

## **Finance and Performance Committee**

### **SUPPLEMENTARY AGENDA**

---

#### **Notice of Meeting:**

An ordinary meeting of the Finance & Performance Committee will be held on:

**Date:** **Thursday 25 February 2021**  
**Time:** **9.30am**  
**Venue:** **Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch**

---

#### **Membership**

Chairperson	Deputy Mayor Andrew Turner
Deputy Chairperson	Councillor Sam MacDonald
Members	Mayor Lianne Dalziel
	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

---

**22 February 2021**

#### **Principal Advisor**

Diane Brandish  
Acting General Manager Finance  
and Commercial  
Tel: 941 8454

#### **Principal Advisor**

Dawn Baxendale  
Chief Executive  
Tel: 941 6996

David Corlett  
Committee and Hearings Advisor  
941 5421  
david.corlett@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

**To view copies of Agendas and Minutes, visit:**

<https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/>



---

Part A	Matters Requiring a Council Decision
Part B	Reports for Information
Part C	Decisions Under Delegation

---

## TABLE OF CONTENTS

C	19.	Resolution to Include Supplementary Reports .....	4
C	20.	Christchurch Foundation - Independent Review Report and Annual Report for 2019/20. ....	5

---

## 19. Resolution to Include Supplementary Reports

---

### 1. Background

- 1.1 Approval is sought to submit the following report to the Finance and Performance Committee meeting on 25 February 2021:
  - 20. Christchurch Foundation - Independent Review Report and Annual Report for 2019/20.
- 1.2 The reason, in terms of section 46A(7) of the Local Government Official Information and Meetings Act 1987, why the report was not included on the main agenda is that it was not available at the time the agenda was prepared.
- 1.3 It is appropriate that the Finance and Performance Committee receive the report at the current meeting.

### 2. Recommendation

- 2.1 That the report be received and considered at the Finance and Performance Committee meeting on 25 February 2021.
  - 20. Christchurch Foundation - Independent Review Report and Annual Report for 2019/20.



## 20. Christchurch Foundation - Independent Review Report and Annual Report for 2019/20.

Reference / Te Tohutoro: 20/1299012

Report of / Te Pou  
Matua: Linda Gibb, Performance Advisor, Finance and Commercial,  
Len van Hout, Manager External Reporting and Governance

General Manager /  
Pouwhakarae: Diane Brandish, Acting General Manager Finance and Commercial,  
diane.brandish@ccc.govt.nz

### 1. Brief Summary

- 1.1 The purpose of this report is to advise the Council of the findings and recommendations from the independent review (the Review) of the Council's funding support to the Christchurch Foundation (the Foundation).
- 1.2 The report has been written following receipt of Deloitte's final review report on 5 February 2021. The Terms of Reference for the review is at **Attachment A** and Deloitte's report is at **Attachment B**.
- 1.3 In undertaking the review, Deloitte engaged with various stakeholders including the Mayor, Deputy Mayor, the Deputy Chair of the Finance and Performance Committee and the Foundation's Chair, Chief Executive and staff. Background information was provided by Council staff.
- 1.4 Deloitte sought additional information from the Foundation to support its review, not all of which was provided. This has had some impact on Deloitte's ability to respond to the Terms of Reference to the extent Council staff had expected. To supplement Deloitte's endeavours, senior Council staff have engaged with the Chair of the Foundation's Board, Mr Humphry Rolleston. The final draft review report was provided to Mr Rolleston and his comments have been reflected in the attached Deloitte review report.

### 2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Endorses amending the annual funding support provided to the Christchurch Foundation by \$60,000 to \$540,000 for financial years ending 30 June 2022 and 2023 through the draft LTP 2021-2031;
2. Requests that the Christchurch Foundation provides advice in its quarterly reports as to progress on achieving third party funding of its operating and administration costs;
3. Delegates responsibility to the Chief Executive to advise the Christchurch Foundation of the key matters outlined in the next steps section of this report; and
4. Directs staff to undertake a further review of the Christchurch Foundation by June 2022 to consider the extent to which it has been able to secure self-funding for annual operating costs.

#### Background

- 2.1 The history of how the Foundation came into existence is (sourced from a Council staff report dated 11 August 2016 'Community Foundation Options' is summarised below.
- 2.2 The Cost Sharing Agreement between the Crown and the Council in 2013 led to the former Canterbury Earthquake Recovery Authority (CERA) taking the lead on developing a philanthropic programme of work which was intended in part to fund some of the anchor

projects. Little progress eventuated, and in 2015 the Crown discontinued efforts on the basis of the then Minister for Canterbury Earthquake Recovery's advice that development and execution of such a programme is a council function.

- 2.3 The new central city library was an anchor project that was identified in the Cost Sharing Agreement as requiring non-commercial (philanthropic) funding. The Council sought specialist external advice from SGL Ltd (SGL is an innovative and progressive lifestyle, leisure and community consulting practice) and received and considered it in 24 September 2015 ('New Central Library Philanthropic Strategy'). Resolutions passed by the Council endorsed the directions advocated in the report as a guide for the development of philanthropic strategies for both the new Central Library, for other major community projects as appropriate and for optimising overall philanthropy for Christchurch.
- 2.4 A funding steering committee was established by the Council which included several councillors as well as external members. The Committee was charged with assisting to develop, guide and own strategy options and all donor approaches for the new central library and to lead and implement donor securing and management processes for other relevant major community projects. It was also charged with setting up a Community Foundation with the role of optimising and promoting philanthropy for the benefit of Greater Christchurch.
- 2.5 In August 2016, among a raft of considerations for a city foundation, the expert advisers (SGL Ltd) noted were:
- a foundation is not about sourcing funding for council core business;
  - there is currently no joined-up city-wide vision/story for approaching donors;
  - the proposed foundation in Christchurch will be a first in New Zealand;
  - it is a long-term, not a short-term project;
  - it requires Council investment and resources over a number of years;
  - the foundation would be separate and stand-alone – the Council would not be able to exert any control or give directives – its relationship would be entirely collaborative;
  - any foundation proposal requires genuine commitment to effective partnerships;
  - understanding is required from existing Christchurch based trusts and fundraising entities;
  - recognise the overlap with current Council related fundraising/sponsorship; and
  - having quality trustees is critical.

#### **Trust Deed and Support Agreement**

- 2.6 The Foundation was established on 21 July 2017 by a Trust Deed which provides that the purposes of the Foundation are to hold the Trust Fund on trust and to pay or apply so much of the capital and income of the Trust Fund as the Trustees think fit exclusively for or towards any one or more of the following exclusively charitable purposes:
- Provide support, both financial and otherwise for community organisations and community facilities, and for any charitable purpose;
  - Promote and encourage generosity towards community organisations and community facilities, and any charitable purpose; and
  - Establish and administer separate named funds within the Trust Fund in order to fulfil the wishes of any individual donors who wish to support community organisations and community facilities, and any charitable purpose.

- 2.7 The Council entered into a Support Agreement with the Foundation dated 19 December 2018 that provides for it to pay up to \$600,000 plus GST (if any) per year until 1 July 2023 to the Foundation. The amount of support is to be agreed by the Council on an annual basis following the Foundation's submission of its proposed annual budget, cash flow statements and any other relevant document the Council reasonably asks to review. The Foundation is required to provide quarterly reporting of its activities, budgets, forecasts and financial position within 10 business days of the end of March, June, September and December which must include confirmation that the support has been used solely for operating expenses.

### Context

- 2.8 Key contextual information salient to the Review includes the following:
- a) The Council's key interests in the Foundation are twofold - that the benefits of the Foundation's activities flow to the residents of greater Christchurch over time and that the costs funded by the Council provide value for money to the Council.
  - b) The Foundation is still in its infancy when operating costs might be expected to be higher. For example while the majority of set-up costs were borne in 2018/19, there are some residual one-off costs associated with establishing infrastructure in the United States (US), United Kingdom (UK) and Australia to encourage and receive ex-pat giving.
  - c) The significant amount of work the Foundation undertook following the March 2019 Mosque attacks diverted it from its early efforts to build philanthropic assets. The Foundation was called upon to undertake an advisory function on how to support the victims' families and the wider Muslim community and to develop a distribution framework and engage with those most impacted as well as with the wider community.
  - d) The work of the Foundation in marketing itself to stimulate giving both domestically and overseas in countries with sizeable ex-pat communities has been impeded recently by the adverse impacts of COVID-19. This has come at a time when the Foundation had just completed setting up its UK infrastructure and was about to embark on doing the same in the US and Australia.
  - e) To 30 June 2020, the Foundation received donations of \$14.5 million, of which \$11.4 million related to the 2019 Mosque attacks, \$1.8 million was Council financial support and \$1.05 million was from major sponsors for pass through to Tūrangā. For the half year 1 July to 31 December 2020, the Foundation's financial report shows incoming revenue of \$3.3 million from donations, grants and sponsorship.
  - f) Distributions made to 30 June 2020 were approximately \$10.3 million, and a further \$2.8 million for the half year to 31 December 2020. The Foundation has retained donations of \$2.2 million of which \$1.6 million is held for the future education of the children of the victims of the Mosque attacks.

### Comparison information

- 2.9 It is difficult to compare one charitable organisation with another due to the considerable differences in factors such as years of existence which will have assisted creating donor awareness, the various funding arrangements they have secured (e.g. endowment funding provides annual revenues as opposed to one-off donations), and the nature of activity undertaken (some focus on financial philanthropy, others including the Foundation on qualitative and quantitative philanthropic outcomes).
- 2.10 Deloitte has undertaken a benchmarking exercise which Council staff have supplemented with further benchmarking analysis – looking principally at Auckland and Waikato foundations. The limitation on the benchmarking work is that both staff and Deloitte have had access to publicly available information only.

- 2.11 These foundations have been in existence since 2010 and 2013 respectively and have therefore made greater inroads into achieving strategic partnerships and third party funding for operational costs. The Momentum Waikato Community Foundation (MWCF) has not filed 2020 financial reports yet and staff have had to use its 2019 documents against Auckland Foundation's (AF's) and the Foundation's 2020 documents.
- 2.12 Both MWCF and AF have taken on grant distribution activities for other charities. For example, the AF is the local donation manager for the Tindall Foundation's Grassroots Giving Programme. It distributes donations on the Tindall Foundation's behalf to faith and regional communities and to environmental projects. The Tindall Foundation already has a local donation manager for Canterbury.
- 2.13 In order to compare the Foundation's performance with the AF and MWCF, we have:
- excluded donations and distributions relating to the 2019 Mosque attacks, though costs incurred in dealing specifically with the tasks required have not been removed as they could not be identified; and
  - as a starting point, estimated when establishment of each foundation was largely completed so as to benchmark 'business as usual' costs and revenues. Again, it is difficult to be precise since some establishment activities are likely to follow after the core business is set up. For example, the Foundation first established its business activities relating to the New Zealand market before setting up its UK infrastructure to be followed then by set up in the US and Australia.
- 2.14 There is little contextual information provided in the public documents to help us understand the significant variances that are apparent from time to time.
- 2.15 The table below sets out comparative information which, at best gives us a rough idea of the reasonableness of the Foundation's performance against the other two foundations.

	<b>Auckland Foundation 2014-2020</b>	<b>Momentum Waikato<sup>1</sup> 2015-2019</b>	<b>Christchurch Foundation 2019-2020</b>
Strategic goal by 2020	\$20 million funds raised.	\$25 million funds raised / \$10 million grants made.	Not specified.
Total revenue (incl. donations)	\$16.3 million	\$8.7 million	\$2.7 million
Distributions made to date	\$6.5 million	\$1.7 million	\$0.8 million
Accumulated funds	\$6.5 million	\$16.2 million (incl loan of \$10m*)	\$2.4 million
Staff numbers <sup>2</sup> : average p.a.	4	3.3	3
Average total costs per annum <i>Including:</i>	\$0.5 million	\$0.7million	\$0.8 million
Average salaries per annum	\$0.3 million	\$0.4 million	\$0.4 million
Average salaries p.a. as a % of total costs	60.0%	52.2%	50.4%
Average total costs/FTE	\$0.15 million	\$0.22 million	\$0.26 million

<sup>1</sup> The MWCF had extraordinary donations and distributions of around \$7 million in 2019 specifically for the regional theatre. The funding came from the Crown's Regional Provincial Fund in response to a proposal made to it by MWCF and were passed through to the Waikato Regional Property Trust (owner and developer of the Theatre). The funding and distributions totals have been adjusted to remove these transactions for comparability purposes.

<sup>2</sup> The returns made to the Charities Service shows full time and part time staff. For the purposes of this benchmarking we have assumed part time is 0.5 of 1 full time worker.

Total Expenses : Total Revenue (incl. donations)	22.7%	40.9%	58.1%
Financial operating support from councils	Auckland Council operating grant \$250,000 p.a.  Loan on set up of 145,000 (repaid in 2019/20).	\$10 million interest- free loan given in 2013 for 60 years from WEL Energy Trust (owned by Hamilton City, Waikato District and Waipa District Councils).	CCC grant \$600,000 p.a. for 3 years, and from 2020/21 \$540,000 p.a. until 2023.

\* the \$10m Momentum Waikato loan has been adjusted to \$256k in line with the requirements of PBE IPSAS 29 financial instruments accounting standard.

- 2.16 The Foundation is now embarking on key tasks such as completing its establishment by setting up its offshore giving infrastructure to attract ex-pat donations, sourcing alternative funders for its operating and administration expenses and continuing to promote its existence and objectives in a difficult market. Advice provided by the Chair of the Foundation is consistent with its previously expressed desires for the Foundation to be self-funding, and the Council's expectation that this will be the case by 2023. In particular, Council staff have been invited to engage with the Foundation as it endeavours to bring other Canterbury councils and Environment Canterbury (ECAN) into the mix.
- 2.17 The Foundation sought community input into defining the strategic areas it should support with its philanthropic objectives. These include 'giving' that does not lead to a monetised asset – such as the 'Stronger Greener Christchurch' (tree-planting) project on behalf of Meridian. However, the outcomes of such a project are valued by the wider Christchurch community as was revealed in the Foundation's research 'Vital Signs'. The upshot is the costs for undertaking such projects, whether third party funded or not add to the cost structure without having an offsetting revenue line. This demonstrates the limitations in comparing financial data alone.

### Analysis

- 2.18 The following analysis relates back to the table above which has been developed estimating the years of operation that are stable 'business as usual' periods, to eliminate if possible one-off set up costs.

#### **Value for money**

- 2.19 **Revenue** – at June 2020 total revenue (excluding the Mosque attacks' donations) of \$2.7 million had been received (which includes \$1.2 million of Council financial support and \$0.7 million of corporate sponsorship for Tūranga).
- 2.20 Over a similar period of time, the AF had received \$1.5 million and the MWCF had raised \$4 million. Staff have no knowledge of the make-up of the AF and MWCF early revenues which may well include similar receipts to those identified in the Foundation's total funding.
- 2.21 **Average costs** - the Foundation's average costs are higher than for each of the other two foundations. In part this may be attributed to the Foundation still being in its establishment phase compared to the others which have had a longer 'business as usual' operating period. The Foundation's costs also reflect incremental costs it incurred specifically relating to the Mosque attacks. For example, the Foundation engaged a consultant to work with the victims and their families.
- 2.22 **Staff costs** – the Foundation's staff costs reflect three staff currently as opposed to the other two foundations currently having two staff. AF reduced its staff numbers from four to two in 2020 and MWCF reduced its number from three to two in 2019.

- 2.23 Information on the AF's and MWCF's CE remuneration packages is not available. The Foundation's employee costs will reduce in the current financial year due to a restructuring of the CE's remuneration package which has removed the bonus. This has occurred as a response from the Foundation's Board to the COVID-19 impacts on both the Council's finances and the difficult market conditions within which to raise third party operating cost support.
- 2.24 **Cost of meeting objectives** – for each donated dollar, the Foundation incurs 56.1 cents of cost, considerably higher than the other two foundations (AF: 22.7 cents and MWCF: 40.9 cents per dollar of average total revenue received). As mentioned above, the other two organisations have been operating for a longer period and both received higher donations in the early years.
- 2.25 Some of the Foundation's costs are attributable to the 'Stronger, Greener Christchurch' tree-planting project. These costs are being covered by a Meridian Energy donation of \$100,000 in each of 2019/20 and 2020/21. Without monetising the benefits to Christchurch from qualitative projects, there is no 'distribution' offsetting the costs incurred. The AF also seeks philanthropy and invests in projects that do not have quantitative benefits.
- 2.26 To bring the cost of fundraising down to nearer the AF and MWCF levels, the Foundation would need to raise funds of around \$5 million in each of the next two years, holding total costs constant.
- 2.27 **Budget 2020/21** – the Foundation's 2020/21 budget, if met reduces operational expenditure by 24% over 2019/20. The Foundation has subsequently offered to make that reduction permanent until the Support Agreement expires on 1 July 2023. Staff recommend that the Foundation's offer is accepted.

***Non-financial philanthropic projects***

- 2.28 The Chair of the Foundation has advised that the Foundation bears no cost or risk relating to the non-financial philanthropic projects.
- 2.29 The Deloitte report, supplemented by staff engagement with the Chair of the Foundation about these projects confirms the Foundation has a framework in place for assessing the merits of such projects. This includes ensuring the project is consistent with the Trust Deed objectives and with the Foundation's Vital Signs research which has informed the Foundation's strategic focus.

***Self-funding operating costs***

- 2.30 As well as the Meridian funding referred to above, the Foundation received around \$100,000 of financial support and services-in-kind for operating costs from corporate sponsors in 2019/20. These arrangements are generally for the corporates to provide "up to..." rather than a guaranteed level of funding. In 2019/20 one provided no financial support but continues its undertaking of providing up to \$50,000 each year.
- 2.31 Options for the Foundation to self-fund its annual operating costs might include a combination of charging an administration fee for donations made, interest on accumulated funds, bringing new corporate sponsors on board, or contracting with third party charitable trusts to allocate donated funds to the community.
- 2.32 Deloitte has advised that it has been told that an investment fund of \$17-20 million is required to generate interest income of a sufficient magnitude to enable the Foundation to meet its annual operating costs itself. This would require endowment funding that does not need to be distributed in the short-medium term.
- 2.33 The Chair has expressed confidence that the Foundation will be successful in this mission by 30 June 2023 when the Support Agreement with the Council expires. He further advises that

the Board has sought a four year plan from the organisation showing how sufficient income will be secured in future to run the organisation as currently structured. This is expected in April 2021. Around that time the Foundation will submit its budget for the 2021/22 financial year. Staff propose that in her letter to the Foundation trustees, the Chief Executive requests that the four year plan is provided along with the draft budget for 2021/22.

- 2.34 The Chair has also advised that the Foundation will be focussing on establishing a fee-for-service model over the next few years for each of the three greater Christchurch councils and ECan. He has expressed willingness to share the Foundation's thinking on this with staff, and to seek feedback.

#### **Quarterly financial reporting**

- 2.35 The Deloitte report confirms that good practice reporting would be supported by the Foundation improving its reporting to include among other things, variance analysis, performance commentary and comparison of actual outturn with budget and the same period in the prior year.
- 2.36 This accords with Council staff's expectations of the Foundation that have yet to be met. Council staff acknowledge the Foundation's need to protect commercially sensitive and private information.

#### **Probity and expenditure and funding controls**

- 2.37 Despite Deloitte not having received all of the documentation it sought to address these issues, it has been informed of processes that are in place to ensure the appropriate expenditure and funding controls are in place. Deloitte confirms that the approaches taken as being reasonable but that they have been unable to test them.

#### **Annual Report 2019/20**

- 2.38 The Foundation's Annual Report for 2019/20 was issued in December 2020. It is at **Attachment C**. The report has been used as one of the information sources for the Deloitte review and this report and we do not propose to repeat any of the content.

#### **Quarter 2, 2019/20 Quarterly Report**

- 2.39 The Foundation's Quarter 2 Financial Report is at **Attachment D**. It is in the same format as previous reports, and therefore it is not to the standard that we expect and get from our Council-controlled organisations. It does not meet the good practice reporting guidelines advised by Deloitte in its review.
- 2.40 The table below sets out actual Quarter 2 outcomes against budget.

	<b>Actual YTD 2020/21 \$000</b>	<b>Budget YTD 2020/21 \$000</b>	<b>Quarter 2 YTD 2019/20 \$000</b>
Donations	2,376	50	2,374
Other revenue	941	770	664
<b>Total Revenue</b>	<b>3,317</b>	<b>830</b>	<b>3,038</b>
Distributions	(2,836)	(330)	0
Salaries	(197)	(195)	(210)
Other expenses	(167)	(254)	(220)
<b>Net surplus</b>	<b>117</b>	<b>51</b>	<b>2,608</b>

2.41 Key points are:

- Accumulated funds of \$2.5 million are held, with \$2.2 million to be ‘passed through’ to dedicated purposes or recipients over time. The Foundation has \$333,280 of retained earnings in its administration fund to meet operating costs that exceed the Council’s funding and any other one-off administrative cost funding it receives.
- Year to date, the expenses incurred by the Foundation are \$90,000 lower than budget. Marketing and advertising, events and contractors are all well below budget, together \$120,000. This is offset in part by costs incurred of \$11,600 relating to the establishment of the UK infrastructure to support ex-pat giving and higher entertainment costs than budget of \$5,500. The Vital Signs research project costs of \$9,000 were incurred in the first quarter but were not budgeted for. The main costs of \$80,000 were incurred in the 2019/20 financial year.

### Next Steps

2.42 Staff recommend that the Council’s Chief Executive writes to the Foundation’s Board with the following content regarding the Council’s position on its funding:

- accepts the Foundation’s offer to reduce its annual funding by \$60,000 (10%) for the remaining life of the Support Agreement, (up to 30 June 2023);
- clarifies that notwithstanding the reduction in the annual budget, the Council will still need to approve the annual funding and in this regard would like to receive a draft budget by April each year;
- requests that the Council receives information about the four year plan as it relates to the Foundation’s expenses and Council support, as part of the Foundation’s 2021/22 draft budget;
- acknowledges and accepts the Chair of the Foundation’s offer to engage with Council staff on endeavours to bring other Canterbury councils including ECAN into beneficial arrangements with the Foundation;
- requests that the Foundation provide more detailed information in its reporting, consistent with best practice as identified by Deloitte in its review; and
- that the Council will undertake a further review by June 2022 to review progress on achieving third party funding for annual operating costs in future and progress on building philanthropic assets.



## Attachments / Ngā Tāpirihanga

No.	Title	Page
A <a href="#">↓</a>	Terms of Reference for Deloitte Review of Council support to the Christchurch Foundation	14
B <a href="#">↓</a>	Deloitte report 'Review of Christchurch City Council funding support to the Christchurch Foundation'	16
C <a href="#">↓</a>	Christchurch Foundation - Annual Report for year ending 30 June 2020	50
D <a href="#">↓</a>	Christchurch Foundation - Quarter 2 2020/21 Performance Report	86

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not applicable	Not applicable

## Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories / Ngā Kaiwaitohu

<b>Authors</b>	Linda Gibb - Performance Monitoring Advisor CCO Len Van Hout - Manager External Reporting & Governance
<b>Approved By</b>	Diane Brandish - Acting General Manager Finance and Commercial (CFO)

## Christchurch Foundation – Terms of Reference for the review of the Council's funding support

### Background

The Foundation's Trust Deed, dated 21 July 2017 provides that the purposes of the Foundation are to hold the Trust Fund on trust and to pay or apply so much of the capital and income of the Trust Fund as the Trustees think fit exclusively for or towards any one or more of the following exclusively charitable purposes:

- provide support, both financial and otherwise, for community organisations and community facilities, and for any charitable purpose;
- promote and encourage generosity towards community organisations and community facilities, and any charitable purpose; and
- establish and administer separate named funds within the Trust Fund in order to fulfil the wishes of individual donors who wish to support community organisations and community facilities, and any charitable purpose.

The Council entered into a Support Agreement with the Foundation that provides for:

- the Council to pay up to \$600,000 plus GST (if any) per year until 30 June 2023 to the Foundation and the amount of support is to be agreed by the Council on an annual basis following the Foundation's submission of its proposed annual budget, cashflows and any other relevant document the Council reasonably asks to review; and
- the Foundation to provide quarterly reporting of its activities, budgets, forecasts and financial position within 10 business days of the end of March, June, September and December year, which must include confirmation that the support has been used solely for operating expenses.

### Objective

The Support Agreement between the Council and the Christchurch Foundation dated 19 December 2018 provides that the Council may undertake a review of the provision of the support it provides the Foundation. The Council is now exercising this right.

### Our Scope

Deloitte is required to provide advice, analysis and recommendations on the following:

- the reasonableness of the costs to be incurred in 2020/21 by the Christchurch Foundation, including benchmarking with other similar charitable foundations. This will include understanding how the Foundation determined and reported the costs;
- the administrative operating costs incurred relative to the financial philanthropy received since the start of Council's funding including whether the expenditure represents value for money;
- identification of any operational cost funding that has been provided by third parties;
- appropriateness of the Foundation's non-financial philanthropic endeavours (refer to the programme of work, which is outlined in a document entitled: Christchurch Foundation projects July 2020.pdf) in relation to:
  - the Foundation's Trust Deed to ensure that operational expenditure incurred for that purpose is a legitimate cost for the Council to fund annually (consistent with the Council's Support Agreement);
  - value for money in terms of it being a reasonable price for the philanthropy raised; and
  - any risks that the activity could create (such as distraction from core financial fund raising);

- potential for the Christchurch Foundation to self-fund its administration costs progressively and in full by 1 July 2023 including:
  - from other non-Council parties such as partners, potential partners, funding entities such as Rata Foundation;
  - from income earned on the investment fund and if not possible, when might that be achievable;
  - from deductions made to philanthropic contributions;
- whether the content of the quarterly reports to the Council as a funder of operating costs meets good practice reporting and if not, what more is required;
- probity of related parties' transactions (i.e. transactions with any individual, entity or other vehicle in which the trustees and staff have an interest in) and how the Foundation identifies, records, manages and monitors these risks; and
- adequacy of the Foundation's controls over expenditure and funding.

**Deloitte.**



Review of Christchurch City Council Funding Support to The  
Christchurch Foundation  
February 2021

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Contents

## Contents

Executive Summary	4
Key Observations & Insights	6
Appendix 1 – Terms of Reference	24
Appendix 2 – List of Meetings Held	28
Appendix 3 – List of Documentation Reviewed	29
Appendix 4 – Information Request	31
Appendix 5 – Statement of Responsibility	33

## Important message to any person who has access to this document

### Limitations and Disclaimer

Other than The Christchurch City Council (the Council), any person who obtains access to and reads this report, accepts and agrees, by reading this document, the following terms:

- The reader understands that the work performed by Deloitte was performed in accordance with instructions provided by our addressee client, the Council, and was performed exclusively for our addressee client's sole benefit and use.
- The reader acknowledges that this document was prepared at the direction of the Council and may not include all procedures deemed necessary for the purposes of the reader. This report is based on the specific facts and circumstances relevant to our addressee client.
- Deloitte, its partners, principals, employees and agents make no statements or representations whatsoever concerning this document, and the reader acknowledges that they may not rely on any such statements or representations made or information contained within the document.
- The reader agrees that, to the maximum extent permitted by law, Deloitte, its partners, principals, employees and agents exclude and disclaim all liability (including without limitation, in contract, in tort including in negligence, or under any enactment), and shall not be liable in respect of any loss, damage or expense of any kind (including indirect or consequential loss) which are incurred as a result of the reader's use of this report, or caused by this report in any way, or which are otherwise consequent upon the gaining of access to or reading of the document by the reader. Further, the reader agrees that this report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document and the reader must not distribute the report, or any part of this report, without Deloitte's prior written consent.

#### General Distribution Disclaimer

The report should be read in conjunction with the Limitations and Disclaimer set out on this page, and Limitations within the report. This report is provided solely for the Council's exclusive use. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the findings and recommendations expressed or implied in this report.

## Executive Summary

### Introduction

Christchurch City Council (the Council) commissioned Deloitte to undertake a review of its funding support to the Christchurch Foundation (the Foundation) in accordance with the engagement letter dated 4 September 2020. The work was completed between September and December 2020.

### The Foundation

The Foundation was established in July 2017 and entered into a Support Agreement with the Council on 19 December 2018. This Agreement provides for the Council to pay up to \$600,000 per year until 30 June 2023 to the Foundation subject to the Foundation submitting its proposed annual budget, cashflows and any other relevant document the Council reasonably asks to review. In return, the Foundation is to provide quarterly reporting of its activities, budgets, forecasts and financial position including confirmation that the support has been used solely for operating expenses.

Since the Foundation was established there have been two significant events impacting the initial efforts of the Foundation. The first was the Mosque Attack, where the Foundation had to reposition itself and was actively involved in receiving, engaging with, and distributing funds to the victims. Secondly, with Covid-19 and the closure of New Zealand borders for an unknown period of time, this has had some impact on the Foundation's effort in delivering its work programme.

### Objective

The Support Agreement between the Council and the Foundation dated December 2018 provides the Council the right to undertake a review of the support it provides the Foundation, which the Council has now exercised.

### Scope

Deloitte to provide advice, analysis and recommendations on the following:

1. The reasonableness of the costs to be incurred in 2020/21 by the Foundation, including benchmarking with other similar charitable foundations. This will include understanding how the Foundation determined and reported the costs;
2. The administrative operating costs incurred relative to the financial philanthropy received since the start of Council's funding including whether the expenditure represents value for money;
3. Identification of any operational cost funding that has been provided by third parties;
4. Appropriateness of the Foundation's non-financial philanthropic endeavours, which is summarised in a document entitled: Foundation projects July 2020.pdf relating to:

4

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Executive Summary

- a. the Foundation's Trust Deed to ensure that operational expenditure incurred for that purpose is a legitimate cost for the Council to fund annually (consistent with the Council's Support Agreement);
  - b. value for money in terms of it being a reasonable price for the philanthropy raised; and
  - c. any risks that the activity could create (such as distraction from core financial fund raising);
5. Potential for the Foundation to self-fund its administration costs progressively and in full by 1 July 2023 including from:
  - a. other non-Council parties such as partners, potential partners, funding entities such as, the Rata Foundation;
  - b. income earned on the investment fund and if not possible, when might that be achievable;
  - c. deductions made to philanthropic contributions;
6. Whether the content of the quarterly reports to the Council as a funder of operating costs meets good practice reporting and if not, what more is required;
7. Probity of related parties' transactions (i.e. transactions with any individual, entity or other vehicle in which the trustees and staff have an interest in) and how the Foundation identifies, records, manages and monitors these risks; and
8. Adequacy of the Foundation's controls over expenditure and funding.

