



Notice is hereby given that a meeting of the Milford Community Trust will be held on:

Date: Monday, 21 February 2022
Time: 7pm
Meeting room: Virtual meeting via Microsoft
Venue: Teams

Milford Community Trust Agenda OPEN

MEMBERSHIP

Chairperson	Councillor Ebel Kremer
Deputy Chairperson	
Trustees	Rosco Gaudin Brad Johnstone Stephen Norris Tony Woodham

IN ATTENDANCE

Committee advisor	Alyson Hamilton
Community partnership leader	Simon Moran

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Full agendas **are available on Council's** website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) the reason why the item was not on the Agenda, and
- (ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

6 Confirmation of Minutes

3.1 Meeting minutes of Milford Community Trust, 28 June 2021



OPEN MINUTES

UNCONFIRMED

Minutes of a meeting of Milford Community Trust held via Zoom (digital technology) on Monday, 28 June 2021 at 4.25pm. (4.28pm – 4.49pm).

PRESENT

Chairperson	Councillor Ebel Kremer
Trustees	Rosco Gaudin
	Tim Holland
	Brad Johnstone – (4.28pm – 4.49pm)
	Stephen Norris
	Tony Woodham

APOLOGIES

Brad Johnstone – (lateness)

IN ATTENDANCE

Committee advisor	Alyson Hamilton
Community partnership leader	Simon Moran
Graduate accountant	Brie Lepper

1 Apologies

There was an apology for lateness from Brad Johnstone.

Moved Chairperson Kremer, seconded Trustee Holland and resolved:

That the Milford Community Trust accept the apology.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Chairperson Kremer, seconded Trustee Holland and resolved:

That the minutes of Milford Community Trust meeting held on 2 March 2021 be confirmed as a true and correct record of that meeting.

Reports

4.1 Financial Report to 31 May 2021

Record No: R/21/6/33263

Graduate Accountant - Brie Lepper was in attendance for this item.

Ms Lepper advised the purpose of the report is to provide the trustees with an updated statement of financial performance and financial position of the Trust for the period 1 July 2020 to 31 May 2021.

Chairperson Kremer **requested that the chairperson's remuneration be placed on hold due to the current economic conditions effective 1 July 2021.** Check with Brie?

Brad Johnstone joined the meeting at 4.28pm during discussions on the report.

Resolution

Moved Chairperson Kremer, seconded Trustee Gaudin and resolved:

That the Milford Community Trust:

- a) **Receives the report titled "Financial Report to 31 May 2021" dated 18 June 2021.**

4.2 Annual Report Audit Plan for the year ending 30 June 2021

Record No: R/21/6/33830

Graduate accountant - Brie Lepper was in attendance for this item.

Ms Lepper advised the purpose of this report is for the Trust to approve the Annual Report Audit Plan as proposed by Audit New Zealand (Audit NZ) for the year ending 30 June 2021.

The meeting noted Audit NZ had advised that due to staffing issues they were unable to confirm if the audit of the annual report will be completed within the statutory timeframes.

The Trustees requested written confirmation be obtained from Audit NZ in regards the audit timetable.

Resolution

Moved Chairperson Kremer, seconded Trustee Norris and resolved:

That the Milford Community Trust:

- a) **receives the report titled "Annual Report Audit Plan for the year ending 30 June 2021" dated 18 June 2021.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) accepts the Annual Report Audit Plan for the year ending 30 June 2021, as set out in attachment A noting that the audit timetable is still to be agreed.

-
- e) **delegates authority to Council's Financial Accountant to agree the 2020/2021 audit timetable with Audit NZ.**

4.3 Proposed amendments to the Trust's Deed

Record No: R/21/6/34083

Community partnership leader – Simon Moran was in attendance for this item.

Mr Moran advised the purpose of the report is for the Trustees to consider the additional amendments to the Milford Communities Trust Deed following a legal review.

Resolution

Moved Trustee Gaudin, seconded Trustee Johnstone and resolved:

That the Milford Community Trust:

- a) **receives the report titled "Proposed amendments to the Trust's Deed" dated 22 June 2021.**
- b) approves the proposed changes to the Milford Community Trust Board Deed.
- c) approves the request to vary the rules of the Milford Community Trust Board Deed as approved by recommendation (b) be submitted to Charities Services within one month of this resolution being agreed to.
- d) authorises Simon Moran to submit the request in accordance with recommendation (c) on behalf of the Milford Community Trust Board.

Public Excluded

Exclusion of the public: Local Government Official Information and Meetings Act 1987

Resolution

Moved Chairperson Kremer, seconded Trustee Woodham and resolved:

That the public be excluded from the following part(s) of the proceedings of this meeting.

C5.1 Annual Insurance Renewal

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Annual Insurance Renewal	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 4.44pm.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 4.49pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE MILFORD COMMUNITY TRUST HELD ON MONDAY, 28 JUNE 2021.

DATE:.....

CHAIRPERSON:.....

Milford Community Trust's draft Performance Report for the year ended 30 June 2021

Record No: R/22/2/3771
Author: Brie Lepper, Graduate accountant
Approved by: Anne Robson, Chief financial officer

Decision Recommendation Information

Purpose

- 1 To provide the trust with the draft Milford Community Trust (the Trust) Performance Report (attachment A) for the year ended 30 June 2021 and an update on the audit of the performance report.

Executive Summary

- 2 The Performance Report is a means for the Trust to account and report to the community on its performance for the preceding financial year. It reports on outcomes, performance measures, both financial and non-financial and provides the actual results against budgeted results.
- 3 The Performance Report compares and comments on the performance of the Trust against the budget and operating targets set in their Statement of Intent 2020-2023.
- 4 The draft Performance Report for the year ended 30 June 2021 is attached to this report (attachment A).
- 5 The Trust, as a Council controlled organisation, is usually required by the Local Government Act 2002 to develop and adopt a Performance Report within three months of the end of a financial year, however due to the Covid-19 pandemic, legislation was passed to extend the deadline to 30 November 2021.
- 6 At the 28 June 2021 trust meeting, Council staff presented the proposed audit plan from Audit New Zealand (Audit NZ) for the year ending 30 June 2021. In this, Audit NZ discussed that as a result of Covid-19, they were having difficulty obtaining the auditors necessary to undertake their full work programme. The Office of the Auditor General responded by giving Audit NZ a priority tool to decide when audits would be undertaken and is aware that a number of audits are not outside this statutory audit timeline.
- 7 In October 2021 Audit NZ sent an update letter regarding the timing of the 30 June 2021 audit. This letter is attached to this report (attachment B) and outlines that the Trust's audit is expected to occur during the first few months of 2022. As at the date of this report, council staff have yet to have confirmation of when the audit will be undertaken.
- 8 The office of the Auditor-General is also engaging with Charities Services regarding extensions to their statutory guidelines. As you will be aware, the Trust is required to file their audited financial statements with the Charities Service by the 31 December to maintain their charity status. The office of the Auditor-General is engaging with Charities Services regarding extensions to this. In the meantime, Council Staff have submitted the Trust's draft performance report to Charity

Services and will upload the audited accounts once these have been adopted by the Trust. Charities Services have agreed to this approach.

- 9 Once Audit NZ have completed their audit, the draft performance report will be brought back to the Trust for adoption.

Recommendation

That the Milford Community Trust:

- a) **Receives the report titled “Milford Community Trust's draft Performance Report for the year ended 30 June 2021” dated 16 February 2022.**

Background

- 10 The draft performance report is a means of accounting for the Trust's activities for the 2020/2021 financial year. It reports on targets and budgets in the Statement of Intent 2020-2023.
- 11 The draft Performance Report details the operating activities of the Trust and includes financial statements for the Trust. The report and financial statements have yet to be audited by Audit NZ on behalf of the auditor-general.

Status of the Report

- 12 At the time of writing this report, Audit NZ have not completed their audit fieldwork and review of the Performance Report, and have not advised Council staff when this work will occur.

Trust Performance

- 13 The draft Performance Report for the year ended 30 June 2021 details the performance of the Trust against the key performance targets that were specified in the Statement of Intent 2020-2023
- 14 The Trust achieved neither of the two key performance indicators set for the 2020/2021 year. The ongoing impact of the Covid-19 pandemic, meant the trustees did not meet for a fourth time as there was insufficient business to warrant an additional meeting. Additionally, due to the lack of Trust activity planned for the year, particularly the deferral of the proposed recreation centre, the Trustee's considered it wasn't necessary to hold a meeting in Milford Sound Piopiotahi.

Activities

- 15 The draft Performance Report 2020/2021 includes summarised information about the planned activities of the Trust and their status as programmed in the Statement of Intent 2020-2023.
- 16 A review of the Trust Deed was undertaken and the Trustees agreed to change the rules of the Deed to better reflect the operations and capacity of the Trust. That decision was made at its meeting on the 28th June 2021 and the amendments were electronically lodged on the 28th July 2021.

Financial Results

- 17 These draft financial statements have been prepared in accordance with Tier 3 PBE accounting standards. Explanations of the variances between actual results and budgeted results for 2020/2021 year can be found in note 9 of the draft Performance Report.

Statement of Financial Performance

- 18 The Statement of Financial Performance (Page 10 of the draft Performance Report) outlines the actual income and expenditure compared to budget. The Trust ended with a deficit of \$14,381 compared with a budgeted surplus of \$36,470.
- 19 The deficit is due to no concessionaire's income being collected in 2020/2021.

Statement of Financial Position

- 20 Term deposits are higher than budgeted primarily due to work on the Cleddau Village Recreation Building not commencing. All surplus funds have been invested in term deposits.

Issues

- 21 At the date of this report there are no unresolved issues in relation to the draft Performance Report for the year ended 30 June 2021, other than the completion of the audit.

Factors to Consider

Legal and Statutory Requirements

- 22 Under the Local Government Act 2002, the Trust must prepare and adopt a performance report in respect of each financial year.

Costs and Funding

- 23 The proposed audit fee for the Performance Report for the year ended 30 June 2021 is \$4,316 (excluding GST).

Policy Implications

- 24 Section 67 of the Local Government Act 2002 requires that a Council controlled organisation must deliver to the shareholders, and make available to the public a report on the organisation's operations during the year. The information required to be included are defined in Section 68 and 69 of the Local Government Act 2002 and the Trust's own statement of intent for the financial year.
- 25 Section 68 requires enough information to be included to enable an informed assessment of the operations of the trust including an assessment of performance against the statement of intent and an explanation of any major variances.
- 26 Section 69 requires that the report include an auditor's report and that the audited statements be prepared within generally accepted accounting practice which incorporates the New Zealand International Financial Reporting Standards.

Next Steps

- 27 Once Audit NZ has completed the audit of the draft performance report, council staff will bring the performance report back for the Trust to adopt for the year ended 30 June 2021. The signed version will be forwarded to the auditors and the final audit opinion will be issued. A copy of the final audited performance report will then be circulated to the stakeholders.

Attachments

- A Draft Milford Community Trust performance report for the year ended 30 June 2021 [↓](#)
- B Letter from Audit New Zealand [↓](#)



MILFORD COMMUNITY TRUST

DRAFT

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2021

R/21/6/36902



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Entity Information

Legal Name:

Milford Community Trust Board

Type of Entity and Legal Basis:

Charitable Trust

Registration Number:

CC39881

Mission:

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

Structure of the Trust:

Date of Settlement:

May 2007

Settlor:

Southland District Council

Current Trustees:

Ebel Kremer

Tim Holland

Steve Norris

Tony Woodham

Brad Johnstone

Rosco Gaudin

Term of Office:

Councillor (Three years) and Interim Chairperson (December 2021)

Four Years

Four Years

Four Years

Three Years

Four Years

Manager:

Southland District Council

Secretary:

Southland District Council

Trust Capital:

100 dollars

Main Sources of Resources:

Milford Community Trust's primary source of income is via a concessionaire's fee charged to local organisations on a quarterly basis.



Chairperson's Report

It's been a most challenging year for the Milford Community and Tourist Operators operating out of Milford Sound.

The COVID-19 pandemic following on the heels of the February 2020 floods continues to have a devastating economic effect on Tourist Operators in Milford. The flow on effect has been a significant decrease in Community residents and a negative impact on previously busy and vibrant Milford Sound Accommodation Village.

The Trust decided to continue its support the Milford operators by again not seeking their financial contributions to the Community Trust. This approach was seen by the Trust as a way of acknowledging the economic down turn plus providing a level of support to the Milford Operators during such challenging times.

The Trust has also decided to place on hold the construction of the Recreational Facility. To construct a facility in these uncertain times and place additional responsibility on the Milford Sound Residents is, in the Trust's view, unwise.

During the previous twelve months the Trust has reviewed and amended the trust deed to more accurately reflect the Trust's purpose and reflect the outcomes it needs to focus on. The additional amendment is the ability to reduce the number of trustees required to be on the Trust and reduce the number of meetings required during any twelve-month period.

Thank you to all the trustees for their support and assistance. Also, my thanks to SDC staff Simon Moran for your support and guidance.

I look forward to working alongside fellow Trustees as we meet new and challenging times. I also look forward to enhancing the Trust's relationship with relevant agencies and organisations as we work together for the benefit and improvement of the Milford Community and its visitors.

A handwritten signature in black ink, appearing to read 'Ebel Kremer', written over a large, faint watermark of the letters 'SDC'.

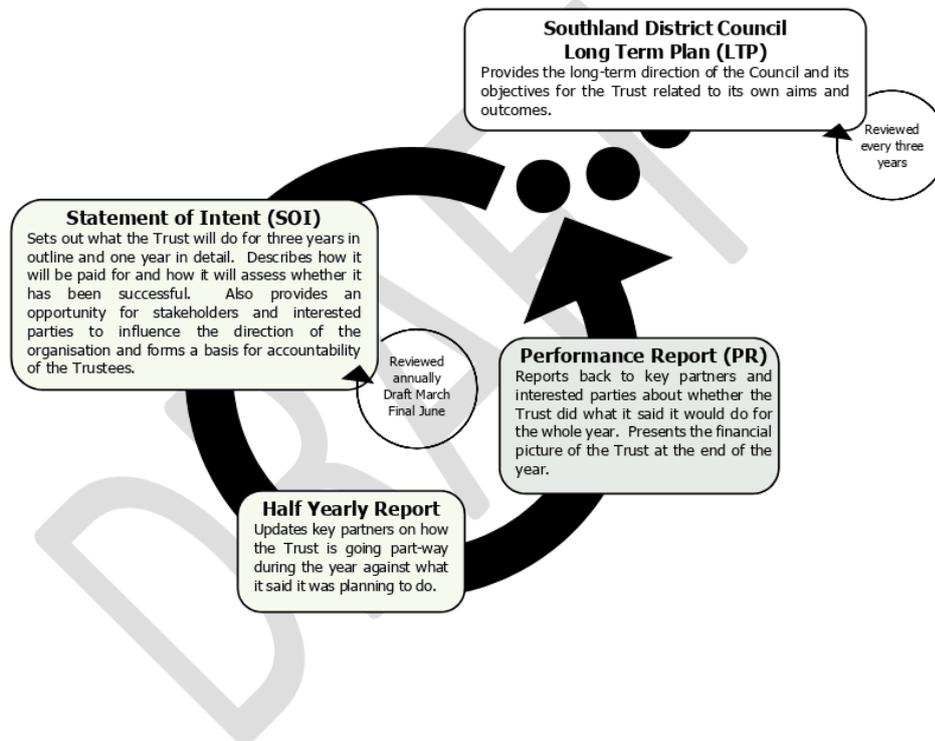
Ebel Kremer
Interim Chairperson
Milford Community Trust



What is the Performance Report?

Each year a Performance Report is produced for the Milford Community Trust which compares activities performed with those intended as set out in the Trust's Statement of Intent for the year. This information allows the operation of the Trust to be assessed by its key partners and other interested parties. This document reports in the Trust's activities during the year 1 July 2020 to 30 June 2021 which was the period of Year 1 in the Statement of Intent 2020-2023.

As a Council Controlled Organisation (CCO), the Milford Community Trust has obligations to report on its activities under the Local Government Act 2002.





Performance Information

This section reports on the Trust's performance compared against what was intended in the Statement of Intent.

Objectives

The Trust has several key objectives which guide its activities, namely:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To consider and report on all matters either referred to and/or delegated to it from time to time by the Department of Conservation and the Southland District Council and on any matter of interest or concern to the Milford community.
- (f) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (g) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

Reporting on the activities of the Trust as well as actual performance against planned targets provides information which can be used to evaluate progress being made towards these objectives. The Trust's Statement of Intent includes a number of performance targets and specific projects which are reported on below.

Governance Report

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford. This followed the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust is governed by a board of seven Trustees with representatives from stakeholder groups as shown in the table below. The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings.

Three meetings, which are open to the public, were held during the year. These meetings were held as follows;

5 November 2020
2 March 2021
28 June 2021



Trustees are detailed in the table below;

The Designation	Trustee Name	Appointed	Term Expires*
Te Anau Ward Councillor, ex-officio appointment Interim Chair	Ebel Kremer	Oct 2019	Oct 2022
		Dec 2020	Dec 2021
Milford Community Association elected representative	Brad Johnstone	2021	June 2024
Milford Community appointees	Rosco Gaudin	2020	June 2023
	Steve Norris	2021	June 2025
	Tony Woodham	2021	June 2025
	Tim Holland	2021	June 2025

* These terms were correct as at the end of the 2020/21 financial year but have subsequently been amended by the changes to the Trust Deed as at 28 July 2021.

Trustee appointments

Three Trustees were appointed in 2020/21.

Performance Targets

The information below sets out how the Trust performed against the key performance indicators from the Statement of Intent chosen to reflect the level of service to be provided.

The table shows what Level of Service the Trust said it would provide, how this will be measured, the target for the 2020/2021 year and whether the targets were achieved, partially achieved or not achieved and the reason for any significant variance.

What the Trust said will provide	How the Trust said it will measure the service provided		
Level of Service	Key Performance Indicator	Target	Achievement
Maintain a structure that facilitates local decision-making.	Number of Milford Community Trust meetings held annually	4	Not Achieved. The trustees did not want to meet a fourth time during the reporting period as given the ongoing impact of Covid-19 on tourism, and particularly Milford Sound Piopiotahi, there was insufficient business to warrant holding all meetings. Three meetings were held in 2020/21 in November, March, and June. (2019/20: Achieved)
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	1	Not Achieved. Due to the lack of Trust activity planned for the year, particularly the deferment of the proposed recreation centre, the Trustee's considered it wasn't necessary to hold a meeting in at Milford Sound Piopiotahi. (2019/20: Not Achieved)



Activity Report

The information below reports on the planned activities included in the Statement of Intent 2020-2023 as well as any unplanned activities actually carried out during the year.

Activity Description	Date	Status
Planned Activities		
Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.	June 2021	There have been ongoing discussions with the Department of Conservation primarily through their representatives who attend the Trust meetings. The Chair has also participated in discussions with the Milford Opportunities Project consultants who were working on a long-term master plan for Milford that has now been publicly released.
Provide funding for medical support, services and facilities for the Milford Emergency Response Team station.	June 2021	Last year it was stated that <i>The Trust decided to allocate \$80,000 p.a. in conjunction with Milford Sound Tourism Limited to ensure there was full time medical coverage for Milford. No appointments were made prior to the flooding and Covid-19 events of 2020 and it is unlikely that they will occur in the next 12 months.</i> This has proven to be correct given the significantly reduced level of visitors.
Review of the Trust and charging mechanism with stakeholders including concessionaires	June 2021	A review of the Trust Deed was undertaken and the Trustees agreed to change the rules of the Deed to better reflect the operations and capacity of the Trust. That decision was made at its meeting on the 28 th June 2021 and the amendments were electronically lodged on the 28 th July 2021.
Facilitate the construction of the Milford recreation centre if it gets approval.	June 2021	Construction was intended to occur however, the financial impact from Covid-19 on Milford Operators who would fund the ongoing operational costs plus any additional capital costs means that the Trust continue to put this project on hold.
Advocate for the continuation of maintaining beautification and roading within the village and Deepwater basin.	June 2021	Lobbying of the Department of Conservation and Council has continued primarily through the Trust meetings where representatives are present.
Assist Milford Community Association with the ongoing development of Cleddau Village recreation area to accommodate the community centre.	June 2021	Construction was intended to occur however, the financial impact from Covid-19 on Milford Operators who would fund the ongoing operational costs plus any additional capital costs means that the Trust continue to put this project on hold.
Unplanned Activities		
None		
Information Requirements		
Draft Statement of Intent approved by the Trust.	30 March 2021	Achieved. The Trust received the report on 2 nd March.



Activity Description	Date	Status
Final Statement of Intent prepared and circulated to key partners.	30 June 2021	Achieved. The Council approved the Statement of Intent on 23 rd June.
Half yearly report prepared and circulated to key partners.	30 March 2021	Achieved. The Trust received the report on 2 nd March.

Compensation

In the Statement of Intent, the Trust indicated that it would require funding (investment) from parties for undertaking particular activities. The Trust is required to report on compensation provided by key partners in particular. The table below details the actual compensation versus what was budgeted in the Statement of Intent.

Contribution	Activity	2020/2021 Budgeted	2020/2021 Actual	Comment
Key Partners				
Other Sources				
Concessionaires (via Concession Activity Fee)	Governance Costs	\$150,583	\$0	The Trustees at their June 2020 meeting decided that due to the effects of Covid-19 on the revenues of tourism companies (all MCT revenue is derived from tourism operators), it would not invoice for the first half of the financial year. It subsequently made a further decision in March 2021 to not invoice for the remainder of the financial year and the first half of 21/22. It is consciously foregoing income in order to support the operators.

Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be \$449,207 as at 30 June 2021. The assessment uses the value of stakeholders' funds as a guide.



Milford Community Trust
Statement of Financial Performance
For the year ended 30 June 2021

	Actual 2021	Budget 2021	Actual 2020
Revenue			
Concessionaires Income	-	150,583	112,938
Interest Income	5,799	-	9,994
Trustee Fees Forgiven	2,700	-	3,000
Total Revenue	8,499	150,583	125,931
Expenses			
Accommodation and Meals	-	500	-
Administration Fees	44	50	44
Advertising - Newspaper	-	600	38
Audit Fees	4,316	4,500	4,208
Bank Fees	40	40	40
Catering Expenses	-	500	(3)
Chairpersons Fees	10,000	10,000	10,000
Depreciation	1,457	1,472	1,502
General Expenses	-	500	346
Legal Costs	822	-	832
Medical Support	-	80,000	-
Mileage	-	1,500	-
Project Development & Planning	-	5,000	3,030
Radio Tower	-	370	-
Room Hire	-	200	(7)
Trustees Fees	3,300	6,000	3,000
Insurance	2,900	2,882	2,825
Total Expenses	22,879	114,114	25,856
Surplus/(Deficit) for the Year	(14,381)	36,470	100,075

Capital Projects

Project			
Recreation Centre	-	500,000	-
	-	500,000	-

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.



Milford Community Trust
Statement of Changes in Equity
 For the year ended 30 June 2021

	Actual 2021	Budget 2021	Actual 2020
Total Equity at beginning of year	463,587	439,638	363,512
Net Surplus/(Deficit)	(14,381)	36,471	100,075
Equity at end of year	449,207	476,109	463,587

Milford Community Trust
Statement of Financial Position
 As at 30 June 2021

	Note	Actual 2021	Budget 2021	Actual 2020
Assets				
Current Assets				
Bank Accounts and Cash	2	19,818	15,000	17,843
Short Term Deposit	3	390,000	35,565	410,000
Debtors		100	100	119
Accrued Income		556	-	2,545
GST Recievable		123	-	-
Total Current Assets		410,597	50,665	430,506
Non-Current Assets				
Property, Plant and Equipment	4	47,116	597,101	48,573
Total Non-Current Assets		47,116	597,101	48,573
Total Assets		457,713	647,766	479,079
Liabilities				
Current Liabilities				
Accrued Expenses		8,506	5,000	7,798
Creditors		-	-	2,507
Term Loan - Current Portion		-	36,376	-
GST Payable		-	(33,342)	5,187
Total Current Liabilities		8,506	8,034	15,492
Non-Current Liabilities				
Term Loan - Non Current		-	163,624	-
Total Non-Current liabilities		-	163,624	-
Total Liabilities		8,506	171,658	15,492
Net Assets		449,207	476,108	463,587
Accumulated Funds				
Trust Capital	7	100	100	100
Accumulated Surplus/(Deficit)		449,107	476,008	463,487
Total Accumulated Funds		449,207	476,108	463,587



The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.

Trustee

Trustee

Date Signed:

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.

**Milford Community Trust
Statement of Cash Flows
For the year ended 30 June 2021**

	Actual 2021	Actual 2020
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from Concessionaires Income	17	113,507
Grants	-	-
Interest Received	7,788	8,981
Cash was applied to:		
Goods and Services Tax (Net)	(5,635)	6,961
Payment to Suppliers and Employees	(20,194)	(19,407)
Net Cash Flows from Operating Activities	(18,024)	110,042
Cash Flows from Investing Activities		
Cash was received from:		
Term Deposit Maturity	410,000	275,000
Cash was applied to:		
Investment In Property, Plant and Equipment	-	-
Investment In Term Deposit	(390,000)	(410,000)
Net Cash Flows from Investing Activities	20,000	(135,000)
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash	1,976	(24,958)
Opening Cash	17,843	42,801
Closing Cash	19,818	17,843



Statement of Accounting Policies For the year ended 30 June 2021

BASIS OF PREPARATION

Milford Community Trust has applied PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2 million.

All transactions in the Performance Report are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that the entity will continue to operate in the foreseeable future.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Concessionaires Fees

Revenue is recorded when the fee is due to be received.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Term Deposits

Term Deposits are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

At balance date, trustee's fees that have not been claimed are recognised as revenue.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.



Depreciation is provided on a diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Recreational Pad 3% Diminishing Line

Income Tax

The Trust is exempt from income tax as it is a Charitable Trust registered under the Charities Commission.

Budget Figures

The budget figures are derived from the 2020-2023 Statement of Intent as approved by the Trustees on 7 May 2020. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

Changes in Accounting Policies

There have been no changes to the accounting policies applied in the financial statements from the prior year.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.



Notes to the Financial Statements For the year ended 30 June 2021

1. Post balance date events

Milford Community Trust approved at their 29 June 2021 meeting to approve the proposed amendments the Milford Community Trust Board deed. The amended trust deed has been provided to the Trustees for signing in July 2021.

2. Bank accounts and cash

Account	2021	2020
BNZ Cheque Account	157	819
BNZ Savings Account	19,661	17,024
Total	19,818	17,843

Interest rates on the BNZ Cheque and Savings accounts at 30 June 2021 are 0.05% and 0.05% per annum respectively (2020: 0.05% and 0.05%).

3. Investments

Account	2021	2020
Term Deposit(s)	390,000	410,000
Total	390,000	410,000

Five term deposits are held with BNZ at 30 June 2021.

- A \$50,000 deposit, maturing 30/08/2021, at 0.60% interest.
- A \$60,000 deposit, maturing 08/11/2021, at 0.99% interest.
- A \$30,000 deposit, maturing 14/12/2021, at 1.06% interest.
- A \$100,000 deposit, maturing 27/1/2022, at 1.00% interest.
- A \$150,000 deposit, maturing 24/3/2022, at 1.10% interest.

Five term deposits are held with BNZ at 30 June 2020.

- A \$150,000 deposit, maturing 24/08/2020, at 2.75% interest.
- A \$100,000 deposit, maturing 09/09/2020, at 2.41% interest.
- A \$50,000 deposit, maturing 28/10/2020, at 2.12% interest.
- A \$50,000 deposit, maturing 11/11/2020, at 2.06% interest.
- A \$60,000 deposit, maturing 26/3/2021, at 1.83% interest.

4. Property, plant and equipment

	Land Improvements	Total
Carrying Amount at 1 July 2019	50,075	50,075
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,502)	(1,502)
Carrying Amount at 30 June 2020	48,573	48,573
Carrying Amount at 1 July 2020	48,573	48,573
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-



Depreciation Expense	(1,457)	(1,457)
Carrying Amount at 30 June 2021	47,116	47,116

* Land Improvements relates to the construction of the Cleddau Village Recreational Reserve asphalt pad. Construction was completed in March 2017.

5. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2021 (Nil June 2020).

