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Agenda for a meeting of the Waikato District Community Wellbeing Trust to be held in the Ruru Meeting Room, District Office, 15 Galileo Street, Ngaruawahia and via Zoom on **THURSDAY 25 FEBRUARY 2021** commencing at **4.00pm.**

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFLICT OF INTEREST AND DISCLOSURES**
3. **CONFIRMATION OF MINUTES** |  
Meeting held on 22 December 2020
4. **WAIKATO DISTRICT COMMUNITY WELLBEING TRUST  
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED  
31 DECEMBER 2020** | 5
5. **WAIKATO DISTRICT COUNCIL COMMUNITY WELLBEING TRUST  
DRAFT STATEMENT OF INTENT FOR 2021/22** | 11
6. **GENERAL BUSINESS**

**MINUTES** of a Meeting of the Community Wellbeing Trust held in the Kakapo Room, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 22 DECEMBER 2020** commencing at **10.46am**.

**Present:**

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

**Attending:**

Ms A Diaz (Chief Financial Officer)  
Ms J de Abreu (Support Accountant)  
Ms L Van den Bemd (Community Development Advisor)  
Ms E Wilson (Minute Secretary)

Apologies and Leave of Absence  
Agenda Item 1

**No apologies received.**

**CARRIED on the voices**

**WBT2012/1**

Disclosures of Interest  
Agenda Item 2

There were no disclosures of interest.

Confirmation of Agenda  
Agenda item 3

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

**THAT the Agenda for the Meeting of the Waikato District Community Wellbeing Trust held on 22 December 2020 be confirmed.**

**CARRIED on the voices**

**WBT2012/2**

Confirmation of Minutes

Agenda item 4

**Resolved: ( Ms Muru / Cr McGuire)****THAT the minutes of the Meeting of the Community Wellbeing Trust held on 10 December 2019 be confirmed as a true and correct record of that meeting.****CARRIED on the voices****WBT2012/3**Allocation of Trust Grants

Agenda Item 6

**Report taken as read.****Amount able to allocate: \$100,000 for current financial year 2020/21.**

<b>Ref</b>	<b>Organisation</b>	<b>Recommendation – Funding Approved Y/N</b>	<b>Amount approved</b>
<b>1</b>	<b>Taupiri Rugby Football Club Incorporated</b>	Asked for \$80,845  <b>Declined.</b> Need to apply in stages; too much in one application. Do more work themselves.	<b>\$0</b>
<b>2</b>	<b>Te Kauwhata Community Patrol</b>	<b>Approved.</b>	<b>\$10,000</b>
<b>3</b>	<b>Te Kauwhata Emergency Trust Board</b>	Asked for \$25,000 Approved.	<b>\$25,000</b>
<b>4</b>	<b>Whatawhata Community Association</b>	Asked for \$50,000  Deferred while they look for more funding (and receive confirmation of lotteries funding); to amend application with any changes.	<b>Defer to May funding round.</b>  <b>\$0</b>
<b>5</b>	<b>Glen Afton Citizens' Sports Club</b>	Asked for \$50,000 Approved.	<b>\$50,000</b>

**Resolved: ( Cr McGuire / Mayor Sanson)**

**THAT the report from the Chief Financial Officer be received;**

**AND THAT Waikato District Community Wellbeing Trust confirms which they approve of and each allocated amount.**

**CARRIED on the voices**

**WBT2012/4**

Performance Report June 2020  
Agenda Item 6

Report taken as read.

**THAT the report from the Chief Financial Officer be received.**

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

**CARRIED on the voices**

**WBT2012/5**

September 2020 Performance Report  
Agenda item 7

Report taken as read.

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

**THAT the Report from the Chief Financial Officer be Received.**

**CARRIED on the voices**

**WBT2012/6**

Transfer of funds from WellBeing Trust to Waikato District Council  
Agenda item 8

**THAT the report from the Chief Financial Officer be received;**

**AND THAT the Waikato District Community Wellbeing Trust approves a payment of \$186,243 from the Trust's investment portfolio account to reimburse Waikato District Council for 2019/20 expenditure on behalf of the Trust.**

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

**CARRIED on the voices**

**WBT2012/7**

Memorandum – Compliance with Trust Deed  
Agenda Item 9

**ACTION:** This compliance report shall accompany the XX report in September meeting agenda in future.

**THAT the Compliance with Trust Deed Memorandum be accepted.**

**Resolved (Cr McGuire / Mayor Sanson)**

**CARRIED on the voices**

**WBT2012/8**

General Business  
Agenda item 8

Mairi Davis previous Financial accountant has resigned from Waikato District Council. Jean Abreu is our new Support Accountant.

