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Agenda for a meeting of the Waikato District Community Wellbeing Trust to be held in the Te Piringa Boardroom, District Office, 15 Galileo Street, Ngaruawahia on **FRIDAY 25 SEPTEMBER 2017** commencing at **8.00am**.

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFLICT OF INTEREST AND DISCLOSURES**
3. **CONFIRMATION OF MINUTES** 2  
Meeting held on 25 August 2017
4. **TRUST DEED COMPLIANCE REVIEW** 6
5. **UPDATE TO PROPOSED MEETING FRAMEWORK** 9
6. **ANNUAL REPORT 2016/17** 11
7. **GENERAL BUSINESS**

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**MINUTES** of a meeting of the Community Wellbeing Trust held in the Te Piringa Boardroom, District Office, 15 Galileo Street, Ngaruawahia on **FRIDAY 25 AUGUST 2017** commencing at **3.30pm**.

**Present:**

Cr J Church (Chairperson)  
Cr R McGuire  
Ms J Muru  
Ms Bateup  
His Worship the Mayor, Mr AM Sanson

**Attending:**

Mr T Whittaker (General Manager Strategy & Support)  
Ms M Davis (Financial Accountant)  
Ms L van den Bemd (Community Development Advisor)  
Ms E Wilson (Minute Secretary)

**APOLOGIES AND LEAVE OF ABSENCE**

**Resolved: (Ms Muru / Cr McGuire)**

**THAT** an apology be received from Alison Diaz and an apology for lateness from His Worship the Mayor, AM Sanson;

**CARRIED on the voices**

**WBT1708/1**

**CONFIRMATION OF STATUS OF AGENDA**

**Resolved: (Ms Muru / Cr McGuire)**

**THAT** the agenda for a meeting of the Community Wellbeing Trust held on Friday 25 August 2017 be confirmed and all items therein be considered in open meeting;

**AND THAT** the Report for Onewhero Old School be included;

**AND THAT** the Opuatia Community Hall photos be added to the application.

**CARRIED on the voices**

**WBT1708/2**

**DISCLOSURES OF INTEREST**

His Worship the Mayor, Mr AM Sanson disclosed interest in the Ngaruawahia RSA grant application.

## **CONFIRMATION OF MINUTES**

**Resolved: (Ms Muru / Cr McGuire)**

**THAT the minutes of a meeting of the Community Wellbeing Trust held on Monday 29 May 2017 be confirmed as a true and correct record of that meeting.**

**CARRIED on the voices**

**WBT1708/3**

## **GMI FUND PERFORMANCE TO 30 JUNE**

Agenda item 4

Taken as read. Outperformed the benchmark.

**Resolved: (Cr McGuire / Ms Bateup)**

**THAT the report from the Finance Manager be received.**

**CARRIED on the voices**

**WBT1708/4**

## **QUARTERLY CERTIFICATE OF COMPLAINE FOR PERIOD ENDING 30 JUNE 2017**

Agenda item 5

Taken as read. Last report was based on 2% cap. As at 1 July the 7.5% cap starts so the next report will reflect this.

**Resolved: (Cr McGuire / Ms Bateup)**

**THAT the report from the General Manager Strategy & Support be received.**

**CARRIED on the voices**

**WBT1708/5**

## **GRANT DISTRIBUTION AMOUNT**

Agenda item 6

Noted that \$138,000 distribution amount is higher than ordinarily expected. Formula as is would normally leave approximately \$80,000 to distribute.

There is an opportunity to increase the distribution rate based on long term sustainable return however members made a commitment to grow fund and will not change principals.

**ACTION: Review at next Agenda**

Onewhero Old School report received. Updated information required.

**ACTION: Move application to October to consider.**

**ACTION:Lianne to seek confirmation from Onewhero Old School regarding:**

Ministry of Education giving written confirmation of approval required.

Confirmation the project is progressing as expected with funds as approved.

Noted that funding was granted specifically for repiling, repairs and upgrades to the building once it was relocated. If the grant is to be now used for something different they will need to reapply.

**Resolved: (Cr McGuire / Ms Bateup)**

**THAT the report from the General Manager Strategy & Support be received;**

**AND THAT the Trustees confirm the annual distribution amount at \$138,520 for 2017/18**

#### ALLOCATION OF GRANTS

Agenda item 7

**Resolved: (Cr McGuire / Ms Bateup)**

**THAT the report from the General Manager Strategy & Support be received;**

**AND THAT Waikato District Community Wellbeing Trust confirms the following amounts in support of these projects:**

<b>Ref No.</b>	<b>Funding approved Yes / No</b>	<b>Amount</b>	<b>Notes</b>
<b>1</b> Tamahere – Mangaone Restoration Trust	Yes	\$13,061.73	Funding granted
<b>2</b> Raglan Community Arts Council Inc.	Yes	\$20,000	Granted on the proviso on lotteries funding being received and that a long term lease is reestablished.
<b>3</b> Opuatia Community Centre	No	nil	Funding declined. Refer back to halls around targeted rates increase.
<b>4</b> Holy Trinity Church	Yes	\$10,016.85	Funding granted
<b>5</b> Ngaruawahia RSA Memorial Club Inc.	Yes	\$20,000	Must completely renew not repair a section.
<b>6</b> Waikato District Council Parks and Facilities Department	No	nil	Refer to Heritage Project Fund
<b>7</b> St Andrews Presbyterian Church, Te Kauwhata Youth Centre	Yes	\$12,450	Funding granted

<b>8</b> Tuakau Youth Sport Trust	Yes	\$20,000	Funding granted
<b>9</b> Pokeno Community Committee	No	nil	Funding declined. Refer back to Rooding for Priority Projects.
<b>10</b> Waikato District Crime Prevention Trust	Yes	\$30,000	Funding granted. Application needs to be completed by the new Trust.

**CARRIED on the voices****WBT1708/8****PROPOSED MEETING FRAMEWORK****Agenda item 8**

The next meeting is to be Monday 25 September, 8-9.00am.

Raglan visit will be held in March with other site visits.

**ACTION:** Send out meeting invite ASAP.

**Resolved: (Ms Muru / Cr McGuire)**

**THAT the report from the Finance Manager be received**

**CARRIED on the voices****WBT1708/8****GENERAL****Agenda item 9**

Nil

There being no further business the meeting was declared closed at 5.15PM

Minutes approved and confirmed this                      day of                      2017.

Cr J Church  
**CHAIRPERSON**

### **Open Meeting**

<b>To</b>	Waikato District Community Wellbeing Trust
<b>From</b>	Alison Diaz Finance Manager
<b>Date</b>	21 September 2017
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	CVN0102
<b>Report Title</b>	Trust Deed Compliance Review

## **1. EXECUTIVE SUMMARY**

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Under the Statement of Intent, a legal review of Trust Deed compliance is conducted annually within two months of the financial year-end.

The Trust has been compliant with the deed with the exception of the Annual General Meeting (AGM) dates which we can now confirm must be moved from 31 October to the 31 December each year to accommodate the Gareth Morgan Investment Limited audit timings.

The Trust are being asked to pass a resolution to ratify the change in AGM dates.

It is also suggested that the Deed be more generic in regard to Council representation as it relates to specific councillor roles. Currently there is a mismatch between these naming conventions. A resolution will be provided to a future meeting to provide this flexibility.

## **2. RECOMMENDATION**

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**THAT the report from the Finance Manager be received;**

**AND THAT the Trust confirm that the date of the Annual General Meeting should be changed from a date no later than the 31 October each year, to a date no later than 31 December each year.**

## **3. ATTACHMENTS**

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Legal compliance review WBT

## MEMORANDUM

indepTo	The Chairman – Waikato District Community Wellbeing Trust
From	Gudrun Jones – Legal Counsel
Subject	Compliance with Trust Deed
File	72952
Date	30 August 2017

### Introduction

The Waikato District Community Wellbeing Trust (“the Trust”) has a Statement of Intent, as required by section 64(1) of the Local Government Act 2002. One of the performance measures contained in that Statement requires the Trust Board to undertake a legal review of compliance with the Trust Deed no later than two months after the end of each financial year. A review has been undertaken for the year 2016/2017.

**Clause 3.2 – Disbursement of Funds:** The Trust Board may only pay out grants of the net income of the Trust Fund in any financial year, after Trust expenses have been met.

Compliance: Attached are the Trust’s draft Financial Statements. Grants have been paid out of the net income of the Trust Fund - see draft Statement of Financial Performance for the year 2016/2017). The statements will be ratified by the Trust Board at its meeting to be held in September 2017. The audited Performance Report will not be available until November 2017 – see clause 6.4 below.

**Clause 5.1 – Membership of Trust:** The Trust Board must comprise 5 members, described in clause 5.1 of the Trust Deed.

Compliance: The Trust has had full membership and the Trustees were those described in clause 5.1.

**Clause 6.4 – Annual General Meeting:** The AGM must be held no later than four months after the end of each Financial Year, i.e. by 31 October. Audited financial statements must be available for the AGM.

