
Agenda for a Annual General Meeting of the Waikato District Community Wellbeing Trust to be held in the Ruru Meeting Room, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 22 DECEMBER 2020** commencing at **10.30am**.

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFLICT OF INTEREST AND DISCLOSURES**
3. **CONFIRMATION OF AGENDA**
4. **CONFIRMATION OF MINUTES** |
Annual General Meeting held on 10 December 2019
5. **ADOPTION OF PERFORMANCE REPORT FOR 2019/20** 4
6. **RECEIVE AUDITORS REPORT**
To Be distributed separately if available
7. **APPOINT AUDIT FOR 2020/21**
8. **GENERAL BUSINESS**

MINUTES of an Annual General Meeting of the Community Wellbeing Trust held in the Kakapo Room, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 10 DECEMBER 2019** commencing at **9.00am**.

Present:

Cr J Church (Chairperson)
Cr R McGuire
Ms J Muru

Attending:

Ms M Davis (Financial Accountant)
Ms L Van den Bemd (Community Development Advisor)
Ms E Wilson (Minute Secretary)

Apologies and Leave of Absence
Agenda Item 1

THAT an apology be received for lateness from His Worship the Mayor, Mr AM Sanson, and an apology be received from Ms Muru.

Resolved: (Ms Bateup / Cr McGuire)

CARRIED on the voices

WBT1912/1

Disclosures of Interest
Agenda Item 2

There were no disclosures of interest.

Confirmation of Agenda

Agenda item 3

Agenda item 6 - Auditors report will be moved to the next meeting in 2020.

Resolved: (Cr Church / Cr McGuire)

THAT the Agenda for the Annual General Meeting of the Waikato District Community Wellbeing Trust held on 10 December 2019 be confirmed.

CARRIED on the voices

WBT1912/2

Confirmation of Minutes

Agenda item 4

Clarify names are written into Council Resolutions each triennium when Trustees are changed.

Page 4 – change words to “in respect of” not irrespective.

Amend 3 December 2018 date.

Resolved: (Cr Church / Cr McGuire)

THAT the minutes of the Annual General Meeting of the Community Wellbeing Trust held on 3 December 2018 be confirmed as a true and correct record, with agreed changes, of that meeting.

CARRIED on the voices

WBT1912/3

Adoption of the annual Performance Report

Agenda Item 5

- Minor changes page 5: Fund disbursement – word retained has been removed.
- 18 / 19 result column word retained has been removed.
- Page 6 – Portfolio and distention outcome column. CPI 1.2% now 1.7%.
- Third target – reference 2% increase has been removed.

Resolved: (Ms Bateup / Mayor Sanson)

THAT the report from the Chief Financial Officer be received;

AND THAT the Trust adopt the annual Performance Report for 2018/19

CARRIED on the voices

WBT1912/4

Receive Auditors report – item moved to next meeting in 2020.

Appoint Auditor for 2019/20

THAT pursuant to Section 70 of the Local Government Act 2002 the Auditor General will confirm the auditors for the 2019/20 financial year to be appointed to the Waikato District Community Wellbeing Trust.

Resolved: (Cr Church / Cr McGuire)

CARRIED on the voices

WBT1912/5

General Business

Agenda item 8

ACTION: Add to calendar Agenda item for Triennium to confirm Trustees on Council delegation register.

There being no further business the meeting was declared closed at 9.16am.

Minutes approved and confirmed this day of 2020.

Cr J Church
CHAIRPERSON

Waikato District Community Wellbeing Trust
Performance Report
For the year ended 30 June 2020

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

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Waikato District Community Wellbeing Trust

Performance report

For the year ended 30 June 2020

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 2020

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 (resigned 10 December 2019)
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 Kiwi Wealth Limited. 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 2020

Statement of service performance

The following performance measures were incorporated into the Statement of Intent for the year ended 30 June 2020.

Objective	Performance Measures	2019/20 Result	2018/19 Result
<p>Governance: 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>	Undertake an annual legal review of compliance with the Trust Deed no later than two months after the end of each financial year.	Achieved. The review was completed on 31 August 2020; the formal report was received on 03 December 2020.	Not achieved. The review was completed on 17 September 2019.
<p>Investment: 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>	At each quarterly meeting review compliance with the Trust's <i>Management of Investment Portfolio and Distribution Policy</i> during that quarter.	<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. The performance of the portfolio manager was reviewed in February 2020.</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. The performance of the portfolio manager was reviewed in February 2019.</p>
<p>Fund disbursement: 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 net income after allowing for accumulated expenses, inflation movements and prior year distributions.</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</i>	Achieved. Total cumulative Grant approvals equate to 1.73% of the accumulated net income after allowing for accumulated expenses and inflation movements.	Achieved. Grant approvals equate to 10.5% of the accumulated net income after allowing for accumulated expenses and inflation movements.

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

Objective	Performance Measures	2019/20 Result	2018/19 Result
Fund disbursement (cont)	<p><i>of Investment Portfolio and Distribution Policy for the current year.</i></p> <p>Six-monthly reports are received from all successful applicants within the required timeframe.</p>	Achieved. All required reports were received	Achieved. All required reports were received

Portfolio and distribution policy compliance

Agreed targets	Actual Outcome 2019/20	Actual Outcome 2018/19
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 1.5% 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 1.7% over the year.
Ensure that no more than 10% of the capital is distributed in any one year.	Achieved. Grants approved of \$19,000 amount to 0.45% of total capital.	Achieved. Grants approved of \$97,774 equal 2.5% of total capital.
Ensure there is diversification of investments with a 7.5% cap on the value of any single investment in the portfolio.	Mostly achieved. The instances where the cap was exceeded related to the PIE investments which now make up the total investment portfolio. Given that all of the portfolio is now invested in PIE funds and the Trust does not actually own individual investments this target is under review.	Mostly achieved. The instances where the cap was exceeded related to the PIE investments which now make up the total investment portfolio. The Trustees will re-consider the appropriateness of this target when preparing the statement of intent for the 2020-21 financial year.

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

Agreed targets	Actual Outcome 2019/20	Actual Outcome 2018/19
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.

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 2020.

Trustee: _____

Trustee: _____

Date: _____

Date: _____

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

Statement of financial performance

	Note	2019/20		2018/19
		Actual	Budget	Actual
		\$	\$	\$
Revenue				
Finance income	1	180	141	223
Dividend income from portfolio of investments managed by Kiwi Wealth		-	-	-
Realised gains on investments		104,634	69,977	22,288
Unrealised gains on investments		200,990	215,642	253,258
Total revenue		305,804	285,760	275,769
Expenses				
Audit fees		8,627	7,808	7,810
Other expenditure	2	26,526	29,709	25,471
Grants	3	-	37,968	187,774
Unrealised losses on investments		-	-	-
Total expenses		35,153	75,485	221,055
Surplus (deficit) for the year		270,651	210,275	54,714

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

Statement of financial position

	Note	2019/20		2018/19
		Actual	Budget	Actual
		\$	\$	\$
Assets				
Current assets				
Bank accounts and cash	4	37,108	15,873	1,882
Investments	5	4,449,386	3,963,917	4,301,156
Prepayments		385	408	386
Total current assets		4,486,879	3,980,198	4,303,424
Total assets		4,486,879	3,980,198	4,303,424
Liabilities				
Current liabilities				
Creditors and other payables	6	188,382	50,003	234,096
Accrued expenses	7	56,229	8,164	97,711
Total current liabilities		244,611	58,167	331,807
Total liabilities		244,611	58,167	331,807
Total assets less total liabilities (net assets)		4,242,268	3,922,031	3,971,617
Trust equity				
Introductory fund	8	2,579,899	2,579,899	2,579,899
Capital maintenance fund		564,702	559,505	485,270
Accumulated funds		1,097,667	782,626	906,448
Total Trust equity		4,242,268	3,922,031	3,971,617

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

Statement of cash flows

		2019/20		2018/19
	Note	Actual	Budget	Actual
		\$	\$	\$
Cash flows from operating activities				
Cash was received from:				
Interest receipts		180	141	219
Dividends received		-	-	-
Cash was applied to:				
Payment to donees		(95,529)	(198,162)	(118,798)
Payment to suppliers		(26,819)	(16,983)	(31,575)
Net cash flows from operating activities		(122,168)	(215,004)	(150,154)
Cash flows from investing and financing activities				
Net investment movement		157,394	215,824	12,231
Net cash flows from investing and financing activities		157,394	215,824	12,231
Foreign exchange translation differences		-	-	5
Net increase (decrease) in cash for the year		35,226	820	(137,918)
Add opening bank accounts and cash	4	1,882	15,053	139,800
Closing bank accounts and cash	4	37,108	15,873	1,882

Waikato District Community Wellbeing Trust**Performance report****For the year ended 30 June 2020****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. See note 16 for further comment.

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 2020****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 2020

Notes to the performance report

1. Finance income

	2019/20	2018/19
	Actual	Actual
	\$	\$
Interest income from portfolio of investments managed by Kiwi Wealth	179	191
Interest income from BNZ	1	32
Total finance income	180	223

All finance income is generated through exchange transactions.

2. Other expenditure

	2019/20	2018/19
	Actual	Actual
	\$	\$
Management fees	25,127	24,172
Insurance	1,151	1,130
Other expenses	248	169
Total other expenditure	26,526	25,471

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020
3. Grants paid

	Purpose of Grant	2019/20 Actual \$	2018/19 Actual \$
The BushTramway Club Inc	To extend existing carriage storage shelter	-	10,000
Waikato District Crime Prevention Technology Trust (Huntly)	To upgrade Huntly township existing CCTV cameras	-	30,000
Raglan Community Arts Council	Towards construction of a theatre and clay shed on the Old School site in Raglan	-	20,000
Ngaruawahia Squash Racquets Club	To upgrade bathroom facilities	-	8,000
Ngaruawahia RSA Memorial Club	To upgrade building roof	-	20,000
Taupiri Rugby Football Club	To install three heating units	-	9,000
Matangi-Hillcrest Sports Club Inc	To remedy water supply issues	-	5,774
Waikato District Crime Prevention Technology Trust	To review and upgrade all existing CCTV cameras and monitoring equipment across the Waikato District (excluding Huntly)	-	25,000
Huntly Volunteer Fire Brigade	To replace the Brigade support vehicle	-	20,000
Te Kauwhata and Districts Information & Support Centre Incorporated	To purchase the existing community building and land	-	40,000
Total grants paid		-	187,774

4. Bank accounts and cash

	2019/20 Actual \$	2018/19 Actual \$
Cash at bank	909	948
Cash investments managed by Kiwi Wealth Note 13	36,199	934
Total bank accounts and cash	37,108	1,882

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

Waikato District Community Wellbeing Trust
Performance report
For the year ended 30 June 2020

5. Investments

	2019/20	2018/19
	Actual	Actual
	\$	\$
Fixed interest instruments managed by Kiwi Wealth	1,999,955	1,933,767
Equity instruments managed by Kiwi Wealth	2,449,431	2,367,389
Total investments	4,449,386	4,301,156

The Trust has a portfolio of investments which is managed by Kiwi Wealth Limited. The portfolio investments are detailed in note 13.

No accrued interest (June 2019: \$nil) is included in the portfolio.