6. Commitments

The Trust has no commitments as at 30 June 2021 (Nil June 2020).

7. Accumulated Funds

	2021	2020
Contributed Capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated Surplus		
Balance at 1 July	463,587	363,512
Surplus/(Deficit) for the year	(14,381)	100,075
Balance at 30 June	412,096	463,587
Accumulated funds	412,096	463,587

8. Related Parties

Department of Conservation and Southland District Council with the assistance of Environment Southland worked together setting up a Council Controlled Organisation in the form of this Trust, and therefore are the stakeholders of the Trust.

The Trust had transactions with DOC during the year of \$19 (2019 \$759) for 2019/2020 concessionaires income paid in 2020/2021.

The Trust had no transactions with Southland District Council during the year (2020 Nil).

The Trust had no transactions with Environment Southland during the year (2020 Nil).

Additionally, Trustees have interests in organisations within Milford Sound which contribute to the Trust through payment of a concessionaire's fee. Related party disclosures have not been made for transactions with these organisations as the setting of these fees is conducted under terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

9. Explanation of major variances against budget

Explanations for major variations from the Trust's budget for the year ending 30 June 2021 Statement of Intent are as follows:

• **Statement of Financial Performance**

- No concessionaires invoicing was completed in 2020/2021 as the Trust resolved on the 19 June 2020 and 2 March 2021 to forego this revenue, to provide relief for the Concessionaries due to the impact on tourism from the February floods and Covid-19.
- No accommodation and meal costs, were incurred as the audit is completed offsite.
- No Trustee fees or mileage was claimed by Trustees for the year.



- Legal costs relate to advice received regarding, amending the current Trust Deed.
- **Statement of Financial Position**
 - Term Deposits are higher than budgeted primarily due to minimal progress on the recreation centre project. All surplus funds have been invested in term deposits.
 - GST Receivable, Property, Plant and Equipment and Term Loan balances are lower than budget due to the work on the Cleddau Village recreation centre being slower to progress than anticipated as a result of the February flooding event and Covid-19.

10. The impact of Covid-19 on the Trust

The effect on the Trust's operations is reflected in these financial statements, based on the information available to the date these statements are signed. The impact is considered to be minimal in terms of expenditure as the Trust does not operate public facilities however, its income is from fees paid by the Milford concessionaire fees which are heavily reliant on the tourism industry. The Trust therefore decided not to invoice concessionaire fees through to end of December 2021. This approach was seen by the Trust as a way of acknowledging the economic down turn and providing a level of support to the Milford operators during adverse times.

The Trust has also decided to place on hold for a period of up to 12 months on the construction of the recreational facility and the ongoing financial contribution by the concessionaires towards the recreational facility would be inappropriate under the difficult times being experienced with Covid-19. Due to the infancy of this project no contract variations were incurred as a result of Covid-19.

As at the date of this report, the Trust has not received any enquiries from concessionaires raising concerns about their ability to pay. Additionally, the Trust's only property asset (the recreational pad), is recognised at cost as there is no impact on its value as a result of Covid-19.

On this basis it is anticipated that the ongoing effect of Covid-19 on the Trust will be minimal, however some uncertainties remain. There could also be other matters that affect the Trust in the future, of which we are not yet aware.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

15 October 2021

Sheree Marrah
Milford Community Trust
C/- Southland District Council
PO Box 903
Invercargill 9840

Level 1, 100 Molesworth Street
Thorndon
PO Box 99, Wellington 6140

By email: Sheree.Marrah@southlanddc.govt.nz

Tēnā koe Sheree

Timing of 30 June 2021 Audit

Your Appointed Auditor will have been in contact with you to discuss the timing of your 30 June 2021 audit. This letter provides a brief outline of some important changes we are needing to make to the timing of a number of June 2021 audits, as we deal with the ongoing impact of Covid-related disruptions. I appreciate the opportunity to provide more information about the measures we have in place.

Our commitment to providing you with a quality audit remains the same, and the measures we're putting in place are designed to provide you with the best work possible.

Since the statutory extension to reporting deadlines was granted in July, we have all been working with the effects of another national lockdown and ongoing alert level changes. This means it will now be necessary to complete your audit in the first few months of 2022.

This is now unavoidable as we deal with the ongoing challenges posed by Covid-related disruptions to our teams and our clients.

However, I understand you will no doubt have concerns about the possible implications this may have for your organisation and your people, and explain more about how we intend to support you through this period.

Addressing unavoidable challenges

In July 2021, [Parliament extended statutory reporting time frames](#) to acknowledge the growing complexities affecting audits due to changing alert levels and an unprecedented [shortage of auditors in New Zealand and Australia](#).

We committed to using this time wisely, by first completing audits that had a major impact on wider public accountability. This includes the financial statements of the Government, government

¹ A business unit of the Controller and Auditor-General | www.auditnz.parliament.nz

departments, state owned-enterprises, and Financial Markets Conduct reporting entities, like Auckland Council.

This is essential to transparent reporting that upholds New Zealanders' trust in the way public organisations are spending large amounts of taxpayer money.

While these bigger audits went well, the latest national lockdown took place when they were underway, requiring significant additional time and resource. Many of our clients have also been dealing with significant ongoing disruption, meaning limited access to people and resources, slower delivery of information, and more work to test judgements in new areas.

It is now unavoidable that this will affect the timing of some currently outstanding 30 June 2021 audits. We will be taking all of this into account when resequencing your audit and we expect to get back to you with its planned timing in early November.

Supporting you

This sequencing also allows us to ensure we can dedicate the right time, people, and resource to working with you. You provide people with important services, and trustworthy reporting is essential at all levels of the public sector.

We will also support you when it comes to managing any implications resulting from the completion of your audit after statutory timeframes. We will include a paragraph, in our audit report, where noting that the audit is completed later than is required by legislation, regulation, or your founding documents, because of the auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

We are also aware that the Trust is a charity so there are statutory offences for failing to comply with reporting time frames. However, the Auditor-General is engaging with Charities Services about possible extensions to, or exemptions from, those statutory time frames. We are actively pursuing this, will keep you updated, and make sure you are aware of any developments as soon as we know more. The Auditor-General is also engaging with the Minister of Local Government to explain the position for council controlled organisations.

Please do keep preparing for your audit, so that your auditors have the information they need to avoid any further delays.

We are staying across developments, putting significant new measures in place to ease the auditor shortage and improve efficiency, so please continue to let your Appointed Auditor know if you have further questions.

Nāku noa, nā



Stephen Walker
Executive Director

cc.

Ebel Kremer, Deputy Mayor, ebel.kremer@southlanddc.govt.nz

Dereck Ollsson, Appointed Auditor – Audit New Zealand, Dereck.Ollsson@auditnz.parliament.nz

Invoicing operators

Record no: R/22/2/3143
Author: Simon Moran, Community partnership leader
Approved by: Fran Mikulicic, Group manager democracy and community

Decision Recommendation Information

Purpose

- 1 To seek direction from the Trust on whether it wishes to continue to provide financial relief to the tourism operators in Milford Sound Piopiotahi by foregoing the revenue for the last six months of the current 2021/22 financial year as well as for all of the 2022/23 financial year due to the ongoing impacts on operators' businesses from Covid-19.

Background

- 2 Milford tourism operators were firstly affected by the February 2020 floods, closely followed by Covid-19 and its ongoing effects on the industry due to the borders being closed to international visitors.
- 3 On the 3rd February the government announced that there would be progressive reopening of the border during 2022 and that they would be fully opened to international travel in October. It isn't clear what the 'bounce back' will be for international tourism and it may take businesses some time to come back up to speed with staff and resourcing. In the meantime, whilst there is some domestic tourism occurring it isn't having a marked effect for all businesses.
- 4 The only significant capital works project the Trust has programmed is the recreation centre in the Cleddau village. The Trust will need to apply again to the Department of Conservation for a concession for the centre however, even assuming it is successful a final decision whether to proceed with the project may also depend on the extent of the recovery in the next 12-18 months.
- 5 In the meantime, the Trust's financial position is strong as can be seen in the half-year financial report also included in this meeting's agenda. With few expenses likely to be incurred in the next eighteen months the Trust is in a position to consider foregoing the budgeted revenue in order to assist operators in these financially difficult times.
- 6 On the other hand, if the Trust decides to proceed with constructing the recreation centre in the short term it is most likely to need to secure a loan to undertake that work. There is unlikely to be sufficient cash reserves to fully fund the project in the absence of invoicing for revenue and the escalating costs of construction. It is also not clear whether construction of the facility in the short term would be supported by the operators who would have to fund the loan repayments and the ongoing operational costs.
- 7 The Trustees may recall that they previously agreed, due to the consequences of the flooding and the impacts on tourism of Covid-19, to defer the construction of the Milford recreation centre until the 2021/22 financial year. The Trust may wish to consider whether economic conditions for the operators warrant reviewing whether the timing is still appropriate. It is suggested in the Draft Statement of Intent to undertake design and consenting in 2022/23 and construction in 2023/24.

Matters to Consider

- 8 Before agreeing to forego a further 18 months (making it 39 months in total) of income the Trust should consider the following matters -
- 9 A loan may be required for the recreation centre – The actual cost of the centre will not be known until the Trust has worked through a tender process. If the cost of design and construction is likely to be higher than the Trust’s cash reserves and it is therefore likely that it will need to take a loan for the project.
- 10 The need to take a smaller loan is more likely the sooner the Trust begins to invoice again as per its usual schedule.
- 11 Foregoing further income – It is possible that the economy, and in particular tourism, will not pick up substantially in the next 18 months. In that situation the Trust may need to consider whether to forego further income.
- 12 Foregoing further income could impact on projects the Trust is looking to invest in.
- 13 Effect on Operators – It is possible that some operators that were contributing to the Trust will not be in business. The Trust may need to consider whether it seeks lower revenue from the remaining operators. Alternatively, the current level of revenue may be spread over fewer operators at a greater cost to individual operators than they were previously invoiced.

Legal Implications

- 14 The Local Government Act 2002, section 64 notes that a Council Controlled Organisation (CCO) must have a Statement of Intent that complies with clauses 9 and 10 of Schedule 8.
- 15 Schedule 8 outlines the purpose of a Statement of Intent, which is to state publicly the activities and intentions of the CCO for the year and any objectives to which those activities will contribute, providing an opportunity for the shareholder (Council) to influence the direction of the organisation on the basis of accountability of the Trustees to Council.
- 16 Section 66 of the LGA states that within two months of the end of the first half of each financial year the board of a CCO must deliver to shareholders a report on the organisation’s operations during that half year.
- 17 The decisions made by the trustees will be reflected in the Statement of Intent.

Options

- 18 The Trust could choose either to forego revenue for the 18 months from January 2022, or not, or for any other period of time it chooses.

Next Steps

- 19 The Trust will advise operators of its decision

Recommendation

That the Milford Community Trust:

- a) **receives the report titled “Invoicing operators” dated** 7 February 2022.
- b) That the Milford Community Trust agrees not to invoice for the revenue budgeted for the last two quarters of the 2021/22 financial year (\$75,292 excl GST).
- c) That the Milford Community Trust agrees not to invoice for any revenue for the 2022/23 financial year (\$0.00 excl GST)

Attachments

There are no attachments for this report.

Draft Statement of Intent 2022-2025

Record no: R/22/2/3164

Author: Simon Moran, Community partnership leader

Approved by: Fran Mikulicic, Group manager democracy and community

Decision

Recommendation

Information

Purpose

- 1 To obtain the Milford Community Trust's approval of the Statement of Intent (SOI) and its subsequent reporting to Council and public availability.

Background

- 2 Each year the Trust considers a draft Statement of Intent covering the intentions for the next three financial years. The trustees may choose to approve the draft as it is written, seek amendments to the draft and review, or approve the draft subject to any amendments they have agreed to being made.
- 3 Changes suggested for this Statement of Intent are shown as 'track changes' for the trustees to consider.
- 4 There is a legislative requirement under Schedule 8 of the Local Government Act that the approved SOI is made available to its shareholders on or before 1 March each year. Therefore, if any changes are requested by the Trust then it is important to consider whether it is also happy to approve the SOI subject to those changes being made.

Key Issues

- 5 The key issues that are signalled in the SOI are:
 - there will be no revenue for the trust in the 2022/23 financial year due to trustees continuing to forgo invoicing operators as they begin recovery from New Zealand's borders being closed to international tourism.
 - decide whether or not it is feasible to proceed with the development of a recreation centre building

Next Steps

- 6 Following approval from the trust, the SOI will be circulated and presented to Council and put on the Council's website.

Recommendation

That the Milford Community Trust:

- a) **receives the report titled “Draft Statement of Intent 2022-2025” dated 12 February 2022.**
- b) Approves the Draft Statement of Intent 2022 – 2025, provides a copy to Council, and **makes it publicly available via the Council’s website.**

Attachments

- A Draft Milford Community Trust Statement of Intent 2022-2025 [↓](#)



MILFORD COMMUNITY TRUST

STATEMENT OF INTENT 2022 - 2025

STATEMENT OF INTENT

1. Introduction

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

The Trust Deed defines Milford as the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. It defines the Milford community as being the residents of Milford, the holders of concessions from the Crown operating at Milford and Iwi.

The purpose of this Statement of Intent (SOI) is to:

- Set out the proposed activities of the Trust.
- Provide an opportunity for stakeholders to influence the direction of the organisation.
- Provide a basis for accountability of the Trustees to their stakeholders for the performance of the organisation.

This Statement of Intent covers the three years from 1 July 2022 to 30 June 2025. This statement is updated annually.

2. Objectives of the Trust

The objectives of the Trust are:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (f) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

3. Statement on the Trust's Approach to Governance

Establishment

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust reports to the Southland District Council.

Trust Structure

In accordance with Section 9 of the Trust Deed (as amended in 2020) the Trust is governed by a board of five Trustees. The current trustees are shown in the table below:

Designation	Name	Term Expires 30 June
Independent Chair	Ebel Kremer	Dec 2022
Milford Community appointee	Brad Johnstone	2023
Milford Community appointee	Rosco Gaudin	2023
Milford Community appointee	Tony Woodham	2024
Milford Community appointee	Steve Norris	2024

Trust Operations

The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings. The Trustees also undertake to meet the regulatory and stakeholder requirements for governance, reporting and planning, particularly the local government reporting requirements and recognition of the National Park and World Heritage Area status of the Milford Sound *Piopiotahi* area.

Resources Available to the Trust

Standing Orders, a Code of Conduct for Trustees and administrative support are available from Southland District Council.

Significant Policies

Financial Delegations Policy
Suspected Fraud Policy
Sensitive Expenditure Policy

Where appropriate, further policy guidance is obtained from relevant council's and other statutory authorities and reviewed and updated as necessary.

4. The Nature and Scope of the Activities to be Undertaken

Vision

The Trust's vision is:

The long-term sustainability of Milford Sound Piopiotahi, with a community focus.

Strategic Goals

The primary goals of the Trust are to:

- Provide leadership and governance for the Milford community in Milford Sound *Piopiotahi*.
- Advocate for the general benefit of the Milford community.

Within the over-arching vision and strategic goals, the more specific focus areas for 2022 – 2025 are:

Planning:

- Determine the future direction of the Trust.

Communication:

- Maintain relationships with the community and Milford infrastructure providers.
- Provide clear information to concessionaires regarding intentions and implementation of Trust policies.
- Consult with the community and concessionaires to develop a strategic project plan for the Trust to deliver for the benefit of the community.

Advocacy:

- Advocate, as required, on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.
- Advocating for better planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, coordinated emergency response, and recognition of the area's World Heritage status.

Planned Activities/Services

2022/23:

- Advocate with, and assist, other organisations for strategic improvements in community planning and development in Milford Sound.

2023/24:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Review the feasibility of the recreation centre
- Undertake planning for the recreation centre project, if appropriate.
- Review the future of the Trust

2024/25:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Facilitate the construction of the Milford recreation centre once project has been approved by Department of Conservation.
- Maintain oversight of the management of the Milford Recreation Centre.

5. Ratio of Total Assets: Equity

Total assets are defined to include cash, investment and bank balances, accounts receivable, investments, prepayments, fixed assets (net of accumulated depreciation), intangible assets (net of accumulated amortisation), loans (none), etc.

Total equity is defined to include accumulated funds and retained earnings.

6. Significant Accounting Policies

The following accounting policies have been adopted by the Trust.

Revenue Recognition

Concessionaires Fees

Revenue is recorded when the fee is due to be received.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Term Deposits

Term Deposits with Banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight line and diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Recreational Pad	3%	Diminishing Line
Buildings	2%	Straight Line

Income Tax

The Trust is exempt from income tax as it is a Charitable Trust registered with the Charities Commission.

Loans

Loans are recognised at the amount borrowed from the lender, less any repayments made.

Budget Figures

The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

7. Key Performance Targets

These are agreed by the Trust and made available to the public, by inclusion in Southland District Council's Long Term Plan (LTP).

Level of service	Key performance indicator	Actual	Target		Confirmation source	
		20/21	22/23	23/24		24/25
Maintain a structure that facilitates local decision making.	Number of Milford Community Trust meetings held annually.	3	2	2	2	Agenda/minute records on file.
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	0	1	1	1	Agenda/minute records on file which note meeting location

8. Information to be reported to Council

In each year the Trust will comply with all reporting requirements under the Local Government Act 2002 (particularly Sections 66 to 69 of that Act). In particular, it will provide:

- A draft Statement of Intent detailing all matters required under the Local Government Act 2002 by 1 March each year for consideration prior to commencement of the new financial year.
- A half yearly report by the end of February each year (specific dates as set by Council).
- An annual report by the end of September each year (specific dates as set by Council).

Copies of the Trust's reports are made publicly available on the Southland District Council's website.

9. Key Issues

- Decide whether or not it is feasible to proceed with the development of a recreation centre building.
- There is a need to understand which concessionaires are still operating both from a stakeholder perspective and for the purposes of apportioning the implied concession activity fee that generates the Trust's revenue.
- To decide when to reinstate invoicing concessionaires and for how much.

10. Activities for which Other Investment is sought

The value of the annual concession to be charged will continue to be reviewed each year. For 2022/2023, the total amount being sought from concessionaires is \$0.00.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$30,526 (excluding GST).

The operational and project costs are those which the Milford Community Trust considers will provide benefit for all concessionaires at Milford and should be recovered from the Milford concessionaires through the Implied Concession Activity Fee, apportioned as per the Department of Conservation apportionment of cost schedule. The costs indicated above in the supporting forecasted accounts are funded from the annual implied concession activity fee and monies held.

Future budgeted costs are indicative only and will be reviewed annually by the Trustees.

Other Project Funding:

In addition to the above operational and project costs, there may at times be costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects.

Due to the economic effects on Milford tourism operators the Trust has chosen not to collect any revenue for some time. On top of this there has also been an increase in construction costs which means it is now unlikely that the Trust would be able to cash fund the build unless construction is delayed until invoicing operators has resumed (assuming that it would be at previous levels). The most likely scenario is that the Trust would need to seek to debt fund at least part of the costs of the building.

In accordance with sections 3.3 and 3.4 of Southland District Council Investment and Liability Management Policy, Milford Community Trust has the ability to approach Southland District Council to borrow funds, in the instance the Trust has insufficient cash to fund the recreation centre project. The trust may also need to consider borrowing from standard market lenders such as a bank.

11. Estimate of Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be valued at \$100. This value shall be reassessed by the Trustees on completion of the annual accounts or at any other time determined by the Trustees. The method of assessment will use the value of stakeholders' funds as determined in the annual accounts as a guide.

12. Other Matters

No distribution is intended within the period of this Statement or succeeding years, noting the Trust's status as a charitable organisation.

Any subscription for, purchase or otherwise acquiring shares in any company or other organisation requires the prior approval of the Trustees.

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Financial Performance

Account Description	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
<u>Income</u>					
Concessionaires Income		-	-	150,000	150,000
Grant	-	-	-	-	-
Trustee Fees Forgiven	2,700	-	-	-	-
Interest	5,799	-	-	-	-
	8,499	-	-	150,000	150,000
<u>Expenses</u>					
<u>Management/Administration</u>					
Accommodation and Meals	-	500	500	500	500
Administration	44	-	44	44	44
Advertising	-	600	600	600	600
Audit Fees	4,316	4,451	4,585	4,750	5,000
Bank Fees	40	40	40	40	40
Catering Expenses	-	500	500	500	500
Chairperson's Fees	10,000	-	10,000	10,000	10,000
Depreciation - Recreational Pad	1,457	1,413	1,371	1,330	1,291
Depreciation - Recreational Centre	-	-	-	-	-
General Expenses	-	500	500	500	500
Operations and Maintenance of Rec Centre	-	-	-	-	30,000
Legal Costs	822	-	-	-	-
Mileage	-	1,500	1,500	1,500	1,500
Project Development and Planning	-	5,000	5,000	5,000	5,000
RNZ Licence	-	370	370	370	370
Room Hire	-	100	100	100	100
Trustees Fees	3,300	2,400	2,400	2,400	2,400
Insurance	2,900	2,958	3,017	3,078	3,139
	22,879	34,091	30,526	30,712	60,984
<u>Grants</u>					
	-	-	-	-	-
	-	-	-	-	-
Total Expenses	22,879	34,091	30,526	30,712	60,984
Net Operating Surplus/(Deficit)	(14,381)	41,201	(30,526)	119,288	89,016

Capital Projects

Project				
Recreation Centre	-	-	-	50,000
	-	-	-	500,000
	-	-	-	50,000
	-	-	-	500,000

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Changes in Equity

	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Balance at 1 July	463,587	449,207	490,408	459,881	579,169
Net Surplus / (Deficit)	(14,381)	41,201	(30,526)	119,288	89,016
Capital Funding					
Equity at end of year	449,207	490,408	459,881	579,169	668,186

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Financial Position

	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Equity					
Accumulated Funds	449,107	490,308	459,781	579,069	668,086
Trust Capital	100	100	100	100	100
	449,207	490,408	459,881	579,169	668,186
Represented by:					
Current Assets					
Accounts Receivable	100	100	100	100	100
Accrued income	556	-	-	-	-
Bank Account - 00	157	5,000	5,000	5,000	5,000
Bank Account - 25	19,661	10,000	10,000	10,000	10,000
Term Deposit - Recreation Centre	110,000	-	-	-	-
Term Deposit - Surplus Funds	280,000	432,446	404,805	482,906	37,190
GST Receivable	123	-	-	-	-
	410,597	447,546	419,905	498,006	52,290
Non Current Assets					
Recreational Pad	47,116	45,703	44,332	43,002	41,711
Recreational Centre	-	-	-	-	550,000
Recreational Centre - WIP	-	-	-	50,000	-
	47,116	45,703	44,332	93,002	591,711
Total Assets	457,713	493,249	464,237	591,008	644,001
Current Liabilities					
Accrued Expenses	8,506	5,000	5,500	5,500	5,500
Accounts Payable	-	-	-	-	-
GST Payable	-	(2,158)	(1,144)	6,339	(29,684)
	8,506	2,842	4,356	11,839	(24,184)
Non-Current Liabilities					
	-	-	-	-	-
	-	-	-	-	-
Total Liabilities	8,506	2,842	4,356	11,839	(24,184)
Net Assets	449,207	490,408	459,881	579,169	668,186

Half Year Financial Report to 31 December 2021

Record No: R/22/2/3286
Author: Dee Patel, Accountant
Approved by: Anne Robson, Chief financial officer

Decision Recommendation Information

Purpose

- 1 The purpose of this report is to present the half yearly financial report for the period ending 31 December 2021 for the Trustee's information.
- 2 As at 31 December 2021 there has been minimal expenditure. The trust continues to be in a strong financial position with a significant amount of cash invested in term deposits, awaiting the progression of the community centre project.

Commentary

- 3 The 30 June 2021 comparative financial results included in this report have not been audited by Audit New Zealand and are consistent with the draft 2020/2021 Performance Report.

Financial Performance

- 4 As resolved by the Trust at their June 2020 and March 2021 meetings, the first six months concessionaire's income for 2021/2022 will not be invoiced and therefore, no concessionaire's income has been received to date.
- 5 The majority of expenses are related to the donation of frisbee golf equipment and insurance costs, which are for the placement of trustees' liability, statutory liability and public liability insurance for the period 1 July 2021 to 30 June 2022.

Financial Position

- 6 The Trust continues to have a strong cash position with \$10,944 held in the cheque/savings accounts. \$10,000 is being held to fund the purchase and installation of a storage shed at the tennis courts as agreed at the meeting on the 5 November 2020.
- 7 The savings account receives interest at a rate of 0.1% p.a. Any surplus funds are transferred to the savings account, or invested as appropriate, on a regular basis.
- 8 Accrued expenses relate to audit fees that have not been paid yet and accrued income relate to the interest in term deposits.

Additionally, \$390,000 is invested in term deposits as outlined in the table below:

Bank	Amount	Interest Rate	Term	Maturity Date	Total Expected Interest
BNZ	* \$100,000	1.00%	275 days	27/1/2022	\$753
BNZ	\$150,000	1.10%	304 days	24/3/2022	\$1,374
BNZ	\$50,000	1.33%	245 days	9/6/2022	\$446
BNZ	\$60,000	1.50%	212 days	15/8/2022	\$304
BNZ	\$30,000	1.52%	244 days	15/8/2022	\$305
Total:	\$390,000				\$3,182

*At the date of this report the \$100,000 which matured on 27/1/2022 was reinvested in a 304 days term deposit at 1.86% maturing on 27/10/2022. The expected interest from this term deposit is \$1,549.

Milford Community Trust			
Statement of Financial Performance			
For the period to 31 December 2021			
Actual 30/06/21	Account Description	Actual 31/12/21	Annual Budget
	<u>Income</u>		
-	Concessionaires Income	-	150,583
5,799	Interest	1,270	-
2,700	Trustees Fees Forgiven	-	-
<u>8,499</u>		<u>1,270</u>	<u>150,583</u>
	<u>Expenses</u>		
-	Accommodation and Meals	-	500
44	Administration	-	50
-	Advertising	-	600
4,316	Audit Fees	-	4,500
40	Bank Fees	-	40
-	Catering Expenses	-	500
10,000	Chairperson's Fees	-	10,000
1,457	Depreciation	707	1,472
-	Donations *	2,791	-
-	Grant to Milford Sound Tourism Ltd (Walkway)	-	-
-	General Expenses	-	500
822	Legal Fees	364	-
-	Medical Clinical Desk Support Grant	-	80,000
-	Mileage	-	1,500
-	Project Development and Planning	-	5,000
-	RNZ Licence	-	370
-	Room Hire	-	200
3,300	Trustees Fees	-	6,000
2,900	Insurance	2,996	2,882
<u>22,879</u>		<u>6,857</u>	<u>114,114</u>
(14,381)	Net Operating Surplus/(Deficit)	(5,587)	36,469
-	Other Comprehensive Income	-	-
(14,381)	Total Comprehensive Income	(5,587)	36,469

* Donations - Frisbee gold equipment donated to community

Statement of Financial Position
As at 31 December 2021

Actual 30/06/21		Actual 31/12/21
	Equity	
100	Trust Capital	100
449,107	Accumulated Funds	443,521
<u>449,207</u>		<u>443,621</u>
	Represented by:	
	Current Assets	
100	Accounts Receivable	-
556	Accrued Income	1,211
123	GST Receivable	-
157	BNZ Cheque Account	299
19,661	BNZ Savings Account	10,645
390,000	BNZ Term Deposits	390,000
<u>410,597</u>	Total Current Assets	<u>402,155</u>
	Non Current Assets	
-	Trust Capital	100
47,116	Recreational Pad	46,409
<u>457,713</u>	Total Assets	<u>448,665</u>
	Current Liabilities	
8,506	Accrued Expenses	5,966
-	Accounts Payable	
-	GST Payable	(922)
<u>8,506</u>	Total Liabilities	<u>5,044</u>
<u>449,207</u>	Net Assets	<u>443,621</u>

Recommendation

That the Milford Community Trust:

- a) **Receives the report titled “Half Year Financial Report to 31 December 2021” dated 16 February 2022.**
- b) Approves the half yearly report for the six month period to 31 December 2021, and recommends that the report be submitted to the Southland District Council for **information purposes and subsequently distributed to the Trust’s stakeholders.**

Attachments

There are no attachments for this report.