



# **MILFORD COMMUNITY TRUST**

## **PERFORMANCE REPORT**

**FOR THE YEAR ENDED 30 JUNE 2015**

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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:

Michael N Schuck  
Ebel Kremer  
Andrew Welsh  
Jane Grant  
Bradley Johnstone  
Natalie Shanks  
Mike McConachie

#### Term of Office:

Four Years (Chairperson)  
Councillor  
Four Years  
Four Years  
Three Years  
Four Years (Resigned June 2015)  
Four Years

#### Manager:

Southland District Council - Chris Dolan

#### 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 Milford Community Trust (MCT) has completed its eighth year of governance on behalf of the Milford Sound Community.

Project wise it has been a quieter time for the MCT compared to the previous year. We continue to work on advancing the building of the Cleddau village green, the redevelopment of Deepwater Basin and the re-opening of the access to the Bowen falls.

A pleasing outcome was the reappointment of Alison Wright as the Milford Sound Emergency Response Team (MERT) Leader for the 2014/15 summer tourist season. This is the trust's biggest expense and has resulted in much positive feedback from the community. As well as filling the role of MERT team leader Alison's paramedic expertise helped many people and her medical clinics benefited the community. Having a professional person in this role also generated more interest from people wishing to become MERT volunteers as well as providing training for the volunteers.

Paid for by concessionaires' levies the MERT leader position provides valuable benefits to all who work, visit or own businesses at Milford Sound. With over 250 staff and about the same number of nightly guests, as well as up to 5,000 daily visitors but with no police station, medical centre or ambulance service the MERT team leader fills a valuable role. Without this position more work would fall to the volunteers who make up MERT, more time would be lost to the businesses due to absent staff, and business managers spending their time dealing with emergencies involving their staff or clients. The trust is continuing to work alongside the Southern Rural Fire Authority to ensure that this role can be filled for the next tourist season.

Natalie Shanks' term as trustee expired on 30 June 2015. I thank her for her commitment and time over several years and wish Natalie all the best for the future.

I would like to thank my fellow Trustees, Nick Lewis, Chris Dolan and Jenny Labruyere (Southland District Council) and Mike Grant (Southern Rural Fire Authority) for their hard work and commitment during the past year.

The Trust looks forward to working with the community during the 2015/16 year.

