

Consolidated Performance Report

Community Housing Aotearoa Incorporated
For the period 1 July 2022 to 30 June 2023

Contents

3	Entity Information
5	Approval of Financial Report
6	Consolidated Statement of Service Performance Report
8	Consolidated Statement of Financial Performance
9	Consolidated Statement of Financial Position
10	Consolidated Statement of Cash Flows
11	Consolidated Statement of Accounting Policies
13	Consolidated Notes to the Performance Report
17	Independent Auditors Report

Entity Information

Community Housing Aotearoa Incorporated For the year ended 30 June 2023

Legal Name of Entity

Community Housing Aotearoa Incorporated (parent)

Entity Type and Legal Basis

CHA is registered under the Incorporated Societies Act 1908, is a public benefit entity, and is registered with Charities Services under the Charities Act 2005. CHA is the 100% shareholder of Community Housing Solutions Limited (CHS).

Incorporation Numbers

CHA

Incorporated Society # 1583033

Charity # CC36095

CHS

Company # 5766588

Entity's Purpose or Mission

CHA is the peak body for New Zealand's Community Housing sector.

Our vision is All New Zealanders well-housed, and our mission is to support the growth and development of community housing by providing sector leadership and building capacity.

CHS is a specialist housing consultancy which assists its charitable clients and local governments with a range of assignments in relation to social, affordable and community housing. CHS was formed by Community Housing Aotearoa (CHA) to separate its general member services from specialised consultancy services provided to members and other parties.

Entity Structure

CHA is governed by a nine - member Council, with five of the members elected from the membership at the AGM.

One member is appointed by Te Matapihi Mo Te Iwi Tirohanga Trust (the peak body for the Maori housing sector), and up to three members can be seconded by the Council based on a skills need assessment.

CHA is managed by a CEO, with 7 additional staff in offices in Wellington and Auckland.

Main Source of the Entity's Cash & Resources

CHA secures its funding through contracts with central and local government, membership fees, fee for service work with members, and philanthropic grants.

Main Methods Used by the Entity to Raise Funds

CHA secures its funding through contracts with central and local government, membership fees, fee for service work with members, and philanthropic grants.

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Entity's Reliance on Volunteers and Donated Goods or Services

Governance is through the Council which is comprised of volunteers; we receive occasional donated goods and services.

Additional Info

CHA Council

Cate Kearney (Co Chair)

Nic Greene (Co Chair)

Patrick Kay

Hope Simonsen

Lisa Woolley

Ali Hamlin-Paenga

Neil Porteous

Postal Address

PO Box 11543,

Manners St,

Wellington 6142

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Approval of Financial Report

Community Housing Aotearoa Incorporated For the year ended 30 June 2023

The Council is pleased to present the approved consolidated performance report including the historical financial statements of Community Housing Aotearoa Incorporated / Community Housing Solutions Ltd for the year ended 30 June 2023.

APPROVED



Cate Kearney

Co Chair - Community Housing Aotearoa Inc

Date **10 November 2023**



Nic Greene

Co Chair - Community Housing Aotearoa Inc

Director - Community Housing Solutions Ltd

Date **13 November 2023**

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Consolidated Statement of Service Performance Report

Community Housing Aotearoa Incorporated For the year ended 30 June 2023

Statement of Service Performance 2022-2023

Community Housing Aotearoa worked to implement and engage with the actions contained in its 2022-2023 Strategic Plan to see 'All New Zealanders well-housed'.

A responsive housing system

Meeting housing needs across the continuum and retaining investment to benefit communities across generations.

	2023	2022
Policy submissions	12	16
Local government members	4	4

Quality providers delivering better resident and community outcomes

Community housing providers are delivering quality services against benchmarked practice, working in partnership with residents to create sustainable, flourishing communities.

	2023	2022
Number of members	128	116
Membership renewal rate	92%	90%
Newsletters delivered	30	34
Newsletter subscribers	1523	1139
Training events	21	15
2023: Training events / 2022 Covid organisations participating	716	500+ Training 750+ Covid
2023: Training events / 2022 Covid participants	1,155	2,000+ Training 855+ Covid
Networks supported	9	7
Network members	176	159
Member Satisfaction % very and somewhat satisfied		96%

Increased supply of adequate homes

Increased rental and home ownership choices where housing costs are around 30% of household income and where community housing plays an important role in 'All New Zealanders well-housed'.

	2023	2022
New supply added	N/A	977
Overall units reported	N/A	17,559
Number of organisations reporting	N/A	64

CHA has decided to discontinue reporting on the growth of supply as it is not something which the entity directly controls.

Description of Entity's Outcomes

CHS engages with clients who are typically charities providing social and affordable homes or local governments seeking advice and support to enable delivery of social and affordable homes in their communities.

The outcome is that families experiencing homelessness and low income households will have greater opportunities to secure affordable homes from the work completed.

We achieve this through four outputs:

- 1) local housing needs assessments;
- 2) Housing Policy or strategy delivery;
- 3) assisting organisations to become registered with the Community Housing Regulatory Authority to access government funding, and
- 4) delivery of bespoke housing advice as needed.

Description and Quantification of the Entity's Outputs

	2023	2022
Local / regional Housing Needs Assessments delivered (# region/city)	0	2
Housing Policy or Strategy delivered (# Policy or strategy documents)	2	1
CHRA Registration advice delivered (# organisations)	8	5

Consolidated Statement of Financial Performance

Community Housing Aotearoa Incorporated
For the year ended 30 June 2023

Account	Notes	Group 2023	Parent 2023	Group 2022	Parent 2022
Revenue					
Donations, fundraising and other similar revenue	1	1,179,360	1,179,360	1,300,000	1,300,000
Fees, subscriptions and other revenue from members	1	88,000	88,000	77,006	77,006
Revenue from providing goods or services	1	130,482	115,538	108,508	116,925
Interest, dividends and other investment revenue	1	18,313	18,313	2,426	2,426
Other revenue	1	66,614	66,614	4,955	4,870
Total Revenue		1,482,769	1,467,825	1,492,894	1,501,226
Expenses					
Volunteer and employee related costs	2	1,037,705	1,037,705	958,498	958,475
Costs related to providing goods or service	2	401,078	393,365	263,998	244,683
Donations made		35	35	0	0
Other expenses	2	18,209	18,209	20,673	12,708
Total Expenses		1,457,027	1,449,314	1,243,169	1,215,867
Surplus/(Deficit) for the Year		25,742	18,511	249,725	285,360

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Consolidated Statement of Financial Position

Community Housing Aotearoa Incorporated As at 30 June 2023

Account	Notes	Group 30-Jun-23	Parent 30-Jun-23	Group 30-Jun-22	Parent 30-Jun-22
Assets					
Current Assets					
Bank accounts and cash	3	610,512	558,099	657,573	620,275
Debtors and prepayments	3	52,261	51,804	321,242	315,348
Other Current Assets	3	405,543	405,543	0	0
Total Current Assets		1,068,315	1,015,446	978,815	935,623
Non-Current Assets					
Property, Plant and Equipment	5	18,141	18,141	26,810	26,810
Other non-current assets	3	9,778	98,582	1,970	90,774
Total Non-Current Assets		27,919	116,723	28,780	117,584
Total Assets		1,096,234	1,132,168	1,007,595	1,053,207
Liabilities					
Current Liabilities	4	196,944	190,898	134,047	130,458
Total Liabilities		196,944	190,898	134,047	130,458
Total Assets less Total Liabilities (Net Assets)		899,290	941,270	873,548	922,750
Accumulated Funds					
Accumulated surpluses or (deficits)	6	899,290	941,270	873,548	922,750
Total Accumulated Funds		899,290	941,270	873,548	922,750

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Consolidated Statement of Cash Flows

Community Housing Aotearoa Incorporated
For the year ended 30 June 2023

GST Inclusive

Account	2023	2022
Cash Flows from Operating Activities		
Cash was received from		
Donations, fundraising and other similar receipts	1,179,360	1,300,000
Fees, subscriptions and other receipts from members	88,000	69,599
Receipts from providing goods or services	464,368	55,297
Other Revenue	11,505	4,955
Interest	0	2,426
Net GST		
Received from operating activities	1,743,233	1,432,277
Cash was applied to		
Volunteer and employee related costs	1,044,925	952,003
Payments to suppliers and employees	310,985	253,978
Other Costs	0	3,967
Net GST	18,110	18,771
Cash Applied	1,374,020	1,228,719
Total Cash Flows from Operating Activities	369,213	203,558
Cash Flows from Investing and Financing Activities		
Cash was received from		
Proceeds from loan borrowed from other parties	0	0
Payments to purchase investments	405,543	0
Cash was applied to		
Payments to acquire property, plant & equipment	9,540	9,519
Payments on loans from other parties	1,191	2,823
Cash applied	10,731	12,342
Net Cash Flows from Investing and Financing Activities	10,731	12,342
Net Increase/ (Decrease) in Cash	(47,061)	191,216
Bank Balances		
Opening Balance	657,573	466,357
Closing Balance	610,512	657,573
Net movement	(47,061)	191,216

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Consolidated Statement of Accounting Policies

Community Housing Aotearoa Incorporated

For the year ended 30 June 2023

Basis of Preparation

These consolidated accounts incorporate Community Housing Aotearoa Incorporated (Parent) and Community Housing Solutions Limited (Subsidiary), as Community Housing Solutions is wholly owned by Community Housing Aotearoa Incorporated.

The entity has elected to apply PBE SFR -A (NFP) on the basis that it does not have public accountability and has total annual expenses equal to, or less than, \$2,000,000.00. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Basis of Consolidation

Controlled entities

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from that entity's activities. The financial statements of the group's controlled entity are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the controlled entity are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Revenue

Revenue is accounted for as follows:

Fees earned

The entity records fees earned in the statement of financial performance (as revenue from providing goods or services) when the services have been delivered. In practice this will normally be when the invoice is issued (if issued on a monthly basis or something similar). Any amounts invoiced but not yet received at balance date are recorded as a debtor in the statement of financial position.

Grants received

Grants received are recognised in operating revenue, unless specific conditions attach to a grant and repayment of the grant is required where these conditions are not met. In these cases, the grant is treated as a liability until the conditions are met.

Interest Income

Interest income is recognised on an accruals basis.

Other Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Goods and Services Tax (GST)

The entities are registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Income Tax

Community Housing Aotearoa Incorporated and Community Housing Solutions Ltd are wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Debtors

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Property, Plant & Equipment

Property, Plant and Equipment are recorded at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the assets to their estimated residual values over their useful lives. The depreciation rates and useful major classes of assets have been estimated as follows:

- Furniture & Fittings 9.5% - 10.5%
- Office Equipment 39% - 67%
- Promotional Resources - 40%

Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and are recognised in profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a systematic basis over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the method for an intangible asset is reviewed at each financial year end.

Changes in the expected useful life are accounted for by changing the amortisation period for the current and future reporting years. Where no reliable estimate can be determined, the intangible asset will be amortised over 5 years.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Consolidated Notes to the Performance Report

Community Housing Aotearoa Incorporated For the year ended 30 June 2023

Account	Group 2023	Parent 2023	Group 2022	Parent 2022
1. Analysis of Revenue				
Donations, fundraising and other similar revenue				
Government (MHUD) Funding	1,100,000	1,100,000	1,100,000	1,100,000
Philanthropic Grant Support	79,360	79,360	200,000	200,000
Total Donations, fundraising and other similar revenue	1,179,360	1,179,360	1,300,000	1,300,000
Fees, subscriptions and other revenue from members				
Membership	88,000	88,000	77,006	77,006
Total Fees, subscriptions and other revenue from members	88,000	88,000	77,006	77,006
Revenue from providing goods or services				
Programme/Contract Revenue	130,482	115,538	108,508	116,925
Total Revenue from providing goods or services	130,482	115,538	108,508	116,925
Interest, dividends and other investment revenue				
Interest Income	18,313	18,313	2,426	2,426
Total Interest, dividends and other investment revenue	18,313	18,313	2,426	2,426
Other revenue				
CHA Conference	56,418	56,418	1,799	1,799
Other Revenue	10,196	10,196	3,156	3,071
Total Other revenue	66,614	66,614	4,955	4,870
Account	Group 2023	Parent 2023	Group 2022	Parent 2022

2. Analysis of Expenses

Volunteer and employee related costs				
Employment Expenses	68,898	68,898	40,563	40,540
Salaries	968,807	968,807	917,935	917,935
Total Volunteer and employee related costs	1,037,705	1,037,705	958,498	958,475
Costs related to providing goods or services				
Accounting, Audit & Payroll	17,091	11,899	13,455	9,997
Bank Fees & Insurance	6,118	3,968	3,248	3,074
Communications, Marketing & Subscriptions	65,102	65,102	42,239	42,066
Contracted / Consulting Services	98,512	98,512	71,464	55,971
Legal & Office Expenses	4,525	4,525	4,846	4,846
Office Rent & Utilities	41,121	41,121	41,702	41,702
Support Services V & T, Cloud & Telephone	41,340	41,340	9,479	9,479
Tech Equipment & Web Consulting	6,840	6,840	5,066	5,066
Training IMPACT Conference	43,900	43,900	44,180	44,180
Travel, Accommodation & Meeting Expenses	76,529	76,148	28,319	28,302
Total Costs related to providing goods or services	401,078	393,355	263,998	244,683
Donations made	35	35	0	0
Other expenses				
Preliminary Expenses Written Off	0	0	7,965	0
Depreciation	18,209	18,209	12,198	12,198
Loss on Disposal of Assets	0	0	510	510
Total Other expenses	18,209	18,209	20,673	12,708

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Account	Group 2023	Parent 2023	Group 2022	Parent 2022
3. Analysis of Assets				
Bank accounts and cash				
Business Performer	361,283	361,283	80,665	80,665
Kiwibank Business Online Call	142,901	142,901	537,331	537,331
Kiwibank Business Edge	53,915	53,915	2,279	2,279
CHS Main Account	52,413	0	37,298	0
Total Bank accounts and cash	610,512	558,099	657,573	620,275
Debtors and prepayments				
Accounts Receivable	10,092	9,635	313,783	307,889
Conference Accrual	36,418	36,418	0	0
Rent Prepaid	2,239	2,239	2,239	2,239
Subscriptions prepaid	1,243	1,243	4,595	4,595
Travel Prepaid	2,268	2,268	625	625
Total Debtors and prepayments	52,261	51,804	321,242	315,348
Other current assets				
Term Deposits	405,543	405,543	0	0
Total Other current assets	405,543	405,543	0	0
Other non-current assets				
Bond Paid	1000	1000	0	0
Interest Accrued	6808	6808	0	0
CHS Ltd Intangibles	894	0	894	0
Loan to Ranchhod Tower	796	796	796	796
Logo	280	280	280	280
Investment in CHS Ltd	0	89,698	0	89,698
Total Other non-current assets	9,778	98,582	1,970	90,774
Account	2023	2023	2022	2022

4. Analysis of Liabilities

Creditors and accrued expenses				
Accounts Payable	62,730	64,051	19,010	19,063
GST	42,332	41,006	18,112	17,462
Audit/Accounting Fee Accrual	9,000	4,500	5,500	2,750
Holiday Pay Accrual	59,492	59,492	72,616	72,616
Contracting/Consulting Accrual	0	0	525	525
Kiwibank Mastercard	2,704	2,704	3,611	3,611
BNZ Visas	1,541	0	242	0
Total Creditors and accrued expenses	177,800	171,754	119,616	116,027
Employee costs payable				
Wages Payable - Payroll	17,470	17,470	12,745	12,745
Employee Expenses Payable	1,179	1,179	0	0
Total Employee costs payable	18,649	18,649	12,745	12,745
Loans				
Equipment Purchases Financed	9,992	9,992	9,143	9,143
Equipment Purchases Payments	-9,497	-9,497	-7,457	-7,457
Total Loans	495	495	1,686	1,686
Total Liabilities	196,944	190,898	134,047	130,458
Account	2023	2023	2022	2022

5. Property, Plant and Equipment

Furniture and Fittings				
Furniture and fittings owned	6,130	6,130	6,130	6,130
Accumulated depreciation - furniture and fittings owned	-5,406	-5,406	-5,191	-5,191
Total Furniture and Fittings	724	724	939	939
Plant and Equipment				
Plant and machinery owned	38,273	38,273	32,977	32,977
Accumulated depreciation - plant and machinery owned	-28,474	-28,474	-26,151	-26,151
Total Plant and Equipment	9,799	9,799	6,826	6,826
Other Fixed Assets				
Promotional Resources	56,947	56,947	56,947	56,947
Accumulated depreciation - promotional resources owned	-49,328	-49,328	-37,901	-37,901
Total Other Fixed Assets	7,618	7,618	19,046	19,046
Total Property, Plant and Equipment	18,141	18,141	26,810	26,810

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

Account	2023	2023	2022	2022
6. Accumulated Funds				
Accumulated Funds				
Opening Balance	873,548	922,750	623,824	637,390
Accumulated surpluses or (deficits)	25,742	18,521	249,724	285,360
Total Accumulated Funds	899,290	941,270	873,548	922,750

7. Commitments

Non-cancellable leases

CHA has the following non-cancellable property leases: -

A share of offices at Level 11, Ranchhod Tower, 39 The Terrace, Wellington.

	2023	2022
Less than 1 Year	\$26,251	\$24,624
Between 1 - 2 Years	\$26,631	\$31,750
Between 2 - 5 Years	\$34,338	-
Total	\$87,220	\$56,374

On September 1 2023 Community Housing Aotearoa and Ngāti Kahungunu ki Pōneke Community Services Incorporated accepted assignment of the lease from Ranchhod Tower Community Cluster Incorporated as tenants in common.

Ranchhod Tower Community Cluster Incorporated had exercised its first right of renewal for an additional term of 3 years through 30 September 2026.

8. Related Parties

Community Housing Aotearoa Inc. is an incorporated society with members throughout New Zealand. Accordingly, Community Housing Aotearoa Inc. will be related to any transactions with these members.

Community Housing Aotearoa Inc. is the sole shareholder of Community Housing Solutions Limited.

Community Housing Aotearoa Inc. has a management services contract with CHS Ltd to provide staffing to fulfill CHS Ltd.'s contracts with its' clients.

Community Housing Aotearoa Inc also provides office facilities at no cost to CHS Ltd.

Community Housing Aotearoa Inc staff also use CHS Limited issued credit cards for travel purposes. These charges are then reimbursed to Community Housing Aotearoa Inc within the month.

Account	2023	2022
Sales		
Community Housing Solutions Ltd	115,537.50	116,925.00

These accounts must be read in conjunction with the attached Notes to the Accounts and Audit Report

9. Events After the Balance Date

There are no significant events after the balance date.

10. Ability to Continue Operating

The entity is a going concern that is likely to continue for the foreseeable future.

These accounts must be read in conjunction with the attached Statement of Accounting Policies and Audit Report



AUROLA
FINANCIALS

PO Box 11030
Manners Street
Wellington 6142
New Zealand

☎ +64 22 500 5770

✉ info@aurorafinancials.com

🌐 www.aurorafinancials.com



Independent Auditor's Report

To the Council Members of Community Housing Aotearoa Incorporated

Report on the Consolidated Performance Report

Unqualified Opinion

We have audited the consolidated performance report of Community Housing Aotearoa Incorporated (the entity) on pages 6 to 16 which comprise the:

- Consolidated statement of financial position as at 30 June 2023
- Entity information, the consolidated statement of service performance, the consolidated statement of financial performance, and the consolidated statement of cash flows for the year ended 30 June 2023
- Notes to the consolidated performance report, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated performance report:

- Presents fairly, in all material respects, the entity's consolidated financial position as at 30 June 2023, its consolidated service performance, consolidated financial performance, and consolidated cash flows for the year ended on that date
- Complies with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standards issued by the New Zealand Accounting Standards Board
- Includes reported outcomes and outputs in the statement of service performance, where the quantification of the outputs (to the extent practicable) are suitable.

Basis for Unqualified Opinion

We conducted our audit of the consolidated statement of financial performance, the consolidated statement of financial position, the consolidated statement of cash flows, and the notes to the consolidated performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and consolidated statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Performance Report section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than in our capacity as auditor, we have no relationship with or interests in the entity.

Other Information

The Council Members, on behalf of the entity, may prepare an Annual Report which includes the audited consolidated performance report. The Council Members are responsible for the other information that may be included in the entity's Annual Report. Our opinion on the consolidated performance report does

not cover any other information in the entity's Annual Report and we do not express any form of assurance conclusion on that other information.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated performance report for the current period. Below is a summary of those matters and our key audit procedures to address those matters in order that the Council Members may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated performance report as a whole, and we do not express discrete opinions on separate elements of the consolidated performance report.

The key audit matter	How the matter was addressed in our audit
Revenue recognition	
The entity received income from several organisations during the period.	We reviewed a sample of income items to confirm that funds were received and recorded correctly.
This income was quantitatively significant to the entity's consolidated performance report.	Based on our sample testing, we did not identify any material issues with the entity's income at year end.

Use of this Audit Report

This report is made solely to the Council Members of the entity. Our audit has been undertaken so that we might state to the Council Members those matters that we are required to state to them in our 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 Council Members for our audit work, this report, or any of the opinions we have formed.

Responsibilities of the Council Members for the Consolidated Performance Report

The Council Members, on behalf of the entity, are responsible for:

- Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance
- The preparation and fair presentation of the consolidated performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board
- Implementing necessary internal control to enable the preparation of the consolidated performance report that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the entity's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Performance Report

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

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the consolidated performance report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of the use of the going concern basis of accounting by the Council Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated performance report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates 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.

The auditor communicates with management and the Council Members, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies identified in internal control.

From the matters communicated with management and the Council Members, the auditor determines those matters that were of most significance in the audit of the consolidated performance report and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Aurora Financials Limited
Qualified Statutory Auditors
Wellington, New Zealand

15 November 2023