Compliance: The last AGM was held on 5 December 2016. It was anticipated that audited financial statements would be available well before 31 October 2016. However, Gareth Morgan Investments Limited advised that the independent audit review from its auditors to confirm the internal controls of the portfolio managed by GMI are effective for the financial year would not be available until November each year. It is therefore necessary to again amend the Trust Deed, so that Annual General Meetings can be held by 31 December each year, commencing 2017. It is expected that a resolution to that effect will be passed at the Trust Board’s September 2017 meeting and then lodged with the Companies Office.

**Clause 10 – Powers of Investment:** The Trust Board must invest trust funds prudently; investments must be authorised by law.

Compliance: The investment portfolio is managed by Gareth Morgan Investments Limited, a reputable company. An investment mandate has been agreed between the Trustees and the company within an acceptable risk and return framework. The Trustees evaluate compliance through regular reporting.

**Clause 11.1(f) – Duties of Trust Board in relation to Disbursement of Funds:** The Trust Board must ensure that funds are disbursed in accordance with the objects of the Trust and must be sensitive to the needs of all sections of the community within the district, allocating resources effectively and equitably and being transparent.

Compliance: Projects funded during the last financial year have been reviewed and meet the requirements set out in the Trust Deed.

**Clause 14 – Financial Statements and Annual Report:** The Trust Board must ensure that full and correct accounts are kept during the financial year and Financial Statements are prepared accordingly. These Statements must be audited by an auditor and be available for the General Meeting. The Trust Board must also prepare and publish an Annual Report, consisting of the audited financial statements and a report from the chairperson about the Trust's activities.

Compliance: Audited Financial Statements for 2016/2017 are not available yet and will be presented at the Annual General Meeting which must be held by 31 December 2017 – see also clause 6.4 above.

**Requirement of Annual Return to be filed in the Companies Office:**

Compliance: an Annual Return was filed on 3<sup>rd</sup> May 2017.

To conclude, the Trust Boards has been operating in accordance with the Trust Deed, except that the Annual General Meeting was not held before 31 October 2016, because the audit of the Financial Statements required for that meeting was held up by the independent audit review from GMI's auditors becoming only available in November 2016. An amendment will be made to the Trust Deed so that the Annual General Meeting can be held by 31 December each year, and compliance with clause 6.4 of the Trust Deed can be achieved.

Gudrun Jones  
Legal Counsel

*Review relates to the draft Annual Report included in this agenda*



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### **Open Meeting**

<b>To</b>	Waikato District Community Wellbeing Trust
<b>From</b>	Alison Diaz Finance Manager
<b>Date</b>	21 September 2017
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	CVN0102
<b>Report Title</b>	Update to proposed meeting framework

## **I. EXECUTIVE SUMMARY**

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At the August meeting of the Trust a proposed framework for meetings in 2017/18 was presented.

Subsequent to that meeting staff now recommend some adjustments to the timetable to accommodate the December Annual General Meeting. The main changes relate to the September meeting which will now receive the draft Annual Report subject to final audit sign off in December, and the addition of an Annual General Meeting in December to ratify the Annual Report.

Meeting dates will be finalised once the council's meeting calendars for 2018 are released, and availability of Trustees is confirmed.

## **2. RECOMMENDATION**

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**THAT the report from the Finance Manager be received.**

## **3. ATTACHMENTS**

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Updated Trust meetings schedule for 2017/18

