

**TAHUA TAUPUA
MAYOR'S WELFARE FUND CHARITABLE TRUST**

**ANNUAL
REPORT
2021-22**

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Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 | 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Operating Revenue | 484,030 | 438,689 |
| Interest received | 6,650 | 4,749 |
| Payments to suppliers | <u>(379,723)</u> | <u>(371,128)</u> |
| Net cash inflow/(outflow) from operating activities | 8 <u>110,957</u> | <u>72,310</u> |
| Cash flows from investing activities | | |
| Purchase of Investments | <u>(4,865)</u> | <u>(4,039)</u> |
| Net cash inflow/ (outflow) from investing activities | <u>(4,865)</u> | <u>(4,039)</u> |
| Net cash inflow/ (outflow) from financing activities | <u>-</u> | <u>-</u> |
| Net inflow/ (outflow) of cash | 106,092 | 68,271 |
| Cash and cash equivalents at the beginning of the period | 508,003 | 439,732 |
| Represented by: | | |
| Cash and cash equivalents at the end of the period | 3 <u>614,095</u> | <u>508,003</u> |

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|----------------|----------------|
| Revenue | 1 | 490,680 | 443,437 |
| Expenses | 2 | 379,723 | 327,533 |
| Net Surplus/(deficit) | | <u>110,957</u> | <u>115,904</u> |
| Other comprehensive income | | - | - |
| Total comprehensive revenue and expense | | <u>110,957</u> | <u>115,904</u> |

Statement of changes in net assets/equity

FOR THE YEAR ENDED 30 JUNE 2022

| | Reserve Funds \$ |
|---|------------------------|
| Balance at 1 July 2020 | 1,084,824 |
| Total comprehensive revenue and expense | <u>115,904</u> |
| Balance at 30 June 2021 | <u>1,200,728</u> |
| Total comprehensive revenue and expense | <u>110,957</u> |
| Balance at 30 June 2022 | <u>1,311,685</u> |

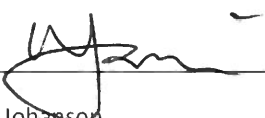
The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of financial position

AS AT 30 JUNE 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 3 | 614,095 | 508,003 |
| Investment with CCC | | 697,590 | 692,725 |
| Total current assets | | 1,311,685 | 1,200,728 |
| Current liabilities | | | |
| Christchurch Activation Fund | | - | - |
| Total current liabilities | | - | - |
| Net assets | | 1,311,685 | 1,200,728 |
| Equity | | | |
| Accumulated comprehensive revenue and expense | 4 | 1,311,685 | 1,200,728 |
| Total equity | | 1,311,685 | 1,200,728 |

The accompanying notes form part of and are to be read in conjunction with these financial statements.



Yani Johanson
Chairperson
Mayor's Welfare Fund Committee
(on behalf of Christchurch City Council)

31 / 07 / 2023

Date



Lexie Reuben
Team Leader Community Funding
Mayor's Welfare Fund

31 / 07 / 2023

Date

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2022

1. REVENUE

| | 2022 | 2021 |
|----------------------|----------------|----------------|
| | \$ | \$ |
| Interest | 6,650 | 4,749 |
| Grants and donations | 484,030 | 438,689 |
| Total revenue | 490,680 | 443,437 |

Anonymous Donation is nil (2021: \$2,000)

Revenue from Mercury Sales nil(2021: \$5,000)

Community Activation Fund Grant nil (2021;\$23,410)

The interest of \$6,650 (2021: 4,749) was received from the Council and the Trust's bank accounts.

Grants of \$140,000 (2021: \$140,000) were received from the Council.

Donations of \$193,400 (2021: \$183,730) were received from Christchurch City Holdings Ltd ("CCHL").

Donations of \$72,000 (2021: \$63,000) were received from Christchurch NZ Ltd.

Councillor Yani Johanson donated his director fees of \$12,062 (2021:\$10,534) from Ōtautahi Community Housing Trust to the Mayor's Welfare Fund (MWF).

Councillor Phil Mauer donated his director fees of \$36,976 (2021: \$10,534) from Ōtautahi Community Housing Trust and \$26,204 (2021: NIL) from Transwaste to MWF.

Councillor Melanie Coker donated her director fees of of \$3,288 (2021: NIL) from Christchurch PHO to MWF.

