



# **MILFORD COMMUNITY TRUST**

## **PERFORMANCE REPORT**

**FOR THE YEAR ENDED 30 JUNE 2016**

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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  
Jason Steele  
Bradley Johnstone  
Mike McConachie  
Rosco Gaudin

**Term of Office:**

Four Years (Chairperson)  
Councillor  
Four Years (Retired June 2016)  
Four Years  
Three Years  
Four Years  
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 ninth year of governance on behalf of the Milford Sound Community.

The main issue for the community is the building of a community centre to provide for its social and leisure needs. The MCT is working as fast as we can to progress this project. In tandem with this is the establishment of a sports court adjacent to the proposed community centre. Funds are already approved for the courts and construction will be completed as soon as weather permits. Building plans for the community centre should be completed this winter and the Trust hopes to have tenders let before next summer.

The Trust has been advised that access to the Bowen Falls has been resolved and is pleased with this development. Also the development of adventure tourism activities at Deepwater Basin is underway. Congratulations to the Department of Conservation and the tourism businesses that are investing in infrastructure. This will heighten the visitor experience and tidy up the area.

Development of visitor facilities and fixing traffic problems at the airport remains an outstanding issue the MCT would like to see resolved. We will continue to support development and hope that all airport users can get behind this project.

Andrew Welsh's long service as a trustee ended recently when Andrew's employment at Milford Sound ended. I thank him for his hard work over many years and wish him all the best for the future.

I would like to thank all 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.

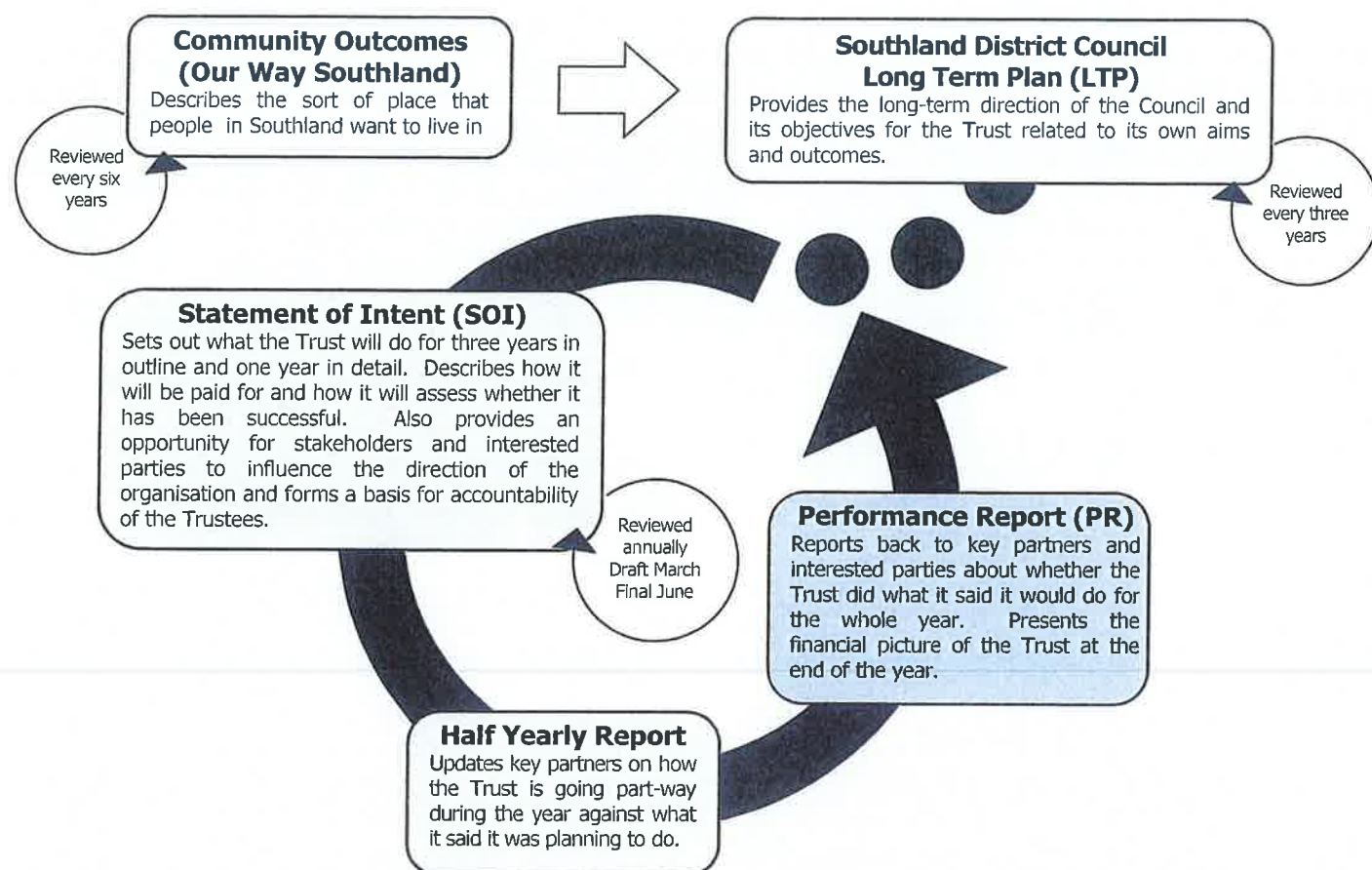
A handwritten signature in blue ink, appearing to read "Mike Schuck", written over a light blue horizontal line.