WAIKATO DISTRICT COMMUNITY WELLBEING TRUST  
Trust meetings 2017/18

Date	Key meeting topic
25 August 2017	<ul style="list-style-type: none"> <li>▪ Agree grant distribution for 2017/18</li> <li>▪ Quarterly compliance</li> <li>▪ Quarterly fund performance</li> </ul>
25 September 2017 (needs to meet October Council timeframes)	<ul style="list-style-type: none"> <li>▪ <del>Ratify Annual Report for 2016/17</del></li> <li>▪ <del>Receive Audit Management Letter (subject to timings being confirmed)</del></li> <li>▪ <del>Review of grant distribution formula</del></li> <li>▪ draft Annual Report (adoption subject to audit sign-off December)</li> <li>▪ Trust deed compliance review</li> </ul>
November 2017 (suitable date to be agreed by Trust)	<ul style="list-style-type: none"> <li>▪ Grant update</li> <li>▪ Quarterly compliance</li> <li>▪ Quarterly fund performance</li> </ul>
December 2017 AGM	<ul style="list-style-type: none"> <li>▪ Ratify Annual Report for 2016/17</li> <li>▪ Receive Audit Management Letter (subject to timings being confirmed)</li> <li>▪ Annual review of grant distribution formula</li> </ul>
February 2018 (same day as council meeting to meet February Strategy & Finance Committee timeframes)	<ul style="list-style-type: none"> <li>▪ Draft Statement of Intent for 2018/19</li> <li>▪ Review of Investment Portfolio and Distribution Policy</li> <li>▪ Six monthly accounts</li> <li>▪ Quarterly compliance</li> <li>▪ Quarterly fund performance</li> </ul>
March 2018 (suitable date to be agreed by Trust)	<ul style="list-style-type: none"> <li>▪ Site visits</li> </ul>
May 2018 (needs to tie in with Council LTP hearings to receive recommendations for funding)	<ul style="list-style-type: none"> <li>▪ Final Statement of Intent</li> <li>▪ Grant update</li> <li>▪ Agree grant distribution for 2018/19</li> <li>▪ Quarterly compliance</li> <li>▪ Quarterly fund performance</li> </ul>

### **Open Meeting**

<b>To</b>	Waikato District Community Wellbeing Trust
<b>From</b>	Alison Diaz Finance Manager
<b>Date</b>	21 September 2017
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	CVN0102
<b>Report Title</b>	Annual Report for 2016/17

## **I. EXECUTIVE SUMMARY**

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Subject to Gareth Morgan Investment Limited's audit timings and related Audit New Zealand sign-off, the Trust are being asked to adopt the Annual Report for 2016/17 with final ratification scheduled for the Annual General Meeting.

The objectives committed to in the Statement of Intent were all achieved for the year. Major variances from the Trust's budget figures related to:

- The increased investment in the PIE fund. A greater proportion of income is reinvested in the fund which reduces finance income and increases gains on investments.
- Actual grants distributed included amounts approved in previous years. \$50,548 of grants distributed related to prior year commitments which increases the amount of creditors and other payables.

It should be noted that the timing of Gareth Morgan Investment Limited's audit will have an enduring impact on the Trust's ability to comply with section 67 of the Local Government Act 2002 for Annual Report adoption. This will be covered in a statutory breach disclosure each year.

## **2. RECOMMENDATION**

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**THAT the report from the Finance Manager be received;**

**AND THAT the Trust adopt the Annual Report for 2016/17 subject to final audit sign-off;**

**AND FURTHER THAT the Annual Report be formally ratified before the 31 December 2017 at the Annual General Meeting.**

## **3. ATTACHMENTS**

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Annual Report 2016/17

**Waikato District Community Wellbeing Trust**  
**Performance Report**  
**For the year ended 30 June 2017**

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

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**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Entity information**

**Legal name**

Waikato District Community Wellbeing Trust (the Trust).

**Type of entity and legal basis**

The Trust was incorporated on 1 November 2010 under the Charitable Trust Act 1957 and is domiciled in New Zealand. On the same date the Trust was registered in accordance with the Charities Act 2005 to give it charitable status. (Registration number: CC45642)

The Trust is controlled by Waikato District Council (Council) and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002, by virtue of Council's right to appoint the Trustees.

**Objectives of the Trust**

1. To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed \*;
2. To develop an investment mandate seeking for the portfolio both income and growth from suitably diversified investments having a moderate investment risk.

\* Clause 11 of the Deed lists the Trust's objectives as:

- a) To consider and approve projects submitted by Waikato District Council (Council);
- b) To publicise the projects and activities of the Trust;
- c) To actively promote the work of the Trust with a view to ensuring the long term operations of the Trust;
- d) To ensure information about the Trust's activities and objectives is available to people within the area and fosters a sense of community achievement and betterment;
- e) To develop appropriate funding allocation mechanisms; and,
- f) To be guided by a clearly defined set of principles.

The principal activities of the Trust are undertaken to:

- Promote the social, environmental and cultural wellbeing of the Waikato district and its communities;
- Deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community; and,
- Fund projects identified by Council's planning documents.

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Structure of the Trust's operations, including governance arrangements**

The Trust comprises a Board of five Trustees who oversee the governance of the Trust.

The operation and administration of the Trust are undertaken by staff of Council. Those staff members are: Finance Manager, PA to the General Manager-Strategy & Support, Community Development Coordinator and Financial Accountant.

The Trustees are:

Mayor	Allan Sanson
Councillor	Jacqui Church (Chairperson)
Councillor	Rob McGuire
Council appointee	Eileen Bateup
Council appointee	Judi Muru

**Main sources of the Trust's cash and resources**

The Trust's introductory fund was provided by distribution of the capital fund of the Waikato Foundation Trust.

The proceeds of that distribution are invested in a portfolio of financial assets managed by Gareth Morgan Investments. The returns from the portfolio are the Trust's source of continuing revenue.

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Statement of service performance**

The following performance measures were incorporated into the Statement of Intent for the year ended 30 June 2017.

<b>Objective</b>	<b>Performance Measures</b>	<b>2016/17 Result</b>	<b>2015/16 Result</b>
<p><b>Governance:</b> To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed.</p>	<p>Undertake an annual legal review of compliance with the Trust Deed no later than two months after the end of each financial year.</p>	<p>Achieved. Legal review completed on 31 August 2017.</p>	<p>Achieved. Legal review completed on 22 August 2016.</p>
<p><b>Investment:</b> To adhere to the Trust's <i>Management of Investment Portfolio and Distribution Policy</i>.</p> <p>To review on an annual basis the investment mandate and the performance of the portfolio manager.</p>	<p>At each quarterly meeting review compliance with the Trust's <i>Management of Investment Portfolio and Distribution Policy</i> during that quarter.</p>	<p>Achieved. Quarterly compliance certificates have been provided to each meeting of trustees. The certificates are reviewed and adopted by the Trust Board.</p>	<p>Achieved. Quarterly compliance certificates have been provided to each meeting of trustees. The certificates are reviewed and adopted by the Trust Board.</p>
<p><b>Fund disbursement:</b> As per the <i>Management of Investment Portfolio and Distribution Policy</i>, to distribute a total grant disbursement that does not exceed 50% of the accumulated retained net income after allowing for accumulated expenses, inflation movements and prior year distributions.</p>	<p>A distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set by the Trustees in accordance with the <i>Management of Investment Portfolio and Distribution Policy</i> for the current year.</p>	<p>Achieved. Grant approvals equate to 14% of the accumulated retained net income after allowing for accumulated expenses and inflation movements. Actual grants paid included \$50,548 approved in previous years.</p>	<p>Achieved. Grant distributions equate to 42% of the accumulated retained net income after allowing for accumulated expenses and inflation movements. Actual grants paid were all approved in the previous year.</p>



**Waikato District Community Wellbeing Trust**
**Performance report**
**For the year ended 30 June 2017**

<b>Objective</b>	<b>Performance Measures</b>	<b>2016/17 Result</b>	<b>2015/16 Result</b>
<b>Fund disbursement (cont)</b>	Six-monthly reports are received from all successful applicants within the required timeframe.	Achieved. All required reports were received.	Achieved. All required reports were received.

**Portfolio and distribution policy compliance**

<b>Agreed targets</b>	<b>Actual Outcome 2016/17</b>	<b>Actual Outcome 2015/16</b>
Ensure that the real (inflation adjusted) value of the fund is protected.	Achieved. The capital maintenance fund has been increased by 2% of opening capital while the annual Consumer Price Index increased by only 1.7% over the year.	Achieved. The capital maintenance fund has been increased by 2% of opening capital while the annual Consumer Price Index increased by only 0.4% over the year.
Ensure that no more than 10% of the capital is distributed in any one year.	Achieved. Grants approved of \$88,250 equal 2.6% of total capital.	Achieved. The overall grant payments of \$51,048 represent only 1.4% of total capital.
Ensure there is diversification of investments with a 2% (increased to 7.5% from 1 July 2017) cap on the value of any single investment in the portfolio.	Mostly achieved. The instances where the cap was exceeded related to the PIE investment; they are not considered high risk.	Mostly achieved. The instances where the cap was exceeded are not considered high risk and involved cash or fixed interest managed funds.
The portfolio investment manager will report regularly to the Trustees.	Achieved. The portfolio investment reports are provided to the Trustees at each meeting.	Achieved. The portfolio investment reports are provided to the Trustees at each meeting.
The Trustees will annually review the performance of the portfolio manager.	Achieved. The performance of the portfolio manager has been reviewed. The Trustees have always acknowledged the need for a long-term view of portfolio management performance.	Achieved. The performance of the portfolio manager has been reviewed. The Trustees have always acknowledged the need for a long-term view of portfolio management performance.

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Declaration by Board of Trustees**

The Board of Trustees is responsible for the preparation of the financial statements and performance information in accordance with the financial reporting standards.

The Board of Trustees is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance results. In the opinion of the Board of Trustees, these financial statements fairly reflect or give a true and fair view of the financial position, operations and service performance of the Waikato District Community Wellbeing Trust for the year ended 30 June 2017.

Trustee: \_\_\_\_\_

Trustee: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Statement of financial performance**

	Note	2016/17 Actual \$	2016/17 Budget \$	2015/16 Actual \$
<b>Revenue</b>				
Finance income	1	4,543	53,105	58,591
Dividend income from portfolio of investments managed by Gareth Morgan Investments (GMI)		34,454	25,288	39,930
Realised gains on investments		115,374	-	188,442
Unrealised gains on investments		202,342	174,483	-
<b>Total revenue</b>		<b>356,713</b>	<b>252,876</b>	<b>286,963</b>
<b>Expenses</b>				
Audit fees				
- Current year		7,628	7,200	7,399
- Additional prior year		-	-	944
Other expenditure	2	22,825	25,143	22,471
Grants	3	178,798	75,630	51,048
Unrealised losses on investments		-	-	353,256
<b>Total expenses</b>		<b>209,251</b>	<b>107,973</b>	<b>435,118</b>
<b>Surplus (deficit) for the year</b>		<b>147,462</b>	<b>144,903</b>	<b>(148,155)</b>

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Statement of financial position**

	Note	2016/17 Actual \$	2016/17 Budget \$	2015/16 Actual \$
<b>Assets</b>				
<b>Current assets</b>				
Bank accounts and cash	4	137,494	333,968	281,689
Investments	5	3,662,173	3,367,112	3,242,213
Accrued interest			-	
<b>Total current assets</b>		<b>3,799,668</b>	<b>3,701,080</b>	<b>3,523,903</b>
<b>Total assets</b>		<b>3,799,668</b>	<b>3,701,080</b>	<b>3,523,903</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables	6	128,149	85,232	60,075
Accrued expenses	7	67,788	7,240	7,559
<b>Total current liabilities</b>		<b>195,937</b>	<b>92,472</b>	<b>67,634</b>
<b>Total liabilities</b>		<b>195,937</b>	<b>92,472</b>	<b>67,634</b>
<b>Total assets less total liabilities (net assets)</b>		<b>3,603,731</b>	<b>3,608,608</b>	<b>3,456,269</b>
<b>Trust equity</b>				
	8			
Introductory fund		2,579,899	2,579,899	2,579,899
Capital maintenance fund		334,856	335,006	265,731
Accumulated funds		688,976	693,703	610,639
<b>Total Trust equity</b>		<b>3,603,731</b>	<b>3,608,608</b>	<b>3,456,269</b>

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Statement of cash flows**

	Note	2016/17 Actual \$	2016/17 Budget \$	2015/16 Actual \$
<b>Cash flows from operating activities</b>				
<b>Cash was received from:</b>				
Interest receipts		4,544	54,118	58,593
Dividends received		34,449	25,288	39,933
<b>Cash was applied to:</b>				
Payment to donees		(51,048)	(195,596)	(140,000)
Payment to suppliers		(29,921)	(31,703)	(44,688)
<b>Net cash flows from operating activities</b>		<b>(41,976)</b>	<b>(148,893)</b>	<b>(86,162)</b>
<b>Cash flows from investing and financing activities</b>				
<b>Cash was received from:</b>				
Sale of investments		2,309,402	151,070	5,336,352
<b>Cash was applied to:</b>				
Acquisition of investments		(2,410,862)	-	(5,265,205)
<b>Net cash flows from investing and financing activities</b>		<b>(101,460)</b>	<b>151,070</b>	<b>71,147</b>
Foreign exchange translation differences		(759)		(264)
<b>Net increase (decrease) in cash for the year</b>		<b>(144,195)</b>	<b>2,177</b>	<b>(15,279)</b>
Add opening bank accounts and cash	4	281,689	331,791	296,968
<b>Closing bank accounts and cash</b>	<b>4</b>	<b>137,494</b>	<b>333,968</b>	<b>281,689</b>

**Waikato District Community Wellbeing Trust****Performance report****For the year ended 30 June 2017****Statement of accounting policies****Basis of preparation**

The Trustees have elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* for Tier 3 entities on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

Notwithstanding the comments above, the following Tier 2 PBE accounting standards have been used:

PBE IPSAS 4 The effects of changes in foreign exchange rates; and,  
PBE IPSAS 29 Financial instruments: recognition and measurement.

All transactions in the financial statements are reported using the accrual basis of accounting.

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

**Goods and services tax (GST)**

The Trust is not registered for GST. All amounts in the performance report are inclusive of GST.

**Significant accounting policies****Interest and dividend revenue**

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

Dividend revenue is recognised when the dividend is declared.

**Foreign currency transactions**

Foreign currency transactions are translated into New Zealand Dollars using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in surplus (deficit) for the year.

**Grant expenditure**

All grants made by the Trust are classified as discretionary.

Discretionary grants are those grants where the Trust has no obligation to award on receipt of the grant application. Such grants are recognised as expenditure when approved without condition by the Trustees and the approval has been communicated to the applicant. Discretionary grants made subject to conditions are recognised as expenditure when all conditions have been met.

**Income tax**

The Trust has charitable status and is exempt from income tax.

**Waikato District Community Wellbeing Trust****Performance report****For the year ended 30 June 2017****Bank accounts and cash**

Bank accounts and cash includes cash on hand and deposits held at call with financial institutions.

**Investment portfolio**

Components of the investment portfolio are classified as financial assets at fair value through surplus or deficit. The reason for this classification is that the portfolio is comprised of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

All financial assets in the portfolio are classified as current assets.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus(deficit) for the year.

**Creditors and accrued expenses**

Creditors and accrued expenses are measured at the amount owed.

**Budget figures**

The budget figures are derived from the statement of intent approved by the Trustees at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards (with the exceptions noted above), 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 in accounting policies.

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

**Notes to the performance report**

**1. Finance income**

	<b>2016/17</b>	2015/16
	<b>Actual</b>	Actual
	\$	\$
Interest income from portfolio of investments managed by GMI	4,541	58,521
Interest income from BNZ	2	70
<b>Total finance income</b>	<b>4,543</b>	<b>58,591</b>

All finance income is generated through exchange transactions.

**2. Other expenditure**

	<b>2016/17</b>	2015/16
	<b>Actual</b>	Actual
	\$	\$
Management fees	22,380	21,887
Other expenses	445	584
<b>Total other expenditure</b>	<b>22,825</b>	<b>22,471</b>



**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

### 3. Grants

	<b>Purpose of Grant</b>	<b>2016/17 Actual</b>	2015/16 Actual
		\$	\$
NW Crime Prevention Trust (2015)	Installation of security cameras in North Waikato townships	-	20,000
The Bush Tramway Club Inc	To complete stage 3 of the extension line on the railway track leading to Glen Afton village	15,548	15,548
Ngaruawahia United AFC	To upgrade the kitchen of the Club's facility located at Centennial Park Ngaruawahia	15,000	15,500
Raglan Mountain Bike Club	Contribution towards development of a mountain bike track	20,000	-
Ngaruawahia Community House	Towards cost of replacing original roof	13,557	-
Pukemokemoke Bush Trust	Towards cost of upgrading walking track	17,193	-
Taupiri Rugby Football Club	Towards cost of upgrading communal toilet facilities	7,500	-
Turangawaewae Rugby League Club	Upgrade kitchen facilities	15,000	-
Whitikahu Hall Committee	Towards cost of upgrading tennis courts	15,000	-
Glen Afton Pukemiro Society Incorporated	Construction of a mining memorial in Glen Afton	20,000	-
Te Kauwhata Events Committee Incorporated	For stage one of the Whangamarino Wetland Walkway	40,000	-
<b>Total grants paid</b>		<b>178,798</b>	<b>51,048</b>

### 4. Bank accounts and cash

		<b>2016/17 Actual</b>	2015/16 Actual
		\$	\$
Cash at bank		994	1,031
Cash investments managed by GMI	Note 13	136,500	280,658
<b>Total bank accounts and cash</b>		<b>137,494</b>	<b>281,689</b>

The carrying value of cash at bank approximates its fair value.

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

## 5. Investments

	2016/17	2015/16
	Actual	Actual
	\$	\$
Fixed interest instruments managed by GMI	1,711,457	1,578,398
Equity instruments managed by GMI	1,950,716	1,663,815
<b>Total investments</b>	<b>3,662,173</b>	<b>3,242,213</b>

The Trust has a portfolio of investments which is managed by Gareth Morgan Investments (GMI). The portfolio investments are detailed in note 13.

Accrued interest of \$18,151 (June 2016: \$188) is included in the portfolio.