#### Out of Scope

1. Assessing the Foundation's Trust Deed or funding policies for compliance;
2. Funding collected for the victims of the Christchurch mosque attack;
3. Validating related parties' transactions for accuracy and completeness;
4. Auditing or verifying costs and funding programmes; and
5. Legally assessing the Trust Deed for compliance.

Refer to **Appendix 1** - for an extract of the Terms of Reference including background, objective, scope, approach, and assumptions and limitations.

#### Overview

This review and engagement is for the Council. The Council has shared the report with the Chair of the Foundation for comment and clarification for our finalisation of the report.

In undertaking this engagement, we held discussions with the Foundation's management team and Board of trustees; and reviewed information/documentation the Council provided. Refer to **Appendix 2** - List of meetings held and **Appendix 3** - List of documentation reviewed.

**Deloitte requested information from the Foundation to assist with validating comments and explanations following discussions with the Foundation's management team and Board of Trustees. This information (refer to Appendix 4 – Information request) was not fully provided. Therefore, this has impacted the accuracy and/or validity of certain conclusions/observations provided in this report. To address this, further information and validation from the Foundation is required.**

5



Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

## Key Observations & Insights

### Key review questions

The review was commissioned to answer the following key questions.

1. The reasonableness of the costs to be incurred in 2020/21 by the Foundation, including benchmarking with other similar charitable foundations. This will include understanding how the Foundation determined and reported the costs.

- To determine whether the cost to be incurred can be considered reasonable, the reference points to be applied included a comparison to:
  1. The Foundation's 2019/20 budget and actuals; and
  2. Other Foundation's costs, as recorded in their annual reports.
- The Foundation volunteered to reduce its Council operational funding line from \$600,000 to \$540,000. The Foundation advised that it has sufficient funds from reserves from the Administration fund to source the difference. In the August 2020 management report, the Administration fund is reported as \$229,906. This figure includes payables and receivables and contains receivable grants tagged for projects that fall under the Administration/Operational umbrella such as Stronger, Greener Christchurch.
- The explanations below are based on what the Foundation management team advised us and a review of documentation provided (refer to Appendix 3 - List of documentation reviewed).
- We have not been able to validate the explanations back to any source documentation e.g. invoices, payroll data or contracts with providers nor with the Foundation.
- We have requested the general ledger from 1 July 2019 to 30 June 2020 and from 1 July 2020 to 30 September 2020 to help us compare the costs between the periods. However, this information has not been provided.
- We note for completeness, that the Foundation's annual financial statements are externally audited and reported to the Charities Services and to the Council.

#### FY20/21 Budget

- The Foundation's approved budget for FY 2020/21 is \$660,350 and comprises of commitments and estimates/general provisions, as summarised below.

6

Item 20

Attachment B

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

- In determining the cost estimates, the Foundation based this on previous years' costs and the focus areas for the current year. The Foundation management team advised that a considerable amount of the costs to be incurred have been subsidised based on agreements with certain suppliers.
- The two largest expenditure types are Staff costs (62%) and Marketing/advertising and donor events (14%). For organisations with a predominately operational budget, staff costs make-up the majority of the budget.
- The costs are reported to the Foundation's Trustees through the monthly management reports, which KPMG prepares and discusses at the Board meetings. The Foundation also submits quarterly reports to the Council consisting of the statement of financial performance, financial position and cashflows, which KPMG prepares.

Budgeted Items (2020/21)	Annual Amount	Explanation (subject to verification to source records). This is all operational expenditure unless otherwise indicated
Staff costs	\$413,761	<ul style="list-style-type: none"> <li>• Salaries for three staff – Chief Executive, Operations Manager, and Endowments and Partners Manager. We understand that Brannigans Consulting undertook a job sizing of the three roles to determine appropriate salary and benefits. The Chair of the Foundation emphasised the importance of employing a CEO with the vision to grow the Foundation hence one of the reason for the CEO's remuneration package.</li> <li>• The salary cost reported in 2019 was \$344,409 and for 2020 \$430,546. The Operations Manager and Endowments and Partners Manager joined in June and May 2019 respectively, which explains the large variance.</li> <li>• We were advised that the budgeted staff costs have decreased for FY2020/21 due to the operating funding decrease. The Chief Executive has taken a permanent reduction in their remuneration for the new financial year, which includes removal of the performance bonus and motor vehicle allowance.</li> </ul>
Accounting and audit costs	\$40,000	KPMG provides finance and accounting at an agreed monthly fee of \$3,334 equating to \$40,000 per annum. We sighted one invoice for September 2020 which had a narration that implies the \$3,334 is a standard monthly fee. PwC undertakes the financial audit pro bono. However, we understand the Foundation Chair has instructed that the auditor be paid for their work going forward, as this is considered to be good practice for a charitable organisation.
Software/phones/ internet	\$22,400	We understand the amount includes annual software subscriptions for Raiser's Edge NXT and Xero.
Rent	\$21,289	The Foundation sublets three workstations from ChristchurchNZ in an open plan floor environment.
Amendments to website	\$10,000	The amount is based on a quote received from a developer for improving the website to make it a gifting portal/ page and to be more user friendly. This is capital expenditure.

7

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

Budget Items (2020/21)	Annual Amount	Explanation (subject to verification to source records). This is all operational expenditure unless otherwise indicated
Fund management	\$5,000	JBWere are the fund managers for the Education Fund, which has \$1.6m under management. The management report for August 2020 notes the fund manager has agreed to a subsidised annual fee of \$5,000.
Marketing/advertising and donor events	\$90,000	The majority of this expenditure is on events to raise the profile of the Foundation such as, an individual event or to more broadly to raise awareness of the brand. The expenditure includes ongoing advertising, marketing expenditure and budgeting for events. Proposed expenditure includes print media advertisements for major milestones, social media, graphic design and pamphlets. We were advised that when the Foundation organises an event the costs must be fully recovered i.e. cost neutral. This is achieved through donations or buying tickets for the event. However, Covid-19 has impacted the number of donor events to be held. As the Foundation continues to seek different funding streams, we would expect this budgeted item to be a major component of the overall budget.
Legal costs	\$15,000	Provision for ongoing legal services with Simpson Grierson has reduced from \$50,672 (in 2018) to \$43,542 (in 2019) to a budgeted amount of \$15,000 for the year 2020/21. This reflects less activity going forward, as set up is complete.
Tree gifting portal for website	\$15,000	Based on an estimated amount that will be used to enhance the website to a tree gifting portal. This is part of the Foundation's Greening Our Garden City project. This is capital expenditure.
Travel	\$13,500	Includes provision for travel and incidental travel expenses. Visits to major donors and corporate partners, attending donor events and a potential trip to Sydney, which was planned pre-Covid-19. Travel expenses have reduced to \$13,500 compared to \$34,896 (in 2019) due to the current Covid-19 restrictions.
General/Bank Fees/Stationery	\$8,400	Provision for office expenditure, bank fees, general expenses and other non-specified expenditure.
Insurance	\$3,000	General provision for insurance expenditure based on historical cost and includes Trustee Liability for the Directors and Staff and comprehensive cover for travel.
Subscriptions	\$3,000	Provision for general subscriptions including memberships to Philanthropic New Zealand and Community Foundation of New Zealand.
<b>TOTAL</b>	<b>\$660,350 (excl. GST)</b>	
<b>Table 1: The Foundation budgeted items for 2020/21 with an explanation of the budgeted item</b>		

8

#### Benchmarking

- We reviewed the publicly available Annual Reports for five New Zealand trusts, as set out below in Table 2 and note the following limitations/risks inherent with benchmarking in that:
  - Four of the Trusts benchmarked were against their 2019/20 financials and one against 2018/19 financials.
  - Trust 5 delivers similar services to the Foundation in that they Pass Through funds.
  - Otherwise, none of the other Trusts deliver the same services as the Foundation, as they predominantly receive funding via an endowment fund and return on investments.
  - The Trusts are at varying levels of scale and maturity.
  - A like-for-like comparison of total revenue is difficult, as each of the Trusts have different sources of revenue.
  - Equally, a like-for-like comparison of total expenditure is also difficult, as this is recorded differently in the Annual Reports.
  - The Operating Expenses/Total Revenue for the Foundation is higher than the others, as the Foundation is still very much in a start-up phase.
  - The salary costs are higher than the other Trusts. We were advised that a reason for this is that the Trust wanted to attract an experienced and skilled team that could meet the ambitions of the Foundation and that this Trust is significantly different to other Trusts in New Zealand.
- In the table below the Foundation's Total Revenue of \$5,703,979 and Total Expenditure of \$11,163,264 has been adjusted by 85%, as more than 85% of the Foundation's Total Revenue for 2018/19 and 2019/20 related to donations for the victims of the 15 March 2019 Mosque attacks.
- The Foundation management advised that an endowment only Community Foundation will have a relatively low operating expense compared to a Foundation involved with pass through gifting and projects. This will reflect on the number of employees, the skills/experience required, and level of promotion and awareness required for this type of foundation. The Trustees advised that the Foundation is a unique model to New Zealand in that its set-up allows it to actively tap the offshore market. However, this benefit of having a global focus has yet to be seen at this relatively early stage in the Foundation's life even though it has benefited from the donations received following the Mosque attacks.

Description	Christchurch Foundation	Trust 1	Trust 2	Trust 3	Trust 4	Trust 5
Period	2019/20	2019/20	2019/20	2019/20	2019/20	2018/19
Staff number	3	4	5	4	5	5
Trustees	8	9	10	10	13	7
Operating Income (\$)	811,281	442,072	162,761	435,000	691,678	458,823

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

	Christchurch Foundation	Trust 1	Trust 2	Trust 3	Trust 4	Trust 5
Operating Expenses	754,061	416,491	616,550	402,000	685,616	1,181,762
Total Income (\$)	855,597	8,178,280	5,705,380	1,937,000	4,598,989	8,004,593
Total Expenditure (\$)	1,674,487	1,813,631	4,566,726	1,521,000	1,068,337	8,475,799
Surplus (Deficit) (\$)	(818,890)	6,364,649	1,138,654	416,000	3,530,652	(471,206)
Average Operating Expense per employee	251,353	104,123	123,310	100,500	137,123	236,352
Operating Funding/Total Expenditure (%)	9%	24%	26%	29%	65%	5%
Operating Expenses/Total Revenue	48%	5%	11%	21%	15%	15%
Total Income per employee (\$)	285,199	2,044,570	1,141,076	484,250	919,797	1,600,918

**Table 2: Benchmarking information**

In the various annual reports:

- Operating Income includes amongst other matters: 1. Operating/Operational Income. 2. Donations, Interest and Dividends, and Administration Fee for Funds under Management. 4. Net Finance Income.
- Operating Expenses includes amongst other matters: 1. Administration 2. Operational Expenses.
- Total Income includes amongst other matters: 1. Operating Income and Administration. 2. Donation, Gains on Investments, Grants, Additional Income. 3. Donations, and Interest and Dividends. 4. Operating, Sponsorship Income, Fees Income, Interest, Dividends and Investments Revenue and Other Revenue.
- Total Expenditure includes amongst other matters: 1. Administration and Investment Management and Grants to the Community. 2. Grants made and Administrative expenses/fees. 3. Staff Costs, Costs to Providing Goods or Services, Donations Paid and Other Expenses.

10

**2. The administrative operating costs incurred relative to the financial philanthropy received since the start of Council's funding including whether the expenditure represents value for money.**

- It is early days in the Foundation's lifecycle to determine whether the financial philanthropy received represents value for money, as the majority of the non-exchange transactions relate to the Mosque Attacks.
- The Council is the main funder and is contracted to pay up to \$600,000 per year until July 2023 to the Foundation. For the FY 2020/21, the Foundation volunteered to reduce its Council funding from \$600,000 to \$540,000. This has helped the Council, as it has reduced spending across a broad range of activities and supports the Foundation's intent to reduce reliance on funding from the Council.
- The table below is extracted from a Letter to the Council dated 2 December 2020. The Council's Cumulative Income of \$2,500,000 relates to Tūranga.
- The funds raised is from the major sponsors Spark, TSB and Southbase Construction.

The Foundation believes that the Council may not have received this benefit/funding directly, as the entities engaged would rather invest via a charitable organisation than directly with the Council. The Foundation believes that this approach has provided value, which the Council may not have derived if the latter had approached the organisations directly.

Description	The Council's Cumulative Expenditure (\$)	The Council's Cumulative Income (\$)
The Council's Operational Funding Contribution to end November 2020	2,050,000	
Balance due to June 2023 (based on \$540,000 per annum)	1,350,000	
Funds raised and distributed to the Council		1,050,000
Funds raised for the Council under contract		1,450,000
<b>TOTAL</b>	<b>3,400,000</b>	<b>2,500,000</b>

**Table 3: Cumulative breakdown of the Council's expenditure and income relating to the funding support the Council provides to the Foundation**

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

- Table 4 below highlights that during financial years 2019 and 2020 the Foundation had to spend a considerable amount of time on receiving, engaging with, and distributing funds to victims. This meant it could not focus on its main priorities.
- About 85% of the revenue from non-exchange transactions relates to donations to Our People, Our City for the victims of the 15 March 2019 Mosque attacks. This fund served as the Mayor's and Prime Minister's fund.
- The revenue from exchange transactions is relatively low compared to revenue from non-exchange transactions. This is typical, as donations, the Council's operational grant, other grants, sponsorships and endowments are classified as non-exchange transactions.

Description	2018 (\$)	2019 (\$)	2020 (\$)
Revenue from exchange transaction <sup>1</sup>	89	26,865	171,670
Revenue from non-exchange transaction <sup>2</sup>	439,093	8,408,766	5,532,309
TOTAL	439,182	8,435,631	5,703,979
Total Funds Distributed	TBC	TBC	10,300,000
Administrative-operating costs incurred	310,783	649,521	754,061
Operating costs relative to financial philanthropy received (%)	71%	8%	13%

**Table 4: Breakdown of the Foundation's revenue, amounts distributed, and the administrative operating costs incurred between 2018 and 2020. Note, 2018 was a ten-month accounting period**

*Source: The Foundation 2018/19 Annual Report and 2019/20 Annual Report.*

<sup>1</sup> Revenue from exchange transactions constitutes interest income earned for the use of cash and cash equivalents or any amounts due to the foundation and is recognised as it is earned. It also includes income from corporate events/ workshops being revenue from services rendered.

<sup>2</sup> Revenue from non-exchange transaction includes gifts, donations, bequests and sponsorships. These are where the Foundation receives value e.g. cash or other assets from an entity without giving approximately equal value in exchange.

### 3. Identification of any operational cost funding that has been provided by third parties.

- The Foundation management advised that it has entered into agreements with corporate sponsors to fund operational costs. The support is provided in different forms including cash, pro-bono/value-in-kind services and services at a discounted price. The Foundation considers that these commercial contracts contain confidential information and therefore did not want to share with us. Through discussions and review of the management reports we have summarised our understanding below:

Name	Support provided
1. Meridian Energy	\$100,000 cash per annum for operating expenses for two years beginning in FY2020. The funding received covers costs the CEO has spent on this project and for the contracting a project manager on a part-time basis to oversee this project. First year funds are tagged to support the Stronger, Greener Christchurch project. The Foundation advised that there is no pecuniary gain with the agreement with Meridian. If Meridian benefits from any carbon credits this is covered in a separate agreement between the landowner and Meridian.
2. KPMG	Provides finance and accounting services of \$40,000 value-in-kind per annum and \$20,000 to fund the Thinker in Residence programme.
3. Brannigans Consulting	Provides support and advisory services to the Foundation. \$30,000 in "tagged" cash revenue and \$20,000 value-in-kind.
4. PwC	Provides pro-bono value-in-kind services as the statutory auditor.

**Table 5: Summary of support from corporate sponsors**

The summary above is based on the monthly management report for August 2020.

- The Foundation also received a \$100,000 grant from the Department of Internal Affairs during FY20 to cover the cost of an Independent Advisor from January to December 2020 to support victims of the Mosque attack.



4. Appropriateness of the Foundation's non-financial philanthropic endeavours which is summarised in a document entitled: Christchurch Foundation projects July 2020.pdf relating to:
- the Foundation's Trust Deed to ensure that operational expenditure incurred for that purpose is a legitimate cost for the Council to fund annually (consistent with the Council's Support Agreement);
  - value for money in terms of it being a reasonable price for the philanthropy raised; and
  - any risks that the activity could create (such as distraction from core financial fund raising).
- The **Foundation's Trust Deed** outlines the purposes of the Trust. The Trustees hold the Trust Fund on trust to pay or apply so much of the capital and income of the Trust Fund as the Trustees think fit. This is exclusively for, or towards, anyone or more of the following Charitable Purposes:
    - **First Object:** to provide support, both financial and otherwise, for Community Organisations and Community Facilities, and any other Charitable Purpose;
    - **Second Object:** to promote and encourage generosity towards Community Organisations, Community Facilities, and any Charitable Purpose;
    - **Third Object:** to establish and administer separate named funds within the Trust Fund in order to fulfil the wishes of individual donors who wish to support Community Organisations, Community Facilities, or any Charitable Purpose; and
    - **Other Matters:** all things as may from time-to-time appear necessary or desirable to enable the Trustees to give effect to the Charitable Purposes described above.
  - The Foundation is donor led and may build programmes based on donor requests in line with the Trust Deed (as per above purposes of the Foundation).
  - Non-financial or non-monetary philanthropy can include volunteering time, effort, specialised skills, physical goods or other forms of altruism.
  - For the Foundation, non-financial philanthropic endeavours include projects, which the Collaboration Partners fund. The Collaboration Partners are institutions (both public and private entities) and individuals who are interested in donating, gifting and/or making their resources available to assist in projects they consider to be in the City's best interest. The project initiatives include climate economics, mass trees planting, ecological restoration and bridging the digital divide. The Foundation management advised that it bears zero financial and delivery risk with these projects that are supported by donors.
  - The Trustees interviewed advised that they are consulted and approve projects that meet the objects of the Trust Deed and the strategic focus areas. The Trustees believe that the Foundation will make significant progress with philanthropy following this model.

- In 2019, the Foundation commissioned Research First to undertake the Vital Signs research. This involved interacting with the greater Christchurch community to identify areas the Foundation should focus on. The outcome provided the Foundation with insights of the priorities of greater Christchurch residents and used this information to focus on areas where it believes it can make the greatest impact. This information was used as an input into the Foundation's revised strategy to 2025. The strategic focus areas include:
  - Ensuring that Christchurch is a vibrant liveable city.
  - Guardianship of the natural environment of our city.
  - Creating and supporting opportunities for all our residents.
- The Foundation's overarching goal is to assist Christchurch to become the best city of its size on the planet, through growing philanthropy. The Foundation management advised that all the projects are aligned to either one of the above strategic focus areas even though they may not be directly linked to the purposes/objects of the Foundation, as per the Trust deed.
- We have been provided with insufficient information about the agreements with the project sponsors to understand their relationship with the Foundation and whether the collaboration is in line with the objects of the Foundation's Trust Deed. However, based on discussions with the Foundation they advised that the non-financial philanthropic endeavours align with the obligations in the Trust Deed.

**Value for money for the philanthropy raised**

- The Foundation management advised that it does not directly allocate any of its operational revenue received to operational expenses relating to the projects nor does it charge the project sponsors any costs incurred. In addition, there is no requirement of the Foundation management to record their time against each individual project.
- We have not validated the amount of resources (time and money) used by the Foundation towards these projects, as this is not recorded or tracked separately against each project.

**Any risks created by these activities**

- To determine the risks created by involvement in these projects, we require documentation to understand the projects in more detail. We requested confirmation of all the Foundation's non-financial philanthropic endeavours and the agreements with project sponsors. This has not been provided.

5. Potential for the Foundation to self-fund its administration costs progressively and in full by 1 July 2023 including:

- from other non-Council parties such as partners, potential partners, funding entities such as Rata Foundation;
- from income earned on the investment fund and if not possible, when might that be achievable;
- from deductions made to philanthropic contributions?

We have not been provided with sufficient information to answer this question. However, if the Council's Operational Grant is removed from the Statement of Financial Performance for 31 August 2020 then it appears not. Whilst this is limited to two months and the period incorporates Covid-19, it illustrates that the Foundation is currently reliant upon the Council's Operational Grant. However, we were advised the Foundation is actively seeking other funding sources (e.g. fee for service model) from at least four other council's in the South Island and has been asked to submit formal proposals. In addition, the Foundation is seeking to takeover being the trust administrator for a number of trusts, which will provide another source of income. In summary, the Foundation is confident that they will be successful and is aiming to be financially self-sufficient by 2023.

Description	July & August 2020 including the Council's Operational Grant	July & August 2020 excluding the Council's Operational Grant
Revenue	327,976	192,976
Less Distributions	144,472	144,472
<b>Gross Surplus</b>	<b>183,504</b>	<b>48,504</b>
Expenses	107,488	107,488
Other Income	(6,517)	(6,517)
<b>Net Surplus</b>	<b>69,498</b>	<b>(65,501)</b>

Table 6: The Foundation's net surplus including and excluding the Council's Operational Grant

Compared to budget:

1. Revenue is \$55k ahead of budget (\$272,500 vs \$327,976 actual). Donations and sponsorships accounted for most of the variance (\$52k) due to end of year adjustments (\$46k) and an unbudgeted donation (\$6k).
2. Gross surplus is \$127k ahead of budget (\$55,816 vs \$127,688 actual)
3. There is an expenses underspend of \$12,170 (\$119,658 vs \$107,488 actual). Reasons were provided for material differences including timing and costs being lower than budgeted.
4. Net surplus is \$130,830 ahead of budget (-\$61,332 vs \$69,498)

In addition, based on information received, we make the following observations.

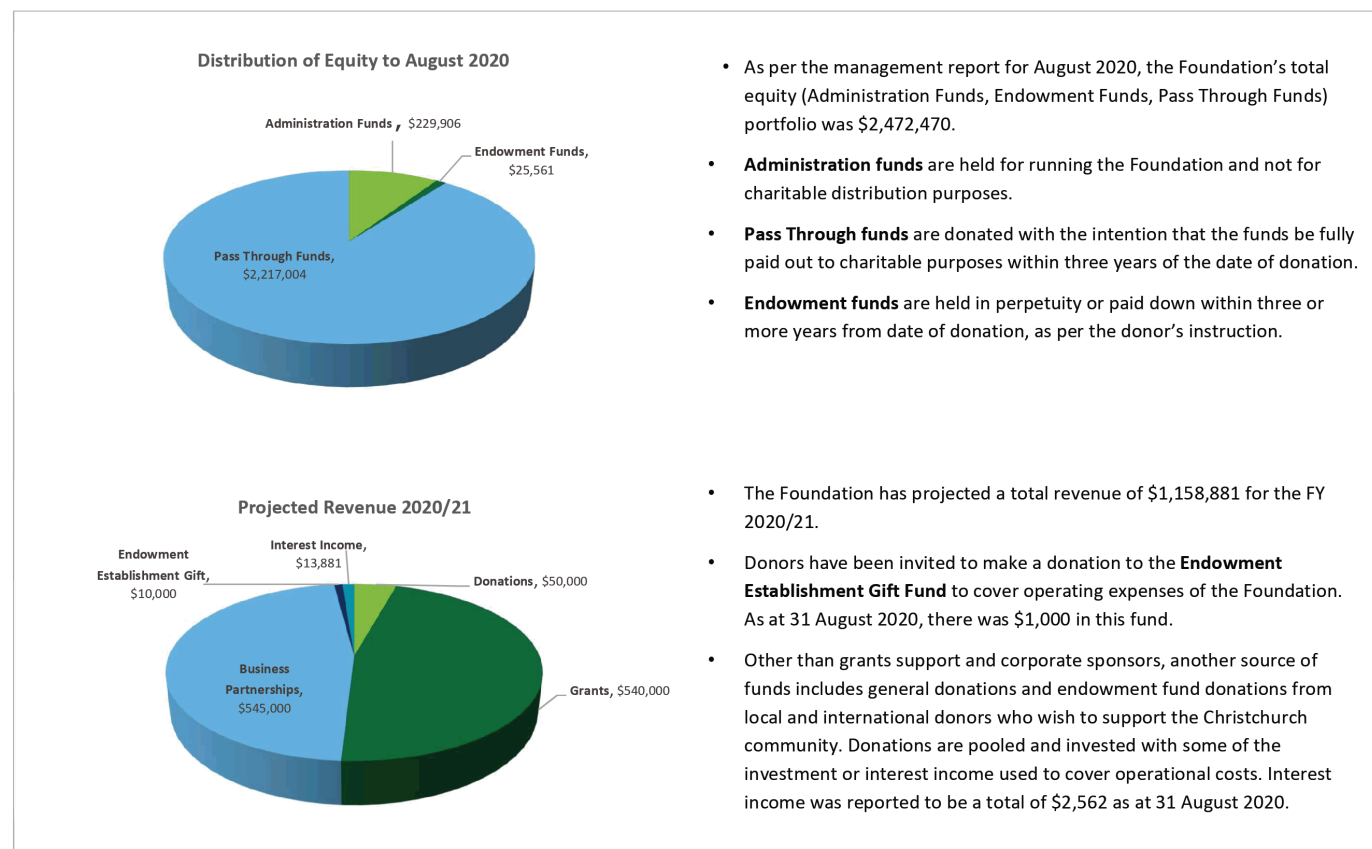
**Other non-Council parties**

- Apart from the main source of funding from the Council, other non-council parties providing funding include Meridian Energy and Brannigans Consulting. As mentioned above, the Foundation management advised that they are actively pursuing other revenue streams to offset administration costs, but none have proceeded to contract negotiation stage.
- The Foundation management advised that it has entered into agreements with corporate sponsors to fund operational costs. The support is provided in different forms including cash, pro-bono/ value-in-kind services, as outlined in question 3 above.
- An aspiration of the Foundation was to work in partnership with the Rata Foundation, providing funding and other resourcing support. However, the Foundation management confirmed that the collaboration did not materialise, as both have different operating models and could not agree on roles and responsibilities.

**Income earned on investment fund**

- As per the management report for August 2020, the Foundation has \$1,667,363 under management in the Education Fund relating to Our People, Our City fund earning interest income. The interest income reported for the months of July and August 2020 was \$1,240 and \$1,190 respectively. The interest income reported from the Sports Inclusivity Fund for the months of July and August 2020 was \$87 and the Endowment Fund was \$9.
- The interest income is insufficient to cover operational costs and the Foundation management advised that once it has over \$20m of funds under management, interest income should be sufficient. A conversation with another foundation indicated that it was not until they had \$17m funds under management that sufficient returns were generated to cover operating costs.

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights



18

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

- The Business Partnerships of \$545,000 relate to Meridian Energy (\$100,000), KPMG (\$20,000), JBWere (\$5,000), Southbase Construction (\$50,000), Spark (\$150,000), TSB (\$150,000) and others (\$70,000).

#### **Distributions made**

- The management report for August 2020 indicates that the Foundation had made distributions totalling \$10,443,291 as at 31 August 2020. Donors can choose which organisations or causes to support or leave the decision to the Trustees to determine where the distributions are most needed in the community. The bulk of the distributions (88%) made to date relate to the victims of the 15 March 2019 Mosque attacks, as summarised below:

<b>Distribution made</b>	<b>Amount (\$)</b>
To victims of the 15 March 2019 Mosque attacks through:	7,317,654
o Victims Fund - \$7,109,510	
o Education Fund - \$50,500	
o Community Support Fund - \$157,644	
To victims of the 15 March 2019 Mosque attacks from the gift received from HRH Prince Al Waleed Bin Talal	1,533,834
To victims of the 15 March 2019 Mosque attacks from the Al Taqwa donation	293,450
To victims of the 15 March 2019 Mosque attacks from an anonymous donation	36,575
To Tūranga Library	718,887
To St John for two ambulance vehicles	460,000
In Countdown grocery gift cards	45,000
To the Town Hall	15,000
To the Christchurch Foundation New Zealand (UK Entity)	10,261

19

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Key Observations & Insights

Distribution made	Amount (\$)
To various charities and organisations through business partnerships	6,630
To the Women's Fund grant recipients	6,000
<b>Total</b>	<b>10,443,291</b>

**Table 7: Distributions to date relating to the victims of the 15 March 2019 Mosque attacks**

**Deductions to philanthropic contributions:**

- The Foundation management advised that it does not deduct any amount from philanthropic contributions received. This is a marketing strategy to attract donors who may prefer to have all their funds utilised for charitable purposes or to specific projects.
- The Foundation does not charge any administration fees for management, and distribution, of funds but will charge fees where appropriate. The Trustees did not consider it appropriate to charge the Our City Our People donors, as they wanted 100% of gifted money to get to the victims without deduction.

**6. Whether the content of the quarterly reports to the Council as a funder of operating costs meets good practice reporting and if not, what more is required?**

- The Support Agreement with the Council requires the Foundation to update the Council on its activities and submit quarterly reports that contain budgets, forecasts and financial position. The Council received the quarterly reports for March 2020 and a Profit and Loss and Balance Sheet report for December 2019. The quarterly reports that the Foundation shares with the Council should include:
  - The financial forecasts (as per the Support Agreement);
  - Description of activities and achievements for the quarter;
  - Commentary to provide explanations of:
    - Variance analysis between actual and planned spend;
    - Any operating expenses incurred that had not been budgeted; and

20

<ul style="list-style-type: none"> <li>- Expenses that have a significant movement/change from the previous month.</li> </ul> <p>If the Foundation provides this information, this would support good practice reporting.</p> <ul style="list-style-type: none"> <li>• To be of value to the Council, the reports should provide additional information relating to the operations and performance of the Foundation. This could be similar to the information contained in the monthly management reports and include: <ul style="list-style-type: none"> <li>○ Financial performance commentary;</li> <li>○ Performance of Endowments and other Funds (e.g. Our People, Our City Fund, Education Fund, Sports Inclusivity Fund);</li> <li>○ Financial commitments made relating to future periods; and</li> <li>○ Investments made by the Foundation.</li> </ul> </li> <li>• Other considerations for reporting include: <ul style="list-style-type: none"> <li>○ Related party transactions (recorded in the Declaration of Conflict register); and</li> <li>○ Challenges and material risks identified during the period.</li> </ul> </li> </ul> <p>Also, as part of the budget process, the Council should require the Foundation to meet a certain revenue/income target for receiving the Operational grant. This maybe in the form of a multiple of the Operational grant.</p> <p>The Foundation management advised that much of the Foundation's activities are commercially sensitive and private in nature and the reason why details are not provided to the Council on the quarterly reports.</p>
<p><b>7. Probity of related parties' transactions (i.e. transactions with any individual, entity or other vehicle in which the trustees and staff have an interest in) and how the Foundation identifies, records, manages and monitors these risks.</b></p> <ul style="list-style-type: none"> <li>• The Foundation maintains a Declaration of Conflict register for related party transactions that the management team update and the Board review at the Board of Trustees meetings. Below are the related party transactions identified in the August 2020 management report and Annual Report to June 2019: <ul style="list-style-type: none"> <li>○ Brannigans Consulting Limited provides support and advisory services up to \$50,000 each year (\$30,000 "in tagged" cash revenue and \$20,000 value-in-kind). The Foundation's CEO is recorded as a shareholder on the Company Office register. However, we have been advised that the CEO is acting as a</li> </ul> </li> </ul>



trustee for a family trust. In addition, the Foundation's CEO's husband is the CEO and shareholder of Brannigans Consulting Limited, as well as being a trustee of the same family trust as the Foundation's CEO.

- Legal services from Simpson Grierson where Hugh Lindo, a Trustee, is the Managing Partner. The Foundation has budgeted \$15,000 for legal services for FY2020/21. This interest from a conflict of interest perspective is noted in the Annual Report for FY2018/19.
- The agreement with Perception PR to provide marketing services has ceased. In previous years Perception PR provided \$50,000 worth of pro-bono services. The Foundation's CEO is a Director and shareholder of this company. This interest from a conflict of interest perspective is noted in the Annual Report for FY2018/19.

We have requested to review the Declaration of Conflict register and the Trustees interest register, noting this has not been received.

#### 8. Adequacy of the Foundation's controls over expenditure and funding.

- We have not tested for adequacy. However, based on information received, we make the following observations:

##### Controls over expenditure

The CEO reviews all expenditure/invoices and has a delegation to approve all expenditure in accordance with the approved budget. Any variation greater than \$5,000 must be referred to the Board for approval.

All invoices are loaded with commentary into Xero for the CEO and a trustee to review and approve.

The CEO provides the Chair of the Foundation with credit card payments with commentary.

This approach appear reasonable.

The Foundation has contracted KPMG as the accounts team, with a Partner overseeing the activities. The Foundation Trustees advised that they have full control and understanding of the Foundation's costs.

We have requested the following documentation relating to the Foundation's controls over expenditure:

- the procurement policy; and
- expenditure approval process document including delegated financial authority;

These documents have not been provided to us, so we have been unable to test the controls over expenditure.

**Controls over funding**

KPMG has developed standard operating procedures (SOP) for the Foundation. The SOP describes the grant approval process required when a charity, social enterprise or community project has either requested funding or has been identified as deserving of funding. The process below is followed:

- A stakeholder assessment will be undertaken to identify if the request meets one or more of the Foundation's funding themes. If the request does not, it will be declined.
- It will then be subject to independent research. This research will provide insight to the potential value of the grant to the communities it will impact and the greater Christchurch area. The CEO must identify which research method and independent assessor is most suitable. The independent assessor will undertake the research, as per an agreement with the Foundation.
- The Board of Trustees will review the independent research to evaluate if the grant will deliver sufficient value to its cause. If the Board decides that the research concludes that the grant will not deliver sufficient value, it will be declined. The Board will otherwise accept the research and approve a business case to be developed. The CEO will then authorise a business case to be developed.
- The CEO will conduct a first review of the business cases. If not approved, the grant request will be declined.
- The Board of Trustees will review the business case/s approved by the CEO. If the Board approves, this authorises the distribution of funds to be made as per the Trust Deed. The CEO can now notify the receiving party of the grant and the public. However, as per the Treasury policy, the CEO cannot approve the distribution of funds.

The above description is based on our desktop review of the SOP – Grant Approval Process. While we have not been able to validate whether the Foundation consistently applies the SOP, the process described appears reasonable and aligns with what happens at other organisations.

## Appendix 1 – Terms of Reference

### Background

The Foundation's Trust Deed, dated 21 July 2017 provides that the purposes of the Foundation are to hold the Trust Fund on trust and to pay or apply so much of the capital and income of the Trust Fund as the Trustees think fit exclusively for or towards any one or more of the following exclusively charitable purposes:

- Provide support, both financial and otherwise, for community organisations and community facilities, and for any charitable purpose;
- Promote and encourage generosity towards community organisations and community facilities, and any charitable purpose; and
- Establish and administer separate named funds within the Trust Fund in order to fulfil the wishes of individual donors who wish to support community organisations and community facilities, and any charitable purpose.

The Council entered into a Support Agreement with the Foundation that provides for the:

- Council to pay up to \$600,000 plus GST (if any) per year until 30 June 2023 to the Foundation and the amount of support is to be agreed by the Council on an annual basis following the Foundation's submission of its proposed annual budget, cashflows and any other relevant document the Council reasonably asks to review; and
- Foundation to provide quarterly reporting of its activities, budgets, forecasts and financial position within 10 business days of the end of March, June, September and December year, which must include confirmation that the support has been used solely for operating expenses

### Objectives

The Support Agreement between the Council and the Christchurch Foundation dated 19 December 2018 provides that the Council may undertake a review of the provision of the support it provides the Foundation. The Council is now exercising this right.

### Scope

Deloitte is required to provide advice, analysis and recommendations on the following:

- The reasonableness of the costs to be incurred in 2020/21 by the Christchurch Foundation, including benchmarking with other similar charitable foundations. This will include understanding how the Foundation determined and reported the costs;
- The administrative operating costs incurred relative to the financial philanthropy received since the start of Council's funding including whether the expenditure represents value for money;
- Identification of any operational cost funding that has been provided by third parties;

- Appropriateness of the Foundation’s non-financial philanthropic endeavours (refer to the programme of work, which is outlined in a document entitled: Christchurch Foundation projects July 2020.pdf) in relation to:
  - the Foundation’s Trust Deed to ensure that operational expenditure incurred for that purpose is a legitimate cost for the Council to fund annually (consistent with the Council’s Support Agreement);
  - value for money in terms of it being a reasonable price for the philanthropy raised; and
  - any risks that the activity could create (such as distraction from core financial fund raising);
- Potential for the Christchurch Foundation to self-fund its administration costs progressively and in full by 1 July 2023 including:
  - from other non-Council parties such as partners, potential partners, funding entities such as Rata Foundation;
  - from income earned on the investment fund and if not possible, when might that be achievable;
  - from deductions made to philanthropic contributions;
- Whether the content of the quarterly reports to the Council as a funder of operating costs meets good practice reporting and if not, what more is required;
- Probity of related parties’ transactions (i.e. transactions with any individual, entity or other vehicle in which the trustees and staff have an interest in) and how the Foundation identifies, records, manages and monitors these risks; and
- Adequacy of the Foundation’s controls over expenditure and funding.

#### Out of scope

- Assessing the Foundation’s Trust Deed or funding policies for compliance;
- Funding collected for the victims of the Christchurch mosque attack;
- Validating related parties’ transactions for accuracy and completeness;
- Auditing or verifying costs and funding programmes; and
- Legal assessment of Trust Deed for compliance.

#### Approach

Our approach includes (not necessarily in order):

- Meet with Council staff to re-confirm objective, scope and approach, including approach to benchmarking ‘similar’ organisations and value for money;
- Review background documentation, other related policies and supporting information;
- Ascertain the extent to which the Foundation’s activities are consistent with meeting its first two objectives (1. To provide support, both financial and otherwise, for Community Organisations and Community Facilities, and for Charitable Purpose; and 2. To promote and encourage generosity towards

Community Organisations, Community Facilities and Charitable Purpose). The analysis should help determine the mix of focus of the Foundation in providing or encouraging support for community organisations and facilities versus running and funding the Foundation's own initiatives;

- Comment on whether the Foundation is operating as a Foundation (raising funds for others) or as a Charitable Trust that raises funds for its own activities;
- Interview the key contracts to understand expenditure, practices and controls, corroborate documentation and financial and non-financial analysis;
- Understand and discuss the purpose and intent of the Trust Deed and Support Agreement;
- Understand the structure, functions and activities of the Foundation and what and how the funding from the Council and others for operating expenditure are applied to including addressing in-scope funding and expenditure assessment areas;
- Review a sample of financial philanthropy received and determine what percentage, if any, can be applied to administrative operating costs and if not, what could potentially be done to make doing so permissible;
- Understand how the Foundation identifies operational cost funding that third parties provide and how this is recorded, and whether the foundation has done any initial work to determine likelihood of success in seeking administration funding from third parties;
- Review a sample of Foundation's non-financial philanthropic endeavours against the Trust Deed for legitimacy and aligns with Support Agreement; and the time and effort spent on the philanthropy raised;
- Review the strategy the Foundation has to determine whether its approach will enable it to be self-funded by 1 July 2023. This will include understanding other funding pathways to meet this requirement including the appropriateness of any assumptions applied;
- Select a sample of quarterly reports and information to assess approach and good practice requirements, including advising key weaknesses (for example, the quality of variance analysis);
- Initial analysis of all in scope areas to identify any risks and issues;
- Discuss preliminary findings with you, the Foundation CEO, GM Citizens and Community, Head of Financial Management and Performance Advisor;
- Develop a draft report detailing findings, including recommendations; and
- Issue the final report.

#### Assumptions and Limitations

The Council and/or the Foundation will:

- Provide Deloitte with all relevant information for in scope items; and
- Facilitate access to documentation and access to people in a timely manner that would reasonably allow the engagement to be completed within the timeframe specified above.

Review of Christchurch City Council Funding Support to The Christchurch Foundation | **Appendix 1 – Terms of Reference**

All Deloitte personnel involved in this engagement must be free from conflict. This means they must not have a close relationship with any of the trustees and management of the Foundation. Therefore, we will not use any staff that are from our Christchurch office. In addition, all personnel will be asked to provide a confirmation that they have no personal relationship with the trustees and management.

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Appendix 2 – List of Meetings Held

## Appendix 2 – List of Meetings Held

Name	Role
Lianne Dalziel	Mayor of Christchurch City Council and Trustee of Christchurch Foundation
Andrew Turner	Acting Mayor of Christchurch City Council and Trustee of the Foundation
Sam MacDonald	Elected Member for Christchurch City Council
Humphry Rolleston	Chair, The Christchurch Foundation
Amy Carter	Chief Executive, The Christchurch Foundation
Kim Elder	Operations Manager, The Christchurch Foundation
Steve Bramley	Director, SGL Funding (NZ) Ltd
Linda Gibb	Performance Advisor, External Reporting and Governance, Commercial and Finance Group, Christchurch City Council

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Appendix 3 – List of Documentation Reviewed

## Appendix 3 – List of Documentation Reviewed

Document Name	Source
Christchurch Foundation Trust Deed	Christchurch City Council
Support Agreement - The Christchurch Foundation and Christchurch City Council 2018	Christchurch City Council
Christchurch Foundation Audited Annual Report for year ending June 2019 and June 2020	Christchurch City Council
Monthly Management Report for period ending 31 August 2020	Christchurch Foundation
Christchurch Foundation Budget 2020/21	Christchurch City Council
Standard Operating Procedures (SOPs) for the Raiser's Edge and Xero systems	Christchurch Foundation
Christchurch Foundation Final strategy document to 2025	Christchurch City Council
Christchurch Foundation projects July 2020.	Christchurch City Council
Quarterly report submitted to Christchurch City Council for quarter ended 31 March 2020	Christchurch City Council
Quarterly report submitted to Christchurch City Council for quarter ended 31 December 2019	Christchurch City Council
Finance and Performance Committee Report for August 2020	Christchurch City Council

29



Review of Christchurch City Council Funding Support to The Christchurch Foundation | Appendix 3 – List of Documentation Reviewed

Document Name	Source
Christchurch City Foundation Integrated Communications and Engagement Strategies	Christchurch City Council
City Foundation Establishment - Financial Contribution 2017	Christchurch City Council
Documented response from Humphry Rolleston on the scope areas/ questions	Chair, Board of Trustees

## Appendix 4 – Information Request

Review Question	Information requested and not received
1. The reasonableness of the costs to be incurred in 2020/21 by the Christchurch Foundation, including benchmarking with other similar charitable foundations. This will include understanding how the Foundation determined and reported the costs.	1. General ledger from 1 July 2019 to 30 June 2020 and from 1 July 2020 to 30 September 2020. This will help us compare the costs between 2019/20 and 2020/21. 2. Break down of the Marketing and Advertising expense as per budget amount of \$90,000.
2. The administrative operating costs incurred relative to the financial philanthropy received since the start of Council's funding including whether the expenditure represents value for money.	1. Confirmation of the Total Distributed Funds figures for FY 2018 and 2019.
3. Third parties who provide any operational cost funding.	1. Confirmation of any additional third parties who fund/ support operational costs (cash and in kind) and by what amount.
4. Appropriateness of the Foundation's non-financial philanthropic endeavours (refer to the programme of work, which is outlined in a document entitled: Christchurch Foundation projects July 2020.pdf).	1. Confirmation of all the Foundation's non-financial philanthropic endeavours.
5. Potential for the Christchurch Foundation to self-fund its administration costs progressively and in full by 1 July 2023.	1. Confirmation of any other investments made in additional to the education fund and Our People Our City Fund. 2. Confirmation of any deductions made from philanthropic contributions received for purposes of operational-admin costs.

Review of Christchurch City Council Funding Support to The Christchurch Foundation | Appendix 4 – Information Request

Review Question	Information requested and not received
6. Probity of related parties' transactions (i.e. transactions with any individual, entity or other vehicle in which the trustees and staff have an interest in) and how the Foundation identifies, records, manages and monitors these risks.	1. The Declaration of Conflict register for related party transactions.
7. Adequacy of the Foundation's controls over expenditure and funding.	1. The procurement policy. 2. The expenditure approval process document including delegated financial authority and the documented roles and responsibilities.

## Appendix 5 – Statement of Responsibility

The procedures that we performed did not constitute an assurance engagement in accordance with New Zealand Standards for Assurance engagements, nor did it represent any form of audit under New Zealand Standards on Auditing, and consequently, no assurance conclusion or audit opinion is provided. The work was performed subject to the following limitations:

- Our assessments are based on observations from our review and sample testing undertaken in the time allocated. Assessments made by our team are matched against our expectations and best practice guidelines. This includes comparison with other similar processes we have assessed. This report offers recommendations for improvements and has taken into account the views of management, with whom these matters have been discussed.
- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in the deliverable are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our deliverable to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

We have prepared this report solely for the use of Christchurch City Council. The report contains constructive suggestions to improve some practices which we identified in the course of our review procedures. These procedures are designed to identify control weaknesses but cannot be relied upon to identify all weaknesses. We would be pleased to discuss any items mentioned in this report and to review the corrective action implemented by management.

# Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

Deloitte New Zealand brings together more than 1400 specialist professionals providing audit, tax, technology and systems, strategy and performance improvement, risk management, corporate finance, business recovery, forensic and accounting services. Our people are based in Auckland, Hamilton, Rotorua, Wellington, Christchurch, Queenstown and Dunedin, serving clients that range from New Zealand's largest companies and public sector organisations to smaller businesses with ambition to grow. For more information about Deloitte in New Zealand, look to our website [www.deloitte.co.nz](http://www.deloitte.co.nz).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2021. For information, contact Deloitte Global.



June 2020

# Annual Report



Attachment C Item 20



Annual Report  
June 2020

## Our Team

### Trustees



**Humphry Rolleston**  
Chair



**Paul Deavoll**  
Deputy Chair



**Andrew Turner**  
Trustee



**Hon. Lianne Dalziel**  
Trustee



**Paul Bingham**  
Trustee



**Hugh Lindo**  
Trustee

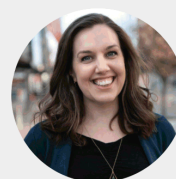
### Management



**Amy Carter**  
Chief Executive



**Kim Elder**  
Events and Operations  
Manager



**Julia Rose**  
Endowment and  
Partners Manager



**Raf Manji**  
Independent Advisor





Annual Report  
June 2020

## Funders & Partners

### Primary Funder



### City Partners



### Major Partners



### Collaboration Partners



### Project Sponsors



### Auditor



### Key Advisors







Annual Report  
June 2020



Humphry Rolleston  
Chair

# Chairman's Report

The Christchurch Foundation has processed over 18,000 financial gifts generously given by people from around the world and New Zealand to the victims of the Mosque massacre attacks.

The Mayor of Christchurch asked the Foundation to lead this important work. We also worked on behalf of the Prime Minister's office on this task. The Trustees agreed that this work would be done without charge.





Annual Report  
June 2020



Humphry Rolleston  
Chair

# Chairman's Report

Our staff did a wonderful job under difficult circumstances. I would like to especially recognise and thank Raf Manji for his very special and personal commitment to our Muslim community. Raf gave three months of his time, on a pro bono basis, meeting with families and individuals whose lives have been turned upside down. His subsequent recommendations as to how best we distribute over \$11m of gifts were accepted by the Trustees.

The Foundation's financials for the 2020 FY are included. The financial reporting standards require that we report both non-operational gifting ("pass through") and operational activities in one report. For example, accounting standards deem that if a Foundation receives \$1m dollars in gifts but only distributes \$800,000 in the same financial year then that Foundation must declare they have made a profit of \$200,000 from those gifts. The same applies in reverse. In that case a loss is reported.

In order to provide full transparency of our financial performance from operating and non-operating activities we have presented a reconciliation together with the statement of comprehensive revenue.







Annual Report  
June 2020

## Chairman's Report

Continued

In our accounts you will see a reported deficit of \$5,459,285 for the year ending June 30th 2020. This is due to us distributing funds that we raised in the previous financial year.

The Foundation's operational surplus for the 2020 year was \$36,736.

In February this year The Christchurch Foundation suggested to the Christchurch City Council that their annual funding commitment of \$600,000 be reduced to \$540,000. This financial change commenced from 1/7/20. As a part of this funding reduction our CE Amy Carter has generously agreed to a restructuring of her employment package effective from 1/7/20. Her total remuneration package has reduced. There is now no bonus available.

Greater Christchurch is now New Zealand's newest and most affordable major city. Real population growth is occurring. An increasing number of young New Zealanders are moving to live and work in greater Christchurch.

Work on The Christ Church Cathedral, Te Pae Convention Centre, Metro Sports, the Canterbury Multi Use Arena and a number of new facilities in Rangiora and Rolleston is underway. These new projects will drive further interest in greater Christchurch.

We think this activity will help stimulate targeted gifting from individuals, institutions and companies who have a love of the city.



**Humphry Rolleston**  
Chair





Annual Report  
June 2020



Amy Carter  
Chief Executive

# CE's Report

The end of June 2020 marks the end of our second full financial year. During that time, the organisation has had to mature well beyond our initial plans, primarily due to our work in response to the March 15, 2020 terror attacks. More details around our work to support the victims of that horrific day can be found further in this report, however I want to touch on a few points.

It is fair to say that our small team has heavily carried the responsibility of supporting our Muslim brothers and sisters. At times it has been overwhelming, but it has been our honour to do so.







Annual Report  
June 2020

## CE's Report

Continued



In the immediate aftermath of the shootings, I made a promise that the community would be directly involved in deciding how the funds we had collected were distributed. We delivered on that promise through our Listening Project led by Raf Manji.

Raf's work and his subsequent report to myself and the trustees was a summary of what the community wanted. While not all agreed, there were very clear priorities set by the community. Firstly, to support most, those most impacted, then to grow community capacity and capability and to ensure the children of the deceased had access to future education.

The distribution of the majority of the funds we collected under the banner of Our People, Our City has been completed in this financial year. Additionally, we have with support from central government, been able to employ Raf to act as an advocate for this community. Raf has worked tirelessly and we would not have been able to do all this work without him.

Light always breaks through darkness, and our cities out pouring of aroha for our Muslim friends has had the affect of putting us on the map for the right reasons. We are now known as a city and region that has shown the world how it should behave in such tragic circumstances.





Annual Report  
June 2020

## CE's Report

Continued



This response has enabled The Christchurch Foundation to open opportunities up, both for those directly impacted and for wider Ōtautahi Christchurch. Our global reach has grown significantly, which meant plans for launching activity to support expats and global foundations to give were brought forward.

To this end we announced our intention to launch a sister organisation in the UK, at New Zealand House, in London on the 4th of July. The UK entity is now live. It is headed by an independent board and runs its own financial accounts. We run the administration and report to UK based trustees. We are now waiting for confirmation of its charitable status which, once received, will see the beginning of activities to grow relationships with ex patriots based there.

Work also began this financial year on the establishment of a sister entity in the USA. Seattle, Christchurch's sister city, is the beach head. Work to get this separate entity up and running has been delayed by Covid-19, but it is hoped that this will be completed in the 2021 financial year.

Our inaugural Women's Fund Winners were announced by the Hon. Lianne Dalziel in mid-September. These annual awards are designed to celebrate and build the profile of women and girls making change in our community. Our city has played a global role in leading women's rights and we hope that this Fund will continue to build upon and celebrate that legacy.







Annual Report  
June 2020

## CE's Report

Continued



November was a highlight with the Black Caps playing the T20 series against England with our logo on their shirts. New Zealand Cricket generously gave the gate takings from the Christchurch match to form the founding gift of our Sports Inclusivity Fund.

Money from this fund will be used to deliver a trial with Cricket and Football to develop a programme to grow cultural understanding through sport. It is hoped that in time the learnings from this programme will then be rolled out across codes and across New Zealand. I would like to acknowledge the English Cricket Board and the English Premier League (Football) for giving us access to all their work in Diversity and Inclusion. It has been invaluable.

Continuing the sports theme, we had a fantastic skills session with the All Black Sevens. Over 60 nominated children from across greater Christchurch attended the afternoon session which was fun filled. The day was topped off with Mondelez kindly supplying post training treats.

The outbreak of the global pandemic caused us, like so many, to evolve our thinking and approach. Our focus has shifted to how to best utilize our global donor base to develop better outcomes for the residents of greater Christchurch, and the world. This led to the development of a digital speaker series, which was very well received by our supporters and significantly grew our online following.





Annual Report  
June 2020

## CE's Report

Continued



Our new strategy that was completed towards the end of the financial year, indicates the priority areas for our work through to 2025. This strategy document can be found on our website.

A key part of the development of this strategy was a significant block of research called Vital Signs. Vital Signs is a snapshot of life in Greater Christchurch: how we are feeling, what we are doing and what is important to us. It measures how well we are doing on a number of key indicators including health, prosperity, our sense of community, and how well we take care of our environment. It is a tool used to understand the community's perceptions of the place where they live.

Community Foundations around the world use this framework to inform our thinking, to assist our donors and partners in making informed philanthropic decisions, and to benchmark against/measure our impact. It uses the United Nations Sustainable Development Goals (SDG's) as the base framework.

We were able to fund this project predominantly through the generous support of a UK based donor. Additionally, we received a contribution from ChristchurchNZ and a significant pro-bono contribution from Research First whom conducted the research for us.

It is our intention to undertake this research on a regular basis to continue to understand the priorities for the residents of Christchurch, Selwyn and Waimakariri.

Vital Signs has greatly informed our thinking. We now have three pillars to our work: Kaitiakitanga (stewardship of the environment), Vibrant Ōtautahi (increasing the exciting elements within our city) and Opportunities for All (addressing inequality). Work is now underway on several initiatives in these three areas to assist our donors to philanthropically invest where our citizens believe there is the most need. The Vital Signs Report can be downloaded off our website.

We were thrilled to be able to facilitate two new ambulances for St John this financial year. Donors asked us to do this due to the bravery and incredible response to the terror attacks of the St John team. Unveiling the ambulances allowed us to bring together first responders, members of the Muslim Community and our donors. It was an emotional and uplifting experience for all concerned.







Annual Report  
June 2020

## CE's Report

Continued



This year's KPMG Thinker in Residence was Tessy Antony-de Nassau, pictured above. Tessy is a humanitarian and businesswoman. She holds a M.Sc in International Studies and Diplomacy and an Honorary Doctorate for her work in global education. She also spent five years in the military and is a UNAids Global Advocate for Young Women and Adolescent Girls. Tessy spent a week assisting us to develop our Opportunities for All priorities and framework. She spoke at several events and spent time with local charities. As with all our Thinkers, she gave her time for free and her costs (travel, accommodation food etc) were generously covered by KPMG, with support from Hotel Montreal.

Like Hila Oren, our first Thinker, Tessy fell in love with our part of the world and has become a global advocate for us. Her assistance while here and her unwavering support since is of tremendous benefit. We hope to see her here again soon.



Lincoln University and Datacom became collaboration partners with us, this year. Pictured Bruce Gemmell Chancellor of Lincoln University and Paul Deavoll Deputy chair The Christchurch Foundation when they signed our agreement.

Our work with Meridian Energy on our Stronger Greener Christchurch Partnership has continued quietly. Both Meridian and the Foundation are looking forward to launching public initiatives in the new financial year.



**Amy Carter**  
Chief Executive





Annual Report  
June 2020

## Celebrating Generosity

Like the rest of the world Covid-19 has had an impact on our work. Events had to be delayed and plans put on hold, however our donors have remained supportive and we have rounded out the year in a strong position. The highlight being that we have distributed over \$10M dollars into our community this year. Thank you to our donors, partners, and supporters, to the trustees and the staff. Your dedication and generosity for greater Ōtautahi Christchurch is simply amazing.

# \$12.4m

Total funds raised for Ōtautahi, Christchurch since launch (2017)



## \$3.2m

Cash funds raised in 2020FY

## \$10.3m

Total funds distributed in 2020FY

## \$222k

Raised to increase ethnic communities participation in sport and rec in 2020FY



Sister charity established  
The Christchurch Foundation (UK)



## \$1.9m

Funds raised from overseas donors



# 3

Grants supporting grassroots women leaders

## \$718k

Gifted to Council community facilities



# 2



New ambulances for St John

## \$11.4m

Total funds raised for victims of March 15

## \$9.5m

Total funds distributed to victims of March 15





Annual Report  
June 2020

## March 15 Terror Attack Activity

Our work supporting the families and the wider community impacted by the March 15 terror attacks was multifaceted this year. It was agreed with Muslim Community Leaders, and Victim Support, that running two concurrent engagement and distribution processes was not in the best interests of the community. This meant we began our work in the 2020FY, after Victim Support had completed their process.

Raf Manji led our Listening Project, work he conducted in a voluntary capacity. This involved meeting with the families and wider community to seek their thoughts. He fed into this process what had happened, what worked and did not work, in other parts of the world following similar acts of terror. It was an evolving process with extensive engagement with the families and the community over a three-month period as information was collected and shared with them.

His report was accepted by the Trustees in November and The Foundation then shifted its focus to distribution. \$9.5M was distributed within this financial year in this area. This was a mix of widow and family support, hardship grants, community development and the beginning of our legacy focused education fund.

In addition to this work, with support from The Crown, Raf was engaged by The Foundation to act as a community advocate. This work was diverse and based upon individual and family needs. A key role was assisting the community to work with the vast number of government agencies involved.

We continued to collect the pledged gifts from all four corners of the globe, navigating through the complexities of international monetary transactions.







Annual Report  
June 2020

## Inaugural Christchurch Foundation Women's Fund Recipients Awarded

The Fund and awards were established on September 19, 2018 to celebrate Ōtautahi/Christchurch's proud tradition of female leadership, to acknowledge and support our current leaders working at the grassroots within our communities, and to inspire future female leaders.





Annual Report  
June 2020

## Inaugural Christchurch Foundation Women's Fund Recipients Awarded

Continued

Three awards were distributed this year, each of the recipients received \$2000 and were presented their award by Christchurch Mayor, and Fund Patron the Hon. Lianne Dalziel.

Over 50 donors attended an afternoon tea to celebrate.

### **Azaria Howell**

Azaria is a year 13 student at Cashmere High School. She is the hapori/community editor for Tearaway Magazine. Her voluntary work at the magazine focuses on enhancing the voices of New Zealand youth. Azaria is particularly passionate about addressing issues that can be hard for youth to openly discuss.

### **Cate Grace**

Cate gathers and shares stories that encourage more accessibility and participation for others to fully participate in their world. She has been a volunteer storyteller and team-coordinator of Humans of Christchurch for two years. Humans of Christchurch is a collaborate initiative which shares the stories of our people.

### **Lynette Diaz**

Lynette is a singer / songwriter who founded the New Zealand Women's Acoustic Collective and is the creator of the Femacoustica Radio Show. Both initiatives were formed to connect, support and foster a community of women empowerment, through music.



Left to Right: Amy, Azaria, Cate, Lynette and Hon. Lianne Dalziel



# Financials

June 2020

Attachment C    Item 20



Annual Report  
June 2020



## The Christchurch Foundation

Financial Statements  
for the year ended 30 June 2020





Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Report contents

	Page
Approval of financial statements	1
Directory	2
<b>Financial statements</b>	
Statement of comprehensive revenue and expense	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7
Auditor's report	15





Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

### Approval of financial statements

The Trustees are pleased to present the financial statements of the Christchurch Foundation, for the period ended 30 June 2020.

Andrew Turner  
Trustee of Christchurch Foundation

Hugh Lindo  
Trustee of Christchurch Foundation

Humphry Rolleston  
Trustee of Christchurch Foundation

Lianne Dalziel  
Trustee of Christchurch Foundation

Paul Bingham  
Trustee of Christchurch Foundation

Paul Deavoll  
Trustee of Christchurch Foundation

Dated: 16 December 2020



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Directory

Nature of business	Funding charitable activities
Location of business	Level 3, BNZ Centre 101 Cashel Street Christchurch 8011
IRD number	124-261-864
Accountants	KPMG - Enterprise Level 5 79 Cashel Street Christchurch
Auditors	PWC Level 4 60 Cashel Street Christchurch
Bankers	TSB ANZ
Deed established	21 July 2017
Registration date	8 September 2017
Registration number	CC54845
Executive Committee	Andrew Turner Hugh Lindo Humphry Rolleston Lianne Dalziel Paul Bingham Paul Deavoll



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Statement of comprehensive revenue and expense

For the year ended 30 June 2020

In New Zealand Dollars	Note	2020	2019
<b>Revenue</b>			
Revenue from exchange transactions	5	171,670	26,865
Revenue from non-exchange transactions	5	5,532,309	8,408,766
<b>Total revenue</b>		<b>5,703,979</b>	<b>8,435,631</b>
<b>Expenditure</b>			
Administration expenses	6	648,362	484,141
Operating expenses	7	105,699	165,380
Direct costs	8	10,409,203	23,056
<b>Total Expenditure</b>		<b>11,163,264</b>	<b>672,577</b>
<b>Surplus/(deficit) for the period</b>		<b>(5,459,285)</b>	<b>7,763,054</b>
<b>Reconciliation of results from operating activities to the surplus/ (deficit) for the period</b>			
<b>Surplus/(deficit) for the period</b>		<b>(5,459,285)</b>	<b>7,763,054</b>
Non-operating revenue		(4,892,697)	(7,823,991)
Non-operating direct costs		100,162	23,056
Non-operating distributions of funds received in current and previous years		10,288,557	-
<b>Surplus/(deficit) for operations</b>		<b>36,736</b>	<b>(37,881)</b>
<b>Results of operating activities</b>	4		
<b>Revenue</b>			
Revenue from exchange transactions		19,041	3,714
Revenue from non-exchange transactions		792,240	607,926
<b>Total operating revenue</b>		<b>811,281</b>	<b>611,640</b>
<b>Expenditure</b>			
Administration expenses	6	648,362	484,141
Operating expenses	7	105,699	165,380
Direct costs		10,223	-
Distributions		10,261	-
<b>Total operating expenditure</b>		<b>774,545</b>	<b>649,521</b>
<b>Surplus/(deficit) for operations</b>		<b>36,736</b>	<b>(37,881)</b>

The notes on pages 7 to 14 are an integral part of these financial statements.



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Statement of financial position

For the year ended 30 June 2020

In New Zealand Dollars	Note	2020	2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	2,678,131	9,392,528
Accrued revenue	10	11	167,758
Accounts receivable		2,588	-
Customs duty		4,033	
Prepayments		5,357	27,703
GST receivable		10,435	7,620
		<b>2,700,555</b>	<b>9,595,609</b>
<b>Non-current assets</b>			
Fixed assets	19	1,962	4,246
Intangible assets	18	21,989	43,979
		<b>23,951</b>	<b>48,225</b>
<b>Total assets</b>		<b>2,724,506</b>	<b>9,643,834</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables		45,233	18,865
Accrued expenditure	11	102,992	86,269
Deferred revenue		103,501	104,158
Provision for conditional donation	22	30,750	1,533,835
Unpaid expense claims		-	-
PAYE payable		9,863	9,255
		<b>292,339</b>	<b>1,752,382</b>
<b>Total liabilities</b>		<b>292,339</b>	<b>1,752,382</b>
<b>Equity</b>			
Accumulated surplus or (deficits)		2,432,167	7,891,452
<b>Total equity</b>		<b>2,432,167</b>	<b>7,891,452</b>
<b>Total equity and liabilities</b>		<b>2,724,506</b>	<b>9,643,834</b>

The notes on pages 7 to 14 are an integral part of these financial statements.



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Statement of changes in equity

For the year ended 30 June 2020

In New Zealand Dollars

Note

		Administration funds	Endowment funds	Pass through funds	Total equity
<b>2020</b>					
Balance at 1 July 2019		246,272	18,874	7,626,306	7,891,452
Comprehensive revenue and expense for the year		(11,734)	4,164	(5,451,715)	(5,459,285)
<b>Balance at 30 June 2020</b>	<b>21</b>	<b>234,538</b>	<b>23,038</b>	<b>2,174,591</b>	<b>2,432,167</b>
<b>2019</b>					
Balance at 1 July 2018		128,398	-	-	128,398
Comprehensive revenue and expense for the year		117,874	18,874	7,626,306	7,763,054
<b>Balance at 30 June 2019</b>	<b>21</b>	<b>246,272</b>	<b>18,874</b>	<b>7,626,306</b>	<b>7,891,452</b>

The notes on pages 7 to 14 are an integral part of these financial statements.



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Statement of cash flows

For the year ended 30 June 2020

In New Zealand Dollars	Note	2020	2019
<b>Cash flows from operating activities</b>			
Cash receipts		4,290,161	9,879,684
Cash paid for distributions		(10,298,818)	-
Cash paid to suppliers and employees		(783,562)	(601,707)
<b>Net cash from (used in) operating activities</b>	<b>16</b>	<b>(6,792,219)</b>	<b>9,277,977</b>
<b>Cash flows from investing activities</b>			
Investment income		77,822	24,256
Purchasing property, plant, equipment & intangibles		-	(39,714)
<b>Net cash from (used in) investing activities</b>		<b>77,822</b>	<b>(15,458)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,714,397)</b>	<b>9,262,519</b>
Cash and cash equivalents at the beginning of the period		9,392,528	130,009
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>2,678,131</b>	<b>9,392,528</b>

The notes on pages 7 to 14 are an integral part of these financial statements.



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Notes to the financial statements

	Page
1. Reporting entity	8
2. Basis of preparation	8
3. Significant accounting policies	9
4. Operating activities	10
5. Revenue	10
6. Administration expenses	10
7. Operating expenses	11
8. Direct costs	11
9. Cash and cash equivalents	11
10. Accrued revenue	11
11. Accrued expenditure	11
12. Contingent liabilities	12
13. Operating expense commitments	12
14. Operating lease commitments	12
15. Related parties	12
16. Subsequent events	13
17. Reconciliation of net cash flows from operating activities to surplus/(deficit)	13
18. Intangible assets	13
19. Property, plant and equipment	13
20. Equity	14
21. Provision for conditional donation	14
22. COVID - 19	14



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

## Notes to the financial statements

### Note 1 Reporting entity

The Christchurch Foundation (the "Foundation") is a legal form of public benefit (not-for profit) entity, domiciled in New Zealand and registered under the Charities Act 2005. The financial statements have been prepared in accordance with the requirements of that Act.

For the purposes of financial reporting, the Foundation is a public benefit entity (not-for-profit).

The Foundation's main operation is to raise and receive money to be applied for exclusively charitable purposes that benefit the Christchurch community.

### Note 2 Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with and comply with New Zealand Generally Accepted Accounting practice ("NZ GAAP"). They comply with Tier 2 PBE Accounting Standards – Reduced Disclosure Regime (Not-For-Profit). The Foundation qualifies to report under Tier 2 as it has no public accountability and for the two most recent reporting periods has had less than \$30 million operating expenditure.

The financial statements were authorised for issue by the Trustees on 16 December 2020.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared on an accrual basis.

#### (c) Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the functional and reporting currency of the Foundation and all values are rounded to the nearest dollar except where indicated otherwise.

### Note 3 Significant accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June 2020.

#### (a) Revenue from exchange transactions

##### Interest income

Interest income is earned for the use of cash and cash equivalents or any amounts due to the Foundation.

Interest income is recognised in the statement of comprehensive revenue and expense as it is earned. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

##### Corporate events/Workshop

Revenue from services is recognised in the accounting period in which services is rendered, by reference to completion of the specific transaction.

#### (b) Revenue from non-exchange transactions

Non-exchange transactions are those where the Foundation receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Foundation will receive an inflow of economic benefits or service potential; and
- The fair value of can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.





Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

**Note 3 Significant accounting policies (continued)**

**(b) Revenue from non-exchange transactions (continued)**

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

The following are the specific recognition criteria in relation to the Foundation's non-exchange transactions.

*Gifts, donations and bequests*

Gifts, donations and bequests are voluntary transfers of assets including cash or other monetary assets and goods in-kind that the Foundation receives which are free from stipulations.

Gifts, donations and bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably. For gifts and donations this is usually upon receipt of the gift or donation. However for bequests, a period of time may elapse between the death of the testator and the entity receiving any assets – in which case the entity makes an assessment of whether the deceased person's estate is sufficient to meet all claims on it and satisfy all bequests. If the will is disputed, this is taken into account in determining the probability of assets flowing to the entity. Gifts, donations and bequests are recognised as revenue at their fair value at the date of recognition.

*Sponsorship*

Sponsorship income is recognised in the period the sponsorship is stipulated for.

**(c) Property, plant & equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Computer Equipment: 50% - 67%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

**(d) Taxes**

The Foundation is a registered charitable organisation and is therefore exempt from income tax.

**(e) Intangibles**

All intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**(f) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive revenue or expense on a straight line basis over the lease term.

**(g) Goods and services tax**

The Foundation became GST registered on 1 October 2018. All amounts shown in the 2020 financial year are shown as exclusive of GST.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**(i) Short and long-term employee benefits**

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service.



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

**Note 4 Operating activities**

Operating activities include all revenue and expenditure directly attributable to the day to day management and operation of the Christchurch Foundation including the administration of the charitable funds.

For the purposes of the reconciliation of results from operating activities to the surplus/ (deficit) for the period, non-operating activities include all other revenue and expenditure including pass through, endowments and events/projects run through the administration fund that are not directly attributable to the day to day management and operation of the Christchurch Foundation.

**Note 5 Revenue from exchange transactions**

	2020 \$	2019 \$
Consultant support - reimbursement	-	-
Corporate events	3,600	1,460
Interest received	77,833	24,305
Projects	90,237	-
Workshop income	-	1,100
	<b>171,670</b>	<b>26,865</b>

**Revenue from non-exchange transactions**

	2020 \$	2019 \$
Donations	4,368,697	7,446,533
Operational Grants (CCC)	600,000	600,000
Grants	190,240	-
Goods in-kind	-	1,926
Sponsorship (corporate gifting)	365,000	341,592
Endowments	8,372	18,715
	<b>5,532,309</b>	<b>8,408,766</b>

**Services in-kind**

Perception PR & Marketing Limited provided \$24,538 of pro bono marketing services in the current year. (2019: Pro bono up to a value of \$50,000)

KPMG provided \$123,000 of accounting services for \$62,000 in the current year. (2019: Pro bono up to a value of \$40,000)

PwC provided \$15,000 of pro bono statutory audit services for \$7,500 in the current year. (2019: Pro bono up to a value of \$15,000)

Brannigans provided no pro bono support or advisory services in the current year. (2019: Pro bono up to a value of \$50,000)

Services in-kind are not included in revenues as there is no enduring asset created from the receipt as the benefit is consumed immediately on receipt.

**Note 6 Administration expenses**

	Note	2020 \$	2019 \$
ACC levies		571	352
Accounting		50,556	21,480
Audit fees		7,500	-
Bank fees		948	5,269
Computer expenses		224	48,745
Amortisation	18	21,989	8,796
Depreciation	19	2,284	4,368
General expenses		280	1,200
Insurance		3,323	1,771
Interest		108	111
Legal expenses		37,544	43,542
Loss on disposal		-	430
Penalties		16	15
Customs and freight		48	-
Stationery & office expenses		1,859	858
Salaries		430,546	344,409
Admin - Our people, our city.		74,408	-
Subscriptions		13,245	1,066
Telephone & internet		2,912	1,729
		<b>648,362</b>	<b>484,141</b>



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

Note 7 Operating expenses

	2020	2019
	\$	\$
Advertising	19,957	1,565
Commission	251	442
Conferences	580	550
Contractors	563	-
Consultant support	(458)	40,942
Eftpos machine rental	-	591
Entertainment	7,707	10,959
Marketing	22,720	33,191
Motor vehicle	6,125	6,000
Recruitment fees	-	32,068
Rental expenses	24,626	15,417
Stipend	-	-
Travel	16,570	23,340
Website fees	7,058	315
	<b>105,699</b>	<b>165,380</b>

Note 8 Direct costs

	2020	2019
	\$	\$
Thinker In Residence Expenses	19,832	23,056
Vital Signs Research Project Expenses	80,330	-
Diaspora programme	10,223	-
Distributions	10,298,818	-
	<b>10,409,203</b>	<b>23,056</b>

Note 9 Cash and cash equivalents

	2020	2019
	\$	\$
ANZ - 00 account	15,609	2,207
ANZ - 01 account	345,226	6,002,984
ANZ - 02 account	1,627,246	-
TSB - 00 account	302,606	296,917
TSB - 80 account	387,434	2,279,868
TSB - Society cheque	-	810,542
Petty cash	10	10
Balance as at 30 June 2020	<b>2,678,131</b>	<b>9,392,528</b>

Note 10 Accrued revenue

	2020	2019
	\$	\$
Interest	11	159
Christchurch City Council donation for the last quarter of the year	-	150,000
Website donations	-	17,599
Balance as at 30 June 2020	<b>11</b>	<b>167,758</b>

Note 11 Accrued expenditure

	2020	2019
	\$	\$
Legal fees	-	19,058
Project costs	25,421	-
Bonuses	32,584	32,584
Accounting fee	5,500	8,250
Audit fee	7,500	-
Holiday pay	18,937	17,942
Accrued salary	6,672	8,435
Admin - Our people, our city.	6,000	-
Telephone & Internet	379	-
Balance as at 30 June 2020	<b>102,992</b>	<b>86,269</b>



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

**Note 12 Contingent liabilities**

There are no contingent liabilities at year end (2019: \$Nil)

**Note 13 Operating expense commitments**

In the 2019 financial year the Foundation, in conjunction with the Rata Foundation and Maia Foundation, had commissioned the Vital Signs research from Research First. An additional anonymous donation totalling \$50,736, was received in October 2019, specifically intended to be used for the Vital Signs Project. As at 30 June 2020, \$30,421 has been spent and the remaining balance of \$20,315 is expected to be expensed in the 2021 financial year.

**Note 14 Operating lease commitments**

The Foundation leases part of Level 3, 101 Cashel Street, Christchurch from Christchurch NZ. The lease was signed on 17 January 2018 with no end date. The lease is currently \$2,000 per month and can be terminated with one month's notice.  
(2019: \$1,500 per month)

**Note 15 Related parties**

**Key management personnel**

The senior management group consists of the CEO. The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration in this category are:

	2020	2019
	\$	\$
Total remuneration	221,192	214,078
Number of persons	1	1

In the 2020 financial year the Chief Executive Officer (CEO) received an annual bonus, as stipulated in the employment agreement, which was resolved by the Trustees. 2019 bonus approved but not paid at year end: \$32,584.)

**Related party transactions**

During the year the Foundation incurred the following income and expense from Perception PR and Marketing Limited.

For services received in kind refer to note 5.

Amy Carter (CEO) is a Director and Shareholder of Perception PR and Marketing Limited.

	2020	2019
	\$	\$
<b>Income</b>		
Workshop	-	300
<b>Balance as at 30 June 2020</b>	-	300
<b>Expense</b>		
Rent (car park)	-	2,967
<b>Balance as at 30 June 2020</b>	-	2,967

During the year the Foundation incurred the following income from Brannigans Consulting Limited.

Amy Carter's (CEO) spouse is a partner at Brannigans Consulting Limited.

	2020	2019
	\$	\$
<b>Income</b>		
Sponsorship	16,250	-
Donation	4,461	-
Corporate Events	200	-
Stationery	248	-
<b>Balance as at 30 June 2020</b>	21,159	-

During the year the Foundation incurred the following expenses from Simpson Grierson.

Hugh Lindo (Trustee) is a partner of Simpson Grierson.

	2020	2019
	\$	\$
<b>Legal expenses</b>	33,885	43,542
	33,885	43,542



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

**Note 16 Subsequent events**

There were no subsequent events to balance date when the financial statements were signed.

**Note 17 Reconciliation of net cash flows from operating activities to surplus/(deficit)**

	2020	2019
	\$	\$
Surplus/(deficit) for the year	(5,459,285)	7,763,054
<b>Non-cash movements</b>		
Amortisation	21,989	8,796
Depreciation	2,284	4,368
Loss on disposals	-	429
Non-cash donations (goods in-kind)	-	(1,926)
Non-cash expenses	-	-
<b>Add/(deduct) movements in working capital</b>		
Increase/(decrease) in payables	(1,460,043)	1,699,913
Increase/(decrease) in GST payment	(2,815)	(7,620)
(Increase)/decrease in receivables	183,473	(164,780)
Investment income	(77,822)	(24,257)
<b>Net cash flows from operating activities</b>	<b>(6,792,219)</b>	<b>9,277,977</b>

**Note 18 Intangible assets**

	2020	2019
	\$	\$
Opening book value	43,979	13,972
Additions	-	38,803
Current year amortisation	(21,989)	(8,796)
<b>Balance as at 30 June 2020</b>	<b>21,989</b>	<b>43,979</b>

The Foundation developed and completed a website in 2019. The website provides access for the public to make electronic donations to the Foundation and therefore generates economic benefits.

**Note 19 Property, plant and equipment**

2020	Cost	Depn charge	Acc depn	Carrying value
	\$	\$	\$	\$
Computer equipment	11,715	2,284	9,753	1,962
<b>Balance as at 30 June 2020</b>	<b>11,715</b>	<b>2,284</b>	<b>9,753</b>	<b>1,962</b>

2019	Cost	Depn charge	Acc depn	Carrying value
	\$	\$	\$	\$
Computer equipment	11,715	4,368	7,469	4,246
<b>Balance as at 30 June 2019</b>	<b>11,715</b>	<b>4,368</b>	<b>7,469</b>	<b>4,246</b>

**Reconciliation of property, plant and equipment movement**

2020	Opening book value	Purchase	Depn charge	Loss on sale of disposed assets	Closing book value
	\$	\$	\$	\$	\$
Computer equipment	4,246	-	2,284	-	1,962
<b>Balance as at 30 June 2020</b>	<b>4,246</b>	<b>-</b>	<b>2,284</b>	<b>-</b>	<b>1,962</b>

2019	Opening book value	Purchase	Depn charge	Loss on sale of disposed assets	Closing book value
	\$	\$	\$	\$	\$
Computer equipment	6,207	2,836	4,368	429	4,246
<b>Balance as at 30 June 2019</b>	<b>6,207</b>	<b>2,836</b>	<b>4,368</b>	<b>429</b>	<b>4,246</b>



Annual Report  
June 2020



The Christchurch Foundation  
Financial Statements for the year ending 30 June 2020

Note 20 Equity

<b>2020</b>	
<b>Opening Balance</b>	\$ 7,891,452
<b>Current year movement:</b>	
Administration funds	(11,734)
Endowment funds	4,164
Pass through funds	(5,451,715)
<b>Balance as at 30 June 2020</b>	<b>2,432,167</b>
<b>2019</b>	
<b>Opening Balance</b>	\$ 128,398
<b>Prior year movement</b>	
Administration funds	117,874
Endowment funds	18,874
Pass through funds	7,626,306
<b>Balance as at 30 June 2019</b>	<b>7,891,452</b>

Pursuant to a directive from the Community Foundations of New Zealand, the Foundation has established the following reserves during the current year:

Administration funds (accumulated surplus)

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

Endowment funds

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

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.

Note 21 Provision for conditional donation

In the year ending 30 June 2020 the Foundation received a conditional donation of \$50,000. The Foundation utilised \$19,250 of this donation for the specified purpose by 30 June 2020 and the remaining \$30,750 has been recognised as a liability at year end. (2019: 1,533,835.)

Note 22 COVID-19

On 11 March 2020, the World Health Organisation (WHO) declared the outbreak of COVID-19 a pandemic. For the Foundation this has resulted in temporary deferral and cancellation of public events during Alert Level 3 and 4 periods, but the Foundation has been able to carry on its operations as usual without any further disruptions.



Annual Report  
June 2020



## Independent auditor's report

To the Trustees of The Christchurch Foundation

We have audited the financial statements which comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### Our opinion

In our opinion, the accompanying financial statements of The Christchurch Foundation (the Foundation) present fairly, in all material respects, the financial position of the Group as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Foundation in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Foundation.

### Information other than the financial statements and auditor's report

The Trustees are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not, and will not, express any form of assurance conclusion on other information.

In connection with our audit of the financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the [consolidated] financial statements 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 that we obtained prior to the date of our 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.

PricewaterhouseCoopers  
PwC Centre, 60 Cashel Street, Christchurch Central, PO Box 13244, City East, Christchurch 8141, New Zealand  
T: +64 3 374 3000, F: +64 3 374 3001, pwc.co.nz



Annual Report  
June 2020



#### *Responsibilities of the Trustees for the financial statements*

The Trustees are responsible, on behalf of the Foundation, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible 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 have no realistic alternative but to do so.

#### *Auditor's responsibilities for the audit of the financial statements*

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

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

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our auditor's report.

#### *Who we report to*

This report is made solely to the 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 Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Robert Harris.

For and on behalf of:

PricewaterhouseCoopers  
Chartered Accountants  
16 December 2020

Christchurch

PwC







# Quarterly Report

Christchurch Foundation  
For the 3 months ended 31 December 2020

Prepared by KPMG Christchurch



## Contents

3	Compilation Report
4	Statement of Financial Performance - Consolidated
6	Statement of Financial Position - Consolidated
8	Statement of Cash Flows - Consolidated
9	Statement of Financial Performance - Operations



## Compilation Report

### Christchurch Foundation For the 3 months ended 31 December 2020

#### Scope

We have prepared the quarterly report for the period ended 31 December 2020 based on information provided by you and in accordance with our engagement letter dated 13 September 2017.

#### Responsibilities

The quarterly report has been prepared based on information provided by the CEO and the Foundation. The CEO and the Foundation are solely responsible for the information upon which the quarterly report is based.

#### Disclaimer of liability

We have compiled the quarterly report in accordance with the limited procedures agreed in our letter of engagement dated 13 September 2017.

As part of our engagement, the CEO and the Foundation has provided records, information, documents and explanations on which we have relied. Our procedures do not involve verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. We do not accept any responsibility for the accuracy and completeness of the accounting records and other information the CEO and the Foundation have supplied to us or for the reliability, accuracy and completeness of the financial information compiled on the basis of those records and information. We also do not accept any responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies within your organisation. In addition, the CEO and the Foundation are solely responsible to users of the financial information we compile.

KPMG Christchurch  
Dated: 27 January 2021



## Statement of Financial Performance - Consolidated

Christchurch Foundation  
For the 3 months ended 31 December 2020

	OCT-DEC 2020	JUL-SEP 2020	YTD	YTD BUDGET
<b>Revenue</b>				
Donations	2,306,837	69,301	2,376,137	50,000
Grants	135,000	220,198	355,198	270,000
Sponsorship	470,000	86,158	556,158	505,000
Endowments	-	1,000	1,000	-
Endowment Establishment Gift	-	1,000	1,000	5,000
<b>Events</b>				
Alexandra Shackleton Event	12,152	-	12,152	-
Women's Fund High Tea	-	5,217	5,217	-
<b>Total Events</b>	<b>12,152</b>	<b>5,217</b>	<b>17,369</b>	<b>-</b>
Te Ahu Patiki Administration Fees	1,037	-	1,037	-
<b>Total Revenue</b>	<b>2,925,026</b>	<b>382,874</b>	<b>3,307,899</b>	<b>830,000</b>
<b>Less Distributions</b>				
Distributions	2,662,429	173,650	2,836,079	329,753
<b>Total Distributions</b>	<b>2,662,429</b>	<b>173,650</b>	<b>2,836,079</b>	<b>329,753</b>
<b>Gross Surplus (Deficit)</b>	<b>262,596</b>	<b>209,224</b>	<b>471,820</b>	<b>500,247</b>
<b>Expenses</b>				
Accounting / Finance	11,252	10,002	21,254	20,000
Administration Expenses - Our People, Our City	14,347	23,840	38,187	36,000
Administration Expenses - Sports Inclusivity	1	7	8	-
Administration Expenses - Te Ahu Patiki	695	-	695	-
Conferences	325	-	325	1,250
Consultant Support	5,000	5,760	10,760	5,000
Contractors	-	-	-	100,000
Depreciation / Amortisation	3,007	3,007	6,014	7,015
Entertainment	881	3,131	4,013	2,500
Events	11,107	5,171	16,278	10,750
Fund Manager	-	-	-	2,500
General	2,244	933	3,176	3,237
Insurance	894	883	1,777	1,750
Legal Expenses	-	5,788	5,788	10,000
Marketing / Advertising	1,550	8,470	10,020	30,000
Motor Vehicle	-	50	50	-
Phone / Computer / Software	9,200	4,923	14,123	12,700
Rent	5,410	5,410	10,820	10,818
Salaries	89,712	107,202	196,914	195,330
Travel	1,909	1,015	2,924	7,050
UK Establishment Costs	11,660	-	11,660	-

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Performance - Consolidated



	OCT-DEC 2020	JUL-SEP 2020	YTD	YTD BUDGET
US Establishment Costs	577	-	577	-
Vital Signs Research Project Expenses	-	9,079	9,079	-
<b>Total Expenses</b>	<b>169,770</b>	<b>194,673</b>	<b>364,442</b>	<b>455,900</b>
<b>Other Income</b>				
Interest Income	5,393	4,090	9,482	7,202
<b>Total Other Income</b>	<b>5,393</b>	<b>4,090</b>	<b>9,482</b>	<b>7,202</b>
<b>Net Surplus (Deficit)</b>	<b>98,219</b>	<b>18,641</b>	<b>116,860</b>	<b>51,549</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.





## Statement of Financial Position - Consolidated

Christchurch Foundation  
As at 31 December 2020

	31 DEC 2020	30 SEP 2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Bank	2,292,683	4,568,458
Accounts Receivable	294,400	2,150
Accrued Revenue	45	27
Prepayments	9,940	13,528
Other Current Assets	4,032	4,032
<b>Total Current Assets</b>	<b>2,601,101</b>	<b>4,588,195</b>
<b>Non-Current Assets</b>		
Fixed Assets	1,445	1,703
Website	16,492	19,241
<b>Total Non-Current Assets</b>	<b>17,937</b>	<b>20,944</b>
<b>Total Assets</b>	<b>2,619,038</b>	<b>4,609,139</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	36,952	41,124
Accrued Expenditure	26,351	34,144
GST Payable	6,708	8,279
Income in Advance	-	9,083
Provisions	-	2,065,702
<b>Total Current Liabilities</b>	<b>70,011</b>	<b>2,158,332</b>
<b>Total Liabilities</b>	<b>70,011</b>	<b>2,158,332</b>
<b>Net Assets</b>	<b>2,549,027</b>	<b>2,450,808</b>
<b>Equity</b>		
<b>Administration Funds</b>		
Administration Funds	333,280	252,613
<b>Total Administration Funds</b>	<b>333,280</b>	<b>252,613</b>
<b>Endowment Funds</b>		
Rainbow Fund	16,183	16,158
Women's Fund	3,200	3,313
<b>Total Endowment Funds</b>	<b>19,383</b>	<b>19,471</b>
<b>Pass Through Funds</b>		
Alexandra Shackleton	795	-
Earthquake Memorial	77,073	77,073
General	23,500	-
OPOC Education Fund	1,676,180	1,668,391
OPOC Victims Fund	131,852	183,828
Sports Inclusivity Fund	213,706	218,318

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position - Consolidated



	31 DEC 2020	30 SEP 2020
Turanga	31,113	31,113
Te Ahu Patiki	42,145	-
<b>Total Pass Through Funds</b>	<b>2,196,363</b>	<b>2,178,723</b>
<b>Total Equity</b>	<b>2,549,027</b>	<b>2,450,808</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



## Statement of Cash Flows - Consolidated

Christchurch Foundation  
For the 3 months ended 31 December 2020

	OCT-DEC 2020	JUL-SEP 2020	YTD
<b>Cash Flows from Operating Activities</b>			
Cash receipts	642,225	2,351,877	2,994,102
Payments to suppliers and employees	(180,645)	(304,996)	(485,641)
GST	(29,097)	16,985	(12,111)
Cash flows from other operating activities	(2,713,633)	(177,487)	(2,891,120)
<b>Total Cash Flows from Operating Activities</b>	<b>(2,281,150)</b>	<b>1,886,379</b>	<b>(394,770)</b>
<b>Cash Flows from Investing Activities</b>			
Interest, dividends and other investment receipts	5,375	4,073	9,448
<b>Total Cash Flows from Investing Activities</b>	<b>5,375</b>	<b>4,073</b>	<b>9,448</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(2,275,775)</b>	<b>1,890,453</b>	<b>(385,322)</b>
<b>Bank Accounts and Cash</b>			
Opening cash	4,568,458	2,678,005	2,678,005
Closing cash	2,292,683	4,568,458	2,292,683
<b>Net change in cash for period</b>	<b>(2,275,775)</b>	<b>1,890,453</b>	<b>(385,322)</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



## Statement of Financial Performance - Operations

### Christchurch Foundation For the 3 months ended 31 December 2020

	OCT-DEC 2020	JUL-SEP 2020	YTD	YTD BUDGET
<b>Revenues</b>				
Donations	4,674	-	4,674	50,000
Sponsorship	100,000	55,045	155,045	505,000
Endowment Establishment Gift	-	1,000	1,000	5,000
Grants	135,000	144,760	279,760	270,000
Te Ahu Patiki Administration Fees	1,037	-	1,037	-
<b>Total Revenues</b>	<b>240,711</b>	<b>200,805</b>	<b>441,516</b>	<b>830,000</b>
<b>Less Distributions</b>				
Distributions	4,674	1,500	6,174	329,753
<b>Total Distributions</b>	<b>4,674</b>	<b>1,500</b>	<b>6,174</b>	<b>329,753</b>
<b>Gross Surplus</b>	<b>236,037</b>	<b>199,305</b>	<b>435,342</b>	<b>500,247</b>
<b>Expenses</b>				
Accounting / Finance	11,252	10,002	21,254	20,000
Administration Expenses - Our People, Our City	14,347	23,840	38,187	36,000
Administration Expenses - Sports Inclusivity	1	7	8	-
Administration Expenses - Te Ahu Patiki	211	-	211	-
Conferences	325	-	325	1,250
Consultant Support	-	760	760	5,000
Contractors	-	-	-	100,000
Depreciation / Amortisation	3,007	3,007	6,014	7,015
Entertainment	881	3,131	4,013	2,500
Events	245	790	1,035	10,750
Fund Manager	-	-	-	2,500
General	1,742	745	2,487	3,237
Insurance	894	883	1,777	1,750
Legal Expenses	-	5,788	5,788	10,000
Marketing / Advertising	1,406	8,470	9,876	30,000
Motor Vehicle	-	50	50	-
Phone / Computer / Software	9,200	4,923	14,123	12,700
Rent	5,410	5,410	10,820	10,818
Salaries	89,712	107,202	196,914	195,330
Travel	1,909	1,015	2,924	7,050
UK Establishment Costs	11,660	-	11,660	-
US Establishment Costs	577	-	577	-
Vital Signs Research Project Expenses	-	9,079	9,079	-
<b>Total Expenses</b>	<b>152,778</b>	<b>185,104</b>	<b>337,882</b>	<b>455,900</b>
<b>Other Income</b>				
Interest Income	1,357	397	1,754	7,202
<b>Total Other Income</b>	<b>1,357</b>	<b>397</b>	<b>1,754</b>	<b>7,202</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Performance - Operations



	OCT-DEC 2020	JUL-SEP 2020	YTD	YTD BUDGET
Net Surplus (Deficit)	84,616	14,598	99,214	51,549

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