The Trust was set up to provide relief. All revenue received apart from bank interest was to pay grants.

2. EXPENSES

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Electricity | 157,483 | 121,707 |
| Rent & rates | 42,267 | 36,762 |
| Furniture | 400 | 2,389 |
| Telephone | 4,072 | 2,593 |
| Child care subsidy & child enrichment | 35,901 | 42,960 |
| Medical | 14,204 | 19,494 |
| Bank Fee | 6 | 6 |
| Firewood | 69,376 | 25,885 |
| Clothing | - | 300 |
| Funerals | 6,485 | 6,300 |
| Making it Happen | 40,000 | 35,000 |
| Sundry | 9,479 | 10,677 |
| Other fees | 51 | 51 |
| MWF Grants | <u>379,723</u> | <u>304,124</u> |
| Christchurch Activation Fund | - | 23,410 |
| Total expenses | <u>379,723</u> | <u>327,534</u> |

During the financial year, total grants issued increased by \$76,000 due to increased expenditure by applicants impacted by COVID-19 and increased cost of living. This is also as a result of initiating a process change that allowed to fast track the processing of these applications and free up more appointments.

The Christchurch Community Activation Fund, a joint initiative by MSD, OEC, and CCC, provided \$200,000 to support events/projects fostering social connection after the 15 March attacks. Operated by the Mayor's Welfare Fund, it closed in April 2021 with \$23,410.00 remaining, recognized as revenue by Christchurch City Council in FY2021. In April 2021, the Christchurch Activation Fund was disestablished.

3. CASH AND CASH EQUIVALENTS

| | 2022 \$ | 2021 \$ |
|--------------------------|----------------|----------------|
| BNZ Mayors Welfare Trust | 395,496 | 291,190 |
| BNZ Mayors Welfare Call | 218,599 | 216,813 |
| BNZ Chch Activation Fund | - | - |
| | <u>614,095</u> | <u>508,003</u> |

4. MOVEMENT IN RESERVE FUNDS

| | MWF \$ | Other Fund \$ | Total Reserves \$ |
|--------------------------------|------------------|------------------|-------------------------|
| Opening balance 1 July 2020 | 1,084,824 | - | 1,084,824 |
| Receipts/Donations | 443,437 | - | 443,437 |
| Trust Expenses & Distributions | (327,533) | - | (327,533) |
| Transfer | - | - | - |
| Closing balance 30 June 2021 | 1,200,728 | - | 1,200,728 |
| Receipts/Donations | 490,680 | - | 490,680 |
| Trust Expenses & Distributions | (379,723) | - | (379,723) |
| Closing balance 30 June 2022 | <u>1,311,685</u> | - | <u>1,311,685</u> |

5. RELATED PARTIES

The Council is the ultimate controlling party of the Trust, and provides administrative services to the Trust at no cost to the Trust.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Grants of \$140,000 (2021: \$140,000) were received from the Council.

Donations of \$193,400 (2021: \$183,730) were received from Christchurch City Holdings Ltd ("CCHL").

Donations of \$72,000 (2021: \$63,000) were received from Christchurch NZ Ltd.

Councillor Yani Johanson donated his director fees of \$12,062 (2021:\$10,534) from Ōtautahi Community Housing Trust to the Mayor's Welfare Fund (MWF).

Councillor Phil Mauger donated his director fees of \$36,976 (2021: \$10,534) from Ōtautahi Community Housing Trust and \$26,204 (2021: NIL) from Transwaste to MWF.

Councillor Melanie Coker donated her director fees of \$3,288 (2021: NIL) from Christchurch PHO to MWF.

The Council will pay the annual audit fee on behalf of the Trust once the Audit has been completed, \$8,844 (2021: \$5,881). The audit fee is not included within these financial statements.

6. COMMITMENTS

As at 30 June 2022 the balance is Nil (2021: nil).

7. CONTINGENCIES

There are no contingent liabilities or assets (2021: nil).