## 6. Creditors and other payables

	2016/17	2015/16
	Actual	Actual
	\$	\$
- Audit fee 2016	7,399	-
- Audit fee 2015	-	7,235
- Annual return fees	51	51
- Credit for over payment	-	(64)
- Grants	118,798	51,048
<i>Total Council Payable:</i>	<i>126,248</i>	<i>58,270</i>
Management fee	1,901	1,805
<b>Total creditors and other payables</b>	<b>128,149</b>	<b>60,075</b>

Creditors and other payables are non-interest bearing and are normally settled within 30 days, therefore the carrying value of trade and other payables approximates their fair value.

All payables have arisen from exchange transactions.

**Waikato District Community Wellbeing Trust**  
**Performance report**  
**For the year ended 30 June 2017**

## 7. Accrued expenses

	2016/17	2015/16
	Actual	Actual
	\$	\$
Audit fee – current year	7,628	7,399
Audit disbursements - current year	160	160
Grants	60,000	-
<b>Total accrued expenses</b>	<b>67,788</b>	<b>7,559</b>

## 8. Equity

	Introductory fund	Capital maintenance fund	Accumulated funds	Total equity
Balance at 1 July 2015	2,579,899	193,643	830,882	3,604,424
Surplus (deficit)	-	-	(148,155)	(148,155)
Capital maintenance charge	-	72,088	(72,088)	-
<b>Balance at 30 June 2016</b>	<b>2,579,899</b>	<b>265,731</b>	<b>610,639</b>	<b>3,456,269</b>
Surplus (deficit)	-	-	147,462	147,462
Capital maintenance charge	-	69,125	(69,125)	-
<b>Balance at 30 June 2017</b>	<b>2,579,899</b>	<b>334,856</b>	<b>688,976</b>	<b>3,603,731</b>

### ***Introductory and capital maintenance funds***

The Trust was established with an initial contribution resulting from the transfer of 35% of funds previously held by the Waikato Foundation Trust as at 31 January 2012. This was recognised as revenue in that year and transferred to the introductory fund.

The Trust's performance objectives, as listed in the Statement of intent for the year to 30 June 2017, include a requirement to protect the real (inflation adjusted) value of the fund. An adjustment of 2% is added to the Capital maintenance fund annually in order to achieve this objective.

**Waikato District Community Wellbeing Trust****Performance report****For the year ended 30 June 2017****9. Commitments****Capital commitments**

There are no capital commitments as at 30 June 2017 (June 2016: Nil).

**Operational commitments**

As at 30 June 2017 the Trust had the following grant commitments:

<b>Donee</b>	<b>Purpose of grant</b>	<b>Amount</b>
Onewhero School Building Incorporated	To re-site the old school building back on the grounds of the Onewhero Area School	35,000
Menzshed	Towards cost of building new workshop	10,000
Ngaruawahia Community Board	Towards cost of installing adult fitness station in Ngaruawahia	10,000
<b>Total outstanding grants</b>		<b>\$55,000</b>

All grants are subject to conditions and are not paid until those conditions are fulfilled.

**10. Contingent liabilities**

There are no contingent liabilities as at 30 June 2017 (June 2016: Nil).

**11. Events after balance date**

There are no significant events after the balance date.

## Waikato District Community Wellbeing Trust

### Performance report

For the year ended 30 June 2017

#### 12. Related party transactions

The Trust is controlled by Waikato District Council and is a member of the Waikato District Council Group along with Council and Strada Corporation Limited. All transactions with related parties were conducted at arms-length.

During the period Council has paid some expenses on behalf of the Trust and there is an amount payable to Council at balance date. Those transactions comprise expense and grants payments and the balance outstanding at 30 June 2017 is \$126,248 (June 2016: \$58,270). See note 6 for details

#### 13. Managed portfolio

The portfolio of the Trust's investments is managed by Gareth Morgan Investments Limited (GMI).

The portfolio composition is:

	June 2017	June 2016
	\$	\$
Cash investments	136,500	280,658
Fixed interest	1,711,457	1,578,398
Equity investments	1,950,673	1,663,815
Total managed portfolio	3,789,673	3,522,871

#### 14. Explanation of major variances against budget

Explanations for major variances from the Trust's budget figures in the 2016/17 Statement of Intent are as follows:

- The increased investment in the PIE fund means that a greater proportion of income is reinvested in the fund. This is the reason for the reduced finance income and increased gains on investments.
- Actual grants distributed included \$50,548 approved in previous years. This was also the reason for the increased amount of creditors and other payables.

#### 15. Breach of section 67 of the Local Government Act 2002

The Trust did not adopt its audited financial statements within three months of balance date (30 September 2017) as required by section 67 of the Local Government Act 2002.

The reason for the late adoption was that some of the evidence required for audit purposes was not available until after 30 September 2017.