

Typical transactions in charities.

A report for the External Reporting Board

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Executive Summary

This report presents research into typical transactions in charities to inform the Standard Format Reporting Project being undertaken by the External Reporting Board (XRB). In this research, the financial statements of a stratified random sample of 829 charities formed a database from which the incidence of revenue, expenditure, assets and liabilities was analysed. Further, the incidence of transactions across sectors and activities was also analysed. Statistical analysis of these transactions showed that:

- larger charities are more active than small charities, that is, they use more general ledger accounts (see Section 2.3 and 3.3);
- while sectoral differences exist, these are not material (see sections 2 and 3); and
- while differences exist between charities undertaking different charitable activities these are also not material (see sections 2 and 3).

Notwithstanding homogeneity in charities' use of financial statement general ledger accounts, the research found that charity reporting practices are diverse. Financial statements were prepared variously on a cash or accrual basis. Within these categorisations, further diversity was observed as discussed in Section 4 of this report. It is likely that the lack of specific charity guidance has exacerbated the different accounting practices.

In addition to the analysis of financial reports, 63 telephone and face-to-face interviews informed this research. These were undertaken to check for unusual transactions that may not have appeared in the sample (see Section 4 and Appendix 1). Specific issues for charities highlighted by interviewees were transactions that would be deemed unusual in the business world: for example, donations-in-kind (assets and volunteer time specifically), bequests and other uncertain income. In addition, the incidence of netting of activities (for example conferences and /or fund-raising) was highlighted. Such practices render a reduced view of charity activities to be shown. A full list of the issues raised is in Table 3 in Section 4.

This research is a snapshot of charity reporting in New Zealand prior to the introduction of new reporting standards. It has a limited scope, however, the findings should be useful for the development of Simple Format Reporting Standards.

Acknowledgements

This research was made possible through funding from the Charities Commission and the XRB, the research participants, and Research Assistants Kapil Patel, Amy Thomson and Jenny Seow.

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1. Introduction

This research into the typical transactions of charitable entities was commissioned by the External Reporting Board (XRB). Financial and in-kind support was provided by the Charities Commission and the XRB, enabling the employment of three Research Assistants, Kapil Patel, Amy Thomson and Jenny Seow.¹ Each of the Research Assistants has completed their BCA and is in the latter stages of their conjoint LLB study at Victoria University of Wellington.

For this research, charities were selected from the Charities Commission filings from the population of charities that incur expenditure of between \$40,000 and \$2,000,000 (medium-sized charities) and less than \$40,000 (small charities) (Appendix 1 describes the method and Appendix 3 provides a list of the sample charities). In selecting the sample, these figures were taken from the *pro forma* filing by the charity, whereas the data analysed was taken from the annual reports uploaded by charities at the time of completing their *pro forma* filing. A spreadsheet template was compiled for data input that comprised the major items of charities' income and expenditure. This method provided more detailed information than the *pro forma* Charities Commission data. It was targeted towards differences that may arise in accounting treatment rather than the derivation of national statistics (which is an aim of the Charity Commission's data collection). The Research Assistants used an agreed schema to categorise the different named accounts into the headings used for analysis.

Further, interviews were held with people involved in accounting for charities (see Appendix 1 for the parameters for interviewee selection). These interviews were undertaken to reduce the likelihood that typical transactions had been omitted from the analysis. While interviewees were not specifically asked for their opinion on 'Simple Format Reporting', a number chose to state their support for a template approach, for reporting standards that were 'home grown', clear and simple. Some also applauded the XRB for its intention to require non-financial (service) reporting.

This report is divided into three further sections. First, the income and expenditure items that are typically present in medium-sized and small charities are presented. In Section 3, the balance sheet items in charities are similarly presented. Section 4 discusses the bases of preparation of the financial statements. In this final section, concluding comments are made on the analysis. Four Appendices are also provided, which describe the research approach, a number of data tables, and a listing of the sample charities and some example financial statement extracts. Feedback on this report is welcomed.

¹ In addition to this research, the Ministry of Economic Development funded Victoria University to employ a further Research Assistant to analyse the incidence of assurance in charities.

2. Income and expenditure items

For this section and Section 3 on balance sheet items, the report (i) discusses first the medium-sized charities (potentially Tier 3 accrual), (ii) small charities (potentially Tier 4 cash), and (iii) compares the two samples.

In Appendix 2, four tables provide relevant information on each of the medium-sized and small charity samples. These are:

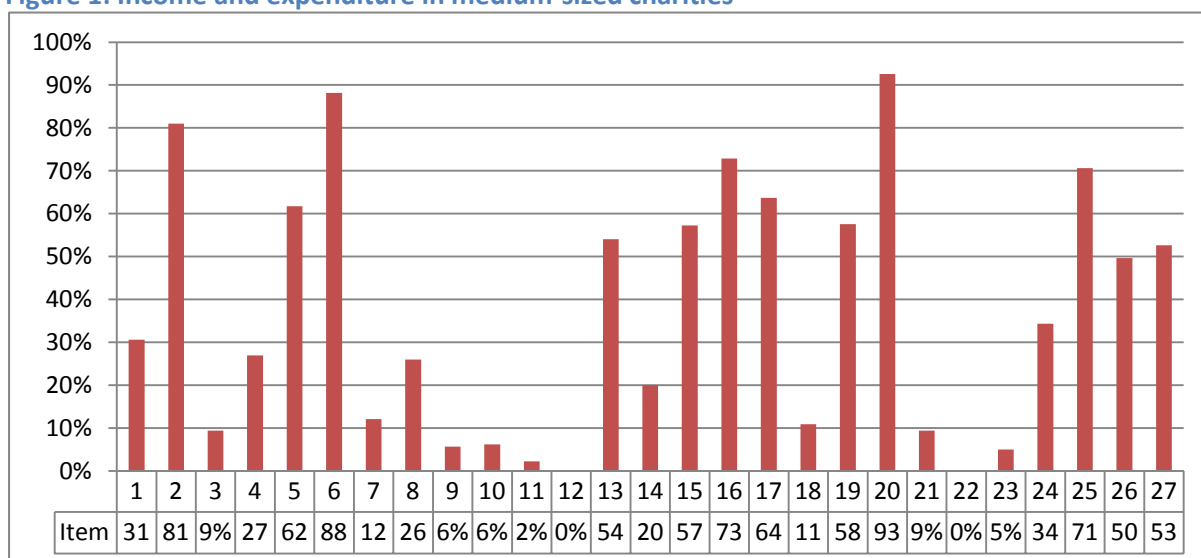
- A summary of the sample and comparison to the population (Table 5 for medium-sized and Table 12 for small charities). This includes the range and totals for staff, volunteers, income and expenditure;
- The dollar range, average and standard deviation for each revenue and expenditure item input from the annual report sample (Table 6 for medium-sized and Table 13 for small charities);
- The incidence of revenue and expenditure items across ten different sectors (Table 7 for medium-sized and Table 14 for small charities); and
- The incidence of revenue and expenditure items across ten different charitable activities (Table 8 for medium-sized and Table 15 for small charities).

2.1. Medium-sized charities

Appendix 1 details how the sample was drawn from the population. The sample of medium-sized charities was biased slightly towards smaller charities when compared to the total population (see Appendix 2, Table 5). The size differential is evident in that the sample recorded a higher number of volunteers and fewer staff than the total population. Further, the gross income, assets and liabilities are lower than the population overall. None of these factors is significant.

Figure 1 shows the percentage of charities that have each of the assessed income and expenditure items (the table below the graph details each percentage).

Figure 1: Income and expenditure in medium-sized charities



| # | Explanation | # | Explanation |
|----|---|----|---|
| 1 | Fundraising from the public | 2 | Other donations and grants |
| 3 | Sponsorship (if detailed) | 4 | Fees from members (subscription revenues) |
| 5 | Revenue from goods and services | 6 | Interest income |
| 7 | Dividend income | 8 | Rental income |
| 9 | Other investment income | 10 | Gain on sale of assets/revaluations |
| 11 | Bequests | 12 | Income as budget holder for an organisation |
| 13 | Other revenue | 14 | Direct cost of fundraising |
| 15 | Staff costs | 16 | Service delivery costs other than staff |
| 17 | Depreciation | 18 | Loss of sale/revaluation |
| 19 | Rent and building costs (including utilities) | 20 | Administration/overhead costs |
| 21 | Lease payments | 22 | Expenses as a budget holder for an org. |
| 23 | Bad and doubtful debts | 24 | Grants paid |
| 25 | Interest paid, debt servicing costs and bank fees | | |
| 26 | Assurance costs | 27 | All other expenditure |

As can be seen from Figure 1, the most prevalent income item is interest (88%), other donations and grants (81%), and revenue from goods and services (62%). Only 31% of these medium-sized charities fundraise from the public. No charities act as fundholders for other organisations.

In respect of expenditure, the most commonly occurring items in medium-sized charities are: administration costs (93%), service delivery costs other than staff (73%), interest/debt servicing/bank fees (71%). While bank fees might be considered to be ubiquitous, Appendix 2 (Table 6) shows that the mean of this item is \$4487.33, suggesting that many charities incur interest and debt servicing costs. However, the standard deviation is large, which further suggests diversity across the sample. Depreciation was also recorded by 64% of the sample (see Section 4 for information on the basis of accounting in these charities).

It can be seen in Appendix 2 (Table 7) that there are differences between the sectors. (The means may be slightly different to those represented in Figure 1 due to splitting the sample and rounding.) For example:

- While the sample mean is 58% for staff and building costs, few fundraising charities have staff (25%) or building costs (14%). However, they are more likely to report the direct costs of fundraising (51% compared to the mean of 20%);
- As might be expected, fundraising charities fundraise from the public more (58%) compared than arts/culture/heritage organisations (12.5%) and the mean of 30%;
- Arts/culture/heritage organisations and sports and recreation organisations are more likely to receive fees from goods and services (80 and 85% compared to the mean of 62%); and
- Sport and recreation charities are more likely to record bad and doubtful debts (15% compared to the mean of 5%).

When the activity of the charity is considered, differences are also apparent. The data is shown in Appendix 2 in Table 8. (The means may be slightly different to those represented in Figure 1 due to splitting the sample and rounding.) For example:

- Charities that provide human resources are most likely to generate fundraising from the public (58% compared to the mean of 28%). However, charities undertaking this activity do not commonly report fundraising costs;
- Those providing buildings are most likely to receive rental income (60% compared to the mean of 23%);
- Charities with “organisational funding” as their main activity are more likely to have income from dividends (33% compared to the mean of 10%), but, similarly to those who make grants to individuals, are less likely to have staff costs (26% and 30% compared to the mean of 57%);
- Those charities that provide advice and “other” charities are likely to receive member fees (32% and 36% compared to the mean of 23%), but charities that provide advice are likely (along with those providing services) to have staff costs (advice charities 76%, services charities 78%, mean 57%);
- Those charities that provide human resources are most likely to have revenue from goods and services (83% compared to the mean of 60%);
- Charities that sponsor or undertake research are least likely to record interest income (66% compared to the mean of 86%) but do have “other investment income” (17% compared to the mean of 56%);
- A number of charitable activities have high rent/building costs and depreciation (both have means of 26%). These charities provide buildings (70% and 77% respectively), are umbrella organisations (70% for both), provide advice (76% and 79% respectively) and religious services (70% and 50% respectively); and
- Religious charities are less likely to have lease costs (5% compared to the mean of 11%), pay for assurance (27% compared to the mean of 45%), or report fundraising costs.

The types of income transactions that were presented as “other” include:

- From theatre trusts, ‘recoveries’ (where goods and services required by users of a venue have been outsourced and on-charged);
- Transfers from ‘other’ accounts;
- GST refunds;
- Fundraising for special occasions/programmes;
- Resident levies (1 charity); and
- Royalties (1 charity).

In respect of “other” expenses, these include:

- GST and tax;
- Motor vehicle expenses;
- Donations;
- Small asset purchases/equipment (<\$500);
- Fund manager or trustee fees; and
- Accounting and legal fees.

The incidence of lease payments is relatively low across the sample (9%), suggesting most charities report photocopier and other similar leases as expenses only. Some charities lease vehicles.

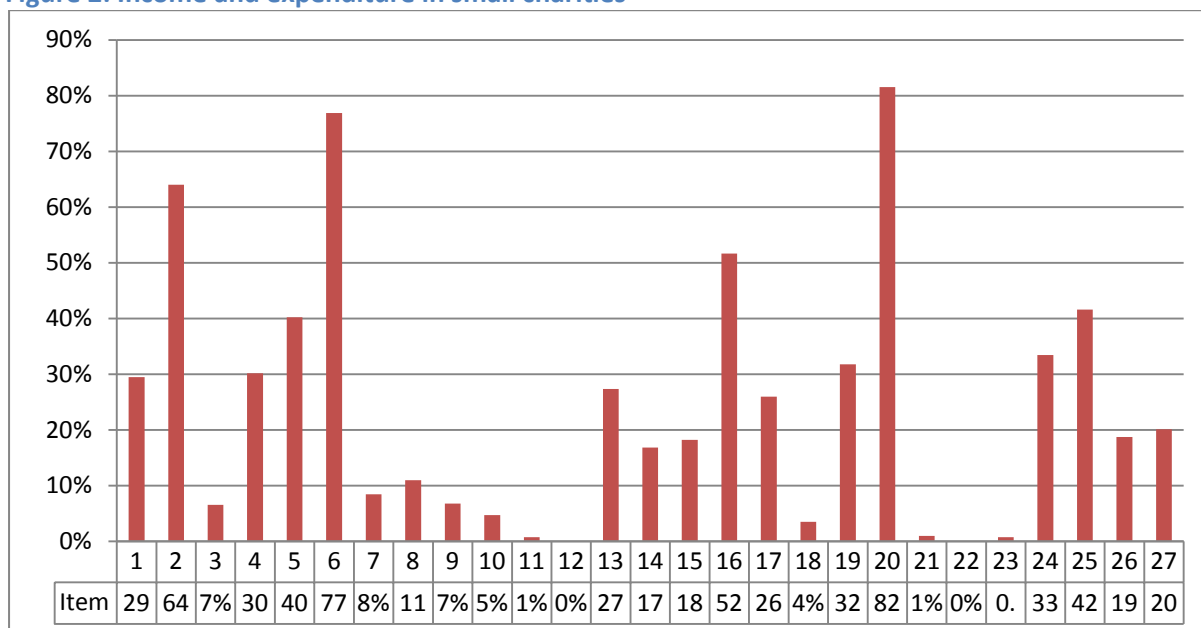
Materiality may be a factor in lease reporting, but the lack of tax incentives from leasing in charities means it is likely that the incidence of these arrangements is lower than in the for-profit commercial sector.

2.2.Small charities

When the small charity sample that was extracted (424 charities) is compared to the filings from the total population, it has higher values of liabilities and assets, as well as revenue, expenditure and number of volunteers (see Appendix 2, Table 12). This is exacerbated by the charities that have filed incorrect returns at the Charities Commission and nil returns for some charities (although the selection was taken from charities that had filed accounts). These latter are being followed up with the Charities Commission. While these are limitations of the research, the data analysis has continued without extracting ‘non-small’ charities. This is to ensure the sectoral representation. It was also felt to be likely that alternative data would also have filing errors.

Figure 2 shows the total number of charities that have each of the assessed income and expenditure items (the table below the graph details each percentage).

Figure 2: Income and expenditure in small charities



| # | Explanation | # | Explanation |
|----|---|----|---|
| 1 | Fundraising from the public | 2 | Other donations and grants |
| 3 | Sponsorship (if detailed) | 4 | Fees from members (subscription revenues) |
| 5 | Revenue from goods and services | 6 | Interest income |
| 7 | Dividend income | 8 | Rental income |
| 9 | Other investment income | 10 | Gain on sale of assets/revaluations |
| 11 | Bequests | 12 | Income as budget holder for an organisation |
| 13 | Other revenue | 14 | Direct cost of fundraising |
| 15 | Staff costs | 16 | Service delivery costs other than staff |
| 17 | Depreciation | 18 | Loss of sale/revaluation |
| 19 | Rent and building costs (including utilities) | 20 | Administration/overhead costs |
| 21 | Lease payments | 22 | Expenses as a budget holder for an org. |
| 23 | Bad and doubtful debts | 24 | Grants paid |
| 25 | Interest paid, debt servicing costs and bank fees | | |

| | | | |
|----|-----------------|----|-----------------------|
| 26 | Assurance costs | 27 | All other expenditure |
|----|-----------------|----|-----------------------|

As can be seen from Figure 2, the most prevalent income item is again from interest (77% of charities have interest income), but, as shown in Table 13 (in Appendix 2), interest may be only a few cents. Other donations and grants was the next most common (64%). Almost the same number of these small charities fundraise from the public (29%) as receive member fees (30%). No charities act as fundholders for other organisations.

In respect of expenditure, the most prevalent items in small charities are: administration costs (82%), service delivery costs other than staff (52%) and interest/debt servicing/bank fees (42%).

It can be seen in Appendix 2 (Table 14) that there are differences between the sectors. (The means may be slightly different to those represented in Figure 2 due to splitting the sample and rounding.) For example:

- Fundraising charities are most likely to raise funds from the public (66%) and to report the direct cost of fundraising (55% compared with mean of 16%) and are the most likely to incur interest expenses (60% compared to the man of 42%);
- Health charities are most likely to receive interest income (87%), rental income (24%) and bequests (35% compared to the mean of 23%). They are also most likely to incur staff costs (39%) compared to the mean of 18%) and record other service delivery costs. They are also the most likely to record depreciation (44% compared to the mean of 26%); and
- Arts/culture/heritage charities and sports/recreation charities are the most likely to receive fees from members (52% and 51% compared to the mean of 30%), revenue from goods and services (59% and 51% compared to the mean of 40%) and incur service delivery costs other than staff costs (68% and 54% compared to the mean of 51%).

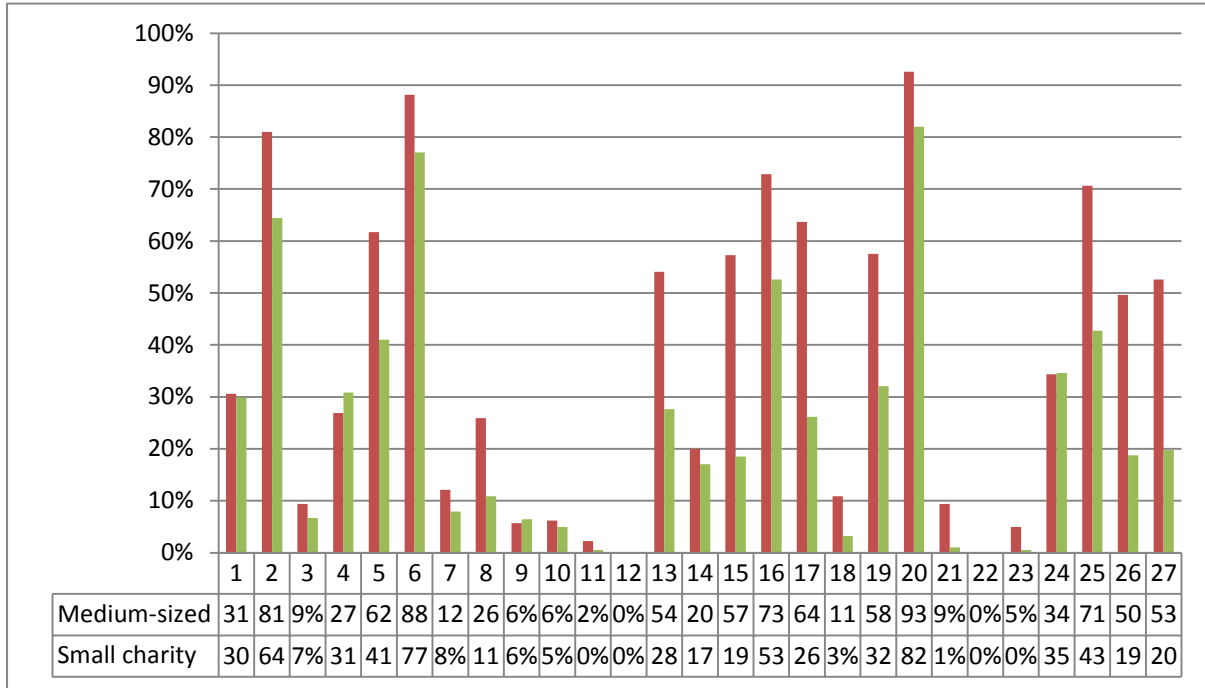
When the activity of the charity is considered, differences are also apparent. The data is shown in Appendix 2 in Table 15. (The means may be slightly different to those represented in Figure 2 due to splitting the sample and rounding.) For example:

- Those charities that provide advice are more likely to fundraise from the public (40% compared to the mean of 22%), receive fees from members (60% compared to the mean of 25%) and have revenue from goods and services (57% compared to the mean of 35%). A majority (62% have rental costs against the mean of 31%);
- Charities involved in organisational funding are most likely to record interest income (84% compared to the mean of 78%);
- Those charities that provide human resources are most likely to receive other donations and grants (85% compared to the mean of 56%) and are also likely to incur assurance costs (27% compared to the mean of 18%); and
- Rental and building costs (mean of 31%) are most likely to be incurred by charities that provide buildings (62%) and religious services (61%).

2.3.Revenue and expenditure across small and medium-sized charities

This sub-section summarises the differences between Figures 1 and 2 by presenting the income and expenditure items in Figure 3 (the table below the graph details each percentage).