8. NOTES TO THE CASH FLOW STATEMENT

| | 2022 | 2021 |
|---|----------------|---------------|
| | \$ | \$ |
| Reconciliation of surplus for the period to net cash flows from operating activities | | |
| Net surplus/deficit for the period | 110,957 | 115,903 |
| Changes in net assets and liabilities | | |
| (Increase) / decrease in receivables | - | - |
| Increase / (decrease) in payables | - | (43,593) |
| Net changes in net assets and liabilities | - | (43,593) |
| Net cash from operating activities | <u>110,957</u> | <u>72,310</u> |

9. FINANCIAL INSTRUMENTS

Financial instruments include bank deposits (see Note 3), and short-term deposits. The investment carries an average interest rate of 0.70% (2021: 0.55%).

Risk

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimize exposure from its treasury activities.

Interest rate risk

The Trust is exposed to interest rate risk on funds invested at both fixed and floating interest rates. The risk is managed by restricting investments to investment grade quality, pursuant to the Council's investment policy.

Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations to the Trust, causing the Trust to incur loss. Financial instruments which potentially subject the Trust to credit risk consist principally of cash and short-term investments, and accounts receivable.

The Trust places its cash and short-term investments with banking institutions that have a strong credit rating. Therefore are considered to be low credit risk investments.

10. SUBSEQUENT EVENTS

The Mayor's Welfare Fund (MWF) has been receiving an annual grant from the Strengthening Community Fund, provided by the Christchurch City Council (CCC). However, the recent three-year funding agreement has come to an end. Currently, MWF is actively engaged in the process of securing another three-year funding commitment from CCC through this fund. The final decision regarding the grant approval will be made in August 2023.

11. REPORTING DEADLINE BREACHED

The Mayor's Welfare Fund Trust was required under section 41 of the Charities Act 2005 to submit its annual return information by 31 December 2022. This timeframe was not met.

Statement of Accounting Policies

REPORTING ENTITY

These are the financial statements of the Mayor's Welfare Fund Charitable Trust (the Trust), a Charitable Trust created by the Christchurch City Council (the Council) in 1992.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The financial statements of the Trust are for the year ended 30 June 2022. The financial statements were approved for issue by the Board of Trustees on

BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements for the year ended 30 June 2022 have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- the Trust is not publicly accountable; and
- the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements presented are in New Zealand dollars. The functional currency of the Trust

is New Zealand dollars (NZ\$). All figures are rounded to the nearest dollar.

REVENUE

Grants/contributions/donations

Grants/contributions/donations received from the Council and other appointer organizations are the primary source of funding to the Trust and are restricted for the purpose of the Trust meeting its objectives as specified in the Trust Deed. These receipts are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the payment are not met. If there is such an obligation, the receipts are initially recorded as income received in advance, and recognised as revenue when conditions are satisfied.

Other revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

EXPENDITURE

Expenses are recognised as they are incurred.

GRANT POLICY

Grants are recognised as an expense when approved.

INVESTMENTS

Investments are initially measured at fair value plus transaction costs.

After initial recognition, investments are classified as loans and receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and other short-term highly liquid investments with maturities of three months or less.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit loss (ECL) over the life of the asset. The ECL is based on its historical credit loss experience adjusted for forward looking factors specific to debtors and the economic environment.

CREDITORS AND OTHER PAYABLES

Short - term creditors and other short term payables are recorded at their fair value.

GOODS AND SERVICES TAX

The Trust is not registered for GST. The financial statements are prepared inclusive of GST.

Where GST is not recoverable as an input tax it is Recognised as part of the related asset and expense.

INCOME TAX

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following new standard has been issued but not yet effective as at 30 June 2022. Mayor's Welfare

Fund Charitable trust has not early adopted this standard.

PBE FRS 48 Service Performance Reporting

This standard establishes requirements to PBEs to select and present service performance information. This standard is effective from the year ending 30 June 2023, and does not have any material impact on the Trust. The Trust does not report against any performance measures.

Independent Auditor's Report

Independent Auditor's Report

To the readers of Mayor's Welfare Fund Charitable Trust's financial statements for the year ended ended 30 June 2022

The Auditor-General is the auditor of Mayor's Welfare Fund Charitable Trust (the Trust). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on his behalf.

Opinion

We have audited the financial statements of the Trust on pages 2 to 11, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust on pages 2 to 11:

- present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed late

Our audit was completed on 31 July 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they 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 on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to wind-up the Trust or to cease operations, or have no realistic alternative but to do so.

Responsibilities of the auditor 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners*, issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand