



MILFORD COMMUNITY TRUST

FINAL

STATEMENT OF INTENT 2019 - 2022

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 2019 to 30 June 2022. The 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 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.

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, the Trust is governed by a board of seven Trustees. Current representatives from stakeholder groups are shown in the table below:

Designation	Name	Term Expires 30 June
Interim Chair and Mararoa-Waimea Ward Councillor, ex-officio appointment	Ebel Kremer	Oct 2019
Milford Community Association elected representative	Brad Johnstone	2020
Milford Community appointee	Tim Holland	2020
Milford Community appointee	Jason Steele	2022
Milford Community appointee	Rosco Gaudin	2019

The Trust has decided that due to the uncertainty about its future direction that Ebel Kremer should assume the interim chairmanship. Similarly, given the lack of nominations in the 2018 election of trustees, it was also considered that the trustee position vacated by Mike McConachie should be left vacant for the time being. The Trust recommended that approach to the Southland District Council and it was agreed by formal resolution at its 18 June 2018 meeting.

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 *Piopiota*hi 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

The Trust has a comprehensive Communications Policy in relation to its activities. Where appropriate, other policy guidance is obtained from relevant council and other statutory authority policy and this will be reviewed 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 *Piopiota*hi, 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 *Piopiota*hi.
- Advocate for the general benefit of the Milford community.
- Coordinate and communicate with all parties having interests in Milford Sound *Piopiota*hi.

Within the over-arching vision and strategic goals, the more specific focus areas for 2019 – 2022 are:

Planning:

- Determine the future direction of the Trust.
- 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.

Communication:

- Communicate the roles of the Trust and other authorities more clearly to the Milford community.
- Affirm the Trust role as a voice for the Milford community.
- Maintain closer relationships with 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 on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.

Planned Activities/Services

2019/20:

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Provide funding for medical support services and facilities.
- Review of the Trust and charging mechanism with stakeholders including concessionaires.
- Facilitate the construction of the Milford recreation centre if the project gets approval.
- Advocate the continuation of maintaining beautification and roading issues within the Village and Deepwater Basin.
- Assist the Milford Community Association with the on-going development of the Cleddau Village Recreation Area to accommodate the community centre.
- Advocate with other organisations for public toilets and shelter at the airport and a walking track to the Lodge.

2020/21:

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Provide funding for medical support services and facilities.
- Advocate the continuation of maintaining beautification and roading within the village.

2021/22:

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Provide funding for medical support services and facilities.
- Advocate the continuation of maintaining beautification and roading within the village.

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.

The ratio of total assets to total equity is planned at 1:1.

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 basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Recreational Pad	3%	Straight Line
Buildings (Built after 2012)	0%	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.

Budget Figures

The budget figures are derived from the Statement of Intent as approved by the Trustees at the beginning of the financial year. 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 through the Long Term Plan (LTP) public consultation process undertaken by the Southland District Council. These targets can be changed only through a formal review of the LTP.

Level of service	Key performance indicator	Actual	Target		Confirmation source	
		17/18	18/19	19/20		20/21
Maintain a structure that facilitates local decision making.	Number of Milford Community Trust meetings held annually.	4	4	4	4	Agenda/minute records on file.
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	1	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 forwarded to the other major stakeholder authorities, being the Department of Conservation and Environment Southland.

9. Key Issues

- The future direction of the Trust
- Decide whether or not it is feasible to proceed with the development of a recreation centre building.

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 2018/19, the total amount being sought from concessionaires is \$136,894 excluding GST. Any surplus funds will be held by the Trust in its bank account for future project funding.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$30,543.

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 are also 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.

In this Statement of Intent the Trustees are seeking to borrow to fund the anticipated shortfall of the cost to build the recreation centre. The shortfall is expected to be no more than \$300,000, and will be repaid over five years, commencing from 1 July 2020. Based on the current and forecast financial position of the Trust, the financials included in this Statement of Intent have been prepared on the assumption that \$200,000 will be borrowed, at an interest rate of 4.65% per annum.

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.

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 the 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 2019-2020
Prospective Statement of Financial Performance

Account Description	Actuals 2017/2018	Forecast 2018/2019	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022
Income					
Concessionaires Income	124,449	136,894	150,583	150,583	150,583
Grant	1,000	-	-	-	-
Contribution to Capital Works	-	-	-	-	-
Interest	4,399	-	-	-	-
	<u>129,848</u>	<u>136,894</u>	<u>150,583</u>	<u>150,583</u>	<u>150,583</u>
Expenses					
Management/Administration					
Accommodation and Meals	326	800	800	800	800
Administration	44	67	67	67	67
Advertising	(9)	600	600	600	600
Audit Fees	4,140	4,199	4,300	4,300	4,300
Bad Debts	-	-	-	-	-
Bank Fees	41	40	40	40	40
Catering Expenses	91	500	500	500	500
Chairperson's Fees	4,751	5,000	10,000	10,000	10,000
Depreciation - Recreational Pad	1,597	1,613	1,613	1,613	1,613
Emergency Services Provider	130	-	-	-	-
Equipment Write off	-	-	-	-	-
General Expenses	2,326	500	500	500	500
Interest on Loan - Recreation Centre	-	-	-	8,531	6,803
Mileage	219	3,000	1,500	1,500	1,500
Project Development and Planning	-	5,000	5,000	5,000	5,000
RNZ Licence	360	370	370	370	370
Room Hire	178	300	600	600	600
Trustees Fees	-	6,000	6,000	6,000	6,000
Insurance	2,455	2,554	2,605	2,657	2,710
	<u>16,649</u>	<u>30,543</u>	<u>34,495</u>	<u>43,078</u>	<u>41,403</u>
Grants					
Medical Clinical Desk support	-	-	15,000	15,000	15,000
Airport to Deepwater Basin Walkway	-	130,000	-	-	-
	<u>-</u>	<u>130,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total Expenses	<u>16,649</u>	<u>160,543</u>	<u>49,495</u>	<u>58,078</u>	<u>56,403</u>
Net Operating Surplus/(Deficit)	<u>113,199</u>	<u>(23,649)</u>	<u>101,088</u>	<u>92,505</u>	<u>94,180</u>

Capital Projects

Project					
Recreation Centre	-	-	500,000	-	-
	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>

Prospective Statement of Changes in Equity

	Actuals 2017/2018	Forecast 2018/2019	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022
Balance at 1 July	213,204	326,403	302,754	403,842	496,347
Net Surplus / (Deficit)	113,199	(23,649)	101,088	92,505	94,180
Capital Funding					
Equity at end of year	326,403	302,754	403,842	496,347	590,527

Prospective Statement of Financial Position

	Actuals 2017/2018	Forecast 2018/2019	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022
Equity					
Accumulated Funds	326,303	302,654	403,742	496,247	590,427
Trust Capital	100	100	100	100	100
	326,403	302,754	403,842	496,347	590,527
Represented by:					
Current Assets					
Accounts Receivable	863	100	100	100	100
Accrued income	517	-	-	-	-
Bank Account - 00	2,976	5,000	5,000	5,000	5,000
Bank Account - 25	695	10,000	10,000	10,000	10,000
Term Deposit - Recreation Centre	110,000	110,000	0	0	0
Term Deposit - Surplus Funds	179,807	132,040	16,859	111,457	169,272
GST Recievable	-	-	-	-	-
	294,860	257,140	31,959	126,558	184,372
Non Current Assets					
Recreational Pad	51,624	50,011	48,398	46,785	45,172
Recreational Centre	-	-	500,000	500,000	500,000
	51,624	50,011	548,398	546,785	545,172
Total Assets	346,484	307,151	580,357	673,343	729,544
Current Liabilities					
Accrued Expenses	5,973	5,000	5,000	5,000	5,000
Accounts Payable	518	-	-	-	-
Term Loan - Recreation Centre - Current			36,376	38,104	39,914
GST Payable	13,589	603	28,485	8,371	8,497
	20,080	4,397	12,891	51,475	53,411
Non-Current Liabilities					
Term Loan - Recreation Centre - Non Current	-	-	163,624	125,520	85,606
	-	-	163,624	125,520	85,606
Total Liabilities	20,080	4,397	176,515	176,995	139,017
Net Assets	326,404	302,754	403,842	496,347	590,527