6. Creditors and other payables

	2019/20	2018/19
	Actual	Actual
	\$	\$
- Audit fee 2017	7,628	7,628
- Audit fee 2018	7,730	6,693
- Audit fee 2019	7,966	-
- Audit fee 2020	2,300	-
- Annual return fees	102	102
- Insurance	2,300	2,579
- Other expenses	-	1,272
- Grants	158,217	213,746
<i>Total Council Payable:</i>	<i>186,243</i>	<i>232,020</i>
Management fee	2,139	2,076
Total creditors and other payables	188,382	234,096

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 2020

7. Accrued expenses

	2019/20	2018/19
	Actual	Actual
	\$	\$
Audit fee – current year	6,327	7,810
Grants	49,556	89,556
Other expenses	346	345
Total accrued expenses	56,229	97,711

8. Equity

	Introductory fund	Capital maintenance fund	Accumulated funds	Total equity
Balance at 1 July 2018	2,579,899	406,932	930,072	3,916,903
Surplus (deficit)	-	-	54,714	54,714
Capital maintenance charge	-	78,338	(78,338)	-
Balance at 30 June 2019	2,579,899	485,270	906,448	3,971,617
Surplus (deficit)	-	-	270,651	270,651
Capital maintenance charge	-	79,432	(79,432)	-
Balance at 30 June 2020	2,579,899	564,702	1,097,667	4,242,268

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 2020, include a requirement to protect the real (inflation adjusted) value of the fund. An adjustment of 2% of opening capital is added to the Capital maintenance fund annually in order to achieve this objective.

9. Commitments

Capital commitments

There are no capital commitments as at 30 June 2020 (June 2019: Nil).

Waikato District Community Wellbeing Trust**Performance report****For the year ended 30 June 2020****Operational commitments**

As at 30 June 2020 the Trust had the following grant commitments:

Donee	Purpose of grant	Amount
Tuakau Youth Sport Trust	To build a new skatepark in Tuakau.	20,000
David Johnstone	To upgrade the walking track and install composting toilets	8,000
Pukemokemoke Trust		
Raglan Community Arts Centre	To establish a new power connection	9,000
Ruawaro Combined School	Install artificial turf on the sports courts	10,000
Total outstanding grants		\$47,000

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 2020 (June 2019: Nil).

11. Events after balance date

Since balance date Trustees have been advised that the grant to Ruawaro Combined School, as disclosed in note 9 Commitments, is no longer required.

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 2020 is \$186,243 (June 2019: \$232,021). See note 6 for details.

13. Managed portfolio

The portfolio of the Trust's investments is managed by Kiwi Wealth Limited.

The portfolio composition is:

	June 2020	June 2019
	\$	\$
Cash investments	36,199	934
Fixed interest	1,999,955	1,933,767
Equity investments	2,449,431	2,367,389
Total managed portfolio	4,485,585	4,302,090

14. Explanation of major variances against budget

Explanations for major variances from the Trust's budget figures in the 2019/20 Statement of Intent are as follows:

- Revenue is budgeted on a conservative basis and is generally estimated at a steady return of 7.26% (before expenses) on the opening portfolio balance. Despite the potential negative economic effects of the Covid-19 pandemic, this year's actual return is only slightly lower at 7.11%.
- No grants were actually paid, compared with a budget of \$37,968; a reflection of the small number of eligible applications received. The result is that total expenses are significantly lower than expected.
- Accrued expenses include \$49,556 of grants which donees are eligible to uplift but have not yet presented invoices for; hence the very large variance between budget and actual for this liability.

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

The Trust did not adopt its audited financial statements within the extended time frame allowed under section 67A of the Local Government Act 2002 (before 30 November 2020).

The reason for the late adoption arose through challenges created by the Covid-19 pandemic and the audit was unable to be completed until after 30 November 2020.

16. Economic effects of the Covid-19 pandemic

As noted earlier, these financial statements have been prepared on a going concern-basis. This is despite the greater than usual level of volatility in the investment market which is the Trust's source of revenue.

The reason for maintaining the assumption of going-concern is that the Trust's major outgoing is its grants to community projects. The Trust's Distribution Policy factors both income and equity levels into the calculation of available grant funds. While it may be possible that the Trust will be forced to suspend grants, it is highly improbable that the Trust will be wound up as a result of the economic impact of the Covid-19 pandemic.

The Trust's investment fund has suffered no lasting impact from the effects of the pandemic. While market values fell in March 2020 a full recovery was gained almost immediately.

There has been no impact on the level of grants approved; only a small number of valid applications was received.