Mike Schuck  
Chairperson  
27 July 2016

## 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 2015 to 30 June 2016 which was the period of the Statement of Intent 2015/2016.

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;

21 August 2015 at Te Anau  
20 November 2015 at Milford  
8 March 2016 at Te Anau  
3 June 2016 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-16       |
| Milford Community Association elected representative | Bradley Johnstone | Sept-14   | Jun-17       |
| Milford Community appointees                         | Rosco Gaudin      | Aug 15    | Jun-19       |
|                                                      | Jason Steele      | Aug 15    | Jun-19       |
|                                                      | 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 Jason Steele replaced Trustee Jane Grant.
- Trustee Rosco Gaudin replaced Trustee Natalie Shanks

#### **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:

| Intermediate Outcome                                                                | Activity's Contribution                                                 |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 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 2015/2016 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      | Achieved. One forum held during the year. No member of the Milford community attended the public forum meeting of the Trust in November 2015.                                                                                                                                                                                        |
| 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 2015/16 in August, 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 2015/16 year were dealt with through the Trust's internal Action Sheet. These included; Draft SOI 2016-2019, development of a recreational pad and a community centre, support for emergency services provider and emergency equipment, discussions regarding Bowen Falls walkway. |
| Responsiveness                   | Milford Community Association meetings                              | To be reported at MCT meetings.                                                                           | 4      | Not Achieved. One Milford Community Association meeting was held during the past year.                                                                                                                                                                                                                                               |



## Activity Report

The information below reports on the planned activities included in the Statement of Intent 2015/2018 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.                                                      | June 2016        | 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.                                            | June 2016        | 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.                                                                                   | June 2016        | In progress. New recreation pad planned to be constructed in spring 2016.                                                                                                                                                                           |
| Assist MCA in the development of village green area.                                                                                                                                    | June 2016        | In progress.                                                                                                                                                                                                                                        |
| Facilitate on-going development of Milford Emergency Response station including medical support and services.                                                                           | June 2016        | Trust set aside \$35,700 to assist with running costs of Emergency Services provider for 2015/16 and will also assist the MERT with emergency equipment when required.                                                                              |
| Assist with redevelopment of the Bowen Falls Walkway                                                                                                                                    | June 2016        | Walkway will be developed in part. Trustees supported a concession application for a water taxi to transport tourists to that part of the walkway being re-developed.                                                                               |
| Facilitate strategic review with stakeholders                                                                                                                                           | June 2016        | Trust intends holding a Strategic Review Workshop to review all aspects of the Trust in spring 2016.                                                                                                                                                |
| <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 2016 | Achieved. The Draft was prepared and circulated to key partners.                                                                                                                                                                                    |
| Final Statement of Intent prepared and circulated to key partners.                                                                                                                      | 20 April 2016    | Achieved.                                                                                                                                                                                                                                           |
| Half yearly report prepared and circulated to key partners.                                                                                                                             | 20 April 2016    | 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            | 2015/2016<br>Budgeted | 2015/2016<br>Actual | Comment                                                                                       |
|-----------------------------------------------------|---------------------|-----------------------|---------------------|-----------------------------------------------------------------------------------------------|
| Key Partners                                        |                     |                       |                     |                                                                                               |
| Other Sources                                       |                     |                       |                     |                                                                                               |
| Concessionaires<br>(via Concession<br>Activity Fee) | Governance<br>Costs | \$102,850             | \$102,174           | Concessionaires have been<br>invoiced for all Governance<br>costs incurred during the<br>year |

### Value of Stakeholders Investment

The net value of the stakeholders investment in the Trust is estimated to be valued at \$161,702 as at 30 June 2016. The assessment uses the value of stakeholders funds as a guide.

**Milford Community Trust**  
**Statement of Financial Performance**  
For the year ended 30 June 2016

|                                       | Note | Actual<br>2016 | Budget<br>2016  | Actual<br>2015 |
|---------------------------------------|------|----------------|-----------------|----------------|
| <b>Revenue</b>                        |      |                |                 |                |
| Concessionaires Income                |      | 102,849        | 102,850         | 93,500         |
| Interest Income                       |      | 2,998          | -               | 2,996          |
| <b>Total Revenue</b>                  |      | <b>105,847</b> | <b>102,850</b>  | <b>96,496</b>  |
| <b>Expenses</b>                       |      |                |                 |                |
| Accommodation and Meals               |      | 174            | 600             | 233            |
| Administration Fees                   |      | 67             | 44              | 67             |
| Advertising - Newspaper               |      | 546            | 3,000           | 336            |
| Audit Fees                            |      | 4,026          | 5,000           | 3,980          |
| Bad Debts                             |      | 676            | -               | -              |
| Bank Fees                             |      | 40             | 40              | 40             |
| Bowen Falls                           |      | -              | 20,000          | -              |
| Catering Expenses                     |      | 116            | 500             | 52             |
| Chairpersons Fees                     |      | 4,906          | 10,000          | 4,831          |
| Cleddau Village Recreation Reserve    |      | 476            | 20,000          | 1,492          |
| Depreciation                          |      | 657            | 656             | 1,094          |
| Emergency Services Provider           |      | 43,312         | 35,700          | 45,200         |
| ERT Plant & Equipment Purchases       |      | -              | 2,500           | -              |
| General Expenses                      |      | 499            | 500             | 369            |
| Milage                                |      | 1,000          | 3,000           | 832            |
| Project Development & Planning        |      | -              | 5,000           | -              |
| Radio Tower                           |      | 360            | 360             | 360            |
| Room Hire                             |      | 183            | 300             | 130            |
| Trustees Fees                         |      | 600            | 6,600           | 4,800          |
| Trustees Indemnity Insurance          |      | 2,455          | 1,720           | 1,720          |
| <b>Total Expenses</b>                 |      | <b>60,094</b>  | <b>115,520</b>  | <b>65,536</b>  |
| <b>Surplus/(Deficit) for the Year</b> |      | <b>45,753</b>  | <b>(12,670)</b> | <b>30,960</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 2016**

|                                      | Note | Actual<br>2016 | Budget<br>2016 | Actual<br>2015 |
|--------------------------------------|------|----------------|----------------|----------------|
| <b>Assets</b>                        |      |                |                |                |
| <b>Current Assets</b>                |      |                |                |                |
| Bank Accounts and Cash               | 2    | 102,044        | 84,598         | 122,700        |
| Term Deposit                         | 3    | 70,000         | -              | -              |
| Debtors                              |      | 100            | 100            | 100            |
| Accrued Income                       |      | 83             | -              | -              |
| <b>Total Current Assets</b>          |      | <b>172,228</b> | <b>84,698</b>  | <b>122,800</b> |
| <b>Non-Current Assets</b>            |      |                |                |                |
| Property, Plant and Equipment        | 4    | 985            | 985            | 1,642          |
| <b>Total Non-Current Assets</b>      |      | <b>985</b>     | <b>985</b>     | <b>1,642</b>   |
| <b>Total Assets</b>                  |      | <b>173,212</b> | <b>85,683</b>  | <b>124,442</b> |
| <b>Liabilities</b>                   |      |                |                |                |
| <b>Current Liabilities</b>           |      |                |                |                |
| Accrued Expenses                     |      | 5,797          | 6,658          | 6,326          |
| Creditors                            |      | 516            | -              | 300            |
| GST Payable                          |      | 5,198          | 1,130          | 1,867          |
| <b>Total Current Liabilities</b>     |      | <b>11,511</b>  | <b>7,788</b>   | <b>8,493</b>   |
| <b>Non-Current Liabilities</b>       |      |                |                |                |
| Loans                                |      | -              | -              | -              |
| <b>Total Non-Current liabilities</b> |      | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total Liabilities</b>             |      | <b>11,511</b>  | <b>7,788</b>   | <b>8,493</b>   |
| <b>Net Assets</b>                    |      | <b>161,702</b> | <b>77,895</b>  | <b>115,949</b> |
| <b>Accumulated Funds</b>             |      |                |                |                |
| Trust Capital                        | 7    | 100            | 100            | 100            |
| Accumulated surpluses or (deficits)  |      | 161,602        | 77,795         | 115,849        |
| Reserves                             |      | -              | -              | -              |
| <b>Total Accumulated Funds</b>       |      | <b>161,702</b> | <b>77,895</b>  | <b>115,949</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



Trustee

Date Signed: 19 August 2016

**Milford Community Trust**  
**Statement of Cash Flows**  
**For the year ended 30 June 2016**

|                                                 | Actual<br>2016  | Actual<br>2015 |
|-------------------------------------------------|-----------------|----------------|
| <b>Cash Flows from Operating Activities</b>     |                 |                |
| <b>Cash was received from:</b>                  |                 |                |
| Receipts from Concessionaires Income            | 102,173         | 111,142        |
| Interest Received on Bank Accounts and Cash     | 2,915           | 2,996          |
| Goods and Services Tax (Net)                    | 3,331           | 3,205          |
| <b>Cash was applied to:</b>                     |                 |                |
| Payment to Suppliers and Employees              | (59,074)        | (65,967)       |
| <b>Net Cash Flows from Operating Activities</b> | <b>49,345</b>   | <b>51,376</b>  |
| <b>Cash Flows from Investing Activities</b>     |                 |                |
| <b>Cash was applied to:</b>                     |                 |                |
| Investment In Term Deposit                      | (70,000)        | -              |
| <b>Net Cash Flows from Investing Activities</b> | <b>(70,000)</b> | <b>-</b>       |
| <b>Net Cash Flows from Financing Activities</b> | <b>-</b>        | <b>-</b>       |
| <b>Net Increase / (Decrease) in Cash</b>        | <b>(20,655)</b> | <b>51,376</b>  |
| <b>Opening Cash</b>                             | <b>122,700</b>  | <b>71,324</b>  |
| <b>Closing Cash</b>                             | <b>102,044</b>  | <b>122,700</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 2016

#### **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.

#### **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 |
|-----------|-----------------------|



**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 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.

**Changes in Accounting Policies**

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

## Notes to the Financial Statements

### For the year ended 30 June 2016

#### 1. Post balance date events

Subsequent to balance date, the Trust accepted a quote of \$50,113.10 for the construction of a recreational pad for community use located within the Cleddau Village. This event does not affect the trust's ability to continue operating into the future.

There were no other significant events after the balance date.

#### 2. Bank accounts and cash

| Account             | 2016           | 2015           |
|---------------------|----------------|----------------|
| BNZ Current Account | 40,301         | 3,108          |
| BNZ Call Account    | 61,742         | 119,591        |
| <b>Total</b>        | <b>102,044</b> | <b>122,700</b> |

Interest rates on the BNZ Current and Call accounts at 30 June 2016 are 0.25% and 0.55% per annum respectively (2015: 0.25% and 2.75%).

#### 3. Investments

| Account          | 2016          | 2015     |
|------------------|---------------|----------|
| BNZ Term Deposit | 70,000        | -        |
| <b>Total</b>     | <b>70,000</b> | <b>-</b> |

The BNZ Term Deposit will mature on 19 December 2016 returning 3.15% interest per annum.

#### 4. Property, plant and equipment

| Equipment Cost                  | 2016          | 2015          |
|---------------------------------|---------------|---------------|
| 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                  | 18,358        | 17,264        |
| Depreciation Expense            | 657           | 1,094         |
| Disposals                       | -             | -             |
| <b>Balance 30 June</b>          | <b>19,015</b> | <b>18,358</b> |
| <b>Carrying Value 30 June</b>   | <b>985</b>    | <b>1,642</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.

#### 5. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2016 (Nil June 2015).

#### 6. Commitments

The Trust has no commitments as at 30 June 2016 (Nil June 2015).

## 7. Accumulated Funds

|                                | 2016           | 2015           |
|--------------------------------|----------------|----------------|
| <b>Contributed Capital</b>     |                |                |
| Balance at 1 July              | 100            | 100            |
| Capital contribution           | -              | -              |
| <b>Balance at 30 June</b>      | <b>100</b>     | <b>100</b>     |
| <b>Accumulated Surpluses</b>   |                |                |
| Balance at 1 July              | 115,849        | 84,889         |
| Surplus/(Deficit) for the year | 45,753         | 30,960         |
| Balance at 30 June             | 161,602        | 115,849        |
| <b>Accumulated funds</b>       | <b>161,702</b> | <b>115,949</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 received money from the DOC during the year of \$3,140 (2015 \$3,482) which relates to current year concessionaires income.

The Trust paid money to Southland District Council during the year totalling \$9,823 (2015 \$9,379). These costs are for the reimbursement of Trust expenses paid for by the Southland District Council.

The Trust paid no monies to Environment Southland during the year (2015 \$2,000). These prior year 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.

## 9. Explanation of major variances against budget

Explanations for major variations from the Trust's budgeted figures in the 30 June 2016 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 has not commenced.

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

The chairperson reduced his fee voluntarily.

- **Statement of Financial Position**

Cash balance is more than expected due to a higher opening balance and reduced expenditure in this financial year as mentioned above.

## Independent Auditor's Report

### To the readers of Milford Community Trust's financial statements and performance information for the year ended 30 June 2016

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 2016, 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 2016; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 19 August 2016. 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 appropriateness of the reported performance information within the Trust's framework for reporting performance;
- 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 the 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 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  
Christchurch, New Zealand