Figure 3: Comparison of Revenue and Expenditure items in Medium-Sized and Small Charities



| # | Explanation | # | Explanation |
|----|---|----|---|
| 1 | Fundraising from the public | 2 | Other donations and grants |
| 3 | Sponsorship (if detailed) | 4 | Fees from members (subscription revenues) |
| 5 | Revenue from goods and services | 6 | Interest income |
| 7 | Dividend income | 8 | Rental income |
| 9 | Other investment income | 10 | Gain on sale of assets/revaluations |
| 11 | Bequests | 12 | Income as budget holder for an organisation |
| 13 | Other revenue | 14 | Direct cost of fundraising |
| 15 | Staff costs | 16 | Service delivery costs other than staff |
| 17 | Depreciation | 18 | Loss of sale/revaluation |
| 19 | Rent and building costs (including utilities) | 20 | Administration/overhead costs |
| 21 | Lease payments | 22 | Expenses as a budget holder for an org. |
| 23 | Bad and doubtful debts | 24 | Grants paid |
| 25 | Interest paid, debt servicing costs and bank fees | | |
| 26 | Assurance costs | 27 | All other expenditure |

It can be seen from Figure 3 that small charities have fewer common transactions than their medium-sized counterparts. For example:

- They are less likely to receive revenue from donations and grants (64% compared to 81%);
- Fewer receive revenue from interest and dividends (77% and 8% compared to 88% and 12%);
- A minority receive revenue from goods and services (40% compared to 62%);
- They are less likely to incur staff costs (18% compared to 57%) or service delivery costs (52% compared to 73%);

- Few record depreciation (26% compared to 64%) or losses on sale of assets (4% compared to 11%) (these are often 'one-off' transactions);
- Few incur rent or building costs (32% compared to 58% of medium-sized charities) and leases (1% compared to 9%) and also they are less likely to receive rental income (11% compared to 26%);
- They are less likely to pay for assurance (19% compared to 50%); and
- Very few have bad and doubtful debts (0.5% compared to 5%) and a minority pay interest and debt servicing costs (42% compared to 71%). In respect of bad and doubtful debts, a number of interviewees noted that, in their experience, members' subscriptions were often dealt with on a cash basis. Cash reporting is often used for revenue items, negating the need for a bad and doubtful debt calculation. Slightly more small charities have membership fee revenues than medium-sized charities (30% compared to 27%).

Two issues are not obvious from the graphs: first the amount of the netting and second the wide variance in the style of accounts. It was unclear as to the amount of grossing up of amounts (netting) that had been undertaken in presenting the figures for analysis (see also comments about conferences and fundraising in Table 3). Netting would result in reduced income and expenditure for individual charities and lower diversity of transactions between charities.

Further, variance is obvious in the style of accounts. Cash accounts always include information by which revenue and expenditure can be derived, but this information ranges from bank statements or spreadsheets of transactions, through to a statement which resembles an accrual set of accounts (but without depreciation or debtors and creditors). The range and the incidence of these across different expenditure values is discussed in Section 4.1.

3. Balance sheet items

In this section (as for Section 2), the report discusses first the medium-sized charities (potentially Tier 3 accrual), then small charities (potentially Tier 4 cash), compares the two samples, and makes overall comments on balance sheet items as gleaned from the data analysis and the interview stage of the research.

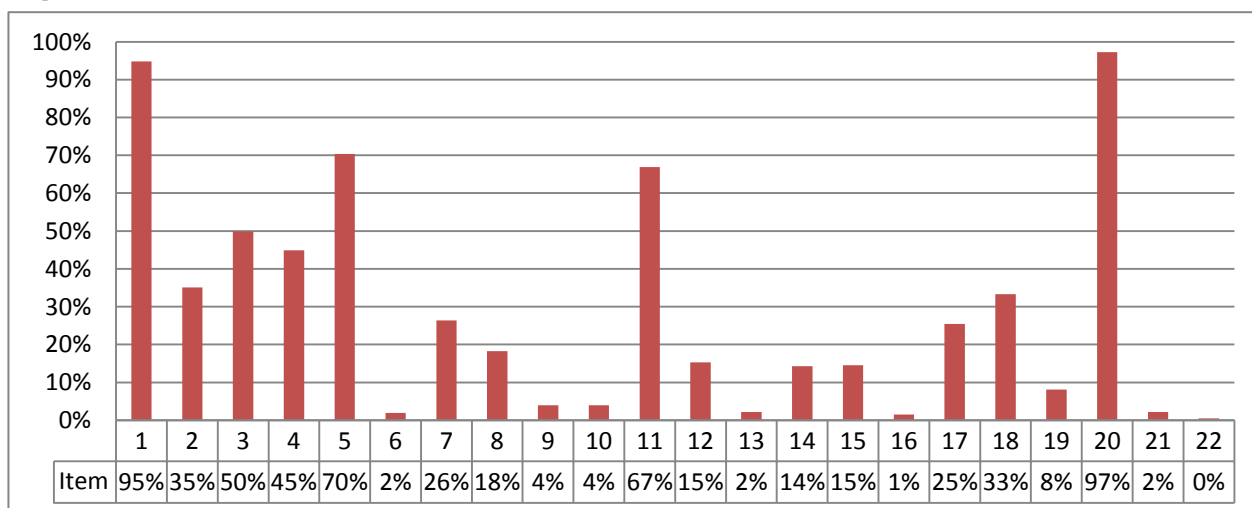
In Appendix 2, four tables provide relevant information on each of the medium-sized and small charity samples. These are:

- A summary of the sample and comparison to the population (Table 5 for medium-sized and 12 for small charities). This includes the range and totals for staff, volunteers, assets and liabilities;
- The dollar range, average and standard deviation for each balance sheet item input from the annual report sample (Table 9 for medium-sized and Table 16 for small charities);
- The incidence of balance sheet items across ten different sectors (Table 10 for medium-sized and Table 17 for small charities); and
- The incidence of balance sheet items across ten different charitable activities (Table 11 for medium-sized and Table 18 for small charities).

3.1. Medium-sized charities

Figure 4 shows the total number of charities that have each of the assessed balance sheet items (the table below the graph details each percentage).

Figure 4: Balance sheet items in medium-sized charities



| # | Explanation | # | Explanation |
|----|---|----|--------------------------------|
| 1 | Cash/Bank Balances (including petty cash) | 2 | Term Deposits |
| 3 | Debtors | 4 | Any other short term assets |
| 5 | Property, Plant and Equipment (including heritage assets) | 6 | Intangible assets |
| 7 | Investments | 8 | GST Receivable |
| 9 | All other long term assets | 10 | Bank overdrafts |
| 11 | Creditors | 12 | Unused grants/tagged donations |

| | | | |
|----|---|----|--|
| 13 | Member loans | 14 | Other borrowings (e.g. bank etc) |
| 15 | Employee related liabilities | 16 | Lease Obligations |
| 17 | GST Liability | 18 | Other liabilities |
| 19 | Externally restricted funds/reserves/bequests | 20 | General and accumulated funds/reserves |
| 21 | Grants received direct to equity | 22 | Minority interest |

In respect of balance sheet transactions, as can be seen from Figure 4, the most prevalent assets are: Cash at bank (95%), Debtors (50%), Property plant and equipment (70%). Creditors (67%) are the most common liability. Most charities record equity (as the majority use accrual accounting), but some have negative equity. Table 9 in Appendix 2 shows the dollar value of these.

A small percentage of charities own intangible assets - these include two Maori Trusts with fishing quotas and two other charities with intellectual property (one of which receives royalties on an ongoing basis).

It can be seen in Appendix 2 (Table 10) that there are differences between the sectors. (The means may be slightly different to those stated in Figure 4 due to splitting the sample and rounding). For example:

- Sports and recreation entities are more likely to have: term deposits (60% compared to the mean of 35%), debtors (85% compared to the mean of 71%), and creditors 80% compared to the mean of 67%);
- Fundraising charities are unlikely to have term deposits (23%), debtors (21%), creditors (44%), or property, plant and equipment (40% compared to the mean of 71%);
- Emergency/Disaster charities are least likely to have unused grants or tagged donations (2% compared to the mean of 15%), or employee related liabilities (5% compared to the mean of 15%);
- Assistance charities and emergency/disaster charities are most likely to have externally restricted funds/reserves/bequests (20% compared to the mean of 8%); and
- GST behaviour is also diverse and, while sports and recreation charities are most likely to have GST receivables and payables, there are no other indications from their accounts as to why this should be so. It is estimated that this may be related to the types of software or accounting policies followed and/or the systems used. For example, MYOB operates three GST accounts (GST collected, GST receivable and the net GST owed at the end of the period). Many organisations do not clear these accounts to zero at any stage and the balances accumulate, providing no meaningful information and increasing the incidence of GST receivables and payables.

When the activity of the charity is considered, differences are also apparent. The data is shown in Appendix 2 (Table 11). (The means may be slightly different to those stated in Figure 4 due to splitting the sample and rounding). For example:

- Charities involved in organisational fundraising are least likely to have property, plant and equipment (37% compared to the mean of 69%), have more entities with intangible assets (4% compared to the mean of 2%), and are most likely of all the charities to have investments (46% compared to the mean of 24%);

- Umbrella groups are most likely to have unused grants/donations (25% compared to the mean of 14%);
- Charities that provide buildings//facilities/open space are most likely to have debtors (70% compared to the mean of 45%), other borrowings (35% compared to the mean of 12%) and other liabilities (49% compared to the mean of 27%); and
- Charities that provide services are most likely to have property, plant and equipment (87% compared to the mean of 67%), creditors (82% compared to the mean of 64%) and employee-related liabilities (23% compared to the mean of 13%).

The “other” assets included inventory, prepayments, accrued interest and advances to related parties.

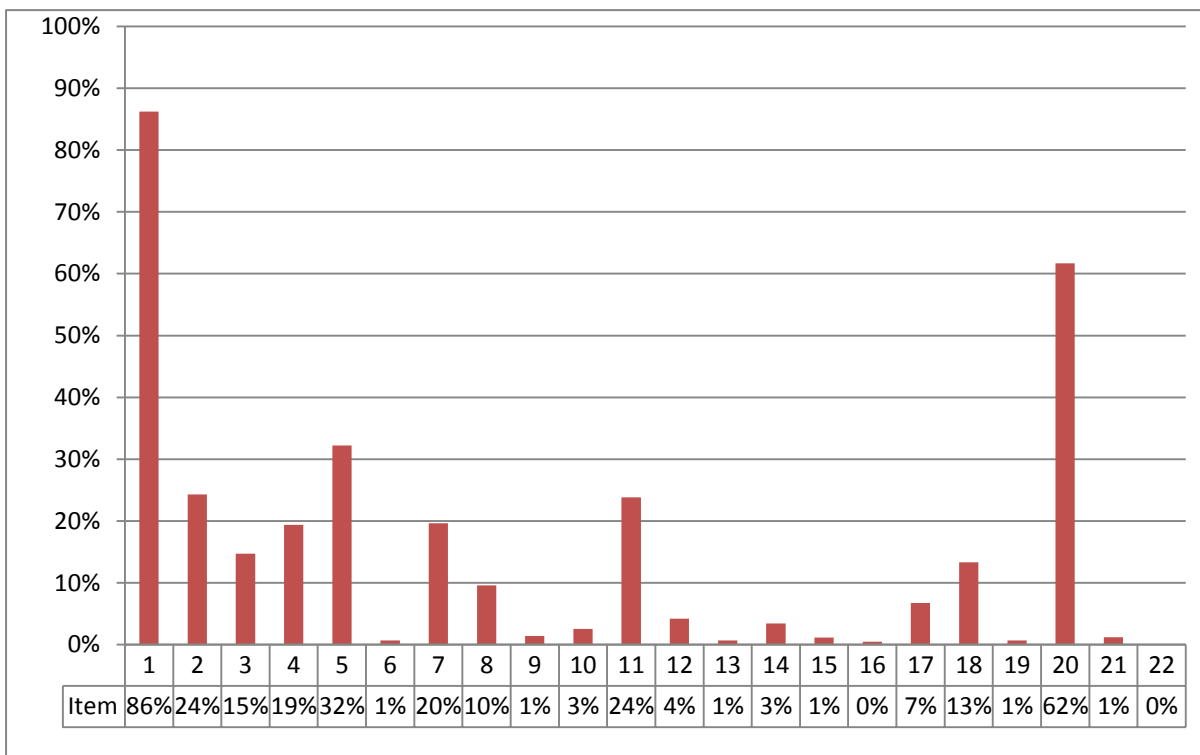
In respect of investments, charities reported owning shares, bonds, bank deposits and investments in funds. Two entities had investments in joint ventures. Two health charities, two trusts in the arts and culture sector and one charity identified financial investments as either “available for sale” or “held to maturity”. These charities were near the top of the \$2million cut-off for expenditure.

The “other” liabilities included loans to associated parties, income in advance and income tax liabilities.

3.2.Small charities

Figure 5 shows the total number of small charities that have each of the assessed balance sheet items (the table below the graph details each percentage). Table 16 in Appendix 2 shows the dollar value of these items.

Figure 5: Balance sheet items in small charities



| # | Explanation | # | Explanation |
|----|---|----|--|
| 1 | Cash/Bank Balances (including petty cash) | 2 | Term Deposits |
| 3 | Debtors | 4 | Any other short term assets |
| 5 | Property, Plant and Equipment (including heritage assets) | 6 | Intangible assets |
| 7 | Investments | 8 | GST Receivable |
| 9 | All other long term assets | 10 | Bank overdrafts |
| 11 | Creditors | 12 | Unused grants/tagged donations |
| 13 | Member loans | 14 | Other borrowings (e.g. bank etc) |
| 15 | Employee related liabilities | 16 | Lease Obligations |
| 17 | GST Liability | 18 | Other liabilities |
| 19 | Externally restricted funds/reserves/bequests | 20 | General and accumulated funds/reserves |
| 21 | Grants received direct to equity | 22 | Minority interest |

It can be seen from Figure 5 that the greatest number of charities has cash at bank (86%) and equity (96%). In these small charities, 32% have property, plant and equipment, 24% have creditors and 62% have general and accumulated funds/reserves.

Appendix 2 (Table 17) shows that there are differences between the sectors. (The means may be slightly different to those stated in Figure 5 due to splitting the sample and rounding). For example:

- Health charities are more different from the means than any other sector. For example, they are most likely to have debtors (31% compared to the mean of 14%), other short-term assets (27% compared to the mean of 19%), more likely to own property, plant and equipment (45% compared to the mean of 32%), most likely to own investments (38% compared to the mean of 20%) and record other liabilities (27% compared to the mean of 13%);
- Sports and recreation charities are the most likely to own property, plant and equipment (49% compared to the mean of 32%)
- Emergency/Disaster charities are most likely to own term deposits (38% compared to the mean of 24%); and
- Assistance charities are most likely to record creditors (36% compared to the mean of 24%).

When the activity of the charity is considered, differences are also apparent. The data is shown in Appendix 2 (Table 18). (The means may be slightly different to those stated in Figure 5 due to splitting the sample and rounding). For example:

- Charities that make grants to individuals are most likely of all the charities to own other long term assets (20% compared to the mean of 3%);
- Charities involved in organisational fundraising are most likely of all the charities to own investments (43% compared to the mean of 20%);
- Those that provide advice/information/advocacy are most likely to own term deposits (36% compared to the mean of 21%);
- Charities that provide buildings/facilities/open space are most likely to have creditors (38% compared to the mean of 24%), other borrowings (15% compared to the mean of 4%) and other liabilities (31% compared to the mean of 16%). A high percentage of charities that provide services also have creditors (38%);
- Charities that provide religious services are most likely to have property plant and equipment (57% compared to the mean of 37%) and least likely to have creditors (9%); and

- Those that undertake research or sponsor it are most likely to have debtors (50% compared to the mean of 16%).

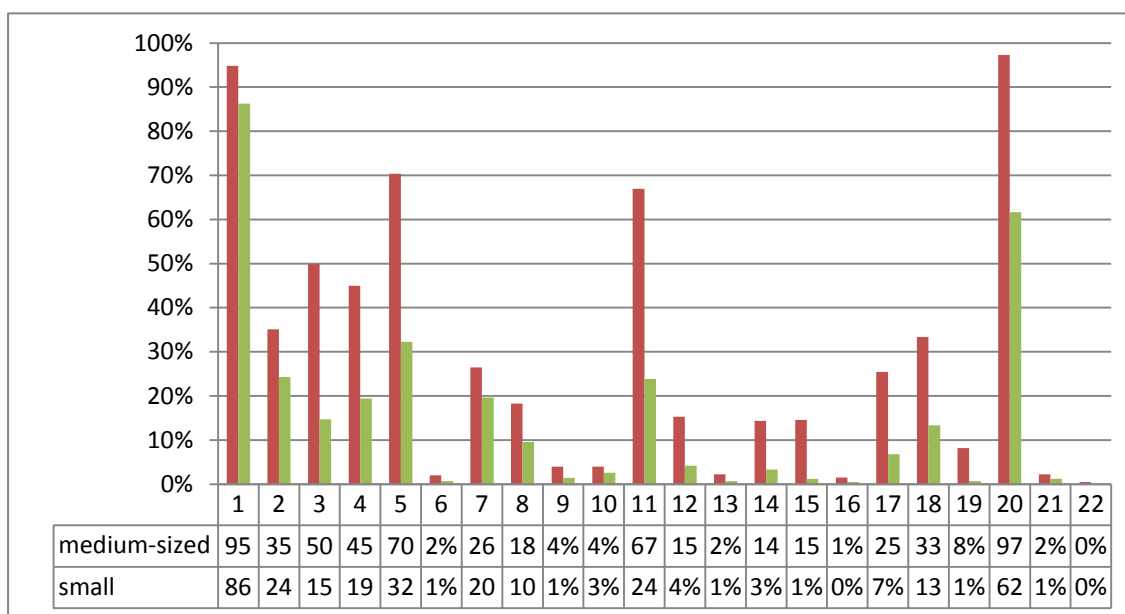
The “other” assets included inventory, prepayments, accrued interest and advances to related parties. In respect of investments, charities reported that they owned shares, bonds, bank deposits and investments in funds (including solicitors’ funds). One entity had an arrangement where they received a portion of the revenue from sales of specific artists and this was recognised as an asset.

The “other” liabilities included mainly income in advance and advances, or funds held on behalf of another party, and income tax liabilities. One entity’s intangible assets appear to be related to a marina license, while the other two charities do not disclose the composition of their intangible assets.

3.3. Balance Sheet transactions across small and medium-sized charities

This sub-section summarises the differences between Figures 4 and 5 (transactions in small and medium-sized charities) by presenting the balance sheet items in Figure 6 (the table below the graph details each percentage).

Figure 6: Balance sheet items in medium-sized and small charities



| # | Explanation | # | Explanation |
|----|---|----|--|
| 1 | Cash/Bank Balances (including petty cash) | 2 | Term Deposits |
| 3 | Debtors | 4 | Any other short term assets |
| 5 | Property, Plant and Equipment (including heritage assets) | 6 | Intangible assets |
| 7 | Investments | 8 | GST Receivable |
| 9 | All other long term assets | 10 | Bank overdrafts |
| 11 | Creditors | 12 | Unused grants/tagged donations |
| 13 | Member loans | 14 | Other borrowings (e.g. bank etc) |
| 15 | Employee related liabilities | 16 | Lease Obligations |
| 17 | GST Liability | 18 | Other liabilities |
| 19 | Externally restricted funds/reserves/bequests | 20 | General and accumulated funds/reserves |
| 21 | Grants received direct to equity | 22 | Minority interest |

It can be seen from Figure 6 that small charities have fewer balance sheet transactions than their medium-sized counterparts (see also section 4.1. basis of reporting, as whether their basis is cash or accrual will impact this). For example:

- They are less likely to record general and accumulated funds/reserves;
- Fewer small charities record debtors, other short term assets and property, plant and equipment;
- Fewer small charities record creditors, unused grants/tagged donations and other liabilities
- However, a great majority of small and medium-sized charities have cash at bank.

The use of cash or accrual also affects the calculation of equity and the presence of a balance sheet. In these samples, six medium sized and seven small charities recorded negative equity and 24 medium-sized and 177 small charities (almost a quarter of the whole sample) recorded zero equity or had no balance sheet.

4. Other factors for consideration

This section considers the basis of reporting used by the sample charities, as well as presenting considerations raised by interviewees in respect of defining the brightline of “expenditure” for Tier 3 and 4 charities. It also states the limitations of this research.

4.1. Basis of reporting (cash or accrual)

The Charities Commission requires charities to note whether their accounts were prepared on an accrual or cash basis. From our medium-sized sample, 47.1% (191) charities noted they had prepared their accounts on a cash basis. However, once the annual account data was analysed, we believe that 127 of these 191 charities had used an accrual basis to prepare their accounts. This was determined from the notes to the accounts, the incidence of such items as depreciation, debtors and creditors and equity. A further 9 charities that had filed a return stating their accounts were prepared on an accrual basis filed accounts that we believe were prepared on a cash basis. This means that, of the medium-sized charities, 18% (73) charities prepared their accounts using the cash basis and 82% (332) prepared their accounts using some type of accrual (see Table 1).

The small charities were not dissimilar, with 132 charities (31%) filing their accounting basis incorrectly. Of those who stated their accounts were cash based, 98 filings appeared to be prepared on an accrual basis and 34 charities that filed their accounts as accrual appeared to have had their accounts prepared on a cash basis. We believe that 45% (192) of the small charities filed accrual accounts and 232 (55%) charities filed cash accounts (see Table 1). Four charities did not file annual reports at all. These are being followed up with the Charities Commission. Accordingly the analysis that follows is for 424 out of 428 charities chosen.

Table 1 shows the levels at which cash and accrual accounts were prepared. The data for this table was taken from our assessment of the financial reports, rather than the charities’ statements as to whether they were cash or accrual. The number of charities that incorrectly assessed their accounts as cash rather than accrual (or vice versa) in each category is also noted.²

It can be seen from Table 1 that when charities’ expenditure is \$10,000 or above, the majority of financial reports are on an accrual basis. It should be noted that the state of the accounts varied widely and Table 2 shows the different style of accounts (Appendix 4 has a small number of examples). Descriptions for the base of accounts varied from cash, ‘old GAAP’, through to IFRS and other descriptions (including ‘per IRD’). A number of entities noted that they had prepared Special Purpose Financial Reports, rather than General Purpose Financial Reports.

In respect of the filing errors noted in Table 1, the percentage of errors does not decrease markedly as charities’ expenditure increases. It is likely that, even when charities have paid staff, less senior people are employed to key in the Charities Commission data. Similar to our previous research, I hypothesise that non-accountants are involved in filing data and that a lack of input controls at the Charities Commission has exacerbated the data errors.

² In March 2012 the charities commission announced it would be rejecting filed accounts that were incorrect.

Table 1: Comparison of charities reporting on a cash or accrual basis by expenditure

| Expenditure range | No. in sample | Cash | | Accrual | | Incorrect basis filed | |
|---------------------------------|---------------|------|-------|---------|--------|-----------------------|-------|
| | | No. | % | No. | % | No. | % |
| \$0 - \$9,999 | 226 | 145 | 64.2% | 81 | 35.8% | 72 | 31.9% |
| \$10,000 - \$19,999 | 77 | 35 | 45.5% | 42 | 54.5% | 26 | 33.8% |
| \$20,000 - \$29,999 | 70 | 34 | 48.6% | 36 | 51.4% | 15 | 21.4% |
| \$30,000 - \$39,999 | 51 | 18 | 35.3% | 33 | 64.7% | 19 | 37.3% |
| Sub-total | 424 | 232 | 54.7% | 192 | 45.3% | 132 | 31.1% |
| \$40,000 - \$49,999 | 54 | 23 | 40.4% | 34 | 59.6% | 19 | 35.2% |
| \$50,000 - \$59,999 | 40 | 18 | 45.0% | 22 | 55.0% | 16 | 40.0% |
| \$60,000 - \$69,999 | 30 | 4 | 13.3% | 26 | 86.7% | 15 | 50.0% |
| \$70,000 - \$79,999 | 23 | 8 | 33.3% | 16 | 66.7% | 7 | 30.4% |
| \$80,000 - \$89,999 | 21 | 6 | 28.6% | 15 | 71.4% | 8 | 38.1% |
| \$90,000 - \$99,999 | 9 | 2 | 22.2% | 7 | 77.8% | 2 | 22.2% |
| \$100,000 - \$119,999 | 26 | 4 | 15.4% | 22 | 84.6% | 8 | 30.8% |
| \$120,000 - \$139,999 | 19 | 3 | 15.8% | 16 | 84.2% | 9 | 47.4% |
| \$140,000 - \$159,999 | 13 | 1 | 7.7% | 12 | 92.3% | 5 | 38.5% |
| \$160,000 - \$179,999 | 17 | - | - | 17 | 100.0% | 5 | 29.4% |
| \$180,000 - \$199,999 | 11 | - | - | 11 | 100.0% | 6 | 54.5% |
| \$200,000 - \$249,999 | 20 | 1 | 5.0% | 19 | 95.0% | 5 | 25.0% |
| \$250,000 - \$299,999 | 19 | - | - | 19 | 100.0% | 8 | 42.1% |
| \$300,000 - \$399,999 | 21 | - | - | 21 | 100.0% | 7 | 33.3% |
| \$400,000 - \$499,999 | 13 | - | - | 13 | 100.0% | 4 | 30.8% |
| \$500,000 - \$999,999 | 37 | 1 | 2.7% | 36 | 97.3% | 8 | 21.6% |
| \$1million - \$1,999,999 | 26 | 2 | 7.4% | 25 | 92.6% | 3 | 11.5% |
| Sub-total | 405 | 73 | 18.0% | 332 | 82.0% | 135 | 33.3% |

As per our 2010/11 study, we categorised the financial statements in order to better understand the filings and present these in Table 2. These categories were for cash:

- “Standard”: where receipts and payments are listed under the headings “income” and “expenditure” and are netted to include a line which calculates a “net surplus/deficit”. A list of assets and liabilities (a balance sheet) is also included. The majority of these standard cash-based financial statements appear identical in appearance to those prepared on an accrual basis. Charities using the standard form may also include notes and/or policies in their financial statements (including a note stating that the cash basis is used). However, there was no evidence that the financial statements had been compiled on an accrual basis (e.g. there were no prepaid expenses or depreciation);
- “Receipts and Payments”: where the financial statements begin with an opening bank balance and cash payments and receipts are listed under their respective headings. Excess receipts over payment are calculated, unrepresented cheques are listed and the closing bank figure as at balance date is provided. In addition, these accounts include a simple list of any other asset(s) or liability(ies) – classified under those headings respectively;
- “T accounts”: where the opening and closing bank balances are presented in columnar form with the receipts and payments. The two columns are summed but there is no calculation of the excess receipts over payments (see Appendix 4 for an example); and

- “Other”: where the formats included trustee statements (often in multiple currencies), bank statements, and a listing of transactions/journal entries and general ledger accounts (see example in Appendix 4).

Table 2: Distribution of Cash and Accrual accounts

| Expenditure range | # | Cash Accounts | | | | | Accrual Accounts | | | |
|--------------------|-----|---------------|--------------|-------------|-------------|------------------|------------------|-------------------|-------------|-----------------|
| | | Standard | Rec. & Payts | T a/c | Other | Total | Standard | Asset sched. only | No Notes | Total |
| \$0 - \$9,999 | 226 | 32 (22%) | 29 (20%) | 32 (22%) | 43 (30%) | 145 ³ | 56 (69%) | 2 (2%) | 21 (26%) | 81 ⁴ |
| \$10k - \$19,999 | 77 | 8 (23%) | 8 (23%) | 12 (34%) | 7 (20%) | 35 | 31 (74%) | 5 (12%) | 6 (14%) | 42 |
| \$20k - \$29,999 | 70 | 4 (12%) | 15 (44%) | 8 (24%) | 7 (21%) | 34 | 33 (92%) | 1 (3%) | 2 (6%) | 36 |
| \$30k - \$39,999 | 51 | 4 (22%) | 7 (39%) | 4 (22%) | 3 (17%) | 18 | 27 (82%) | 1 (3%) | 5 (15%) | 33 |
| \$40k - \$49,999 | 57 | 7 (30%) | 5 (22%) | 8 (35%) | 3 (13%) | 23 | 27 (79%) | 1 (3%) | 6 (18%) | 34 |
| \$50k - \$59,999 | 40 | 3 (17%) | 9 (50%) | 5 (28%) | 1 (6%) | 18 | 18 (82%) | 3 (14%) | 1 (5%) | 22 |
| \$60k - \$69,999 | 30 | 3 (75%) | - | 1 (25%) | - | 4 | 21 (81%) | 1 (4%) | 4 (15%) | 26 |
| \$70k - \$79,999 | 24 | 1 (13%) | 1 (13%) | 3 (38%) | 3 (38%) | 8 | 12 (75%) | 2 (13%) | 2 (13%) | 16 |
| \$80k - \$89,999 | 21 | 1 (17%) | 2 (33%) | 3 (50%) | - | 6 | 12 (80%) | - | 3 (20%) | 15 |
| \$90k - \$99,999 | 9 | - | 1 (50%) | 1 (50%) | - | 2 | 7 (100%) | - | - | 7 |
| \$100k - \$119,999 | 26 | 2 (50%) | - | 1 (25%) | 1 (25%) | 4 | 18 (82%) | - | 4 (18%) | 22 |
| \$120k - \$139,999 | 19 | 1 (33%) | 2 (67%) | - | - | 3 | 13 (81%) | - | 3 (19%) | 16 |
| \$140k - \$159,999 | 13 | - | - | 1 (100%) | - | 1 | 10 (83%) | - | 2 (17%) | 12 |
| \$160k - \$179,999 | 17 | - | - | - | - | - | 15 (88%) | 1 (6%) | 1 (6%) | 17 |
| \$180k - \$199,999 | 11 | - | - | - | - | - | 9 (82%) | - | 2 (18%) | 11 |
| \$200k - \$249,999 | 20 | - | 1 (100%) | - | - | 1 | 17 (89%) | - | 2 (11%) | 19 |
| \$250k - \$299,999 | 20 | - | - | - | - | - | 19 (95%) | - | 1 (5%) | 20 |
| \$300k - | 21 | - | - | - | - | - | 19 | 1 | 1 | 21 |

³ Nine small charities (6%) stated they had no activity and were omitted from the categorisations, but are included in the total. The category percentages therefore add to 94%.

⁴ Two medium-sized charities (2%) stated they had no activity and were omitted from the categorisations, but are included in the total. The category percentages therefore add to 98%.

| | | | | | | | | | | |
|--------------------------|----|-------------|---|------------|------------|---|-------------|------|------------|----|
| \$399,999 | | | | | | | (90%) | (5%) | (5%) | |
| \$400k - \$499,999 | 13 | - | - | - | - | - | 11 (85%) | - | 2 (15%) | 13 |
| \$500k - \$999,999 | 37 | 1 (100%) | - | - | - | 1 | 33 (92%) | - | 3 (8%) | 36 |
| \$1million - \$1,999,999 | 27 | - | - | 1 (50%) | 1 (50%) | 2 | 24 (96%) | - | 1 (4%) | 25 |

At times it was difficult to distinguish between the standard layout and receipts and payments, and between receipts and payments and the T account format. It can be seen from Table 2 that fewer cash accounts on the whole were in the standard format. While in our 2010/11 (smaller) study, the standard format was most common, in this study the reporting was almost evenly split across all three typical cash accounting options.

The remaining financial accounts were designated as accrual. Cash and accrual accounts were delineated on the basis of notes to the accounts stating whether they were prepared on an accrual or cash basis. However where notes did not state this, financial statements were defined as accrual-based if some attempt at accrual accounting had been made. Attempts include depreciation, the presence of debtors and/or creditors or other accrual items. For accrual accounts we made three categorisations:

- “Standard”: These financial statements included a Statement of Financial Performance, Statement of Financial Position and notes to the accounts. However there was great diversity in the style of accounting used (e.g. “in compliance with the Financial Reporting Act”, “in compliance with old GAAP”, “in compliance with IFRS”, “using historical cost”). Further, a number of the reports were “special purpose reports”, albeit they are filed on a public register. A small number of charities also filed cash flow statements (not necessarily in a standard format, some of these were a t a/c-type statement) which was in addition to their accrual filings;
- “Asset schedule but no other notes”: These statements consisted of a Statement of Financial Performance, a Statement of Financial Position and an asset schedule. In some cases it was apparent that notes did exist, however they had not been filed with the Charities Commission and therefore these statements were still designated as being “no notes”. (In Table 2 this style is abbreviated to “Asset Sched. Only”); and
- “No notes”: These statements consisted of a Statement of Financial Performance and a Statement of Financial Position. In some cases it was apparent that notes did exist, however they had not been filed with the Charities Commission. These statements were still designated as being “no notes”.

In addition to this categorisation, we also recorded the type of format/preparer of the financial statements. This is shown in Appendix 2 (Table 19). The categories were:

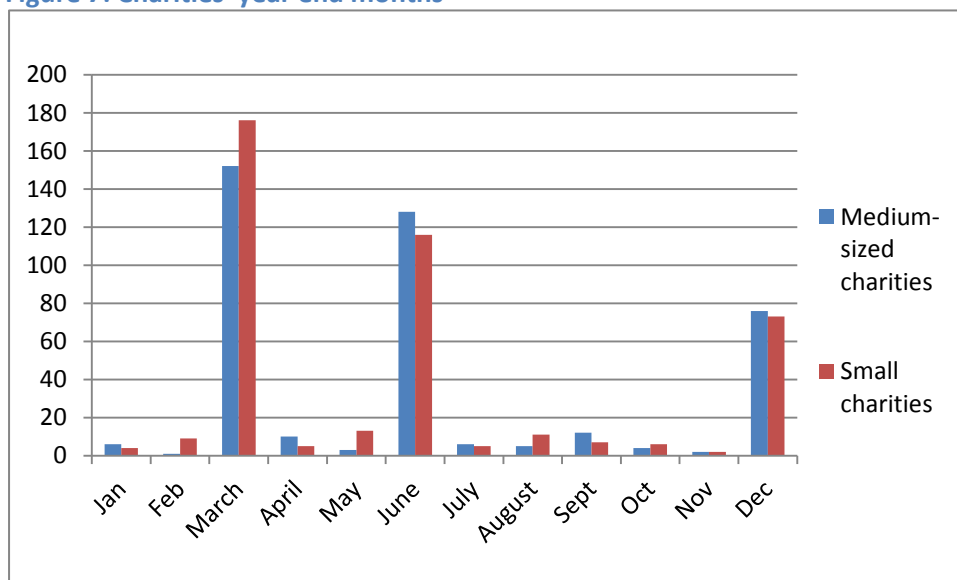
- Computer: an MYOB or Cash Manager printout were the most common in this category;
- Firm: most were prepared under a compilation engagement, but also some audited/reviewed financial statements had obviously been prepared in an accounting firm’s format and these were also categorised as being prepared by a firm. In addition, if the preparer had identified themselves as a Chartered Accountant, these were designated as “firm” prepared accounts;

- Journals/General Ledger Accounts: a computer listing of transactions or handwritten/printed listing of transactions/journal entries and general ledger accounts;
- Pre-prepared format: For example the Fire Service and the Playcentre Association request their members to prepare financial data for them in a standard format. Many of these charities filed the pre-prepared format accounts with the Charities Commission (especially the smaller members). An example is shown in Appendix 4;
- Trustee accounts: These were printouts from the Trustee Company. They included separate statements for income and capital accounts and often were in different currencies, depending on the underlying investments. In all but one case these trustee statements did not include a balance sheet (that is, they were cash-based). An example is shown in Appendix 4; and
- Unknown: The accounts' preparers had no identifying characteristics. In some cases they appeared to be the result of a qualified person's work, but It was not obvious that the person was a CA or CPA member (i.e. they had not signed the accounts or included a compilation engagement letter). An example is shown in Appendix 4.

A further comment on the layout of the accounts is that in some service-providing charities the accounts included allocations of costs across different areas, thus making them more like management accounts.

In addition, charities recorded different dates for their year end. The sample's year end months are shown in Figure 6.

Figure 7: Charities' year end months



4.2.Overall comments on transactions

Interviewees were asked if the typical transactions revealed by this research were those they had experienced in their charity or not-for-profit work. They were also asked if there were particular issues that were not covered or where they had difficulties currently dealing with a particular accounting item. These issues raised are noted in Table 2 under three headings: 'Raised frequently', 'Raised more than once' and 'Raised'.

The interviewees were not chosen to be a statistical sample, although they do represent a wide range of informed practitioners. Further, the interviewees were free to raise their own pressing issues and therefore the frequency of an issue occurring may or may not indicate its importance across the population. However, it should be noted that reports, such as those prepared by the NFP Application Working Group brought together by the Accounting Standards Review Board and the XRB's Simple Format Working Group, also highlight some of these same issues.

4.3. Expenditure (what is it?)

Finally, a number of interviewees expressed concern about the brightline tests for 'expense' or 'expenditure' (e.g. \$40,000 or \$2million). These concerns included which items were encompassed in the brightline test, for example:

- Tax: Income tax is an expense, but is it included in "expenditure"? Further, some charities register for GST, but are under the registration level. Would they need to add GST back on to their expenditure to see whether they were above or below the brightline of \$40,000?;
- Whether grant payments are included in operating expenditure for assessing the brightline., however:
 - Grants may be paid out of operating expenditure if charities have a policy to pay out a percentage of the current years' income as grants;
 - Some charities follow a policy (or are required by legislation) to pay grants out of past profits (and therefore out of equity);
 - For others, capital accounts could be used to pay out grants (i.e. the grant-making is a reduction in a liability rather than a pure expense); and
 - To further complicate matters, some charities are constrained in paying out as they first need to retain a level of capital before assessing their distributions.Defining grant-making charities differently from other charities could be counter-productive. However it should also be noted that non-grant-making charities also make grants. For example, a mental health charity might pay an "allowance" to assist a service recipient to integrate into society. In effect this is a grant; and
- Whether unrealised losses should be included in expenditure (see Table 3).

Other interviewees were concerned that the level for cash was too low, some (who find cash accounting abhorrent) that it was too high.

4.4. Limitations

This research has a number of limitations, mainly relating to the samples that were drawn. While we utilised statistical methods to derive the sample (as noted in the Appendix), there is the risk that this is not representative of the charity population. Further, where charities' accounts were not available, the selection of particular charities may have reduced the diversity of information. Where there was doubt, statistical tests were carried out with and without the outliers in the sample.

A further limitation is that this research has not assessed the usefulness of the published financial reports. The user voice is important to the XRB; however this research was targeted at typical transactions rather than the usefulness of the reporting of those transactions. In addition, neither the costs nor the benefits of charities' reporting has been assessed.

Table 3: Not-for-Profit Accounting issues raised by interviewees

| Item | Issue |
|--|--|
| <p>Raised Frequently</p> <ul style="list-style-type: none"> Gifts-in kind (assets/consumables, volunteer time) | <ul style="list-style-type: none"> Some entities value these donations and some do not, raising comparability issues. Advice is required as to whether these valuations are required and how to do them, especially when the gifting is a cultural item, or if the goods are in an ‘opportunity shop’.⁵ Differences between gifts-in-kind may require different accounting (e.g. a large asset or heritage asset, compared to baking for morning tea); sponsorship in kind may cover multiple periods (revenue to organisation and organisation’s own sponsorship of events/other organisations). Accountants don't always know about these so they can be hard to include in accounts. Pro bono services included only when invoiced. A number of the sample included notes on volunteer time, some charities value this, especially if hours are partially paid for. Comparability issues here too. |
| <ul style="list-style-type: none"> Bequests and other uncertain income | <ul style="list-style-type: none"> It is difficult to account for special purpose (tagged) bequests, to track them and usefully inform users (however, tagging these will smooth the income line). Uncertainty of income means many organisations recognise only on receipt (e.g. length of time to realise asset/s, bequest held by another party, etc). There is an infinite number of variations and practices that should be analysed and developed. Estimating future income (such as insurance claims/business continuity) difficult. |
| <ul style="list-style-type: none"> Variability of ‘bottom line’ in respect of revaluations and other activities | <ul style="list-style-type: none"> Caused by revaluations in assets, liabilities and foreign exchange losses and profits. Some entities recognise and some do not, raising comparability issues. Concern that users do not understand the ‘unrealised’ nature of some revaluations and that this affects their decision-making. Revaluation costs can be excessive for small organisations and the information (if gathered) may not be useful to users. Heritage and cultural items are hard to value. When forests are logged, the expenditure can be thousands of times larger than typical expenditure. |
| <ul style="list-style-type: none"> Income in advance | <ul style="list-style-type: none"> Some entities recognise unspent grants/contracts and some do not, some average out over contract, some recognise profit and loss and some do not. These are all comparability issues. Matching and tracking is difficult, also organisations must be clear about cut-off dates. |

⁵ It is interesting to note the current UK Financial Reporting Exposure Draft 48 has tentatively agreed to change the proposed treatment of donated goods for Public Benefit Entities. The change will allow for income to be recognised when goods are sold if it is not practical or beneficial to estimate the fair value of the goods at the point they are received by the entity. This FRED is still out for consultation.

| | |
|---|---|
| | <ul style="list-style-type: none"> • Distinction between government grant and contracts also impacts the reporting of income in advance. • If donation/grant is not repayable due to non-performance, is IPSAS23 the 'right' answer (i.e. the grant should be recorded as income on receipt); multiple years and definition of when to record income also an issue with interpretation o of IPSAS23. |
| <ul style="list-style-type: none"> • Fundraising costs | <ul style="list-style-type: none"> • The direct costs of fundraising are affected by the method used, whether in-house (and allocated) or outsourced. Non-disclosure and netting is also frequent in this area. The costs of apportioning are an issue and this is also affected by materiality. Guidance required. |
| <ul style="list-style-type: none"> • Capital vs. income grants | <ul style="list-style-type: none"> • Concern that all grants received affect 'profit' and yet capital grants are not received for operations. |
| <ul style="list-style-type: none"> • Audit and assurance issues | <ul style="list-style-type: none"> • Cost, availability, necessity to have because of funder, scope. |
| Raised more than once | |
| <ul style="list-style-type: none"> • Concessionary loans | <ul style="list-style-type: none"> • These might be from members, social enterprise funding, or related parties. Appropriate recognition, including the fair value of these loans, when to recognise as a loan or a grant if it is not arm's length and if interest is forgiven. (Note IRD tax policy on tax avoidance ramifications if loans become donations) • Some (member-based) organisations also make loans to members. |
| <ul style="list-style-type: none"> • Retirement villages and licenses to occupy | <ul style="list-style-type: none"> • Fair valuation of license can sometimes cause 'negative equity'. This was recognised by interviewees as a complex issue. |
| <ul style="list-style-type: none"> • Identification of expenditure on a program basis | <ul style="list-style-type: none"> • The need for users to be able to identify commercial and charitable expenditure separately. • Users tend to focus on expenses rather than income to manage operation. • 'Standard' classifications (if used) need to be carefully described to ensure information is accurate. |
| <ul style="list-style-type: none"> • 'Lumpy' income likely to be netted | <ul style="list-style-type: none"> • This includes ticket sales/performance costs and conference income and expenditure where entities often disclose the net rather than gross revenue and expenditure. Again, a comparability issue. |
| <ul style="list-style-type: none"> • The need to keep compliance costs low | <ul style="list-style-type: none"> • Inference that Standard Business Reporting is needed to reduce duplication of effort for Statistics NZ and IRD. |
| <ul style="list-style-type: none"> • Investment management and trustee fees | <ul style="list-style-type: none"> • Some entities disclose these items and some do not, raising comparability issues. |
| Raised | |
| <ul style="list-style-type: none"> • Equity | <ul style="list-style-type: none"> • Whether equity is an appropriate classification for not-for-profit entities. • Statement of Movements in Equity appears to duplicate Balance Sheet information. |
| <ul style="list-style-type: none"> • Ability to 'opt-up' | <ul style="list-style-type: none"> • One interviewee noted that they would always report at the highest level, due to their pride in reporting and the necessity to show their position adequately to their government funder. |
| <ul style="list-style-type: none"> • Tax | <ul style="list-style-type: none"> • Issues such as import costs, GST and tax are murky areas in the not-for-profit sector. (Financial Reporting standards may not deal with this, but recognition of the problem and guidance would be helpful). |

| | |
|--|--|
| <ul style="list-style-type: none"> • Notes to financial statements | <ul style="list-style-type: none"> • Can be opaque to readers. Development of more options/simpler terms would be helpful. |
| <ul style="list-style-type: none"> • Cultural issues | <ul style="list-style-type: none"> • Relationship building and other issues around Maori protocol are not reported in the financial statements. • Land that cannot be sold is difficult for Maori trusts to value. |
| <ul style="list-style-type: none"> • Consolidation | <ul style="list-style-type: none"> • The propensity of some charities to 'hide' assets and/or liabilities is exacerbated when they do not consolidate entities that are controlled. |
| <ul style="list-style-type: none"> • Statement of Cash Flows | <ul style="list-style-type: none"> • Categories are not necessarily useful for not-for-profit organisations, but the information itself is very useful. As these are not required at present they are often unaudited, but if these are required audit costs will rise. |
| <ul style="list-style-type: none"> • Statements of Movements in Equity | <ul style="list-style-type: none"> • One telephone interviewee noted they provide no useful information; an auditor noted that careful thought needs to be put into whether movements in equity affected owners or not (and therefore whether they should be included). |

4.5. Summary

This research was undertaken to analyse typical transactions in charities. This data set revealed differences between charities' financial reporting at an individual level in respect of the bases of accounting and the styles of financial analysis. However, these differences must be observed in light of the environment in which they were prepared. A 'GAAP deficit' exists in respect of charity accounting, with inappropriate bases being used for preparing charities' financial statements. For example, some charities' financial statements used an 'exempt company report' format, and some use IFRS as a basis. Neither of these is appropriate for charities as they are underpinned by a for-profit framework and are not designed to be used for reporting to donors, beneficiaries, or the public.

Statistical analysis of sectors and activities reveals that there is a level of homogeneity of reporting across charities, despite individual diversity. That is, similar general ledger accounts are utilised in reporting. As might be expected, medium-sized charities use more accounts than small charities.

A limitation of analysing charity reports is that some transactions may not be recorded that would be expected. The interviews undertaken following the database construction and analysis were used to discover whether this was a possibility (see Appendix 1 for the methods used). Yet, the interviewees failed to highlight areas in charities' accounting which would not otherwise have been expected. That is, the perennial issues of bequests, donations-in-kind including volunteer time, and variability of the 'bottom line' were highlighted, however none of these are issues that the XRB is unaware of.

The Charities Commission has contributed to a growing professionalization of charities; including the monitoring of registration and filing, but, as can be seen from the extract of the financial statements of the Clinton Senior Citizens in Figure 11 (in Appendix 4), a robust framework needs not only to be in place, but also to be communicated before diversity in charities' financial statements presentation is addressed.

A number of issues are being addressed in other streams of this Simple Format Reporting Project that have not been dealt with in this research. These include: analysis of user needs and the costs and benefits of presentation approaches, analysis of other reporting regimes and the format of financial statements that are required by other charity regulators, testing the enthusiasm for specific formats within specific charity sectors and sub-sectors (and the ability to supervise any templates derived), and whether or not a standard chart of accounts would be helpful in the development of Simple Format Reporting. Depending on the outcome of these other enquiries and decisions, it will be necessary for accounting professionals and charity sector participants to upskill themselves in order to meet any new requirements that are derived. In addition, the impending changes to the audit requirements (Ministry of Economic Development) will also affect charities. While this report provides one aspect of charity reporting, there is much work to be done,

Appendix 1: Method

The research was undertaken in three stages; namely database sampling, interviews and analysis. These are explained below.

Database sampling/financial data

The Charities Commission provided us with a copy of their database, that is, all the charities' filed annual returns sorted into medium-sized and small charities. Although the Charities Commission data included financial information, we elected to download the financial statements filed by the charities and to analyse specific fields in order to understand their typical transactions. This was because the Charities Commission data is not detailed enough, and due to the incidence of errors in the data that is self-reported by charities.

A random sample of charities was selected. The database sample took into consideration variations in charities' financial reporting needs and was representative of:

- a. The main sectors in which charities operate (18 plus 'other')
- b. The 11 main activities which charities undertake.

We reduced the number of sectors to ten common sectoral groupings by observing the incidence of transactions across the Charities Commission filings in the 19 original sectors (see Table 2). The sample was stratified by population (large or small charity) and, within population by sector. Within each population, each sector was sampled at a rate to give approximately 40 units from that sector. Then, within each sector, the proportion of charities with each main activity in the sample was compared to the proportion of charities with that main activity in the population. Where percentages were difficult to match, we tended to oversample, to make sure that each activity in each sector was represented. Charities were randomly added to give these approximately equal percentages of each activity. We worked with Dr Dalice Sims (School of Mathematics, Statistics and Operations Research) to define the sample size and she undertook the sampling process.

While the geographical spread both in areas of operation and post code may have provided another factor for selection, it did not seem likely that regional variations would affect financial reporting.

Table 4: Sectors and activities chosen for categorisation of charities

| |
|---|
| <p>Main sectors</p> <ol style="list-style-type: none">1. "assistance" This comprises Charities Commission sectors of accommodation/housing; economic development; employment; marae on conservation land; and people with disabilities2. arts/culture/heritage3. "other". This includes Charities Commission sectors of care/protection of animals; environment/conservation; international activities; promotion of volunteering; religious activities⁶; and other4. community development5. education/training/research6. emergency/disaster relief7. fund-raising |
|---|

⁶ While most of the merging of sectors is due to their small size (e.g. international activities has 37 organisations across the 2 populations), religious activities has been merged as 78% of these organisations also undertake "religious services" so they will be picked up in the sampling of that activity.

| |
|--|
| 8. health 9. sport/recreation 10. social services |
| Main activities 1. acts as an umbrella/resource body 2. makes grants/loans to individuals 3. “organisational funding”. This includes the Charities Commission activities of makes grants/loans to organisations (including schools or other charities); and provides other finance (e.g. investment funds) 4. provides services (e.g. care/counselling) 5. provides advice/information/advocacy 6. sponsors/undertakes research 7. provides human resources (e.g. staff/volunteers) 8. provides religious services/activities 9. provides buildings/facilities/open space 10. other |

From December onwards, three Research Assistants downloaded from the Charities Commission’s register and keyed in the financial statements of the sample charities. Where there were issues with understanding the data, the Research Assistants telephoned the charity for clarification. Finally, these two datasets were checked and a summary of the transactions was prepared for the interview stage.

Interviews

Following the data input and preliminary analysis, we moved to a survey/interview stage of the research. Victoria University ethics approval was gained for this stage of the research, which we undertook to check for unusual transactions that may not have appeared in the sample. It also provided an opportunity to check the understanding we had gained from the preliminary data analysis.

The interviewees were:

- a. Told about the project and the preliminary findings from the data analysis
- b. Asked whether these are ‘typical’ transactions in their part of the sector
- c. Asked what other transactions they would come across in the sector that have not been covered
- d. Questioned as to whether small charities had different information needs to medium-sized charities.

The people chosen to interview were in two groups. The first group comprised attendees from the XRB seminars (held in November, 2011) who had shown an interest in the charitable or wider NFP sector. At this stage no attendees from accounting firms were approached, and where more than one person attended from the same organisation, we asked to interview the most appropriate person in the organisation. From a total of 398 possible interviewees, 179 were approached by email and asked whether they would participate in a short interview. Of these, 54 accepted and were telephoned at a time to suit the interviewee. A further two telephone interviews were held with people involved in Trustee charities, following the recommendation of one of the first group of

interviewees (making 56 telephone interviews in total). Notes were made during the interviews and this data was subsequently analysed.

The second group were informed preparers of charity accounts and advisors to charities and other not-for-profit entities. These included partners at 'Big 4' and non-Big 4 accounting firms, as well as individual Chartered Accountants with broad experience. Seven formal, recorded, interviews lasting from 60-90 minutes were held with these individuals and, while I was the lead interviewer in these cases, two Research Assistants also participated in two of the interviews. The recordings were not transcribed, but were summarised for specific issues and copies of the summaries were offered to the participants prior to analysis.

Data Analysis

As noted above, the financial data was analysed for common transactions which then informed the interviews. The notes of the interviews were discussed amongst the researchers in order to ensure a common understanding. The interviews were then analysed for common transactions.

In addition to the calculations required for the data tables in the body of the report and Appendix 2, statistical analysis of the sectors and activities was undertaken.

Appendix 2 Further Revenue and Expenditure data

In this appendix, 14 tables are presented showing

- The range of the population and sample for both the medium-sized and small charities in this research. A number of limitations on the data are noted;
- The dollar values for revenue and expenditure for both the medium-sized and small charities for the whole sample (further detail about specific sectors and/or activities are available and can be provided on request); and
- The dollar values for balance sheet items for both the medium-sized and small charities for the whole sample (further detail about specific sectors and/or activities are available and can be provided on request).

Table 5: Sample of medium-sized charities

| Medium-Size (range & totals) | # | # staff | # hours | # vols | # vol hours | Total Income | Total Expenditure | Total Assets | Total Liabilities |
|---|----------|----------------|----------------|---------------|--------------------|----------------------|--------------------------|----------------------------|---------------------------|
| Range in sample | 0-405 | 0- 98 | 0-1,030 | 0-2,648 | 0-10,000 | \$0-\$5,152,748 | \$0-\$1,963,945 | \$0-\$25,156,933 | \$0-\$13,584,493 |
| Range in population | 9,019 | 0-494 | 0-11,948 | 0-3,800 | 0-22,800 | -\$226647-\$28472634 | \$40,000-\$1,999,000 | -\$348,087 - \$146,283,000 | -\$771,175 - \$60,584,662 |
| Totals in sample | | 1,442 | 30,108 | 11,528 | 333,392 | 123,117,056 | 105,890,475 | 425,204,092 | 72,379,545 |
| Totals in pop | | 55,581 | 1,233,876 | 222,059 | 730,679 | 3,017,003,837 | 25,990,266,674 | 11,663,601,668 | 1,955,746,747 |
| Sample % of pop | 4.49% | 2.59% | 2.44% | 5.19% | 4.57% | 4.08% | 4.07% | 3.65% | 3.70% |

The register has some unusual items on it, which for the purposes of this chart have been ignored where possible. A number are listed here to explain the differences between the information gathered and the Charities Commission data. For example:

- The charity “Idea Services Ltd” (a trading operation of IHC) has filed as a medium-sized charity as the filing has missed off the thousands (so that thousands are indeed millions of dollars). This means it is not medium-sized. It has registered 4959 employees.
- At least two other charities have filed total employee hours in the week which are obviously total employee hours in the year (or the number of employees filed is incorrect, but the wages paid support the first hypothesis).
- Volunteer and volunteer hour data are also suspicious in some cases. Canterbury Primary School Sports Association Inc estimates they have 10,000 volunteers who donate 10 hours every week (total of 100,000 hours), while the Royal Federation of New Zealand Justices Associations Incorporated has 7,000 volunteers who donate no hours per week.
- All of the St John committees in this expenditure grouping list the same number of volunteer (2648) and between 0 and 10 hours volunteering per week.
- The data was also cleaned for negative income, expenditure, assets and liability items with the effect that, while the Charities Commission data shows negative items in the totals of these elements, the data collected for this research does not.
- Total expenditure data gathered shows that 5 of these charities had ‘0’ expenditure, as income and expenditure statements had not been filed. A further 17 charities had total expenditure of less than \$40,000.

Table 6: Range of dollar values of revenue and expenditure items in medium-sized charities

| | N | Minimum | Maximum | Sum | Mean | Std. Deviation |
|--|----------|----------------|----------------|----------------|-------------|-----------------------|
| Total expenditure (per Charities Commission) | 405 | 40,134.00 | 1,963,944.00 | 107,376,341.00 | 265,126.77 | 350,978.44 |
| Fundraising from public | 124 | 82.00 | 376,575.00 | 3,191,118.90 | 25,734.83 | 51,678.48 |
| Other donations & grants | 328 | 3.00 | 4,989,876.00 | 49,766,041.96 | 151,725.74 | 351,035.37 |
| Subcategory sponsorship if provided | 38 | 46.00 | 320,758.00 | 993,967.45 | 26,157.04 | 60,702.92 |
| Fees from members | 109 | 15.00 | 510,486.00 | 2,093,725.93 | 19,208.49 | 56,609.23 |
| Revenue from goods & services | 250 | 91.00 | 1,807,564.00 | 38,827,528.04 | 155,310.11 | 286,741.03 |
| Interest income | 357 | 1.00 | 595,197.00 | 4,854,791.46 | 13,598.86 | 44,037.34 |
| Dividend income | 49 | 78.00 | 904,265.00 | 2,096,816.52 | 42,792.17 | 145,788.57 |
| Rental income | 105 | 10.00 | 1,183,810.00 | 7,361,679.65 | 70,111.23 | 191,814.97 |
| Other investment income | 23 | 20.00 | 136,477.00 | 618,543.76 | 26,893.21 | 41,250.31 |
| Gain on sale of assets/revaluations | 25 | 10.00 | 4,745,101.00 | 6,171,215.39 | 246,848.62 | 948,302.46 |
| Bequests | 9 | 165.00 | 188,718.00 | 491,653.00 | 54,628.11 | 70,955.56 |
| Other revenue | 219 | 2.00 | 758,141.00 | 6,670,018.92 | 30,456.71 | 96,099.23 |
| Gross revenue | 401 | - | 5,152,748.00 | 123,117,061.00 | 307,025.09 | 516,633.15 |
| Direct cost of fundraising | 81 | 36.00 | 414,800.00 | 1,895,328.96 | 23,399.12 | 56,487.43 |
| Staff costs | 232 | 90.00 | 1,352,091.00 | 40,671,039.39 | 175,306.20 | 247,988.12 |
| Service delivery costs other than staff | 295 | 86.53 | 1,934,031.00 | 20,085,002.69 | 68,084.75 | 146,848.08 |
| Depreciation | 258 | 2.00 | 504,363.00 | 6,139,327.85 | 23,795.84 | 46,577.43 |
| Loss on sale/revaluation | 44 | 8.00 | 174,879.00 | 491,976.13 | 11,181.28 | 29,336.28 |
| Rent and building costs (including utilities) | 233 | 30.00 | 564,345.00 | 7,430,761.08 | 31,891.68 | 67,358.45 |
| Admin/Overhead costs | 375 | 44.00 | 585,340.00 | 13,302,244.13 | 35,472.65 | 68,390.09 |
| Lease payments | 38 | 75.00 | 132,000.00 | 471,423.36 | 12,405.88 | 24,681.60 |
| Bad & doubtful debts | 20 | 31.00 | 11,188.00 | 55,882.34 | 2,794.12 | 3,024.83 |
| Grant paid | 139 | 20.00 | 1,395,115.53 | 9,318,009.05 | 67,036.04 | 195,638.34 |
| Interest paid, debt servicing costs & bank fees | 286 | 2.00 | 309,963.00 | 1,283,375.03 | 4,487.33 | 23,868.09 |
| Assurance costs | 201 | 22.00 | 34,775.00 | 611,610.57 | 3,042.84 | 4,118.54 |
| All other expenditure | 213 | 26.00 | 213,271.00 | 4,171,675.10 | 19,585.33 | 32,094.22 |
| Total expenses (per filed accounts) | 405 | - | 1,963,945.00 | 105,890,476.00 | 261,457.97 | 353,211.15 |

Table 7: Revenue and expenditure items by sector in medium-sized charities

| Transactions | Arts / culture / heritage | Assistance | Community development | Education / training | Emergency / disaster | Fundraising | Health | Other | Social services | Sport / recreation | mean | SD |
|---|---------------------------|------------|-----------------------|----------------------|----------------------|-------------|--------|-------|-----------------|--------------------|------|-----|
| Fundraising from public | 13% | 25% | 35% | 28% | 59% | 58% | 15% | 23% | 15% | 35% | 30% | 17% |
| Other donations & grants | 93% | 75% | 83% | 78% | 85% | 60% | 68% | 88% | 88% | 95% | 81% | 11% |
| Sponsorship | 23% | 8% | 5% | 5% | 10% | 9% | 13% | 3% | 0% | 20% | 9% | 7% |
| Fees from members | 48% | 23% | 25% | 18% | 29% | 16% | 30% | 20% | 10% | 53% | 27% | 14% |
| Revenue from goods & services | 80% | 58% | 63% | 60% | 68% | 30% | 50% | 58% | 68% | 85% | 62% | 15% |
| Interest income | 88% | 85% | 80% | 90% | 100% | 91% | 88% | 78% | 90% | 93% | 88% | 6% |
| Dividend income | 8% | 10% | 15% | 5% | 15% | 9% | 15% | 18% | 15% | 13% | 12% | 4% |
| Rental income | 38% | 40% | 25% | 8% | 15% | 12% | 35% | 20% | 24% | 45% | 26% | 13% |
| Other investment income | 5% | 8% | 5% | 8% | 7% | 9% | 3% | 0% | 7% | 5% | 6% | 3% |
| Gain on sale of assets/revaluations | 8% | 13% | 3% | 10% | 2% | 2% | 8% | 0% | 10% | 8% | 6% | 4% |
| Bequests | 0% | 5% | 0% | 3% | 0% | 2% | 8% | 0% | 5% | 0% | 2% | 3% |
| Other revenue | 68% | 58% | 60% | 58% | 56% | 26% | 45% | 53% | 51% | 70% | 54% | 12% |
| Direct cost of fundraising | 13% | 18% | 30% | 13% | 24% | 51% | 13% | 10% | 7% | 20% | 20% | 13% |
| Staff costs | 55% | 78% | 60% | 60% | 24% | 28% | 70% | 63% | 85% | 53% | 58% | 19% |
| Service delivery costs other than staff | 90% | 60% | 80% | 95% | 73% | 35% | 80% | 75% | 56% | 88% | 73% | 18% |
| Depreciation | 75% | 83% | 58% | 63% | 46% | 33% | 68% | 53% | 80% | 83% | 64% | 17% |
| Loss on sale/revaluation | 10% | 3% | 20% | 15% | 5% | 0% | 20% | 8% | 20% | 10% | 11% | 7% |
| Rent & building costs | 80% | 75% | 50% | 60% | 37% | 14% | 50% | 65% | 78% | 70% | 58% | 21% |
| Admin/Overhead costs | 95% | 95% | 90% | 85% | 100% | 84% | 85% | 95% | 100% | 98% | 93% | 6% |
| Lease payments | 18% | 10% | 3% | 5% | 7% | 0% | 20% | 5% | 17% | 10% | 9% | 7% |
| Bad & doubtful debts | 0% | 3% | 5% | 8% | 0% | 2% | 8% | 5% | 5% | 15% | 5% | 4% |
| Grant paid | 25% | 13% | 60% | 40% | 10% | 72% | 45% | 8% | 46% | 23% | 34% | 22% |
| Interest paid, debt servicing costs, bank fees | 70% | 80% | 78% | 70% | 71% | 63% | 60% | 73% | 78% | 65% | 71% | 7% |
| Assurance costs | 55% | 78% | 40% | 45% | 34% | 42% | 53% | 35% | 66% | 50% | 50% | 14% |
| All other expenditure | 85% | 85% | 35% | 50% | 78% | 30% | 58% | 63% | 7% | 38% | 53% | 26% |

Table 8: Revenue and expenditure items by activity in medium-sized charities

| Transactions | Acts as an umbrella | Makes grants / loans | Organisational Funding | Other | Provides advice / etc | Provides buildings /etc | Provides human resources | Provides religious services | Provides services | Sponsors / undertakes research | mean | SD |
|--|---------------------|----------------------|------------------------|-------|-----------------------|-------------------------|--------------------------|-----------------------------|-------------------|--------------------------------|------|-----|
| Fundraising from public | 10% | 20% | 28% | 38% | 26% | 23% | 58% | 15% | 29% | 17% | 26% | 14% |
| Other donations & grants | 80% | 80% | 44% | 86% | 87% | 79% | 92% | 90% | 89% | 100% | 83% | 15% |
| Subcategory sponsorship if provided | 5% | 10% | 7% | 12% | 11% | 7% | 11% | 5% | 11% | 0% | 8% | 4% |
| Fees from members | 25% | 20% | 15% | 36% | 32% | 23% | 28% | 5% | 31% | 17% | 23% | 9% |
| Revenue from goods & services | 75% | 30% | 37% | 61% | 71% | 67% | 83% | 60% | 64% | 50% | 60% | 17% |
| Interest income | 95% | 90% | 87% | 87% | 84% | 91% | 100% | 75% | 88% | 67% | 86% | 10% |
| Dividend income | 10% | 0% | 33% | 6% | 8% | 16% | 6% | 10% | 11% | 0% | 10% | 10% |
| Rental income | 25% | 0% | 15% | 26% | 21% | 60% | 19% | 35% | 23% | 0% | 22% | 17% |
| Other investment income | 5% | 0% | 15% | 9% | 0% | 0% | 6% | 0% | 2% | 17% | 5% | 6% |
| Gain on sale of assets/revaluations | 0% | 0% | 11% | 5% | 8% | 12% | 3% | 0% | 6% | 0% | 4% | 5% |
| Bequests | 0% | 0% | 4% | 1% | 3% | 2% | 0% | 0% | 5% | 0% | 1% | 2% |
| Other revenue | 60% | 40% | 26% | 52% | 47% | 53% | 72% | 70% | 67% | 50% | 54% | 14% |
| Direct cost of fundraising | 15% | 20% | 24% | 21% | 21% | 12% | 25% | 0% | 23% | 33% | 19% | 9% |
| Staff costs | 85% | 30% | 26% | 53% | 76% | 53% | 36% | 70% | 78% | 67% | 57% | 21% |
| Service delivery costs other than staff | 90% | 50% | 35% | 72% | 74% | 79% | 81% | 85% | 87% | 83% | 74% | 18% |
| Depreciation | 70% | 40% | 30% | 63% | 79% | 77% | 56% | 50% | 81% | 67% | 61% | 17% |
| Loss on sale/revaluation | 10% | 10% | 11% | 5% | 24% | 14% | 8% | 5% | 13% | 0% | 10% | 6% |
| Rent and building costs (including utilities) | 70% | 20% | 13% | 60% | 76% | 70% | 44% | 70% | 73% | 50% | 55% | 23% |
| Admin/Overhead costs | 90% | 70% | 89% | 92% | 92% | 98% | 97% | 100% | 93% | 100% | 92% | 9% |
| Lease payments | 15% | 20% | 4% | 6% | 18% | 2% | 17% | 5% | 11% | 17% | 11% | 7% |
| Bad & doubtful debts | 15% | 0% | 0% | 5% | 8% | 2% | 0% | 5% | 8% | 0% | 4% | 5% |
| Grant paid | 40% | 60% | 72% | 35% | 29% | 21% | 14% | 10% | 29% | 33% | 34% | 19% |
| Interest paid, debt servicing costs and bank fees | 80% | 60% | 61% | 67% | 76% | 84% | 83% | 60% | 65% | 100% | 74% | 13% |
| Assurance costs | 65% | 30% | 31% | 58% | 66% | 58% | 31% | 25% | 54% | 33% | 45% | 16% |
| All other expenditure | 55% | 20% | 48% | 57% | 34% | 44% | 61% | 60% | 61% | 50% | 49% | 13% |

Table 9: Range of dollar values of balance sheet items in medium-sized charities

| Transactions | N | Minimum | Maximum | Sum | Mean | Std. Deviation |
|--|----------|----------------|----------------|----------------|--------------|-----------------------|
| Cash/Bank balances (cash equiv/petty cash) | 384 | 56.81 | 1,743,353.00 | 36,896,458.68 | 96,084.53 | 185,812.59 |
| Term deposits | 142 | 47.70 | 13,803,846.00 | 50,568,464.02 | 356,115.94 | 1,314,290.25 |
| Debtors | 202 | 8.00 | 882,641.00 | 6,604,216.03 | 32,694.14 | 90,044.68 |
| Any other short-term assets | 182 | 44.00 | 1,565,114.00 | 8,545,491.93 | 46,953.25 | 165,878.36 |
| Property Plant and Equipment incl. heritage | 285 | 3.00 | 21,994,106.00 | 187,060,326.73 | 656,352.02 | 1,925,451.72 |
| Intangible assets | 8 | 2,490.00 | 3,869,354.00 | 3,996,794.00 | 499,599.25 | 1,361,641.52 |
| Investments | 107 | 604.00 | 20,970,470.00 | 111,308,303.11 | 1,040,264.52 | 2,819,886.96 |
| GST receivable | 74 | 0.62 | 31,420.00 | 254,722.55 | 3,442.20 | 4,753.89 |
| All other long term assets | 16 | 220.00 | 14,277,230.00 | 19,974,823.52 | 1,248,426.47 | 3,536,228.72 |
| (Total assets) | 400 | - | 25,156,933.00 | 425,201,544.74 | 1,063,003.86 | 2,763,455.64 |
| Bank overdrafts | 16 | 22.00 | 136,032.00 | 246,216.84 | 15,388.55 | 36,000.72 |
| Creditors | 271 | 1.00 | 270,920.00 | 5,690,236.49 | 20,997.18 | 33,142.58 |
| Unused grants/tagged donations | 62 | 59.86 | 1,500,000.00 | 6,350,301.18 | 102,424.21 | 230,143.87 |
| Member loans | 9 | 1,089.00 | 456,656.00 | 1,091,055.00 | 121,228.33 | 160,632.08 |
| Other Borrowings (e.g. bank etc) | 58 | 219.00 | 5,605,160.00 | 22,029,258.98 | 379,814.81 | 839,597.20 |
| Employee related liabilities | 59 | 261.00 | 99,030.00 | 1,037,677.75 | 17,587.76 | 22,160.38 |
| Lease obligations | 6 | 412.00 | 55,936.79 | 74,770.79 | 12,461.80 | 21,444.12 |
| GST Liability | 103 | 67.00 | 75,275.00 | 935,769.44 | 9,085.14 | 13,502.14 |
| Other liabilities | 135 | 1.00 | 13,384,493.00 | 34,924,258.78 | 258,698.21 | 1,396,884.95 |
| (Total Liabilities) | 404 | - | 13,584,493.00 | 72,371,489.42 | 179,137.35 | 918,279.40 |
| (Net assets total) | 405 | - 91,700.00 | 25,062,336.00 | 352,830,055.32 | 871,185.32 | 2,373,508.50 |
| Externally restricted funds/reserves/bequests | 33 | 1.00 | 22,012,410.00 | 35,515,172.36 | 1,076,217.34 | 3,912,947.16 |
| General & accumulated funds/reserves | 394 | - 91,700.00 | 21,816,818.00 | 316,525,658.18 | 803,364.61 | 2,039,867.08 |
| Grants received direct to equity | 9 | 10.00 | 240,000.00 | 1,003,937.00 | 111,548.56 | 111,198.72 |
| Equity | 405 | - 91,700.00 | 25,062,336.00 | 353,044,788.54 | 871,715.53 | 2,371,959.80 |

Table 10: Balance sheet items by sector in medium-sized charities

| Transactions | Arts / culture | Assistance | Comm. develop | Education / Training | Emergency / Disaster | Fund-raising | Health | Other | Social services | Sport / rec. | mean | SD |
|--|----------------|------------|---------------|----------------------|----------------------|--------------|--------|-------|-----------------|--------------|------|-----|
| Cash/Bank balances (cash equiv/petty cash) | 98% | 95% | 98% | 93% | 90% | 98% | 90% | 88% | 100% | 100% | 95% | 4% |
| Term deposits | 35% | 23% | 30% | 40% | 41% | 23% | 48% | 28% | 24% | 60% | 35% | 12% |
| Debtors | 50% | 53% | 38% | 58% | 37% | 21% | 58% | 33% | 73% | 83% | 50% | 19% |
| Any other short-term assets | 53% | 55% | 43% | 40% | 29% | 47% | 48% | 35% | 54% | 48% | 45% | 8% |
| Property Plant and Equipment incl. heritage | 80% | 88% | 68% | 65% | 51% | 40% | 70% | 70% | 90% | 85% | 71% | 16% |
| Intangible assets | 3% | 0% | 3% | 8% | 0% | 2% | 3% | 3% | 0% | 0% | 2% | 2% |
| Investments | 23% | 43% | 20% | 25% | 20% | 23% | 38% | 25% | 32% | 18% | 26% | 8% |
| GST receivable | 28% | 15% | 0% | 18% | 22% | 0% | 25% | 25% | 0% | 53% | 18% | 16% |
| All other long term assets | 10% | 8% | 10% | 3% | 5% | 2% | 0% | 3% | 0% | 0% | 4% | 4% |
| Bank overdrafts | 3% | 3% | 10% | 0% | 5% | 0% | 3% | 8% | 7% | 3% | 4% | 3% |
| Creditors | 73% | 83% | 58% | 73% | 56% | 44% | 70% | 58% | 78% | 80% | 67% | 13% |
| Unused grants/tagged donations | 28% | 20% | 20% | 18% | 2% | 14% | 8% | 3% | 24% | 18% | 15% | 9% |
| Member loans | 3% | 3% | 5% | 3% | 0% | 0% | 0% | 8% | 0% | 3% | 2% | 2% |
| Other Borrowings (e.g. bank etc) | 20% | 23% | 23% | 15% | 5% | 7% | 5% | 15% | 15% | 18% | 14% | 7% |
| Employee related liabilities | 15% | 25% | 10% | 20% | 5% | 5% | 13% | 15% | 29% | 10% | 15% | 8% |
| Lease obligations | 10% | 0% | 0% | 3% | 0% | 0% | 0% | 0% | 2% | 0% | 1% | 3% |
| GST Liability | 25% | 60% | 0% | 33% | 27% | 0% | 48% | 25% | 2% | 38% | 26% | 20% |
| Other liabilities | 43% | 45% | 40% | 25% | 0% | 28% | 38% | 23% | 56% | 38% | 33% | 15% |
| Externally restricted funds/reserves/bequests | 5% | 20% | 10% | 3% | 20% | 5% | 0% | 15% | 5% | 0% | 8% | 8% |
| General & accumulated funds/reserves | 100% | 98% | 98% | 95% | 95% | 98% | 95% | 95% | 100% | 100% | 97% | 2% |
| Grants received direct to equity | 5% | 3% | 8% | 0% | 0% | 5% | 0% | 0% | 2% | 0% | 2% | 3% |

Table 11: Balance sheet items by activity in medium-sized charities

| Transactions | Acts as an umbrella | Makes indivs grants | Organisational Funding | Other | Provides advice / inform. | Provides buildings / etc | Provides human resources | Provides religious services | Provides services | Sponsors / undertakes research | mean | SD |
|--|---------------------|---------------------|------------------------|-------|---------------------------|--------------------------|--------------------------|-----------------------------|-------------------|--------------------------------|------|-----|
| Cash/Bank balances (cash equiv/petty cash) | 100% | 80% | 93% | 97% | 95% | 100% | 92% | 80% | 96% | 100% | 93% | 8% |
| Term deposits | 40% | 50% | 31% | 31% | 42% | 44% | 42% | 10% | 36% | 17% | 34% | 13% |
| Debtors | 65% | 30% | 24% | 49% | 61% | 70% | 39% | 30% | 63% | 17% | 45% | 19% |
| Any other short-term assets | 55% | 40% | 41% | 47% | 53% | 53% | 42% | 25% | 42% | 33% | 43% | 9% |
| Property Plant and Equipment incl. heritage | 75% | 40% | 37% | 68% | 84% | 84% | 61% | 70% | 87% | 83% | 69% | 18% |
| Intangible assets | 0% | 0% | 4% | 2% | 5% | 2% | 3% | 0% | 0% | 0% | 2% | 2% |
| Investments | 20% | 30% | 46% | 27% | 18% | 23% | 17% | 20% | 25% | 17% | 24% | 9% |
| GST receivable | 30% | 20% | 4% | 22% | 11% | 33% | 22% | 20% | 13% | 33% | 21% | 10% |
| All other long term assets | 5% | 0% | 6% | 5% | 3% | 2% | 6% | 0% | 4% | 0% | 3% | 2% |
| Bank overdrafts | 5% | 0% | 0% | 3% | 3% | 7% | 3% | 10% | 6% | 0% | 4% | 3% |
| Creditors | 80% | 50% | 43% | 67% | 84% | 79% | 47% | 40% | 82% | 67% | 64% | 17% |
| Unused grants/tagged donations | 25% | 0% | 9% | 15% | 29% | 12% | 11% | 5% | 19% | 17% | 14% | 9% |
| Member loans | 5% | 10% | 0% | 1% | 8% | 2% | 0% | 5% | 1% | 0% | 3% | 4% |
| Other Borrowings (e.g. bank etc) | 15% | 0% | 17% | 14% | 8% | 35% | 0% | 15% | 14% | 0% | 12% | 11% |
| Employee related liabilities | 15% | 10% | 4% | 11% | 32% | 12% | 14% | 10% | 23% | 0% | 13% | 9% |
| Lease obligations | 0% | 0% | 4% | 1% | 3% | 0% | 0% | 0% | 1% | 17% | 3% | 5% |
| GST Liability | 25% | 10% | 4% | 22% | 34% | 37% | 33% | 15% | 36% | 0% | 22% | 14% |
| Other liabilities | 35% | 20% | 28% | 36% | 37% | 49% | 17% | 10% | 41% | 0% | 27% | 15% |
| Externally restricted funds/reserves/bequests | 5% | 0% | 6% | 8% | 11% | 5% | 17% | 10% | 8% | 0% | 7% | 5% |
| General & accumulated funds/reserves | 100% | 100% | 96% | 98% | 95% | 100% | 97% | 90% | 98% | 100% | 97% | 3% |
| Grants received direct to equity | 10% | 0% | 6% | 1% | 5% | 0% | 0% | 0% | 0% | 17% | 4% | 6% |

Table 12 Sample of small charities

| Small Charities (range & totals) | # | # staff | # hours | # vols | # vol hours | Total Income | Total Expenditure | Total Assets | Total Liabilities |
|---|----------|----------------|----------------|---------------|--------------------|---------------------|--------------------------|---------------------|--------------------------|
| Range in sample | 428 | 0-5 | 0-200 | 0-2,648 | 0-680 | \$0-\$16,828,718 | \$0-\$16,074,930 | \$0-\$8,305,951 | \$0-\$3,524,741 |
| Range in pop | 11,282* | 0-7,269 | 0-8,148 | 0-7,000 | 0-24,002 | \$0-\$15,928,758 | \$0-\$39,989 | \$0-\$109,014,326 | \$0-\$15,308,610 |
| Totals in sample | | 97 | 1,076 | 8,074 | 8,101 | | \$31,781,466 | \$81,572,083 | \$68,338,990 |
| Totals in pop | | 12,751 | 78,936 | 123,783 | 323,268 | 279,052,459 | \$136,328,927 | \$211,149,937 | \$168,926,547 |
| Sample % of pop | 3.79% | 0.76% | 1.36% | 6.52% | 2.51% | 15.17% | 23.31% | 38.63% | 40.45% |

*Total that filed an annual return.

As with the medium-sized charities, the small charity register has some unusual items on it, which for the purposes of this chart have been ignored where possible. A number are listed here to explain the differences between the information gathered and the Charities Commission data. For example:

- Data is missing from some filings. For example, the Royal Forest and Bird Protection Society note their total volunteers and staff, but record all zeros in their financial data, although the accounts filed show \$4,711,591 in expenditure.
- A number of charities have filed staff hours that do not match their accounts. For example, the Wellington Indian Assembly of God Trust states it has 7,269 staff who work a total of 20 hours a week (total expenditure \$20,206); Palmerston North Healthcare Chaplains Association Inc has 2 part time and 1 full time staff who work 8,412 hours a week for a total annual expenditure of \$8148.
- The largest employer in the sample (Reliance Services Ltd) filed a return stating it had 5 full time employees and total expenditure of \$20,827 (salaries of \$12,162). Ten charities record greater than 1,000 hours from staff a week, and 4 of these have no expenditure recorded.
- Some volunteer and volunteer hour data also appear strange. Twelve St John’s committees are on this register and they have each noted they have 2,648 volunteers (and in this sample there are two St John’s committees one of which records 10 volunteer hours a week, the other 0). The Justices of the Peace Education Trust states it has 7,000 volunteers who donate no hours per week. Also the Coastguard Whangaroa Incorporated records the highest total number of volunteer hours in a week (680) which it achieves from just 10 volunteers. Clearly this is not sustainable on a weekly basis. In the population in general the East Congregation of Jehovah’s Witness Palmerston North records 24,002 volunteer hours per week from 113 volunteers.
- The data was also cleaned for negative income, expenditure, assets and liability items with the effect that, while the Charities Commission data shows negative items in the totals of these elements, the data collected for this research does not.
- Total expenditure data gathered shows that 35 of these charities had ‘0’ expenditure, with 4 not filing annual accounts (this is being followed up at the Charities Commission). A further 34 charities had total expenditure of more than \$40,000.

Table 13 Range of dollar values of revenue and expenditure items in small charities

| Transaction | N | Minimum | Maximum | Sum | Mean | Std. Deviation |
|--|----------|----------------|----------------|---------------|-------------|-----------------------|
| Total expenditure (per Charities Commission) | 428 | - 23,279.00 | 39,119.00 | 5,369,296.00 | 12,545.08 | 11,797.40 |
| Fundraising from public | 126 | 30.00 | 51,981.00 | 894,435.02 | 7,098.69 | 10,480.36 |
| Other donations & grants | 274 | 9.00 | 4,958,189.00 | 11,203,885.63 | 40,890.09 | 309,240.39 |
| Subcategory sponsorship if provided | 28 | 19.00 | 18,918.00 | 103,312.12 | 3,689.72 | 5,009.04 |
| Fees from members | 129 | 10.00 | 3,289,866.00 | 4,817,402.06 | 37,344.20 | 304,226.77 |
| Revenue from goods & services | 172 | 25.00 | 11,653,762.00 | 19,488,277.94 | 113,303.94 | 992,612.29 |
| Interest income | 329 | 0.07 | 256,580.00 | 1,461,726.44 | 4,442.94 | 18,356.35 |
| Dividend income | 36 | 33.32 | 22,888.00 | 163,340.39 | 4,537.23 | 5,799.80 |
| Rental income | 47 | 36.00 | 130,515.00 | 637,180.17 | 13,557.02 | 25,034.90 |
| Other investment income | 29 | 121.93 | 55,507.00 | 378,970.38 | 13,067.94 | 15,391.91 |
| Gain on sale of assets/revaluations | 20 | 11.00 | 222,318.73 | 633,710.05 | 31,685.50 | 60,122.96 |
| Bequests | 3 | 2,400.00 | 310,441.00 | 327,841.00 | 109,280.33 | 174,324.12 |
| Other revenue | 117 | 1.00 | 1,727,776.00 | 2,213,543.48 | 18,919.18 | 159,783.26 |
| Gross revenue | 428 | - | 16,828,718.00 | 42,323,624.68 | 98,886.97 | 916,776.48 |
| Direct cost of fundraising | 72 | 10.00 | 21,547.00 | 242,395.07 | 3,366.60 | 4,831.73 |
| Staff costs | 78 | 30.00 | 8,782,361.00 | 13,559,534.13 | 173,840.18 | 1,074,070.77 |
| Service delivery costs other than staff | 221 | 32.00 | 1,734,265.00 | 4,649,868.58 | 21,040.13 | 129,742.88 |
| Depreciation | 111 | 0.76 | 365,368.00 | 982,628.00 | 8,852.50 | 36,605.88 |
| Loss on sale/revaluation | 15 | 48.12 | 23,481.00 | 45,594.57 | 3,039.64 | 5,952.08 |
| Rent and building costs (including utilities) | 136 | 12.00 | 451,325.00 | 995,429.67 | 7,319.34 | 38,787.55 |
| Admin/Overhead costs | 349 | 4.00 | 1,217,930.00 | 4,063,814.18 | 11,644.17 | 81,820.41 |
| Lease payments | 4 | 11.25 | 1,122.94 | 2,090.69 | 522.67 | 521.89 |
| Bad & doubtful debts | 3 | 5.00 | 21,056.00 | 21,249.60 | 7,083.20 | 12,101.15 |
| Grant paid | 143 | 16.00 | 4,837,254.00 | 6,575,580.47 | 45,983.08 | 405,109.88 |
| Interest paid, debt servicing costs and bank fees | 178 | 0.45 | 44,335.00 | 125,471.53 | 704.90 | 4,157.52 |
| Assurance costs | 80 | 25.00 | 13,500.00 | 88,953.95 | 1,111.92 | 2,177.20 |
| All other expenditure | 86 | 3.00 | 49,471.80 | 428,856.24 | 4,986.70 | 9,120.36 |
| Total expenses (per filed accounts) | 428 | - | 16,074,930.00 | 31,781,466.68 | 74,255.76 | 844,469.86 |

Table 14: Revenue and expenditure items by sector in small charities

| Transactions | Arts / culture/ heritage | Assistance | Comm. Development | Education /training | Emergency / disaster | Fundraising | Health | Other | Social services | Sport / rec. | mean | SD |
|---|--------------------------|------------|-------------------|---------------------|----------------------|-------------|--------|-------|-----------------|--------------|------|-----|
| Fundraising from public | 25% | 36% | 45% | 12% | 18% | 66% | 31% | 12% | 17% | 28% | 29% | 17% |
| Other donations & grants | 61% | 54% | 70% | 44% | 85% | 64% | 64% | 71% | 61% | 69% | 64% | 11% |
| Sponsorship | 9% | 3% | 5% | 5% | 3% | 4% | 16% | 2% | 0% | 15% | 6% | 6% |
| Fees from members | 52% | 31% | 25% | 37% | 8% | 15% | 36% | 20% | 24% | 51% | 30% | 15% |
| Revenue from goods & services | 59% | 33% | 43% | 51% | 23% | 53% | 31% | 22% | 34% | 51% | 40% | 13% |
| Interest income | 77% | 72% | 68% | 73% | 90% | 74% | 87% | 73% | 76% | 79% | 77% | 7% |
| Dividend income | 7% | 8% | 8% | 9% | 0% | 4% | 7% | 5% | 22% | 15% | 9% | 6% |
| Rental income | 7% | 18% | 10% | 9% | 5% | 2% | 24% | 15% | 5% | 13% | 11% | 7% |
| Other investment income | 7% | 21% | 0% | 2% | 5% | 2% | 13% | 5% | 10% | 3% | 7% | 6% |
| Gain on sale of assets/revaluations | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Bequests | 34% | 31% | 15% | 19% | 49% | 17% | 35% | 27% | 24% | 23% | 27% | 10% |
| Other revenue | 0% | 5% | 0% | 7% | 8% | 2% | 5% | 0% | 5% | 8% | 4% | 3% |
| Direct cost of fundraising | 7% | 5% | 28% | 5% | 10% | 55% | 22% | 7% | 12% | 10% | 16% | 16% |
| Staff costs | 7% | 21% | 28% | 23% | 8% | 4% | 39% | 22% | 22% | 5% | 18% | 11% |
| Service delivery costs other than staff | 68% | 41% | 60% | 53% | 36% | 55% | 56% | 44% | 44% | 54% | 51% | 10% |
| Depreciation | 34% | 28% | 20% | 21% | 21% | 4% | 44% | 34% | 10% | 41% | 26% | 13% |
| Loss on sale/revaluation | 2% | 0% | 3% | 5% | 3% | 2% | 5% | 5% | 5% | 5% | 3% | 2% |
| Rent and building costs (including utilities) | 34% | 38% | 38% | 40% | 13% | 11% | 22% | 51% | 27% | 51% | 32% | 14% |
| Admin/Overhead costs | 86% | 79% | 80% | 77% | 85% | 74% | 84% | 80% | 88% | 82% | 82% | 4% |
| Lease payments | 0% | 3% | 5% | 0% | 0% | 0% | 0% | 0% | 0% | 3% | 1% | 2% |
| Bad & doubtful debts | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Grant paid | 2% | 0% | 0% | 2% | 0% | 0% | 2% | 0% | 0% | 0% | 1% | 1% |
| Interest paid, debt servicing costs, bank fees | 30% | 21% | 35% | 26% | 5% | 70% | 15% | 56% | 39% | 38% | 33% | 19% |
| Assurance costs | 34% | 28% | 43% | 42% | 46% | 60% | 44% | 44% | 34% | 38% | 41% | 9% |
| All other expenditure | 18% | 31% | 13% | 23% | 28% | 6% | 18% | 17% | 15% | 21% | 19% | 7% |

Table 15: Revenue and expenditure items by activity in small charities

| Transactions | Acts as an umbrella | Makes indivs grants | Organisational Funding | Other | Provides advice / inform | Provides buildings / etc | Provides human resources | Provides religious services | Provides services | Sponsors / undertakes research | mean | SD |
|--|---------------------|---------------------|------------------------|-------|--------------------------|--------------------------|--------------------------|-----------------------------|-------------------|--------------------------------|------|-----|
| Fundraising from public | 10% | 0% | 24% | 39% | 40% | 23% | 27% | 17% | 36% | 0% | 22% | 15% |
| Other donations & grants | 42% | 40% | 43% | 63% | 77% | 58% | 85% | 0% | 81% | 67% | 56% | 25% |
| Subcategory sponsorship if provided | 3% | 0% | 2% | 8% | 6% | 12% | 0% | 4% | 19% | 17% | 7% | 7% |
| Fees from members | 39% | 0% | 12% | 39% | 60% | 15% | 25% | 4% | 38% | 17% | 25% | 19% |
| Revenue from goods & services | 32% | 0% | 24% | 55% | 57% | 35% | 40% | 13% | 43% | 50% | 35% | 18% |
| Interest income | 90% | 80% | 84% | 72% | 74% | 65% | 85% | 52% | 74% | 100% | 78% | 13% |
| Dividend income | 23% | 0% | 20% | 4% | 2% | 12% | 0% | 0% | 6% | 17% | 8% | 9% |
| Rental income | 3% | 0% | 6% | 6% | 4% | 46% | 13% | 17% | 19% | 17% | 13% | 13% |
| Other investment income | 10% | 0% | 21% | 4% | 0% | 8% | 2% | 4% | 0% | 0% | 5% | 7% |
| Other revenue | 23% | 0% | 16% | 24% | 38% | 15% | 44% | 35% | 36% | 33% | 26% | 13% |
| Gain on sale of assets/revaluations | 6% | 0% | 8% | 3% | 2% | 0% | 8% | 0% | 4% | 17% | 5% | 5% |
| Bequests | 0% | 0% | 0% | 0% | 2% | 0% | 2% | 4% | 0% | 0% | 1% | 2% |
| Direct cost of fundraising | 10% | 0% | 17% | 26% | 13% | 0% | 8% | 9% | 30% | 0% | 11% | 10% |
| Staff costs | 10% | 0% | 5% | 12% | 34% | 0% | 21% | 26% | 53% | 17% | 18% | 17% |
| Service delivery costs other than staff | 32% | 20% | 37% | 61% | 66% | 38% | 54% | 52% | 62% | 67% | 49% | 16% |
| Depreciation | 13% | 20% | 6% | 24% | 40% | 50% | 25% | 39% | 40% | 50% | 31% | 15% |
| Loss on sale/revaluation | 0% | 0% | 3% | 6% | 2% | 8% | 0% | 0% | 4% | 0% | 2% | 3% |
| Rent and building costs (including utilities) | 13% | 0% | 8% | 38% | 51% | 62% | 25% | 61% | 36% | 17% | 31% | 22% |
| Admin/Overhead costs | 77% | 20% | 79% | 80% | 89% | 81% | 92% | 74% | 83% | 100% | 77% | 22% |
| Lease payments | 0% | 100% | 100% | 98% | 100% | 4% | 0% | 0% | 2% | 0% | 40% | 51% |
| Bad & doubtful debts | 3% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 17% | 4% | 8% |
| Grant paid | 45% | 20% | 67% | 30% | 15% | 19% | 15% | 52% | 9% | 33% | 31% | 19% |
| Interest paid, debt servicing costs, bank fees | 23% | 20% | 41% | 43% | 36% | 35% | 50% | 48% | 55% | 17% | 37% | 13% |
| Assurance costs | 13% | 0% | 14% | 16% | 36% | 15% | 27% | 4% | 21% | 33% | 18% | 12% |
| All other expenditure | 10% | 0% | 14% | 20% | 26% | 8% | 38% | 17% | 28% | 0% | 16% | 12% |

Table 16 Range of dollar values of balance sheet items in small charities

| Transactions | N | Minimum | Maximum | Sum | Mean | Std. Deviation |
|---|-----|--------------|--------------|---------------|------------|----------------|
| Cash/Bank balances (cash equiv/petty cash) | 369 | 0.34 | 3,754,233.00 | 18,472,282.95 | 50,060.39 | 275,002.69 |
| Term deposits | 104 | 324.43 | 1,400,000.00 | 6,476,641.26 | 62,275.40 | 151,558.32 |
| Debtors | 63 | 10.00 | 1,834,730.00 | 4,089,011.25 | 64,904.94 | 258,860.42 |
| Any other short-term assets | 83 | 5.24 | 252,964.00 | 1,209,157.59 | 14,568.16 | 43,232.26 |
| Property Plant and Equipment incl. heritage | 138 | 1.15 | 3,288,991.00 | 23,913,552.52 | 173,286.61 | 460,682.30 |
| Intangible assets | 3 | 450.00 | 19,845.00 | 22,045.00 | 7,348.33 | 10,841.93 |
| Investments | 84 | 250.00 | 4,612,775.00 | 26,945,226.02 | 320,776.50 | 625,517.37 |
| GST receivable | 41 | 3.52 | 5,406.00 | 41,950.07 | 1,023.17 | 1,212.40 |
| All other long term assets | 6 | 1,760.00 | 169,994.00 | 246,740.32 | 41,123.39 | 64,585.20 |
| (Total assets) | 428 | - | 8,305,951.00 | 81,416,606.92 | 190,225.72 | 635,636.86 |
| Bank overdrafts | 11 | 3.00 | 83,808.00 | 100,719.98 | 9,156.36 | 24,940.53 |
| Creditors | 102 | 15.00 | 478,902.00 | 1,330,413.93 | 13,043.27 | 59,726.97 |
| Unused grants/tagged donations | 18 | 688.00 | 149,054.00 | 391,611.30 | 21,756.18 | 38,114.23 |
| Member loans | 3 | 15,000.00 | 1,277,385.00 | 1,669,385.00 | 556,461.67 | 650,045.26 |
| Other Borrowings (e.g. bank etc) | 14 | 150.00 | 920,606.00 | 2,563,175.95 | 183,084.00 | 260,130.17 |
| Employee related liabilities | 5 | 687.00 | 285,644.00 | 622,205.00 | 124,441.00 | 118,359.19 |
| Lease obligations | 2 | 9,870.00 | 128,801.00 | 138,671.00 | 69,335.50 | 84,096.92 |
| GST Liability | 29 | 9.00 | 362,648.00 | 438,726.17 | 15,128.49 | 67,171.26 |
| Other liabilities | 57 | 10.00 | 2,754,558.00 | 5,978,183.89 | 104,880.42 | 441,076.75 |
| (Total Liabilities) | 428 | - | 3,524,741.00 | 13,233,092.22 | 30,918.44 | 240,648.56 |
| (Net assets total) | 428 | - 134,645.00 | 8,300,283.00 | 68,183,514.68 | 159,307.28 | 530,168.84 |
| Externally restricted funds/reserves/bequests | 3 | 10,500.00 | 1,011,049.00 | 1,081,519.00 | 360,506.33 | 563,929.20 |
| General & accumulated funds/reserves | 264 | - 134,645.00 | 8,300,284.00 | 55,033,424.93 | 208,459.94 | 636,599.83 |
| Grants received direct to equity | 5 | 500.00 | 102,000.00 | 144,700.00 | 28,940.00 | 42,897.35 |
| Equity | 428 | - 134,645.00 | 8,300,284.00 | 56,259,643.87 | 131,447.77 | 513,373.68 |

Table 17: Balance sheet items by sector in small charities

| Transactions | Arts / culture | Assistance | Comm. develop | Education / Training | Emergency / Disaster | Fund-raising | Health | Other | Social services | Sport / rec. | mean | SD |
|---|----------------|------------|---------------|----------------------|----------------------|--------------|--------|-------|-----------------|--------------|------|-----|
| Cash/Bank balances (cash equiv/petty cash) | 86% | 82% | 93% | 77% | 74% | 91% | 91% | 80% | 88% | 97% | 86% | 7% |
| Term deposits | 34% | 23% | 23% | 30% | 38% | 15% | 33% | 10% | 17% | 18% | 24% | 9% |
| Debtors | 16% | 13% | 8% | 16% | 13% | 6% | 31% | 5% | 15% | 21% | 14% | 8% |
| Any other short-term assets | 18% | 21% | 20% | 19% | 8% | 9% | 27% | 22% | 17% | 33% | 19% | 8% |
| Property Plant and Equipment incl. heritage | 43% | 36% | 25% | 30% | 23% | 6% | 45% | 49% | 15% | 49% | 32% | 15% |
| Intangible assets | 0% | 0% | 3% | 2% | 0% | 0% | 2% | 0% | 0% | 0% | 1% | 1% |
| Investments | 20% | 23% | 8% | 16% | 10% | 6% | 38% | 17% | 32% | 31% | 20% | 11% |
| GST receivable | 9% | 15% | 0% | 9% | 8% | 2% | 22% | 12% | 2% | 13% | 9% | 7% |
| All other long term assets | 0% | 5% | 0% | 5% | 0% | 0% | 2% | 0% | 2% | 0% | 1% | 2% |
| Bank overdrafts | 2% | 3% | 0% | 5% | 8% | 0% | 4% | 0% | 2% | 3% | 3% | 2% |
| Creditors | 23% | 36% | 23% | 26% | 18% | 17% | 29% | 24% | 20% | 23% | 24% | 6% |
| Unused grants/tagged donations | 5% | 3% | 13% | 2% | 0% | 2% | 4% | 2% | 10% | 3% | 4% | 4% |
| Member loans | 0% | 3% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 5% | 1% | 2% |
| Other Borrowings (e.g. bank etc) | 2% | 5% | 8% | 5% | 0% | 2% | 2% | 2% | 0% | 8% | 3% | 3% |
| Employee related liabilities | 0% | 3% | 3% | 2% | 0% | 0% | 4% | 0% | 0% | 0% | 1% | 1% |
| Lease obligations | 0% | 0% | 0% | 0% | 0% | 0% | 4% | 0% | 0% | 0% | 0% | 1% |
| GST Liability | 7% | 5% | 0% | 7% | 5% | 2% | 15% | 7% | 5% | 13% | 7% | 4% |
| Other liabilities | 20% | 18% | 13% | 16% | 3% | 2% | 27% | 7% | 5% | 18% | 13% | 8% |
| Externally restricted funds/reserves/bequests | 0% | 0% | 3% | 0% | 0% | 0% | 2% | 2% | 0% | 0% | 1% | 1% |
| General & accumulated funds/reserves | 66% | 82% | 53% | 63% | 49% | 26% | 69% | 63% | 54% | 72% | 60% | 16% |
| Grants received direct to equity | 0% | 0% | 3% | 0% | 0% | 0% | 2% | 0% | 0% | 8% | 1% | 2% |

Table 18: Balance sheet items by activity in small charities

| Transactions | Acts as an umbrella | Makes indivs grants | Organisa-tional Funding | Other | Provides advice / inform. | Provides buildings / etc | Provides human resources | Provides religious services | Provides services | Sponsors / undertakes research | mean | SD |
|---|---------------------|---------------------|-------------------------|-------|---------------------------|--------------------------|--------------------------|-----------------------------|-------------------|--------------------------------|------|-----|
| Cash/Bank balances (cash equiv/petty cash) | 94% | 80% | 90% | 88% | 85% | 88% | 79% | 78% | 81% | 100% | 86% | 7% |
| Term deposits | 23% | 20% | 21% | 23% | 36% | 19% | 27% | 13% | 30% | 0% | 21% | 10% |
| Debtors | 10% | 0% | 9% | 16% | 9% | 31% | 15% | 0% | 26% | 50% | 16% | 15% |
| Any other short-term assets | 19% | 20% | 17% | 16% | 28% | 23% | 15% | 30% | 19% | 33% | 22% | 6% |
| Property Plant and Equipment incl. heritage | 19% | 20% | 10% | 29% | 45% | 62% | 31% | 57% | 49% | 50% | 37% | 17% |
| Intangible assets | 0% | 0% | 0% | 0% | 2% | 8% | 0% | 0% | 0% | 0% | 1% | 2% |
| Investments | 35% | 40% | 43% | 13% | 11% | 23% | 10% | 9% | 2% | 17% | 20% | 14% |
| GST receivable | 6% | 0% | 2% | 7% | 9% | 19% | 13% | 13% | 23% | 0% | 9% | 8% |
| All other long term assets | 0% | 20% | 1% | 1% | 0% | 4% | 0% | 0% | 4% | 0% | 3% | 6% |
| Bank overdrafts | 3% | 0% | 0% | 0% | 9% | 8% | 8% | 0% | 0% | 0% | 3% | 4% |
| Creditors | 13% | 20% | 17% | 28% | 19% | 38% | 23% | 9% | 38% | 33% | 24% | 10% |
| Unused grants/tagged donations | 10% | 0% | 2% | 4% | 9% | 4% | 2% | 0% | 6% | 0% | 4% | 4% |
| Member loans | 0% | 0% | 0% | 0% | 0% | 8% | 0% | 0% | 0% | 17% | 2% | 6% |
| Other Borrowings (e.g. bank etc) | 6% | 0% | 1% | 2% | 2% | 15% | 4% | 4% | 2% | 0% | 4% | 5% |
| Employee related liabilities | 0% | 0% | 1% | 1% | 4% | 0% | 0% | 0% | 0% | 17% | 2% | 5% |
| Lease obligations | 0% | 0% | 0% | 1% | 0% | 0% | 2% | 0% | 0% | 0% | 0% | 1% |
| GST Liability | 10% | 0% | 2% | 6% | 2% | 15% | 10% | 0% | 13% | 17% | 8% | 6% |
| Other liabilities | 16% | 20% | 6% | 10% | 23% | 31% | 2% | 9% | 26% | 17% | 16% | 9% |
| Externally restricted funds/reserves/bequests | 0% | 0% | 0% | 1% | 2% | 0% | 0% | 4% | 0% | 0% | 1% | 1% |
| General & accumulated funds/reserves | 45% | 60% | 52% | 57% | 74% | 73% | 46% | 61% | 74% | 83% | 63% | 13% |
| Grants received direct to equity | 0% | 33% | 0% | 2% | 0% | 4% | 0% | 0% | 0% | 20% | 6% | 11% |

Table 19: Comparison of charities reporting on a cash or accrual basis by expenditure

| Exp. range | # | Pre-prepared format used | | Prepared by a firm | | Prepared by trustee | | Journal s/GL accounts | | Computer prepared a/cs | | Unknown preparer | | Totals | |
|------------------------------|------------------|--------------------------|------------|--------------------|-------------|---------------------|-----|-----------------------|-----------|------------------------|-----------|------------------|-------------|----------------|-----|
| | | Cash | Acc. | Cash | Acc. | Cash | Acc | Cash | Acc. | Cash | Acc. | Cash | Acc. | Cash | Acc |
| \$0 - \$9,999 | 226 ⁷ | 8 (6%) | 2 (2%) | 7 (5%) | 41 (51%) | 19 (13%) | - | 12 (8%) | - | 3 (2%) | 2 (2%) | 79 (54%) | 34 (42%) | 145 | 81 |
| \$10,000 - \$19,999 | 77 | 1 (3%) | 4 (10%) | 3 (9%) | 26 (62%) | 4 (11%) | - | 4 (11%) | 1 (2%) | 2 (6%) | - | 21 (60%) | 11 (26%) | 35 | 42 |
| \$20,000 - \$29,999 | 70 | 3 (9%) | 2 (6%) | 3 (9%) | 26 (72%) | 4 (12%) | - | 2 (6%) | - | - | 1 (3%) | 22 (65%) | 7 (19%) | 34 | 36 |
| \$30,000 - \$39,999 | 51 | 1 (6%) | 1 (3%) | - | 22 (67%) | 1 (6%) | - | 1 (6%) | - | 1 (6%) | 1 (3%) | 14 (78%) | 9 (27%) | 18 | 33 |
| \$40,000 - \$49,999 | 57 | 3 (13%) | - | 1 (4%) | 17 (50%) | 2 (9%) | - | 1 (4%) | - | 1 (4%) | 1 (3%) | 15 (65%) | 16 (47%) | 23 | 34 |
| \$50,000 - \$59,999 | 40 | 2 (11%) | - | 2 (11%) | 15 (68%) | - | - | - | - | 1 (6%) | - | 13 (72%) | 7 (32%) | 18 | 22 |
| \$60,000 - \$69,999 | 30 | - | - | 1 (25%) | 13 (50%) | - | - | - | - | 1 (25%) | - | 2 (50%) | 13 (50%) | 4 | 26 |
| \$70,000 - \$79,999 | 24 | 1 (13%) | - | - | 6 (38%) | 1 (13%) | - | 1 (13%) | - | - | 1 (6%) | 4 (50%) | 9 (56%) | 8 ⁸ | 16 |
| \$80,000 - \$89,999 | 21 | - | - | 1 (17%) | 9 (60%) | - | - | - | - | - | - | 5 (83%) | 6 (40%) | 6 | 15 |
| \$90,000 - \$99,999 | 9 | - | - | - | 4 (57%) | - | - | - | - | - | - | 2 (100%) | 3 (43%) | 2 | 7 |
| \$100,000 - \$119,999 | 26 | - | - | - | 14 (64%) | - | - | 1 (25%) | - | - | 1 (5%) | 3 (75%) | 7 (32%) | 4 | 22 |
| \$120,000 - | 19 | - | - | 1 | 8 | - | 1 | - | - | - | - | 2 | 7 | 3 | 16 |

⁷ In addition, of the cash filers, 9 small charities (6%) had no activity and 8 small charities (6%) filed copies of their bank statements instead of prepared accounts. Of the medium-sized charities, 2 that noted they filed accrual accounts (2%) had no activity. These charities are omitted from the columns but are included in the totals. As a result, the percentages in the column \$0-\$9,999 do not add to 100% (small charities add to 88% and medium-sized charities add to 98%).

⁸ In the cash categorisation, 1 charity (12%) filed bank statements in the \$70,000 - \$79,999 expenditure category. It was omitted from the percentages which add to 88%.

| | | | | | | | | | | | | | | | |
|---------------------------------|----|---|-----------|-------|-------------|------------|------|---|---|-------------|------------|-------------|-------------|---|----|
| \$139,999 | | | | (33%) | (50%) | | (6%) | | | | | (67%) | (44%) | | |
| \$140,000 - \$159,999 | 13 | - | 1 (8%) | - | 7 (58%) | - | - | - | - | - | 1 (8%) | 1 (100%) | 3 (25%) | 1 | 12 |
| \$160,000 - \$179,999 | 17 | - | - | - | 11 (65%) | - | - | - | - | - | - | - | 6 (35%) | - | 17 |
| \$180,000 - \$199,999 | 11 | - | - | - | 7 (64%) | - | - | - | - | - | - | - | 4 (36%) | - | 11 |
| \$200,000 - \$249,999 | 20 | - | - | - | 13 (68%) | - | - | - | - | - | - | 1 (100%) | 6 (32%) | 1 | 19 |
| \$250,000 - \$299,999 | 20 | - | - | - | 14 (70%) | - | - | - | - | - | 3 (15%) | - | 3 (15%) | - | 20 |
| \$300,000 - \$399,999 | 21 | - | - | - | 15 (71%) | - | - | - | - | - | - | - | 6 (29%) | - | 21 |
| \$400,000 - \$499,999 | 13 | - | - | - | 3 (23%) | - | - | - | - | - | - | - | 10 (77%) | - | 13 |
| \$500,000 - \$999,999 | 37 | - | - | - | 27 (75%) | - | - | - | - | 1 (100%) | - | - | 9 (25%) | 1 | 36 |
| \$1million - \$1,999,999 | 27 | - | - | - | 21 (84%) | 1 (50%) | - | - | - | - | - | 1 (50%) | 4 (16%) | 2 | 25 |

Appendix 3: Medium-sized and small charities included in sample

Medium-Sized charities

Alexandra District Museum Incorporated
 Abbeyfield New Zealand Incorporated
 Abbeyfield Waikato Incorporated
 Abbeyfield Whangarei Incorporated
 ACROSS Holdings Limited
 Age Concern (Tauranga) Incorporated
 Age Concern Taupo Incorporated
 Age Concern Wellington Incorporated
 Alliance Francaise Wellington Incorporated
 Alzheimer's Society South Canterbury Incorporated
 Aoga Faa-samoa Society Incorporated
 Arai Te Uru Whare Hauora Limited
 ASD Kids Community Charitable Trust
 Ashburton Operatic Society Incorporated
 Aspiring Beginnings Early Learning Centre Incorporated
 Asthma And Respiratory Foundation of New Zealand (Inc.)
 Te Taumatua Huango, Mate Ha O Aotearoa Incorporated
 Athletics S.C. All Weather Track Trust
 Auckland Baptist Tabernacle Hostel Limited
 Auckland International Airport Marae Limited
 Auckland Refugee Community Coalition Incorporated
 Auckland Women Lawyers' Association Incorporated
 Auckland Workers Educational Association Inc
 Aviation Country Club of New Zealand Incorporated
 Baptist Childrens Trust
 Barbara Theresa Lipanovich and Robert Ned Covich Charitable Trust
 Bay of Plenty Education Trust
 Bay Of Plenty Rural Support Trust Board
 Bay Of Plenty Seafarers Charitable Trust
 Belfast Community Network Inc
 Bike On New Zealand Charitable Trust
 Blenheim City C3 Church Charitable Trust
 Board of Governors of Kirkpatrick House
 Breast Cancer Support Service Tauranga Trust
 Browns Bay Market Charitable Trust
 Cambridge Christmas Festival Society Incorporated
 Cantabrian Rugby Football Club Incorporated
 Canterbury Tertiary Education Chaplaincy Committee Inc.
 Canterbury West Coast Air Rescue Trust
 Canterbury Youth Workers Collective Incorporated
 Capital Vision Research Trust
 Career Moves Trust
 Carterton Volunteer Fire Brigade
 Cashmere Avenue School Home And School Association
 Central Bay Hockey Charitable Trust
 Central Otago Budgeting Service Incorporated
 Centre for Fine Woodworking Trust
 Charis Charitable Trust
 Chartwell Co-operating Parish
 Christchurch - Little River Rail Trail Trust
 Christchurch Arts Festival Trust
 Christchurch Fire Brigade
 Christian Leadership Training Centre Trust
 Church of the Nazarene (New Lynn) Trust Board
 CHURCH OF THE RISEN LORD JESUS CHRIST
 City Of Invercargill Highland Pipe Band Incorporated
 City of Manukau Education Trust
 Clutha Health Incorporated
 College of Nurses Aotearoa (New Zealand) Incorporated
 Community Of Refuge Trust
 Crossroads Youth With A Future
 D J Hewitt Charitable Trust
 Dance Aotearoa New Zealand Ltd
 Dannevirke Volunteer Fire Brigade Incorporated
 Dave Hume Swimming Pool Trust
 Devonport School Parent Teacher Association
 Diocesan School Heritage Foundation
 Dove Charitable Trust
 DRC Charitable Trust
 Dunedin Public Art Gallery Society Incorporated
 East Coast Rural Support Trust
 Eastern Bay Of Plenty Regional Economic Development Trust
 Eastland Sports Foundation Education Trust Board of Trustees
 EcoMatters Environment Trust
 Eco-Trust 2000 Trust
 Edgecumbe Squash and Tennis Club Incorporated
 Edwin Fox Society Incorporated
 Egmont Agricultural and Pastoral Association
 Eltham Baptist Church
 Enjoy Trust
 Epilepsy Association of New Zealand Incorporated
 Equippers Church Gisborne
 Estate of Effie Barbara Purves Taylor
 Eventing Northland Incorporated
 Far North Coastguard Radio Incorporated
 Fencibles United Association Football Club Incorporated
 Fiji Community Association of Auckland Incorporated
 Five Talents Charitable Trust
 Floral Art Society of New Zealand Incorporated
 Friends Of Brain Injured Children Of New Zealand Charitable Trust
 Friends Of Hawke's Bay Cultural Trust (Incorporated)
 Friends Of Rapaura School
 Gateway Community Trust
 Geraldine Amateur Swimming Club
 Geraldine Volunteer Fire Brigade
 GI Cancer Institute (NZ) Limited
 Gisborne City Vintage Railway Incorporated
 Gisborne Volunteer Coastguard Association Incorporated
 Gisborne Waikanae Surf Lifesaving Club Incorporated
 Glenview Community Centre Incorporated
 Global Hope
 Golden Bay Agricultural and Pastoral Association Inc.
 Gracegate Church
 Granity Volunteer Fire Brigade
 Great Barrier Island Community Heritage and Arts Village Trust
 Greerton Bible Church
 Greyhound Adoption Programme Trust
 Habitat For Humanity (Northland) Limited
 Hakatere Maori Komiti
 Hamilton Hydrotherapy Pool Charitable Trust
 Hamilton Junior Cricket Association Incorporated
 Harlequin Theatre Incorporated
 Hawkes Bay Childrens Holding Trust
 Hawke's Bay Multisports Club Incorporated
 Hawksbury Property Trust
 Health Star Pacific Trust

Helen Anderson Trust
 Hepatitis C Resource Centre Otago Trust
 Hikurangi Incorporated
 Home and Family Counselling Incorporated
 Home Made Partnerships Trust
 Homebuilders Family Services North Rodney Incorporated
 Hurupaki School Support Group Incorporated
 Idea Services Limited
 Ignite Sport Trust
 Inglewood Playcentre
 Inter-Country Adoption New Zealand Incorporated
 IPv6 Task Force Trust
 Kaiapoi Volunteer Fire Brigade
 Kaipara Community Health Trust
 Kapiti Emergency Medical Services Trust
 Karahandd's Charitable Trust
 KareKare Surf Lifesaving Club Incorporated
 Kenwyn Trust
 Khandallah Home and School Association
 Kilbirnie School Fundraising Committee
 Kingston House Community Trust
 Kumeu And Districts Community Centre Incorporated
 Lancaster Park Cricket Club Incorporated
 Legal Information Service Incorporated
 Levin Volunteer Fire Brigade
 Life Expressions Fellowship Trust
 Lions Club of Ashhurst Pohangina Incorporated
 Lions Club Of Gore Pakeke Charitable Trust
 Lions Club of Hastings (Host) Charitable Trust
 Lions Club Of Seaward Kaikoura Incorporated
 Literacy North Shore Incorporated
 Lower Hutt Playcentre
 Maeroa Intermediate Parent Teacher Association
 Mahurangi Community Sport and Recreation Collective Inc.
 Manawatu Community Trust
 Mangahauini 7A Section 8
 Manukau Community Foundation
 Manukau Elim Christian Centre Trust
 Maramarua Volunteer Rural Fire Force
 Marist Softball Club Incorporated
 Marlborough Marine Radio Association Incorporated
 Massey Community Trust
 Matamata Volunteer Fire Brigade
 Matata Rugby and Sports Club Incorporated
 McKee Charitable Trust
 McLaren Park and Henderson South Community Initiative Inc.
 ME/CFS Support Group (BOP) Incorporated
 Medical Science Secretariat Limited
 Melville Association Football Club Incorporated
 Michael and Linda Gill Charitable Trust
 Midway Surf Life Saving Club Gisborne Incorporated
 Mission College New Plymouth Trust Board
 Monty Betham Steps for Life Foundation Trust
 Moriah Kindergarten Incorporated
 Moriel Ministries NZ
 Morrinsville Volunteer Fire Brigade
 Mt View Residential Work Trust
 Murchison Sport, Recreation And Cultural Centre Inc.
 Muriwai Volunteer Lifeguard Service Incorporated
 Napier Community Foodbank Trust
 Nelson Cycle Trails Trust
 Nelson Marlborough Rescue Helicopter Trust Board
 Nelson Musical Theatre Incorporated
 New Foundations Trust
 New Plymouth Girls' High School Parent Teacher Association
 Incorporated
 New Zealand Kiwi Foundation Charitable Trust
 New Zealand Secondary Schools Sports Council Incorporated
 New Zealand Theosophical Properties Trust Board
 New Zealand Wind Energy Association Incorporated
 Nga Maia O Aotearoa Me Te Waipounamu Charitable Trust
 Nga Ringa Awhina O Hauora Trust
 Ngati Haua Iwi Trust
 Ngati Kuri Trust Board
 Ngatiwai O Aotea Kawa Marae Trust
 North Shore Brass Incorporated
 North Shore Womens Centre
 Northland Community Foundation
 Northland Hospital Chaplaincy Trust
 Northpoint Community Trust
 NZ Cricket Foundation Incorporated
 Okaihau Volunteer Fire Brigade
 On the Edge Trust
 Orton Bradley Park Board
 Otago Boys High School: Mount Aspiring Lodge
 Otago Masonic Charitable Trust
 Otago Rescue Helicopter Trust
 Otaki Surf Life Saving Club Incorporated
 Otorohanga Support House Whare Awhina Incorporated
 Our Lady's Home of Compassion Island Bay Limited
 Pacific Peoples Advancement Trust
 Paengaroa Bible Chapel
 Palmerston North City Neighbourhood Support Groups Inc.
 Palmerston North Esplanade Scenic Railway Incorporated
 Palmerston North Theatre Trust
 Papakura Volunteer Coastguard Incorporated
 Papamoa School PTA Incorporated
 Papanui Baptist Church Community Services Freedom Trust
 Papanui Street School Parent Teacher Association
 Paraparaumu Beach School Kapiti Karnival
 Parents and Friends of Tairua School Association
 Parklands Bowling Club Incorporated
 Paroa Playcentre
 Petone Residence for the Elderly Trust
 Pindrop Foundation
 Plimmerton Volunteer Fire Brigade Incorporated
 Poly-Emp Employment & Advisory Service
 Pooh Corner Childcare Centre Incorporated
 Putahi Marae
 Putinka Forest Trust for Schools
 Queen Elizabeth II Army Memorial Museum Trust Board (Inc.)
 Queenstown Auto Extravaganza Charitable Trust
 Quota International Of Papakura Incorporated
 QWU Charitable Trust
 R G and E F MacDonald Trust Board
 Raglan Community House Society Incorporated
 Rangi Ruru PTA
 Ratana Communal Board Of Trustees
 Rauawaawa Kaumatua Charitable Trust
 Refocussing Trust
 Richmond Baptist Church
 Riding for the Disabled Association Manawatu Group Inc.
 Ringa Atawhai Trust
 Riverlea Theatre & Art Centre Incorporated
 Riversdale & District Progress League Incorporated
 Riverslea Tu Tangata Incorporated Charity Trust

Riverton Community Arts Centre Charitable Trust
 Rodmor No.2 Charitable Trust
 Rolleston Volunteer Fire Brigade
 Rongotea Bible Chapel
 Rotary Club Of Courtenay Place Charitable Trust
 Rotary Club of Hutt City Incorporated Charitable Trust
 Rotary Club of Katikati Charitable Trust
 Rotary Club Of Waitara Charitable Trust
 Royal New Zealand Plunket Society Upper Hutt Branch Inc
 Royal New Zealand Plunket Society (Central Otago) Branch Inc.
 Royal New Zealand Plunket Society Auckland One Tree Hill Branch Incorporated
 Royal New Zealand Plunket Society Bay Of Plenty Area Inc.
 Russell Centennial Trust Board
 Safe Haven Ministry
 Safer Papakura Trust
 Saorsa Retirement Village
 Science OlympiaNZ Association
 Scots College Parents Association Incorporated
 Shakti Asian Women's Safe House Incorporated
 Shoreline Youth Trust
 Shoreside Theatre Incorporated
 Society of St Vincent de Paul Thermal Lands Area Council
 Society of St Vincent de Paul West Auckland Area Council
 Society of St Vincent de Paul Western Bay of Plenty Area Council
 Sommerville Centre For Special Needs Wanganui Inc.
 South Auckland Vision Project Trust
 South Waikato Education Centre Trust
 Sport Southland
 Sri Guru Singh Sabha Auckland Incorporated
 St Hilda's Collegiate School Parents and Friends Association
 St John Otorohanga Area Committee
 St John Pukekohe Area Committee
 St John Rangiora Area Committee
 St John Russell Area Committee
 St John Vincent Area Committee
 Sumner Surf and Life Saving Club Incorporated
 SuperGrans Manawatu Charitable Trust
 Supporting Families In Mental Illness Taranaki Incorporated
 Surf Aid International Incorporated
 T.C.C. TRUST
 Taeaomanino Trust
 Taihape Older And Bolder Incorporated
 Tairua/Pauanui Volunteer Coastguard Incorporated
 Tamaki College Community Recreation Centre Trust
 Taranaki Safer Family Trust
 Tararua Learning Incorporated
 Taupaki School Parent Teacher Association
 Taupo Hospital And Health Society Incorporated
 Tauranga Community Foodbank
 Tauranga Hospital Healthcare Chaplaincy Committee Inc.
 Tauranga Moana Maori Trust Board
 Te Aitanga a Mahaki Trust
 Te Aroha Country Music Club Incorporated
 Te Awamutu Eventide Home Trust Board
 Te Haapai Mauri Limited
 Te Kauwhata Health Awareness Society Incorporated
 Te Kauwhata Volunteer Fire Brigade
 Te Korowai Roopu Tautoko Incorporated
 Te Kotahitanga o Te Arawa Waka Fisheries Group
 Te Kuiti Volunteer Fire Brigade
 Te Manu Korero O Nga Matauranga Central King Country Rural Education Activities Programme (REAP) Society Inc.
 Te Mata Home and School Association
 Te Paepae Arahi Trust
 Te Puna Oranga Incorporated
 Te Runaka Otakou Limited
 Te Tapuae o Rehua Limited
 Te Whangai Trust Board
 The United Way (NZ) Charitable Trust
 The Angels for Children Trust
 The Audio Foundation
 The Avery Foundation
 The Bay Of Islands Branch Of The Royal New Zealand Society For The Prevention Of Cruelty To Animals Incorporated
 The Beechgrove Charitable Trust
 The Brain Injury Association Of New Zealand Incorporated
 The Bruce McLaren Trust
 The Cancer Society of New Zealand Canterbury-West Coast Division Trust Board
 The CBMC Charitable Trust
 The Centre At Warkworth Puhinui Pokapu O Iwi Trust
 The Charles Duncan Charitable Trust
 The Christian Schools Association of Avondale
 The Christmas Carols Charitable Trust
 The Council for International Development Incorporated of Aotearoa/New Zealand/Te Kaunihera mo te Whakapakari Ao Whanui o Aotearoa
 The First Tuesday NZ Trust
 The Graham Nuthall Classroom Research Trust
 The Great New Zealand Trek Charitable Trust
 The Harold Thomas Rotary Trust
 The Hearing Association Horowhenua Branch Incorporated
 The Hearts and Hands for Haiti Trust New Zealand
 The Hihiaua Cultural Centre Trust
 The Hospitaller Brothers of St John of God Aotearoa Society
 The Housing For Women Trust
 The Invercargill City Charitable Trust Board
 The J B Johns Trust
 The Kohimarama Tennis Club Incorporated
 The Legend Charitable Trust
 The Leprosy Mission of New Zealand Resettlement Trust
 The Matua School Parent Teacher Association
 The Mercia Barnes Trust
 The New Zealand Film and Television School Trust
 The New Zealand Home Health Association Incorporated
 The Norman and Marion Allright Trust
 The North Otago R.S.A Trust Fund
 The North Shore Performing Arts Competitions Society Inc.
 The Palmerston North RSA Trust Fund (Incorporated)
 The Polyfest Trust
 The Prisoners Aid & Rehabilitation Society (Otago)
 The Pukeora Trust
 The Ranfurly Trust
 The Ravenscar Trust
 The Social Service Waikato Trust
 The Starlight Ball Charitable Trust
 The Stewards' Foundation (N.Z.) Incorporated
 The Taranaki Arts Festival Trust
 The Tasman Broadcasting Trust
 Theatre Artists Charitable Trust
 Theatre Royal Charitable Foundation
 Titahi Bay Lions Club Charitable Trust
 Titirangi Playcentre

Toy Library Federation of NZ Inc
 Tu Tama Wahine o Taranaki Incorporated
 Tu Teao Marae
 Turangi Transport Group Incorporated
 Tuwharetoa Health Services Limited
 University Of Canterbury Alumni Association Incorporated
 Upper Hutt Roller Skating Club Incorporated
 Valder Ohinemuri Charitable Trust Incorporated
 Viva Voce Incorporated
 Voice Advocacy Trust
 W. Duncan Bickley Trust Fund
 Waiheke Community Childcare Centre Incorporated
 Waikato Enterprise Agency
 Waikato Institute for Leisure & Sport Studies
 Waikato, Hauraki/Coromandel Rural Support Trust
 Waimate Childcare Centre Incorporated
 Waimate Health Developments Incorporated
 Waimate Historical Society Incorporated
 Waimeha Te Kohanga Reo
 Wairau Rowing Club Incorporated
 Wairoa Community Centre Trust
 Waitakere Volunteer Rural Fire Force
 Wakatipu Health Trust Board
 Wanganui Airport Control Tower Restoration Group Inc.
 Wanganui Community Sports Centre Incorporated
 Warkworth Volunteer Fire Brigade
 Wellington Circus Trust
 Wellington Marathon Clinic Incorporated
 Wellington Potters Association Incorporated
 Wellington Presbyterian Methodist Halls Of Residence Trust
 West Coast Women's Refuge Incorporated
 Westport Early Learning Centre Incorporated
 Whakaaro Tahiri Community Trust
 Whanganui Community Living Trust
 Whangaparaoa Primary School Parents & Friends Association
 Whangarei Boys' High School Old Boys' Association Inc.
 Whare Mauri Ora Trust
 Whenuakiwi Trust
 Whitford Brown Community Workshop Trust
 Wilding Park Foundation Incorporated
 Windows Trust
 Women's Empowerment Foundation "The Trust"
 Women's Health Information Centre Incorporated
 Women's Network (Wanganui) Incorporated
 Woolston Development Project Incorporated
 Yarrow Stadium Trust
 YMCA Wanganui Community Trust

Small charities

Ashburton Community Water Trust Board
 A Reason To S.M.I.L.E. Charitable Trust
 A Second Chance Foundation
 Abbeyfield Christchurch Incorporated
 ABC Disability Trust
 ACROSS Supporters Trust
 Activate Trust
 Akarana Maitahi Charitable Trust
 Alpha Club Incorporated
 Altrusa Club of Oamaru Incorporated
 Amberley Volunteer Fire Brigade
 Amputee Society of Canterbury & Westland Incorporated
 Amputees Federation of New Zealand Incorporated
 Appleby Voluntary Rural Fire Force
 Aranui Marae

Artists Against Slavery
 Ashburton Mackenzie Community Group Incorporated
 Ashburton Society of Performing Arts Incorporated
 Association of Local Government Rating New Zealand Inc.
 Auckland Canoe Polo Society Incorporated
 Auckland City Mission Foundation
 Auckland District Council of Social Services Incorporated
 Auckland Tokelau Society Incorporated
 Auckland Youth Choir Incorporated
 Autism Lifestart Trust
 Awhero Community Trust
 Baci Foundation Charitable Trust
 Baradene College Parent and Teachers' Association
 Barrington Miller Educational Trust Board
 Baverstock Oaks School Parent Teacher Association
 Bay Of Plenty Family And Foster Care Association Inc.
 Bay View Volunteer Fire Brigade
 Bayview Trust
 Beachlands Volunteer Fire Brigade
 Blenheim Volunteer Fire Brigade
 Blockhouse Bay Historical Society Incorporated
 Boulcott After School Care Incorporated
 Brett Stevens Trust Fund
 Bruce Bay Hall Board
 C.M Laing Charitable Trust
 Camp Kaitawa Trust
 Canterbury Secondary School Mountain Bike Club
 Canterbury Theatre Organ Society Incorporated
 Carterton Tennis Club Incorporated
 Catholic Cathedral College Parent, Teacher and Friends Association Incorporated
 Cats In Need Trust
 Chatham Island Volunteer Fire Brigade
 CHB Mayoral Health Trust
 Circuit 3B Of Jehovah's Witnesses
 City Impact Church Queenstown Education Limited
 City of Papakura and Districts Highland Pipe Band Inc.
 Clinton Senior Citizens Club
 Coastguard Bluff Incorporated
 Coastguard Whangaroa Incorporated
 Colac Bay Volunteer Fire Brigade
 Community Action Group Of Eltham
 Community Learning Association Through Schools Inc.
 Community Wellness Foundation Charitable Trust
 Cornerstone Life Trust Board
 Coromandel Community Services Trust
 Culverden Volunteer Fire Brigade
 Dan Davin Literary Foundation
 Dawn of Hope Trust Board
 Devonport Squash Club Incorporated
 Diabetes New Zealand Taupo Incorporated
 Diabetes NZ Kapiti Incorporated
 Drama Development Trust
 Dunedin Fire Brigade Restoration Society Incorporated
 E. Rewa Begg Scholarship Fund
 Eion and Jan Edgar Charitable Trust
 Ellerslie/Panmure Stroke Club
 Emmaus Bible School
 Estate Ena May Gillespie
 Estate of Dorothea Sydney McAuliffe
 Estate of Francis Hearn Mills
 Estate of Ivy Matilda Webber
 Estate of Kathleen Charlotte Maria Hardcastle

Estate of Mary Ann Barstow
 Estate Rachel Frew
 Estate Ramsey Harrison Corlett Deceased
 Faith in Families Foundation
 Families Advance
 Fiji Indian Association Wgtn Incorporated
 Fiordland Museum Trust
 Four Corners Humanitarian Trust
 Foxton Beach Community Centre Incorporated
 Franklin District Rose Society Inc
 Frankton Volunteer Fire Brigade
 Friends of Christchurch Symphony Orchestra Incorporated
 Friends Of Dunstan Hospital Incorporated
 Friends Of The Nelson Library (Incorporated)
 Friends of the Williams House, Paihia Library Incorporated
 Friends Of Waikato Museum Of Art And History Incorporated
 Glen Innes Housing Trust
 Golden Bay Emergency Communication Services Charitable Trust Board
 Gonville Womens Bowling Club Inc
 Gore And Districts Community Youth Worker Trust
 Grace Carruth Trust
 Greenwood Park Residents' Health Association Incorporated
 Grey District Wheelchair Van Organisation Incorporated
 Hamilton Community Mens Shed
 Hand Deficiency Trust
 Harvestime Apostolic Fellowship
 Hastings Pioneer Lions Club Charitable Trust Board
 Hawkes Bay Addiction Centre Trust
 Hawkes Bay Secondary Schools Deputy Principals & Assistant Principals Association Incorporated
 Hearing Association Piako Branch (Incorporated)
 Hearing Voices Network Aotearoa New Zealand Incorporated
 Henderson Photographic Society Incorporated
 Henry Ah Hee Trust Fund
 Hibiscus Coast Veterans' Tennis Club
 Himatangi Volunteer Fire Brigade
 Hindu Heritage Research Foundation (NZ)
 Hinemoa Lodge Charitable Trust
 Hobson Aratapu Trust
 Honikiwi Hall Society Incorporated
 Hornby Toy Library Incorporated
 HPCC Business Life Charitable Trust
 I. M. Richdale Trust
 Inglewood Welfare Society Incorporated
 Inspired Productions Trust
 Intercreate Trust
 Invitation Only Events Limited
 Island Bay Home and School Association Incorporated
 John and Nellie O'Halloran Charitable Trust
 Kai Tahu Ki Otago Charitable Trust
 Kaiapoi District Historical Society Inc
 Kaikorai School Parents Group
 Kaimai School PTA
 Kaingaroa Forest Village Community Committee
 Kapiti Primary School PTA
 Karoro PTA
 Katikati Herb Society Incorporated
 Kawakawa Assembly of God Trust Board Incorporated
 Kawerau & Districts Neighbourhood Support Trust
 Kawhia Volunteer Fire Brigade
 Kent Bay Trust
 Kerikeri Youth Sail Incorporated
 Kumara Community Trust
 Kupa International Training Centre
 Lake Rotoiti Charitable Trust
 Life Plus Community Trust
 Limehills Home and School
 Linkwater Fire Party Incorporated
 Lioness Club Of Rangiora District Incorporated
 Lions Club of Blenheim Charitable Trust
 Lions Club of Dunedin Central Charitable Trust
 Lions Club Of Huntly Charitable Trust
 Lions Club of Invercargill East Incorporated Charitable Trust
 Lions Club of Kelston Charitable Trust
 Lions Club of Matakura Charitable Trust
 Lions Club of Ngatea Charitable Trust
 Lions Club Of Ohope Beach Charitable Trust Board
 Lions Club Of Riverton Charitable Trust
 Lions Club of Tamaki Charitable Trust
 Lions Club of Te Puke Trust
 Llanrwst Charitable Trust
 M F Anderson Trust
 Madeleine Joyce Adams Charitable Trust
 Maori Midwifery Ropu Incorporated
 Marlborough Coastguard Incorporated
 Marlborough Hospital Chaplaincy Trust
 Marlborough Tramping Club Inc
 Marvyn and Doug Smith Charitable Trust
 Masterton Miniature Train Society Incorporated
 Mataa Waka Ki Te Tai Aorere Incorporated
 Matahuru Papakainga Reservation Marae Committee
 Matamata Contract Bridge Club Incorporated
 Mates on the Road - Road Safety and Traffic Education Charitable Trust
 Maungaraki Playcentre
 Maungaturoto Primary School Parent Teacher Association
 Maverick International Student and Migrant Support Trust
 Medbury School Foundation
 Mercy Foundation Limited
 Mission Aid Trust
 Mona Semke Trust
 Morrinsville Stroke Club
 Motueka Branch of the Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated
 Naike Community Incorporated
 Nelson Decorative And Fine Arts Society Incorporated
 New Brighton Catholic School Parent Teachers and Friends Association
 New Zealand Association of Clinical Research Incorporated
 New Zealand Family Keepers Trust
 New Zealand Good Neighbor Church
 New Zealand Indian Senior Citizens Association Incorporated
 New Zealand Junior Golf Development Charitable Trust
 New Zealand Russian Community Trust
 New Zealand Sterile Services Association Incorporated
 Ngai Te Ao Hapu Incorporated
 Ngai Te Rangihouhiri Hapu Trust
 Ngatira Tennis Club Incorporated
 Ngongotaha Volunteer Fire Brigade
 Norsewood Golf Club Incorporated
 North East Valley Normal School Parent Teachers Association
 North King Country Youth Trust
 North Shore Chess Club Incorporated
 Northern Southland Community Shears Community Trust Inc.
 Not For Me Charitable Trust

Novalife Charitable Trust
 Oakura Volunteer Fire Brigade
 Oamaru Opera House Charitable Trust
 Okiwi Trust
 Omokoroa Point School Parent Teacher Association
 Onslow Cricket Foundation
 Operations Research Society of New Zealand Incorporated
 Opotiki Fibre and Fleece Trust
 Orepuki Volunteer Fire Brigade
 Osteoporosis Society (Canterbury) Incorporated
 Otago Ostomy Society Incorporated
 Otago Southland Provincial Fire Brigades Association
 Otorohanga Household Budgeting Service Incorporated
 Otumu'omu'a Trust
 Outram Volunteer Fire Brigade
 Owaka Volunteer Fire Brigade
 Paerata School Parent Teacher Association
 Palmerston North Boys' High School Educational Foundation Trust
 Palmerston North Inner Wheel Charitable Trust
 Palmerston North Tramping and Mountaineering Club Inc.
 Papakura Art Group Incorporated
 Parkinson's New Zealand
 Parkland School PTA (Parent Teacher Association)
 Parry Field Charitable Foundation
 Patients Rights Advocacy Waikato Incorporated
 Patumahoe Emergency Support Charitable Trust
 Paul Ambrose Radomski Trust
 Pinehaven Home & School Cooperative
 Pirinoa Hall Incorporated
 Play-A-While Toy Library Devonport Incorporated
 Point Money Movers
 Progress Of Waikouaiti Area Incorporated
 Puhoi Community Forum Incorporated
 Q-Topia Incorporated
 Queen Elizabeth Hospital Community Trust
 Queenstown Gymnastics Club Incorporated
 Rangiora Youth Community Trust
 Rannerdale Foundation
 Rasheed Memorial Dawah Trust Incorporated
 Ratana Volunteer Fire Brigade
 Ravensbourne Volunteer Fire Brigade
 Ravensbourne Youth Yachting Trust
 RB Wade Charitable Trust
 Redoubt North Wesleyan Church
 Reefton Volunteer Fire Brigade
 Rehu Ma Tangi
 Reliance Limited
 Remuera Parnell Sports Community Charitable Trust
 Respiratory Relief Society Canterbury Incorporated
 Revue For Engineering Faculty Students
 RNZN Association: North Shore Branch
 Rochester Hall Trust Board Incorporated
 Ron and Edna Greenwood Environmental Trust
 Ronald Woolf Memorial Trust
 Rotary Club Of North Harbour 2008 Charitable Trust
 Rotary Club of Palmerston North Charitable Fundraising Trust
 Rotary Club of Waiuku Incorporated Charitable Trust
 Rotary Pathway Trust
 Rotorua Careers Expo Trust
 Rotorua Multicultural Council Inc
 Rotorua United Association Football Club Incorporated
 Rotorua Volunteer Fire Brigade
 Roy Allen Manurewa Lions Club Trust Board
 Royal New Zealand Plunket Society (Dannevirke Branch) Inc.
 Royal New Zealand Plunket Society (Te Kuiti) Branch Inc.
 Royal New Zealand Plunket Society Fairlie Branch Inc.
 Royal New Zealand Plunket Society Hibiscus Coast Branch Inc
 Royal New Zealand Plunket Society Mackenzie High Country Branch Incorporated
 Royal New Zealand Plunket Society Malvern Branch Inc.
 Royal New Zealand Plunket Society Ohinemuri Branch Inc.
 Royal New Zealand Plunket Society Rodney Branch Inc.
 Royal New Zealand Plunket Society South Otago Branch Inc.
 Ruahine Playhouse
 Russell Landcare Trust
 RWGC Golf Foundation
 Saint Luke's Centre Incorporated
 Saxton Field Sports Stadium Society Incorporated
 Science Awards Trust
 Selina Sutherland Trust
 Selwyn Village Independent Residents Society Incorporated
 Seniornet Feilding Incorporated
 Seniornet Oamaru Incorporated
 Sherwood Primary School Parents' Association
 Side Door Arts Trust
 Silver Photography Trust
 Sir Charles Hilgendorf Memorial Trust
 Sir Ernest Davis Trust - Masonic Lodge
 Soroptimist International of Wellington
 South Waikato Stroke Support Group
 Southbound Blues Trust
 Southern Cross Building Society Charitable Trust
 Southern Heritage Trust
 Southern Rugby Football Club Trust
 Southern Southland Community Health Trust
 SPELD Nelson Incorporated
 Sri Om Incorporated
 St Albans Tennis Club Incorporated
 St Benedict's School Help Our Kids Committee
 St John Buller Area Committee
 St John Greymouth Area Committee
 St John Papakura Area Committee
 St John Waiheke Island Area Committee
 St Pauls Lutheran Church Wellington Trust
 St Paul's School PTFa
 St Teresa's Foodbank
 Stoke Volunteer Fire Brigade
 Stokes Valley Toy Library Incorporated
 T & J Nevin Charitable Trust
 Tabitha New Zealand Trust
 Tainui Playgroup Society Incorporated
 Takapuna Services & Social Bowling Club (Inc)
 Taonui School Fundraising Team
 Taranaki Regional Branch Of NZ Choral Federation
 Tararua Riding For The Disabled Incorporated
 Taupo Council of Social Services Incorporated
 Tauranga Agricultural And Pastoral Association
 Tauranga Musica Incorporated
 Tauranga Ongoing Pain Support Incorporated
 Tawa College Trust
 Tawa Volunteer Fire Brigade
 Te Ao Hou Careers Association
 Te Awamutu Gracelands Property Trust
 Te Kawau Swimming Incorporated
 Te Kuiti And District Highland Pipe Band Incorporated

Te Ohaakii a Hine - National Network Ending Sexual Violence Together Trust
 Te Pua Memorial Marae 2008 Incorporated
 Te Puna Quarry Park Society Incorporated
 Te Rau Matatini
 Te Waiora (Canterbury) Healing Centre Trust
 Te Whare Ora Maori Alternative Health
 The Ahimsa Trust Fund
 The Aitoloakarnania Brotherhood Incorporated (To Messologi)
 The Arthur White Trust
 The Barbara Milne Charitable Trust
 The Bett Collection
 The Butterfly Creek Theatre Troupe Incorporated
 The Camrose Village Trust
 The Canterbury Arthritis Support Trust
 The Canterbury Branch of New Zealand Society of Genealogists
 The Canterbury Mineral And Lapidary Club Incorporated
 The Canterbury Ostomy Society Incorporated
 The Christchurch Naval Memorial Benevolent Trust
 The Colin Spratt Charitable Trust
 The Community Broadcasters' Society (Canterbury) Inc.
 The Dipton Community Baths Trust
 The Earthcare Foundation
 The Federation of Irish National Societies Incorporated
 The Friends of Cathedral Music Incorporated
 The Gisborne District Disaster Relief Trust
 The Gleniti School Parent Teachers Association (P.T.A)(Incorporated)
 The Grace Memorial Trust
 The Gynaecological Cancer Research Trust
 The Hans Trommel Trust
 The Hawkes Bay Philatelic Society (Incorporated)
 The Hearing Association Hastings Branch Incorporated
 The House of God Incorporated
 The HRKA Charitable Trust
 The Hutt Hospital Foundation Trust
 The Hutt Valley Multiple Birth Club (Incorporated)
 The Keith And Meida Hepburn Foundation
 The Kiwifruit Coast Life Guard Foundation
 The Lighthouse Vision Trust
 The Limit (Hawke's Bay) Trust
 The Lincoln Rotary Trust
 The Lions Club of Beavertown Blenheim Inc Charitable Trust
 The Lions Club of Piopio Charitable Trust
 The Lions Club Of Turangi Incorporated Charitable Trust
 The Methodist Church of New Zealand Te Haahi Weteriana O Aotearoa New Plymouth Samoan Parish (9585)
 The Milan Society of New Zealand
 The Music Association Of Auckland Incorporated
 The New Zealand Sports Foundation Charitable Trust
 The New Zealand Theatre Federation Incorporated
 The Nib Charitable Trust
 The One Mile Power House Restoration Trust
 The Presbyterian Church Of Aotearoa New Zealand Presbytery of Auckland St Martins Trust
 The Pukekohe Branch of the New Zealand Society of Genealogists
 The Remarkables Conservation, Recreation and Safety Trust
 The Rotary Club of Dunedin North Charitable Trust
 The Royal New Zealand College of General Practitioners Research and Education Charitable Trust
 The Sacred Heart College Development Foundation Trust
 The Sci-Tech Experience Trust
 The Shayle R Searle Trust
 The Sisterhood Kaitaia (2007) Charitable Trust
 The St Peters Special School Charitable Trust
 The Stoke Companions Incorporated
 The Teach Me Trust
 The Toogood Trust
 The Toy Library Howick and Pakuranga Incorporated
 The Trudi Johnston Cancer Support Charitable Trust
 The Unitarian Church Of Auckland Trust Board
 The Unitarian Church Of Auckland Trust Board
 The Vision Africa Charitable Trust
 The Wellington College Rugby Charitable Trust
 The Wharepaina Trust
 The Willem Van Der Oort Charitable Trust
 The Yes Disability Resource Centre Services Trust Board
 Then India Sanmarga Ikya (NZ) Sangam Charitable Trust
 Three Kings Congregational Church
 Tides Charitable Trust Board
 Toko Volunteer Fire Brigade
 Trinity College of Wellington Trust Board Incorporated
 Trinsley Charitable Trust
 Troppodoc Charitable Trust
 Tui Ora Trust Board
 Twin Rivers (Opotiki) Country Music Club Incorporated
 Ulva Island Charitable Trust
 Unitarian Universalists Of Marlborough
 Waihi Agricultural and Pastoral Association
 Wainui Marae
 Wairau Valley Volunteer Fire Brigade
 Wairoa Service Clubs Hall Incorporated
 Wairoa Volunteer Fire Brigade
 Wairua Marie The Centre of WellBeing Trust
 Waitaha Taiwhenua O Waitaki Trust Board
 Waitomo Search and Rescue
 Wanganui Coastguard Trust
 Wanganui Heritage Event Trust
 Wanganui South Rotary Community Trust
 Wanganui Stroke Support Group
 Wanganui Technical Boys and City College Past Students Ass.
 Warrington War Memorial Hall Society Incorporated
 Wattledowns Residents and Ratepayers Association Inc.
 Wellington Rose Society Incorporated
 Westport Volunteer Fire Brigade
 Whakatane Maritime Charitable Trust
 Whanau Atawhai Komiti
 Whangarei South Rotary Medical And Services Trust
 Whatatutu Volunteer Fire Brigade
 Whiti Te Ra Hou Trust
 Women's International Newcomers Group Social Inc.

Appendix 4: Extracts from sample charities using cash accounting

Figure 8: Extract from a sample of charity accounts prepared on a 'simple' accrual basis (with entity specific 'notes') by unknown person

| Henderson Photographic Society | | |
|--------------------------------------|------------------|------------------|
| Profit & Loss | | |
| January through December 2010 | | |
| | Jan - Dec 2010 | Aug - Dec 2009 |
| Ordinary Income/Expenses | | |
| Income | | |
| 4010 – Subscriptions Received | 3,577.50 | 885.00 |
| 4040 – Interest on Bank Accounts | 188.03 | 62.46 |
| 4060 – Supper Income | 0.00 | 99.40 |
| 4070 – Other Income | 0.00 | 0.00 |
| Total Income | 3,765.53 | 1,046.86 |
| Expense | | |
| 5010 – Hall Rental | 1,068.00 | 504.00 |
| 5020 – Judging & Meeting Expenses | 224.83 | 156.99 |
| 5026 – At Home | 183.59 | 212.72 |
| 5030 – Engraving & Certificates | 299.10 | 210.54 |
| 5035 – Supper Expenses | 68.98 | 42.54 |
| 5045 – PSNZ Affiliation Fee | 148.50 | 0.00 |
| 5060 – Other Expenses | 10.99 | 0.00 |
| 5065 – Web Site | 162.35 | 41.63 |
| 5066 – Computer Consumables <\$250 | 0.00 | 70.59 |
| Total Expenses | 2,166.34 | 1,298.72 |
| Net Ordinary Income | 1,599.19 | -191.86 |
| Other Income/Expense | | |
| Other Expense/Income | | |
| 5070 – Depreciation Exp Current Year | 3,078.80 | 1,749.06 |
| 5080 – Asset Purchases | 0.00 | 0.00 |
| Total Other Expense | 3,078.80 | 1,749.06 |
| Net Other Income | 3,078.80 | 1,749.06 |
| Net Income | -1,479.61 | -1,940.92 |

AUDITORS REPORT

I have examined the books and financial records of the Henderson Photographic Society (Inc) for the year ended 31 December 2010, and in my opinion the Balance Sheet and Profit and Loss Account on pages 1 and 2 set out the financial position of the Society at that date and the financial results for the year then ended and are in accordance with the books of account.

(1)

C C Holloway
9 March 2011

Notes To The Accounts

Income

- Supper Income: We didn't bank the supper income, preferring to let the \$50 rollover to this year.

Expenses

- Hall Rental: has remained at \$112 per month.
- Supper Expenses: Are down on other full years due to our use of disposable plastic cups and the reuse of tea bags over a 3 meeting period.
- PSNZ Affiliation Fee: Comparable to last year.
- Web Site: Consisted of Domain Name fee and hosting cost.

Figure 9: Extract from a sample of charity accounts prepared on a cash basis in a pre-prepared format

Annex A to V4

BRIGADE GRANT FUND
RECEIPTS AND PAYMENTS STATEMENT: YEAR ENDING 31 MARCH 2011

DISTRICT NO: 3448 BRIGADE: AMBERLEY GST NO: 55/317/354

| RECEIPTS | PAYMENTS |
|--|--|
| (i) Opening Balance - Current Account \$ <u>7,956.56</u> | (i) Social functions (ie Christmas, Gold Star Presentations) \$ <u>4,775.87</u> |
| Investment Account \$ <u>1,426.28</u> | (ii) Travel, Competitions, Courses, Conference Expenses and Car Allowances (not paid by Commission) \$ <u>1,151.28</u> |
| (ii) Cheques from Commission (including GST) | (iii) Subscription to UFBA, Provincial Association or Sub Associations \$ <u>25.00</u> |
| DATE AMOUNT | (iv) Publications & Stationery \$ _____ |
| 1 <u>15 APR</u> \$ <u>2,311.98</u> | (v) UFBA Honours or Awards \$ <u>862.90</u> |
| 2 <u>15 July</u> \$ <u>2,287.23</u> | (vi) Honoraria (other than paid by Commission) \$ <u>1,405.90</u> |
| 3 <u>24 SEPT</u> \$ <u>4,867.31</u> | (vii) Purchase of Assets (provide brief details) |
| 4 <u>15 Oct</u> \$ <u>2,312.75</u> \$ <u>14,142.62</u> | <u>Lounge chairs</u> \$ <u>4,646</u> |
| (iii) <u>17 JAN</u> Interest Received \$ <u>2,363.35</u> \$ <u>17.10</u> | <u>Stereo</u> \$ <u>868.00</u> |
| (iv) GST recovered from IRD \$ <u>277.60</u> | <u>misc</u> \$ <u>131.20</u> \$ <u>5,645.20</u> |
| | (viii) Other Expenditure (ie Bank Charges, Audit Fees, Donations, Gifts etc.) Provide brief details |
| | <u>audit programme</u> \$ <u>274.75</u> ✓ |
| | <u>Gifts</u> \$ <u>1,835.45</u> |
| | <u>Xmas</u> \$ <u>1,080.30</u> \$ <u>3,930.14</u> |
| | (ix) GST paid to IRD \$ <u>716.45</u> |
| | (x) Total Payments Above \$ <u>18,518.74</u> |
| | (xi) Closing Balances - Current Account \$ <u>1,443.96</u> |
| | Investment Account \$ <u>4,000</u> |
| GRAND TOTAL (i)-(iv) above \$ <u>23,820.16</u> | GRAND TOTAL (x)-(xi) above \$ <u>23,962.70</u> |
| The brigade will be registered for GST during the next year YES/NO | <u>uncleared cheques</u> - \$ <u>142.54</u> |
| Signed: <u>[Signature]</u> | 23,820.16 |
| District Chief Fire Officer | |
| Secretary <u>[Signature]</u> | Treasurer |

AUDITORS CERTIFICATE

I have examined the records of the _____ Brigade Grant Fund and in my opinion the above Receipts and Payments Statements for the period ending _____ is correct and in accordance with the provisions of the New Zealand Fire Service Model Rule of Association 4.11 (e).

Signed: _____

 Name: _____

Date: _____

Figure 10: Extract from a sample of charity accounts prepared on a cash basis by a Trustee company

Guardian Trust
THE NEW ZEALAND GUARDIAN TRUST COMPANY LIMITED

KIWIFRUIT COAST LIFE GUARD FOUNDATION

CAPITAL ACCOUNT PAGE 1

STATEMENT OF ACCOUNT FOR THE PERIOD 01 JUL 09 TO 30 JUN 10

| 16468800 / CKR | DETAILS | PAYMENTS | RECEIPTS |
|--|---------|----------|----------|
| BALANCE FROM LAST STATEMENT | | 12509.29 | |
| <u>RECEIPTS</u> | | | |
| <u>GUARDIAN TRUST GROUP INVESTMENT FUNDS</u> | | | |
| GUARDIAN CASHPLUS MORTGAGE UNITS FUND | | | |
| WITHDRAWN ON 14 SEP 09 | 735.97 | | |
| WITHDRAWN ON 07 DEC 09 | 735.97 | | |
| WITHDRAWN ON 15 MAR 10 | 367.99 | | |
| WITHDRAWN ON 14 JUN 10 | 367.99 | | 2207.92 |
| <u>PREMIUM/DISCOUNT PROPORTION TRANSFERRED</u> | | | |
| GPG FINANCE CAPITAL NOTES | | | |
| @ 8.30% MATURING 15 NOV 12 | 54.79 | | |
| KIWIBANK | | | |
| @ 8.75% CALLABLE 30/09/13 MAT 30 SEP 18 | 784.61 | | 839.40 |
| <u>COMPANY DEBENTURES</u> | | | |
| ENZ | | | |
| @7.50% MATURING 15 SEP 09 | | | 30000.00 |
| <u>RIGHTS AND FRACTIONS</u> | | | |
| KIWI INCOME PROP TRUST RIGHTS TO MCN | | | |
| 526 LAPSED ON 09 DEC 09 | | | 0.00 |
| <u>FUNDS TRANSFERRED</u> | | | |
| RETURN OF ADMINISTRATION FEES ACCOUNT | | | |
| FUND ON 30 JUN 10 | | | 6626.29 |
| CARRIED FORWARD | | 12509.29 | 39673.61 |

0.813658

Guardian Trust
THE NEW ZEALAND GUARDIAN TRUST COMPANY LIMITED

KIWIFRUIT COAST LIFE GUARD FOUNDATION
AUSTRALIAN FUNDS

INCOME ACCOUNT PAGE 2

STATEMENT OF ACCOUNT FOR THE PERIOD 01 JUL 09 TO 30 JUN 10

| 16468860 / CKR | DETAILS | PAYMENTS | RECEIPTS |
|--------------------------|---------|----------|------------|
| | A\$ | A\$ | A\$ |
| BROUGHT FORWARD | | 474.82 | 8705.66 |
| <u>OUR FEES</u> | | | |
| INCOME COLLECTION CHARGE | | 104.09 | Ad. |
| | | 578.91 | 8705.66 |
| CREDIT CLOSING BALANCE | | | A\$8126.75 |

