Reserve	Endowment Fund Distribution Reserve	Accumulated Surpluses	Total
<b>2020</b>				
Opening Balance	65,539	1,002	21,665	88,206
Prior period error	(19,766)	-	(234)	(20,000)
Restated Opening Balances	45,773	1,002	21,431	68,206
Net Surplus	-	-	269,583	269,583
Transfer to Reserves	218,789	1,832	(220,621)	-
<b>Closing balance</b>	<b>264,562</b>	<b>2,834</b>	<b>70,393</b>	<b>337,789</b>
<b>2019</b>				
Opening Balance	25,000	-	4,940	29,940
Net Surplus	-	-	58,266	58,266
Transfer to Reserves	40,539	1,002	(41,541)	-
<b>Closing balance</b>	<b>65,539</b>	<b>1,002</b>	<b>21,665</b>	<b>88,206</b>
			2020	2019

## 8. Community Foundations of New Zealand Disclosure

<u>Equity Funds</u>			
Endowment Funds		267,396	66,541
Administration Funds		70,393	21,665
<b>Total Equity Funds</b>		<b>337,789</b>	<b>88,206</b>
Pass Through Funds		(238,513)	(2,500)
<b>Total Community Foundations of New Zealand Disclosure</b>		<b>99,276</b>	<b>85,706</b>

### 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.

## 9. Prior Period Error

During the 2019 reporting period an error was made where the classification of a donation receipt and subsequent donation granted from this receipt were incorrectly recorded as Endowment Funds rather than as Pass Through Funds. The Donation per the memorandum of understanding between Wakatipu Community Foundation and the donar detailed the intent was for the \$25,000 commitment to be treated a Pass-Through Fund that was to be granted to the Wakatipu High School Foundation on an annual basis of \$5,000 per year. On identifying this error during the 2020 reporting error a prospective correction has been made seeing a correction to opening retained earnings (endowment and administration reserves) and a correction to the pass-through funds liability. As a result of the error the Endowment administration charge was also impact as a result of being driven off a percentage of the total fund value.

The adjustment to opening retained earnings is presented in Note 7 and the impacts on each account are detailed further below;

	Adjustment to correct Pass-Through fund incorrectly coded to Endowment Receipts	Adjustment to correct Pass-Through fund grant incorrectly coded to Endowment Distributions	Adjustment to reflect recalculated Endowment fund administration charge
Endowment Fund Reserve (Equity)	\$25,000 decrease	\$5,000 increase	\$234 increase
Administration Reserve (Equity)			\$234 decrease
Pass- Through Fund (Liability)	\$25,000 increase	\$5,000 decrease	

## 10. Commitments

There are no commitments as at 31 March 2020.

## 11. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2020.

## 12. 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 (\$60,000 gross per annum) is considered to be arms length for the administration services provided.

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

During the financial year Wakatipu Community foundation received income from Findex for the sponsorship of an award (\$1,000) and table of 10 (\$890) at the Wakatipu Gala event. Both transactions occurred at arms length.

## 13. COVID-19 Disclosure

The Board are aware that COVID-19 was declared a global health emergency on 31 January 2020 by the World Health Organisation. This lock down and subsequent periods with social distancing restrictions has limited the activities of our funders and suppliers. At this point in time, it is not possible to quantify the financial impact of this pandemic on the Foundation and its future operations. The Foundation has sufficient cashflow to be able to absorb any financial impact and viability of the Foundation and the Board believes that the continued use of the Going Concern assumption remains appropriate.

## 14. 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.