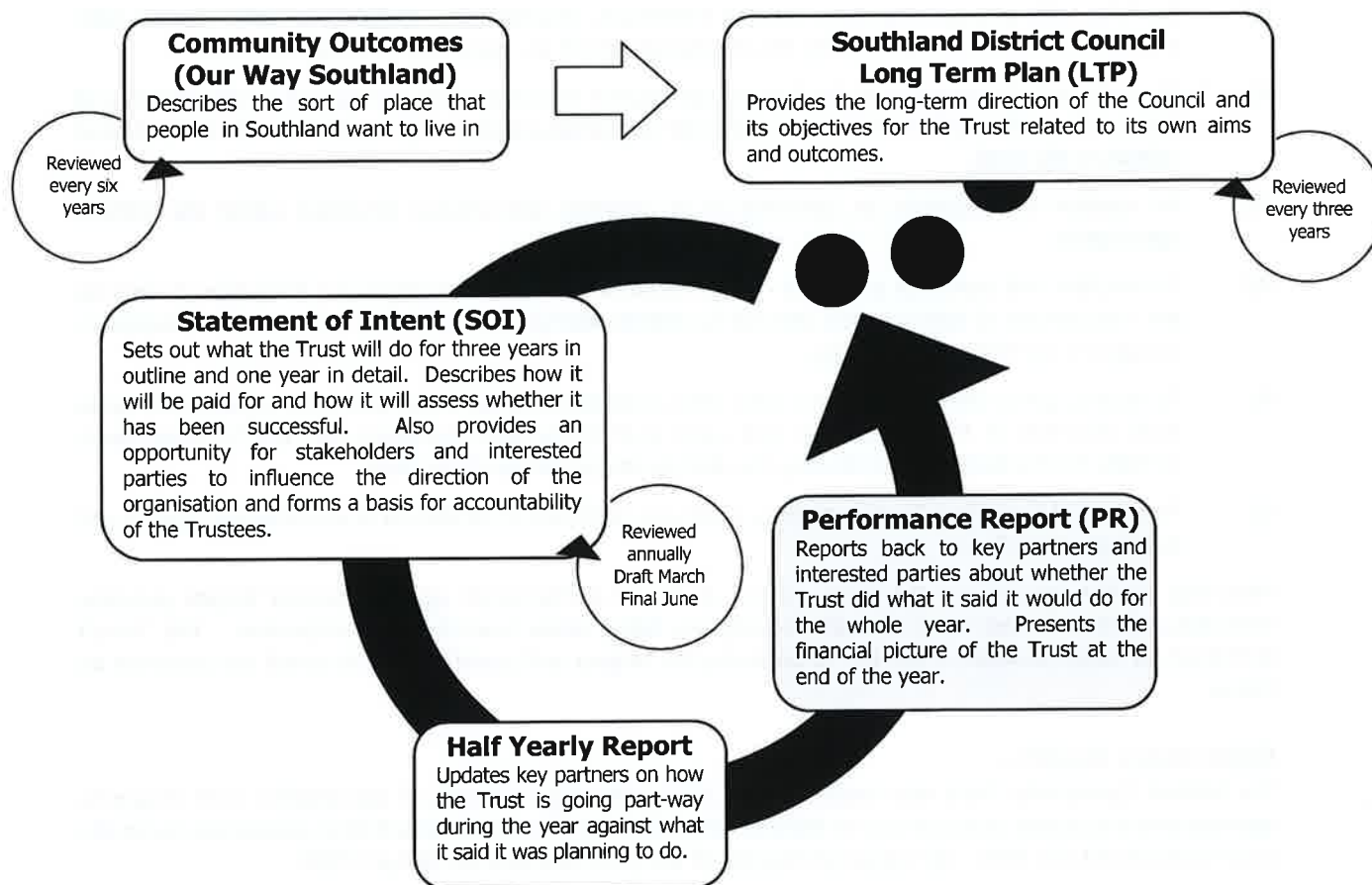


Mike Schuck  
**Chairperson**  
3 July 2015

## 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 2014 to 30 June 2015 which was the period of the Statement of Intent 2014/2015.

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;

5 September 2014 at Te Anau  
28 November 2014 at Milford  
5 March 2015 at Te Anau  
5 June 2015 at Te Anau

Trustees are detailed in the table below;

The Designation	Trustee Name	Appointed	Term Expires
Independent Chair	Michael Schuck	July-14	June-18
Te Anau Ward Councillor, ex-officio appointment	Ebel Kremer	March 15	Oct-17
Milford Community Association elected representative	Bradley Johnstone	Sept-14	Jun-17
Milford Community appointees	Natalie Shanks	Nov-11	Jun-15
	Jane Grant	Sept-14	Jun-18
	Mike McConachie	Nov 14	Jun-18
	Andrew Welsh	Jul-12	Jun-16

#### New Trustees:

There were a number of new Trustees appointed during the past year namely;

- Trustee Jane Grant replaced Trustee Paul Phelan who resigned as a Trustee.
- Trustee Mike McConachie replaced Trustee Rob Burnell who resigned as a Trustee.
- Trustee Bradley Johnstone replaced Trustee Lou Huia as the Milford Community Association representative on the Trust.
- Councillor Ebel Kremer replaced Councillor Alistair Jukes who retired as the Council appointee to the Trust.

#### Reappointment of Chairman:

Independent Chairman Trustee Michael Schuck's term expired on 30 June 2014.

Trustee Schuck was re-appointed as the Independent Chairman on the recommendation of the Trustees Recommendation Panel.

#### **Contribution to Community Outcomes –**

Outputs from the Milford Community Trust activity contribute to the achievement of the principal Outcome 6 of the regional "Our Way Southland" statement, being "A treasured environment which we care for and which supports us now and into the future".

Ways in which the Trust's operations can contribute to the principal outcome are as follows:

<b>Intermediate Outcome</b>	<b>Activity's Contribution</b>
6.1 We have an informed community.	Education and promotion is an important function of the Trust.
6.2 We have a healthy, safe and accessible built environment.	The Trust is proactive and has this outcome as one of its cornerstones.
6.3 We have an environment protected from the negative effects of human activities.	The Trust responds to mitigate negative effects of human activities.



## 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 2014/2015 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		
Category	Level of Service	Key Performance Indicator	Target	Achievement
Access	Maintain a structure that facilitates local decision-making.	Number of public forums in Milford each year.	1	One member of the community attended the meeting held in Milford on 28 November 2014. The newly appointed Emergency Services Provider addressed the meeting and gave an update on her role. The Trust is a major financial contributor to the role provided by this person.
Quality	Keep the Milford community informed about Trust plans and outcomes.	Number of Community newsletters produced annually.	2	Not Achieved. The Trust sets aside funding for meeting costs relating to press releases in the Fiordland Advocate. News articles that appeared in the Advocate related to the role of the Emergency Services Provider.
Leadership	Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually	4	Achieved. Four meetings were held in 2014/15 in September, November, March and June.
Responsiveness	Response to issues raised by the community.	Percentage of issues raised at Milford Community Association meetings responded to prior to next meeting.	85%	Achieved 100%. Issues raised by the community for 2014/15 year were dealt with through the Trust's internal Action Sheet. These included; Draft SOI 2015-2018, development of a Village green, discussions re Bowen Falls walkway. The Village green project is being overseen by a working party and the Bowen Falls walkway is a Department of Conservation project with the Trust prepared to assist where it can.
Responsiveness	Milford Community Association meetings	To be reported at MCT meetings.	4	No Milford Community Association meetings held during the past year.



## Activity Report

The information below reports on the planned activities included in the Statement of Intent 2014/2017 as well as any unplanned for activities actually carried out during the year.

Activity Description	Date	Status
<b>Planned Activities</b>		
Work with other organisations for improvements in the public facilities at Deepwater Basin through the Concept Plan for this area.	July 2014	The Trust has decided its role in this project is one as facilitator only and feels this project is one for Department of Conservation and commercial operators to drive. However the Trust will assist by seeking external funding if called upon.
Working with other organisations to advocate for public toilets and shelter at the airport and completion of the walking track to the Lodge.	July 2014	Walking Track project is complete. No progress has been made in relation to the public toilets/shelter at the airport.
Work with other organisations and seek external funding for proposed improvements to Deepwater Basin.	July 2014	Once there is 'buy in' from the commercial operators this project will be revisited.
Assist MCA in the development of village green area.	June 2015	In progress. Funding being sort from funding agencies for construction of concrete pad.
Facilitate development of Emergency response station including medical support and services.	June 2014	Achieved. Station opened on 6 December 2013. Funding provided for employment for medical support and services.
Continuation of funding of Emergency Services Provider.	July 2014	Funds budgeted for in 2014/15 financial year.
Assist with redevelopment of the Bowen Falls Walkway	June 2015	This project will probably not proceed as the Minister Hon Nick Smith has indicated the costs prohibit the walkway being upgraded. That update was reported at the Trust's 5 June meeting and no further information has been forthcoming.
Facilitate strategic review with stakeholders	August 2015	This Will take place following the "REVIEW OF CHARGING MECHANISM" Workshop that is scheduled for 21 August 2015.
<b>Unplanned Activities</b>		
Preparation of a business cases for activities for which the Trust wishes to take responsibility following completion of the asset management plan and scheme plan for Deepwater Basin.	N/A	Not Achieved. As stated above the preparation of asset plans is no longer a priority. The concept plan for Deepwater Basin is still under development by the Department of Conservation.
<b>Information Requirements</b>		
Draft Statement of Intent prepared and circulated to key partners.	19 December 2014	Achieved. The Draft was prepared and circulated to key partners.
Final Statement of Intent prepared and circulated to key partners.	27 March 2015	Achieved.
Half yearly report prepared and circulated to key partners.	27 March 2015	Achieved.

### 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	2014/2015 Budgeted	2014/2015 Actual	Comment
<b>Key Partners</b>				
<b>Other Sources</b>				
Concessionaires (via Concession Activity Fee)	Governance Costs	\$93,500	\$93,500	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 \$115,949 as at 30 June 2015. The assessment uses the value of stakeholders funds as a guide.

## Milford Community Trust

### Statement of Financial Performance

For the year ended 30 June 2015

	Actual 2015	Budget 2015	Actual 2014
<b>Revenue</b>			
Concessionaires Income	93,500	93,500	84,978
Interest Income	2,996	-	2,465
<b>Total Revenue</b>	<b>96,496</b>	<b>93,500</b>	<b>87,443</b>
<b>Expenses</b>			
Accommodation and Meals	233	600	767
Administration Fees	67	44	44
Advertising - Newspaper	336	3,000	-
Audit Fees	3,980	5,000	3,932
Bank Fees	40	40	50
Bowen Falls	-	20,000	-
Catering Expenses	52	500	52
Chairpersons Fees	4,831	10,000	7,432
Cleddau Village Recreation Reserve	1,492	20,000	-
Depreciation	1,094	1,095	1,824
Emergency Services Provider	45,200	30,600	34,698
ERT Building and Fire Engine	-	-	28,800
ERT Plant & Equipment Purchases	-	2,500	3,607
General Expenses	369	500	342
Mileage	832	3,000	1,250
Project Development & Planning	-	5,000	2,000
Radio Tower	360	360	363
Roading Maintenance	-	300	-
Room Hire	130	5,000	122
Stop-Bank Maintenance	-	7,500	-
Trustees Fees	4,800	6,600	4,800
Trustees Indemnity Insurance	1,720	1,720	1,720
<b>Total Expenses</b>	<b>65,536</b>	<b>123,359</b>	<b>91,803</b>
<b>Surplus/(Deficit) for the Year</b>	<b>30,960</b>	<b>(29,859)</b>	<b>(4,360)</b>

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 2015**

	Note	Actual 2015	Budget 2015	Actual 2014
<b>Assets</b>				
<b>Current Assets</b>				
Bank Accounts and Cash	2	122,700	39,774	71,324
Accounts Receivable		100	100	20,388
GST Receivable		-	-	-
<b>Total Current Assets</b>		<b>122,800</b>	<b>39,874</b>	<b>91,712</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	3	1,642	1,642	2,736
<b>Total Non-Current Assets</b>		<b>1,642</b>	<b>1,642</b>	<b>2,736</b>
<b>Total Assets</b>		<b>124,442</b>	<b>41,516</b>	<b>94,448</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accrued Expenses		6,326	4,612	6,658
Accounts Payable		300	-	1,671
GST Payable		1,867	3,065	1,130
<b>Total Current Liabilities</b>		<b>8,493</b>	<b>7,677</b>	<b>9,459</b>
<b>Non-Current Liabilities</b>				
Loans		-	-	-
<b>Total Non-Current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>8,493</b>	<b>7,677</b>	<b>9,459</b>
<b>Net Assets</b>		<b>115,949</b>	<b>33,839</b>	<b>84,989</b>
<b>Accumulated Funds</b>				
Trust Capital	6	100	100	100
Accumulated surpluses or (deficits)		115,849	33,739	84,889
Reserves		-	-	-
<b>Total Accumulated Funds</b>		<b>115,949</b>	<b>33,839</b>	<b>84,989</b>

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



Michael Schuck  
Chairman



Chris Dolan  
Trust Manager

Date Signed: 21 August 2015



**Milford Community Trust**  
**Statement of Cash Flows**  
**For the year ended 30 June 2015**

	<b>Actual 2015</b>	<b>Actual 2014</b>
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Receipts from Concessionaires Income	111,142	67,336
Interest Received	2,996	2,465
Goods and Services Tax (Net)	3,205	-
<b>Cash was applied to:</b>		
Payment to Suppliers and Employees	(65,967)	(86,540)
Goods and Services Tax (Net)	-	(4,373)
<b>Net Cash Flows from Operating Activities</b>	<b>51,376</b>	<b>(21,112)</b>
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>51,376</b>	<b>(21,112)</b>
<b>Opening Cash</b>	<b>71,324</b>	<b>92,436</b>
<b>Closing Cash</b>	<b>122,700</b>	<b>71,324</b>

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

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 2015

### **BASIS OF PREPARATION**

Milford Community Trust has elected to apply 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.

### **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.

### **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.

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

Equipment	40% Diminishing Value
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**Income Tax**

The Trust is exempt from income tax.

**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.

**Tier 2 PBE Accounting Standards applied**

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

**Changes in Accounting Policies and Transition to the New PBE SRF-A (PS) Standard**

This is the first set of financial statements prepared using the new PBE SRF-A (PS) standard, and comparative information for the year ended 30 June 2014 has been restated to comply with the new standard. There have been no significant adjustments arising on transition to the new standards.

## Notes to the Financial Statements

### For the year ended 30 June 2015

**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 to the financial statements.

**2. Bank accounts and cash**

Account	2015	2014
BNZ Current Account	3,108	4,491
BNZ Call Account	119,591	66,832
<b>Total</b>	<b>122,700</b>	<b>71,323</b>

**3. Property, plant and equipment**

Equipment	2015	2014
<b>Cost</b>		
Balance 1 July	20,000	20,000
Additions	-	-
Disposals	-	-
<b>Balance 30 June</b>	<b>20,000</b>	<b>20,000</b>
<b>Accumulated Depreciation</b>		
Balance 1 July	17,264	15,440
Depreciation Expense	1,094	1,824
Disposals	-	-
<b>Balance 30 June</b>	<b>18,358</b>	<b>17,264</b>
<b>Carrying Value 30 June</b>	<b>1,642</b>	<b>2,736</b>

\*Equipment with a fair value of \$20,000 was donated by Real Journey's (\$5,000) and Southern Discoveries (\$15,000) in August 2010.

**4. Contingent assets and liabilities**

There are no contingent assets or liabilities as at 30 June 2015 (Nil June 2014).

**5. Commitments**

The Trust has no commitments as at 30 June 2015 (Nil June 2014).

**6. Accumulated Funds**

	2015	2014
<b>Contributed Capital</b>		
Balance at 1 July	100	100
Capital contribution	-	-
Balance at 30 June	100	100
<b>Accumulated Surpluses</b>		
Balance at 1 July	84,889	89,249
Surplus/(Deficit) for the year	30,960	(4,360)
Balance at 30 June	115,849	84,889
<b>Accumulated funds</b>	<b>115,949</b>	<b>84,989</b>

**7. 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 received money from the DOC during the year of \$3,482 (2014 \$1,968) of which \$2,855 relates to current year concessionaires income with \$627 receivable from the prior year.

The Trust paid money to Southland District Council during the year totalling \$9,379 (2014 \$8,851). These costs are for the reimbursement of Trust expenses paid for by the Southland District Council.

The Trust paid money to Environment Southland during the year totalling \$2,000 (2014 \$0). These costs were in relation to Milford Community Trusts share of the costs for a geological and nuclear science review providing a risk assessment of Milford Sound.

**8. Explanation of major variances against budget**

Explanations for major variations from the Trust's budgeted figures in the 30 June 2015 Statement of Intent are as follows:

• **Statement of Financial Performance**

No expenditure was incurred in relation to the Bowen falls walkway as the project is still in the planning stages.

Construction on the Cleddau Recreation Reserve is still to begin.

Costs in relation to the Emergency Services Provider were overspent and under-budgeted.

The chairperson reduced his fee voluntarily.

• **Statement of Financial Position**

Cash Funds are higher than expected due to a higher starting balance and reduced expenditure in this financial year as mentioned above.

**9. Events after the balance date**

Trustee Natalie Shank has resigned from the Trust effective 30 June 2015. It is expected a new Trustee will be appointed to this position prior to the next Trust meeting scheduled for 21 August 2015.

## Independent Auditor's Report

### To the readers of Milford Community Trust's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of Milford Community Trust (the Trust). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on her behalf.

#### Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 11 to 17, that comprise the statement of financial position as at 30 June 2015, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 8.

In our opinion:

- the financial statements of the Trust:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Public Sector).
- the performance information of the Trust presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on [insert date]. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **Responsibilities of the Trustees**

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparation of the performance information for the Trust.

The Trustees' responsibilities arise from the Local Government Act 2002 and the Milford Community Trust Deed.

The Trustees are responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.

Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand