



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

**Date:** Thursday, 26 September 2019  
**Time:** 9am  
**Meeting Room:** Te Anau Library Meeting Room  
**Venue:** 24 Milford Crescent  
Te Anau

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## Milford Community Trust Agenda OPEN

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### MEMBERSHIP

**Chairperson** Councillor Ebel Kremer  
**Trustees** Rosco Gaudin  
Tim Holland  
Brad Johnstone  
Jason Steele

### IN ATTENDANCE

**Committee Advisor** Jenny Labruyere  
**Community Partnership Leader** Simon Moran

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**Full agendas are available on Council's Website**  
**[www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)**

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**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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**Chairperson's Report**

The Chairperson, Councillor Kremer to report on matters with which he has been involved since the last meeting.

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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**

Trust 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](http://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, 14 June 2019

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## OPEN MINUTES

### UNCONFIRMED

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Minutes of a meeting of Milford Community Trust held in the Real Journeys Fiordland Community Events Centre, Luxmore Drive, Te Anau on Friday, 14 June 2019 at 9.30am.

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#### PRESENT

<b>Chairperson</b>	Ebel Kremer
<b>Trustees</b>	Rosco Gaudin
	Tim Holland
	Brad Johnstone
	Jason Steele

#### APOLOGIES

Antonia Croft	Department of Conservation
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#### IN ATTENDANCE

<b>Committee Advisor</b>	Jenny Labruyère
<b>Community Partnership Leader</b>	Simon Moran

## 1 Apologies

An apology for non-attendance was lodged by Antonia Croft, Department of Conservation representative.

Moved Chairperson Kremer, seconded Trustee Gaudin and **resolved:**

**That the Milford Community Trust accept the apology. Lodged by Department of Conservation representative Antonia Croft.**

## 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 were no public to speak in public forum.

## 5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

## 6 Confirmation of Minutes

### Resolution

Moved Trustee Johnstone, seconded Trustee Steele **and resolved**

**That the minutes of Milford Community Trust, held on 5 April 2019 be confirmed as a true and correct record.**

## Reports

### 4.1 Financial Report to 30 April 2019

#### Record No: R/19/5/8921

Community Partnership Leader, Simon Moran presented this item.

Mr Moran advised that the Financial Report for the period 1 July 2018 to 30 April 2019, provides the trustees with an updated statement of financial performance and financial position of the trust.

Mr Moran added that the concessionaire's income represents the first three quarters of the financial year. At 31 May 2019, there is no previous quarter's concessionaire's income outstanding.

Furthermore Mr Moran outlined that the majority of expenses to date relate to chairman fees, the walkway project which was completed and paid in April and insurance for the period 1 July 2018 to 30 June 2019.

Mr Moran outlined that currently the Trust's expenses are \$150,000 below budget. This is predominantly as a result of the walkway project coming in below budget (\$43,000), Audit Fees, Medical Clinic and Emergency Services Provider funding not being paid to date (\$73,000). It is anticipated that the full Audit Fees (\$5,000) will be incurred by year end however, it is predicted that overall the Trust's expenditure will be significantly under budget at year end.

Mr Moran added that the Trust continues to have a strong cash position with \$42,175 held in current/call accounts, and additionally, \$237,121 is invested in term deposits

Trustees discussed the process of updating the information and the complexity of the methodology for the current formula for charging of concessionaire fees, and requested the Trust review this again in a workshop to consider more alternative options.

### **Resolution**

Moved Chairperson Kremer, seconded Trustee Holland **and resolved**

**That the Milford Community Trust:**

- a) **Receives the report titled "Financial Report to 30 April 2019" dated 10 June 2019.**
- b) **Requests a further review on the methodology for the charging mechanism for concessionaire fees to explore alternative options.**

## **4.2 Draft Amended Financial Delegations Policy**

**Record No: R/19/5/9779**

Community partnership Leader, Simon Moran was present for this item.

Mr Moran advised that the report presents the amended draft Financial Delegations Policy for the Trust's consideration.

Mr Moran added that the Trust's Financial Delegations Policy has been amended to include financial delegation to the Senior Management Accountant, which is a new role to be established in Southland District Council's Finance team from 10 June 2019.

Mr Moran further advised that the Senior Management Accountant is proposed to have the same delegated authority as all the other Council finance staff (to be able to authorise financial transactions in MCT's BNZ banking system). All financial transactions processed, still requires authorisation by two authorised signatories.

Trustees noted that the draft Policy also included reference to "*Trust Manager*" and *requested this be amended to Community Partnership Leader in each instance.*

### **Resolution**

Moved Chairperson Kremer, seconded Trustee Steele **and resolved**

**That the Milford Community Trust:**

- a) Receives the report titled “Draft Amended Financial Delegations Policy” dated 10 June 2019.**
- 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) Adopts the draft amended Financial Delegations Policy (Attachment A), subject to any amendments agreed at the meeting.**
- e) Amends references to Trust Manager to Community Partnership Leader.**

**4.3 Recreation Centre Reports**

**Record No: R/19/6/10558**

Community Partnership Leader, Simon Moran presented this item.

Mr Moran advised that the report is to formally provide Trustees with the reports on the proposed recreation facility prepared by Impact Consulting Ltd.

Mr Moran updated that the Trust has been considering the issue of the feasibility of a recreation centre for workers in Milford for some time and has previously begun consultation with operators about the project.

Mr Moran added that Trustees requested a business case be prepared with particular emphasis on how the facility could/should be managed and following further comment from Trustees amendments were made to the report.

Mr Moran advised that Trustees are required to consider how it wishes to proceed and whether to progress the project.

Councillor Kremer advised he met with Milford Sound Tourism Authority and following lengthy discussion they endorsed the proposal however raised some issues such as staff/management costings. Trustees

Trustees also requested bullet point two of point 37.4 be removed from the Business Case, and that the proposed site layout (18) and orientation of the building (19) be revisited at the design stage.

In discussing the Facility Management Plan Trustees noted the following for further review;

- operational policies/rules
- alcohol rulings
- honorarium
- roles for management committee

Trustees agreed to continue with the next steps, these being;

- further feedback from concessionaires/stakeholders
- preliminary design drawings, resource consent and costings
- final decisions on management structure to be made by the Trustees.

In conclusion Trustees agreed to delegate the Chair and Trustee Steel to have the authority to engage detailed design and building plans, plans and application for resource consent and Department of Conservation concessions.

### **Resolution**

Moved Chairperson Kremer, seconded Trustee Gaudin **and resolved**

**That the Milford Community Trust:**

- a) Receives the report titled “Recreation Centre Reports” dated 10 June 2019.**
- b) Authorises the Chairperson and Trustee Steel to have delegated Authority to engage a designer for detailed building plans, resource consents and Department of Conservation concessions.**

## **4.4 Milford Community Association Report**

**Record No: R/19/5/9923**

Association member Brad Johnstone reported on the following;

Recent feedback on the Milford Community Trust facebook page has been very positive commenting that a recreation centre will provide a public place for staff to utilise for various activities.

## **4.5 Department of Conservation report on behalf of the Department**

**Record No: R/19/5/9925**

There was no Department representative in attendance at the meeting.

## **4.6 Chairperson's Report**

**Record No: R/19/5/9931**



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Trustees requested a letter be sent to the Department of Conservation seeking an update in regard to the flood protection system processes and procedures in the event of an emergency in light of recent events in Milford.

The meeting concluded at 10.30am

CONFIRMED AS A TRUE AND CORRECT RECORD AT A  
MEETING OF THE MILFORD COMMUNITY TRUST  
HELD ON 14 JUNE 2019.

**DATE:**.....

**CHAIRPERSON:**.....



## Milford Community Trust Performance Report 2018/2019

**Record No:** R/19/9/20231

**Author:** Simon Moran, Community Partnership Leader

**Approved by:** Rex Capil, Group Manager Community and Futures

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 To provide the trust with the Milford Community Trust Performance Report for the year ended 30 June 2019 so it can be adopted.

### Executive Summary

- 2 Milford Community Trust is required by the Local Government Act 2002 to develop and adopt a Performance Report within three months of the end of a financial year as a Council controlled organisation.
- 3 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.
- 4 The Performance Report compares and comments on the performance of the Trust against the budget and operating targets set in their Statement of Intent 2018-2021.
- 5 The Performance Report has been reviewed by the Financial Accountant and Southland District Council's Community Partnership Leader prior to being audited by Audit New Zealand. Changes required from these processes have been incorporated into the document.
- 6 The updated Performance Report is attached to this report (Attachment A).
- 7 The draft audit opinion, and representation letter are expected to be provided on 25 September 2019 and will be tabled at the meeting.
- 8 The Trust is asked to consider the Performance Report for the ended 30 June 2019 as presented, incorporating any further changes as necessary, for adoption.

## Recommendation

### That the Milford Community Trust:

- a) **Receives the report titled “Milford Community Trust Performance Report 2018/2019” dated 19 September 2019.**
- 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) **Adopts the Milford Community Trust Performance Report for the year ended 30 June 2019.**
- e) **Agrees that the audited performance report be delivered to shareholders and be made available to the public by 30 September 2019.**

## Background

- 9 The performance report is a means of accounting for the Trust’s activities for the 2018/2019 financial year. It reports on targets and budgets in the Statement of Intent 2018-2021.
- 10 The Performance Report details the operating activities of the Trust and includes financial statements for the Trust. The report and financial statements have been audited by Audit New Zealand on behalf of the auditor-general.
- 11 At the date of this report, Audit New Zealand’s audit is substantially complete, however the report may be subject to change as a result of Audit New Zealand’s final review processes.
- 12 As the Trust is a Council controlled organisation, it is required to comply with sections of the Local Government Act 2002 outlined below. Part of this includes the delivery of the audited performance report to shareholders; for this purpose the Trust shareholders have been defined as Southland District Council, the Department of Conservation and Environment Southland. The Trust must also make the performance report information available to the public.

## Status of the Report

- 13 At the date of this report, the Performance Report is complete, however is subject to any final changes as a result of the final audit review processes.
- 14 Any material changes made to the report will be outlined at the meeting.
- 15 At the time of writing this report, Audit New Zealand have completed the majority of their audit fieldwork and review of the Performance Report, however are not in a position to be able to provide audit clearance. Verbal audit clearance is expected to be received on Wednesday 25 September 2019. Any changes to the document will be tabled at the meeting.

- 16 In conjunction with providing verbal audit clearance, Audit New Zealand will provide the Trust with the draft audit opinion, and the draft representation letter. These documents will be tabled at the meeting. The letter of representation is required to be signed by the chairman and a trustee. Audit New Zealand have advised that the draft audit opinion and draft representation letter and will not be available for circulation prior to the meeting as originally expected.
- 17 The draft management report will be circulated in due course once it is received from Audit New Zealand.

### **Trust Performance**

- 18 The Performance Report for the ended 30 June 2019 details the performance of the Trust against the key performance targets that were specified in the Statement of Intent 2018-2021
- 19 The Trust achieved both of the key performance indicators set for the 2018/2019 year.

### **Activities**

- 20 The Performance Report 2018/2019 includes summarised information about the planned activities of the Trust and their status as programmed in Statement of Intent 2018-2021.
- 21 During 2018/2019 the Trust made a significant financial contribution to a project which established a walking track from the airport to Deepwater Basin Road linking with the overflow parking and Cleddau Village. The construction of this track was completed in December 2018.

### **Financial Results**

- 22 These financial statements have been prepared in accordance with Tier 3 PBE accounting standards. Explanations of the variances between actual results and budgeted results for 2018/2019 year can be found in note 9 of the Performance Report.

### **Statement of Financial Performance**

- 23 The Statement of Financial Performance (Page 10 of the Performance Report) outlines the actual income and expenditure compared to budget. The trust ended with a surplus of \$37,110 compared with a budgeted surplus of \$17,498.
- 24 The surplus is primarily due to:
- the \$42,000 for the emergency services provider; \$26,000 for the medical clinic funding; and \$15,000 for Environment Southland consent fees not being required to be spent. The emergency services provider role has been taken over by Fire and Emergency New Zealand. The non-expenditure in those areas was offset by the cost of the walkway project at \$86,934 which had originally been budgeted as a capital project. The walkway asset is not owned by the Trust and therefore a grant of \$77,640 was made to Milford Sound Tourism which undertook the project and will be responsible for the ongoing maintenance of the walkway.
  - the Trustees have also not claimed all of the fees that they were entitled to claim (\$5,700 saving).
  - \$5,000 was set aside for project development and planning. This has not been required this year.

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## **Statement of Financial Position**

- 25 Term deposits are higher than budgeted primarily due to work on the Cleddau Village Recreation Building not commencing and other variances as noted above. All surplus funds have been invested in term deposits.

## **Issues**

- 26 As at the date of this report there are no significant unresolved issues in relation to the Performance Report for the year ended 30 June 2019. There is however, one matter, which staff are continuing to liaise with Audit New Zealand on:
- 27 Audit New Zealand has requested that the Trust recognise all fees Trustees are eligible to claim as an expense, and recognise any unclaimed fees as Trustee fees forgiven (income). This proposed accounting treatment will not impact the surplus/deficit for the year ended 30 June 2019. Finance staff anticipate this matter will be resolved prior to this meeting.

## **Factors to Consider**

### **Legal and Statutory Requirements**

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

### **Costs and Funding**

- 29 The audit fee for the Performance Report is \$4,199 (excluding GST) plus associated disbursements.
- 30 There are no additional financial considerations associated with making a decision on whether to adopt the Performance Report.

### **Policy Implications**

- 31 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.
- 32 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.
- 33 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**

- 34 Once the Trust adopts the performance report for the year ended 30 June 2019, 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 be circulated to the stakeholders.

- 
- 35 Upon receipt of the management report from Audit New Zealand, staff will provide the necessary responses and the final report will be included in the next meeting's agenda.

## **Attachments**

- A Milford Community Trust - Performance Report 30 June 2019 [↓](#)



# **MILFORD COMMUNITY TRUST**

## **PERFORMANCE REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**



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## ENTITY INFORMATION

**Legal Name:**

Milford Community Charitable Trust

**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  
Jason Steele  
Brad Johnstone  
Rosco Gaudin

**Term of Office:**

Councillor and Interim Chairperson  
Four Years  
Four Years  
Three Years  
Four Years

**Manager:**

Southland District Council

**Secretary:**

Southland District Council - Jenny Labruyère

**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

The main focus of the trust since the previous annual report has been on the proposed Recreational Centre, the walkway from Deepwater Basin to Fresh water Basin and the Fire and Emergency New Zealand (FENZ) 111 service including the Milford Emergency Response Team (MERT) for emergency services at Milford.

Consultation with stakeholders for the funding model and design of the recreational facility has resulted in significant support for the project and its proposed design. A number of manageable concerns identified by some stakeholders will be implemented into any final operational functions of the facility. The alternative site for the Recreational Facility which is now adjacent to the existing bitumen tennis court is supported but requires confirmation of the ability to fit within the proposed new footprint. Resource consent, building consent, Department of Conservation concession, final funding arrangements plus infrastructure agreements need to be finalised and obtained prior to any future development.

Milford emergency services remain a concern to the Trust. The relationship with FENZ and the Milford Community plus the Trust is continually being tested and strained. Numerous meetings during the year with FENZ have resulted in minimal progress as FENZ position on provision of 111 calls only with no other medical / clinical support to the Community is disappointing. Discussions between the Trust and St John Ambulance for provision of medical / Clinical support are in early stages with a hope St John will be able to provide some additional support to the Milford Community.

On a more positive note, the walkway from Deep Water basin to Fresh Water basin has been completed within budget and time. This walkway is well used in providing safe access for residents and visitors parking between those two areas. I'd like to acknowledge Trustee Tim Holland for working with the relevant agencies and contractors to get this project completed.

Key areas of focus for the Trust over the next year will be on achieving all the necessary concepts and financial funding arrangements to allow the construction and completion of the recreational facility. Ongoing discussions with FENZ and St Johns to achieve a greater medical support to the Community and to the hundreds of thousands of visitors to Milford. It is also timely to review the Trust Deed and redefine the trust purpose and future focus plus how the trust will operate in the future.

Thank you to all the trustees for their support and assistance. Also my thanks to SDC staff Simon Moran and Jenny Labruyere for your support and guidance. I would also wish to recognise and thank DOC representative Antonia Croft for her attendance and advice.

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.

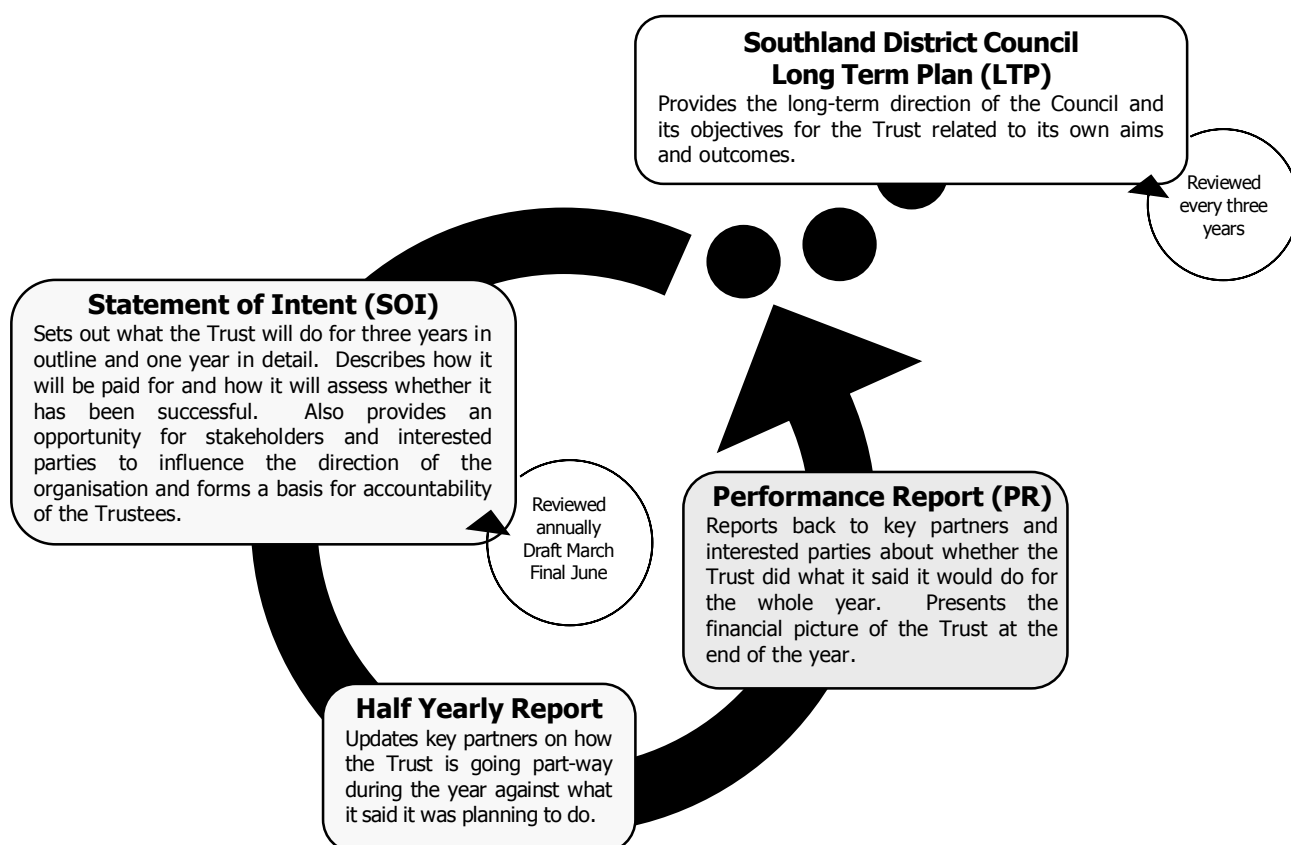


Ebel Kremer  
Independent Chairperson  
**Milford Community Trust**

## 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 2018 to 30 June 2019 which was the period of Year 1 in the Statement of Intent 2018/2021.

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.

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

28 September 2018 at Te Anau  
07 December 2018 at Milford  
05 April 2019 at Te Anau  
14 June 2019 at Te Anau

Trustees are detailed in the table below;

The Designation	Trustee Name	Appointed	Term Expires
Te Anau Ward Councillor, ex-officio appointment and Interim Chair	Ebel Kremer	Oct 16	Oct 19
Milford Community Association elected representative	Brad Johnstone	June 17	June 20
Milford Community appointees	Rosco Gaudin	Aug 15	June 19
	Jason Steele	June 18	June 21
	Tim Holland	Aug 16	June 20

#### Trustee appointments

Trustee Gaudin's term expired at the end of June 2019. An appointment will be made in the 2019/20 financial year.

## 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 2018/2019 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	Achieved. Four meetings were held in 2018/19 in September, December, April, and June (2017/18 : Achieved)
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	1	Achieved. One forum was held on 7 December 2019. (2017/18 : Achieved)

## Activity Report

The information below reports on the planned activities included in the Statement of Intent 2018/2021 as well as any unplanned for activities actually carried out during the year.

Activity Description	Date	Status
<b>Planned Activities</b>		
Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.	June 2019	There have been ongoing discussions with the Department of Conservation primarily through their representatives who attend the Trust meetings.
Advocate with other organisations for public toilets and shelter at the airport and a walking track to the Lodge	June 2019	No progress has been made in relation to the public toilets/shelter at the airport.  The Trust considered that at this time it is up to the Lodge to drive the walking track project and to come back to it with further information.
Assist Milford Community Association with the ongoing development of Cleddau Village recreation area to accommodate the community centre.	June 2019	A business case for the proposed recreation centre was prepared for the Trust in 2019 by Impact Consulting Limited. Initial consultation with concessionaires was positive and the Trust resolved to progress with design and the necessary consents/concessions. \$500,000 has been identified for capital expenditure in the 2019/20 financial year.
Provide funding for medical support, services and facilities for the Milford Emergency Response Team station.	June 2019	No funding was sought in relation to these items during the year.
Purchase of emergency response equipment as required.	June 2019	None required this year.
Jointly fund a walking track from the airport to Deepwater Basin Road linking with the overflow parking and Cleddau Village.	June 2019	Construction of the track has been completed. The work was led by Milford Sound Tourism Ltd.
Advocate for the continuation of maintaining beautification and roading within the village and Deepwater basin.	June 2019	Lobbying of the Department of Conservation and Council has continued primarily through the Trust meetings where representatives are present.
<b>Unplanned Activities</b>		
None		
<b>Information Requirements</b>		
Draft Statement of Intent approved by the Trust.	30 March 2018	Not Achieved. Due to unavailability of Trustees for the scheduled meeting in March the draft SOI was received and approved by the Trust at its 5 <sup>th</sup> April 2019 meeting.
Final Statement of Intent prepared and circulated to key partners.	30 June 2019	Achieved.
Half yearly report prepared and circulated to key partners.	30 March 2018	Not Achieved. Due to unavailability of Trustees for the scheduled meeting in March the report was received and approved by the Trust at its 5 <sup>th</sup> April 2019 meeting.

## 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	2018/2019 Budgeted	2018/2019 Actual	Comment
<b>Key Partners</b>				
<b>Other Sources</b>				
Concessionaires (via Concession Activity Fee)	Governance Costs	\$136,893	\$136,893	Concessionaires have been invoiced for all Governance costs incurred during the year

## Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be valued at \$326,402 as at 30 June 2019. The assessment uses the value of stakeholders' funds as a guide.



**Milford Community Trust**  
**Statement of Financial Performance**  
**For the year ended 30 June 2019**

	<b>Actual 2019</b>	<b>Budget 2019</b>	<b>Actual 2018</b>
<b>Revenue</b>			
Concessionaires Income	136,893	136,893	124,449
Grant	-	-	1,000
Interest Income	6,943	-	4,399
Trustee Fees Forgiven	3,600	-	-
<b>Total Revenue</b>	<b>147,436</b>	<b>136,893</b>	<b>129,849</b>
<b>Expenses</b>			
Accommodation and Meals	(95)	800	326
Administration Fees	44	67	44
Advertising - Newspaper	-	600	(9)
Audit Fees	4,199	5,000	4,140
Bank Fees	79	40	41
Catering Expenses	98	500	91
Chairpersons Fees	10,000	10,000	4,751
Environment Southland - Consent Fees	-	15,000	-
Depreciation	1,549	1,613	1,597
Emergency Services Provider	-	42,000	130
General Expenses	420	500	2,326
Deepwater Basin Walkway 1.	86,934	-	-
Medical Clinic	-	26,000	-
Mileage	338	3,000	219
Project Development & Planning	-	5,000	-
Radio Tower	-	370	360
Room Hire	185	300	178
Trustees Fees	3,900	6,000	-
Insurance	2,675	2,605	2,455
<b>Total Expenses</b>	<b>110,327</b>	<b>119,396</b>	<b>16,650</b>
<b>Surplus/(Deficit) for the Year</b>	<b>37,110</b>	<b>17,498</b>	<b>113,199</b>

1. This was budgeted as a capital project (\$130,000), however the project was undertaken by Milford Sound Tourism Ltd. The Trust made a financial contribution.

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 Financial Position**  
**As at 30 June 2019**

	Note	Actual 2019	Budget 2019	Actual 2018
<b>Assets</b>				
<b>Current Assets</b>				
Bank Accounts and Cash	2	42,802	15,000	3,671
Short Term Deposit	3	275,000	106,820	289,807
Debtors		773	100	863
Accrued Income		1,532	-	517
GST Recievable		1,388	6,892	-
<b>Total Current Assets</b>		<b>321,494</b>	<b>128,812</b>	<b>294,859</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	4	50,075	49,995	51,624
<b>Total Non-Current Assets</b>		<b>50,075</b>	<b>49,995</b>	<b>51,624</b>
<b>Total Assets</b>		<b>371,569</b>	<b>178,807</b>	<b>346,482</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accrued Expenses		7,859	5,000	5,973
Creditors		198	-	518
GST Payable		-	-	13,589
<b>Total Current Liabilities</b>		<b>8,057</b>	<b>5,000</b>	<b>20,080</b>
<b>Non-Current Liabilities</b>				
		-	-	-
<b>Total Non-Current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>8,057</b>	<b>5,000</b>	<b>20,080</b>
<b>Net Assets</b>		<b>363,512</b>	<b>173,807</b>	<b>326,402</b>
<b>Accumulated Funds</b>				
	7			
Trust Capital		100	100	100
Accumulated surplus(deficit)		363,412	40,755	326,302
<b>Total Accumulated Funds</b>		<b>363,512</b>	<b>40,855</b>	<b>326,402</b>

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:** 6 September 2019

# **Milford Community Trust** **Statement of Cash Flows** **For the year ended 30 June 2019**

	<b>Actual 2019</b>	<b>Actual 2018</b>
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Reciepts from Concessionaires Income	136,972	149,887
Grants	-	1,000
Interest Received on Bank Accounts and Cash	5,929	5,214
<b>Cash was applied to:</b>		
Goods and Services Tax (Net)	(15,007)	18,468
Payment to Suppliers and Employees	(103,570)	(24,758)
<b>Net Cash Flows from Operating Activities</b>	<b>24,324</b>	<b>149,812</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash was received from:</b>		
Term Deposit Maturity	289,807	110,000
<b>Cash was applied to:</b>		
Investment In Property, Plant and Equipment	-	-
Investment In Term Deposit	(275,000)	(289,807)
<b>Net Cash Flows from Investing Activities</b>	<b>14,807</b>	<b>(179,807)</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>39,131</b>	<b>(29,995)</b>
<b>Opening Cash</b>	<b>3,671</b>	<b>33,667</b>
<b>Closing Cash</b>	<b>42,802</b>	<b>3,671</b>

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

## Statement of Accounting Policies

### For the year ended 30 June 2019

#### 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 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.

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:

Buildings	3% Diminishing Value
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**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 2018-2021 Statement of Intent as approved by the Trustees on 23 February 2018. 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 to 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 2019

#### 1. Post balance date events

There have been no significant subsequent events between the balance sheet date and the signing of the financial statements that require disclosure or adjustment in the financial statements.

#### 2. Bank accounts and cash

Account	2019	2018
BNZ Cheque Account	3,756	2,976
BNZ Savings Account	39,046	695
<b>Total</b>	<b>42,802</b>	<b>3,671</b>

Interest rates on the BNZ Cheque and Savings accounts at 30 June 2019 are 0.1% and 0.1% per annum respectively (2018: 0.1% and 0.1%).

#### 3. Investments

Account	2019	2018
Term Deposit(s)	275,000	289,807
<b>Total</b>	<b>275,000</b>	<b>289,807</b>

Four term deposits are held with BNZ at 30 June 2019.

- A \$120,000 deposit, maturing 22/07/19, at 3.08% interest.
- A \$80,000 deposit, maturing 09/03/20, at 3.12% interest.
- A \$45,000 deposit, maturing 11/12/19, at 3.30% interest.
- A \$30,000 deposit, maturing 18/07/19, at 1.64% interest.

Four term deposits were held with BNZ at 30 June 2018.

- A \$41,748 deposit, maturing 17/10/18, at 3.15% interest.
- A \$73,059 deposit, maturing 10/10/18, at 3.15% interest.
- A \$50,000 deposit, maturing 10/09/18, at 3.25% interest.
- A \$125,000 deposit, maturing 13/07/18, at 1.89% interest.

#### 4. Property, plant and equipment

	Land Improvements	Total
Carrying Amount at 1 July 2017	53,221	53,221
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,597)	(1,597)
<b>Carrying Amount at 30 June 2018</b>	<b>51,624</b>	<b>51,624</b>
Carrying Amount at 1 July 2018	51,624	51,624
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,549)	(1,549)
<b>Carrying Amount at 30 June 2019</b>	<b>50,075</b>	<b>50,075</b>

\* 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 2019 (Nil June 2018).

**6. Commitments**

The Trust has no commitments as at 30 June 2019 (Nil June 2018).

**7. Accumulated Funds**

	2019	2018
<b>Contributed Capital</b>		
Balance at 1 July	100	100
<b>Balance at 30 June</b>	<b>100</b>	<b>100</b>
<b>Accumulated Surplus</b>		
Balance at 1 July	326,402	213,204
Surplus/(Deficit) for the year	37,110	113,199
Balance at 30 June	363,512	326,402
<b>Accumulated funds</b>	<b>363,512</b>	<b>326,402</b>

**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 \$920 (2018 \$3,825) for current year concessionaires income.

The Trust had no transactions with Southland District Council during the year that related to 2018/19 (2018 \$5,951).

The Trust had no transactions with Environment Southland during the year (2018 Nil).

Additionally, Trustees and the Chairperson 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 budgeted figures in the 30 June 2019 Statement of Intent are as follows:

- **Statement of Financial Performance**
  - No consent fees were spent in the 2018/2019 as Department of Conservation and Environment Southland are still in discussions.
  - Costs in relation to the Emergency Services Provider were met by Fire & Emergency New Zealand so the Trust did not need to provide this funding.
  - The walkway was constructed in the 2018/2019 year and came in \$53,000 under budget. Although originally shown in the 2018-2021 Statement of Intent as a \$130,000 capital project the asset is not owned by the Trust and therefore a grant of \$77,640 was made to Milford Sound Tourism which undertook the project and will be responsible for the ongoing maintenance of the walkway.
- **Statement of Financial Position**
  - Term Deposits are higher than budgeted primarily due to work on the Cleddau Village Recreation Building not commencing and other variances as noted above. All surplus funds have been invested in term deposits.





## Financial Report to 31 August 2019

**Record No:** R/19/9/20694  
**Author:** Brie Lepper, Graduate Accountant  
**Approved by:** Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

### Purpose

- 1 This Financial Report for the period 1 July 2019 to 31 August 2019, it provides the Trustees with an updated statement of financial performance and financial position of the Trust.

### Commentary

#### Financial Performance

- 2 The concessionaire's income represents the first quarter. The first quarter invoicing was completed in August with payments expected to be received by 20 September 2019.
- 3 The majority of expenses to date relate to chairman fees, legal fees and insurance. Legal fees relate to costs associated with discussions around the trust deed. Insurance costs are for the placement of the following policies for the period 1 July 2019 to 30 June 2020: Trustees Liability, Statutory Liability and Public Liability insurance.

#### Financial Position

- 4 The Milford Community Trust (MCT) continues to have a strong cash position with \$10,026 held in the cheque/savings accounts. The savings account receives interest at a rate of 0.1% p.a. Surplus funds are transferred to the savings account, or invested as appropriate, on a regular basis.
- 5 Additionally, \$305,000 is invested in term deposits as outlined in the table below:

Bank	Amount	Interest Rate	Term	Maturity Date	Total Expected Interest
BNZ	\$80,000	3.12%	271 days	09/03/2020	\$1,853
BNZ	\$45,000	3.30%	180 days	11/12/2019	\$732
BNZ	\$30,000	2.67%	120 days	15/11/2019	\$263
BNZ	\$30,000	1.13%	31 days	19/09/2019	\$29
BNZ	\$120,000	3.18%	215 days	24/02/2020	\$2,248
<b>Total:</b>	<b>\$305,000</b>				<b>\$5,125</b>

#### Concessionaries Contributions

- 6 As you are aware we have been indicating for a number of months the Trust's intention to update the data used to calculate the concessionaire contribution percentage. The data required is passenger numbers, staff bedrooms, staff numbers, square meterage and improvement value. At

this time as we are still awaiting information we have issued the first quarter concessionaire invoices using the same percentages as 2018/2019.

7

<b>Milford Community Trust</b> <b>Statement of Financial Performance</b> <b>For the period to 31 August 2019</b>			
<b>* Actual</b>		<b>Actual</b>	<b>Annual</b>
<b>30/06/19</b>	<b>Account Description</b>	<b>31/8/19</b>	<b>Budget</b>
	<b><u>Income</u></b>		
136,893	Concessionaires Income	37,646	150,583
6,943	Interest	1,273	-
-	Trustees Fees Forgiven	-	-
143,836		38,919	150,583
	<b><u>Expenses</u></b>		
(95)	Accommodation and Meals	-	800
44	Administration	-	67
-	Advertising	-	600
4,199	Audit Fees	-	4,300
79	Bank Fees	-	40
98	Catering Expenses	(3)	500
10,000	Chairperson's Fees	1,667	10,000
1,549	Depreciation	240	1,613
86,934	Grant to Milford Sound Tourism Ltd (Walkway)	-	-
420	General Expenses	-	500
-	Legal Fees	832	-
-	Medical Clinical Desk Support Grant	-	15,000
338	Mileage	-	1,500
-	Project Development and Planning	-	5,000
-	RNZ Licence	-	370
185	Room Hire	(7)	600
300	Trustees Fees	-	6,000
2,675	Insurance	2,825	2,605
106,727		5,555	49,495
<b>37,110</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>33,365</b>	<b>101,088</b>
-	<b>Other Comprehensive Income</b>	-	-
<b>37,110</b>	<b>Total Comprehensive Income</b>	<b>33,365</b>	<b>101,088</b>
* Please note these results are unaudited as at the date of this report			

**Statement of Changes in Equity**  
**For the period to 31 August 2019**

<b>* Actual</b>		<b>Actual</b>
<b>30/06/19</b>		<b>31/8/19</b>
326,403	Total Equity at beginning of year	363,513
37,110	Net Surplus / (Deficit)	33,365
<b>363,513</b>	Equity at end of year	<b>396,877</b>

**Statement of Financial Position**  
**As at 31 August 2019**

<b>* Actual</b>		<b>Actual</b>
<b>30/06/19</b>		<b>31/8/19</b>
	<b>Equity</b>	
100	Trust Capital	100
363,413	Accumulated Funds	396,777
<b>363,513</b>		<b>396,877</b>
	<b>Represented by:</b>	
	<b>Current Assets</b>	
673	Accounts Receivable	43,685
1,532	Accrued Income	1,193
1,388	GST Receivable	-
3,756	BNZ Cheque Account	1,368
39,046	BNZ Savings Account	8,658
275,000	BNZ Term Deposits	305,000
321,395	<b>Total Current Assets</b>	359,904
	<b>Non Current Assets</b>	
100	Trust Capital	100
50,075	Recreational Pad	49,835
371,570	<b>Total Assets</b>	409,839
	<b>Current Liabilities</b>	
7,859	Accrued Expenses	6,916
198	Accounts Payable	957
-	GST Payable	5,089
8,057	<b>Total Liabilities</b>	12,962
<b>363,513</b>	<b>Net Assets</b>	<b>396,877</b>

\* Please note these results are unaudited as at the date of this report

## **Recommendation**

**That the Milford Community Trust:**

- a) Receives the report titled “Financial Report to 31 August 2019” dated 19 September 2019.**

## **Attachments**

There are no attachments for this report.