Discussion re vacancy as part of Annual General Meeting.

Cr Church to call approved funding applications and Lianne to call declined applications.

There being no further business the meeting was declared closed at 11.35 am.

Minutes approved and confirmed this                      day of                      2021.

Cr J Church  
**CHAIRPERSON**

### **Open Meeting**

<b>To</b>	Waikato District Community Wellbeing Trust
<b>From</b>	Alison Diaz Chief Financial Officer
<b>Date</b>	22 February 2021
<b>Prepared by</b>	Julie Kelly Support Accountant
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Waikato District Community Wellbeing Trust – Financial Statements for the six months ended 31 December 2020

## **1. EXECUTIVE SUMMARY**

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Attached are the Waikato District Community Wellbeing Trust (Wellbeing Trust) six-month financial statements to 31 December 2020. The operating surplus is \$230,554 compared with a full year deficit budget of \$14,241 as approved in the statement of intent.

## **2. RECOMMENDATIONS**

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**THAT the report from the Chief Financial Officer be received;**

**AND THAT the financial statements be provided to Waikato District Council in accordance with the Local Government Act.**

## **3. BACKGROUND**

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Pursuant to section 66 of the Local Government Act 2002, Council is required to receive regular financial reports from the Wellbeing Trust.

The Wellbeing Trust was established in May 2010 to receive, manage and distribute the funds received from the Waikato Foundation Trust. The funds were actually received in May 2012 by way of transfer of funds managed by Kiwi Wealth Ltd (then known as Gareth Morgan Investments or GMI) from the Foundation Trust to the Wellbeing Trust.

Trustees of the Wellbeing Trust have adopted an investment policy intended to provide a long-term sustainable return which protects the real value of the fund, allows the fund to grow and provides for funds to be distributed to approved community projects, via an application process.

## 4. ISSUES

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1. The attached financial statements have not been audited.
2. The Wellbeing Trust has achieved a surplus of \$230,554 for the six months compared with a surplus of \$177,526 in the corresponding period of the previous year and a full year budgeted deficit of \$14,241.
3. Budgets are based on an assumed long term, sustainable return of 5% for the six months to 30 June 2021 and 4% for the remaining years (as advised by Kiwi Wealth). This allows for the expected fluctuations in financial returns and enables the Trustees to take the longer-term view reflected in their investment and distribution policy.

At 31 December 2020, the return on the Trust's portfolio since its inception in 2012 is 117.7% or 9.0% on an annualised basis.

4. There has been a change in the makeup of the Trust's income as a result of the shift towards the use of PIE funds as the investment vehicle for the Trust's investments. Finance income is now simply the interest earned on the Trust's BNZ account and the small amount of cash held by Kiwi Wealth on behalf of the Trust. All income from the PIE funds is in the form of realised or unrealised gains and losses.
5. Grant payments of \$37,000 have been expensed during the six months to 31 December 2020.

Grants expensed in previous periods but re-accrued and yet to be paid are:

	\$\$
Waikato District Crime Prevention Technology Trust – grant 2	30,000
Waikato District Crime Prevention Technology Trust – grant 3	19,556
	49,556

6. Grant commitments of \$85,000 remain outstanding.

## 5. OPTIONS CONSIDERED

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The Trustees have governance responsibility for the Wellbeing Trust. Waikato District Council (Council) will receive this report as required under the Local Government Act.

## 6. CONSIDERATION OF VIEWS OF THOSE AFFECTED

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The six-month financial statements will be made available on Council's website.

## 7. CONCLUSION

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As a Council-Controlled Organisation, Wellbeing Trust is required to provide its six-month report to Council.

The performance of the fund is a year-to-date surplus of \$230,554 which is a favourable result compared with the full-year budget deficit of \$14,241.

## **8. ATTACHMENTS**

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Waikato District Community Wellbeing Trust Financial Statements for the six months ended 31 December 2020



**Waikato District Community Wellbeing Trust**  
**Statement of financial performance**  
**For the six months ended 31 December 2020**

	6 mths		Full year	
	Actual	Actual	Budget	Actual
	\$	\$	\$	\$
	2020/21	2019/20	2020/21	2019/20
<b>Revenue</b>				
Finance income	48	130	241	180
Realised gains on investments	55,291	27,829	55,464	104,634
Unrealised gains on investments	315,344	162,758	161,194	200,990
<b>Total revenue</b>	<b>370,683</b>	<b>190,717</b>	<b>216,899</b>	<b>305,804</b>
<b>Expenses</b>				
Audit fees				
- Current year	4,314	-	7,810	8,627
Other expenditure	13,815	13,191	32,611	26,526
Grants	122,000	-	190,719	-
Unrealised losses on investments	-	-	-	-
<b>Total expenses</b>	<b>140,129</b>	<b>13,191</b>	<b>231,140</b>	<b>35,153</b>
<b>Surplus (deficit) for the period</b>	<b>230,554</b>	<b>177,526</b>	<b>(14,241)</b>	<b>270,651</b>

**Waikato District Community Wellbeing Trust**  
**Statement of financial position**  
**As at 31 December 2020**

	6 mths		Full year	
	Actual	Actual	Budget	Actual
	\$	\$	\$	\$
	2020/21	2019/20	2020/21	2019/20
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,378	11,399	9,214	37,108
Prepayments	-	-	408	385
Other financial assets	4,842,587	4,372,579	4,383,471	4,449,386
<b>Total current assets</b>	<b>4,843,965</b>	<b>4,383,978</b>	<b>4,393,093</b>	<b>4,486,879</b>
<b>Total assets</b>	<b>4,843,965</b>	<b>4,383,978</b>	<b>4,393,093</b>	<b>4,486,879</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables	231,833	166,931	202,991	188,382
Accrued expenses	139,309	67,904	8,166	56,229
<b>Total current liabilities</b>	<b>371,142</b>	<b>234,835</b>	<b>211,157</b>	<b>244,611</b>
<b>Total liabilities</b>	<b>371,142</b>	<b>234,835</b>	<b>211,157</b>	<b>244,611</b>
<b>Total assets less total liabilities (net assets)</b>	<b>4,472,823</b>	<b>4,149,143</b>	<b>4,181,936</b>	<b>4,242,268</b>
<b>Trust equity</b>				
Introductory fund	2,579,899	2,579,899	2,579,899	2,579,899
Capital maintenance fund	607,125	524,986	648,626	564,702
Accumulated funds	1,285,799	1,044,258	953,411	1,097,667
<b>Total Trust equity</b>	<b>4,472,823</b>	<b>4,149,143</b>	<b>4,181,936</b>	<b>4,242,268</b>

**Waikato District Community Wellbeing Trust**  
**Statement of cash flows**  
**For the six months ended 31 December 2020**

	6 mths		Full year	
	Actual	Actual	Budget	Actual
	\$	\$	\$	\$
	2020/21	2019/20	2020/21	2019/20
<b>Cash flows from operating activities</b>				
<b>Cash was received from:</b>				
Interest receipts	47	130	241	180
<b>Cash was applied to:</b>				
Payments to donees	-	(95,529)	(123,056)	(95,529)
Payments to suppliers	(13,212)	(14,248)	(39,806)	(26,819)
<b>Net cash flows from operating activities</b>	<b>(13,165)</b>	<b>(109,647)</b>	<b>(162,621)</b>	<b>(122,168)</b>
<b>Cash flows from investing and financing activities</b>				
<b>Cash was received from:</b>				
Sale of investments	256,281	202,892	55,464	734,113
<b>Cash was applied to:</b>				
Acquisition of investments	(278,847)	(83,728)	107,220	(576,719)
<b>Net cash flows from investing and financing activities</b>	<b>(22,566)</b>	<b>119,164</b>	<b>162,684</b>	<b>157,394</b>
Foreign exchange translation differences	-	-	-	-
<b>Net increase (decrease) in cash for the year</b>	<b>(35,731)</b>	<b>9,517</b>	<b>63</b>	<b>35,226</b>
Add opening bank accounts and cash	37,109	1,882	9,151	1,882
<b>Closing bank accounts and cash</b>	<b>1,378</b>	<b>11,399</b>	<b>9,214</b>	<b>37,108</b>

**Waikato District Community Wellbeing Trust**  
**Change in equity**  
**For the six months ended 31 December 2020**

	Capital			Total
	Introductory fund	maintenance fund	Accumulated funds	
Opening balance at 1 July 2020	2,579,899	564,702	1,097,668	4,242,269
Net surplus (deficit)	-	-	230,554	230,554
Capital maintenance charge	-	42,423	(42,423)	-
<b>Closing balance at 31 December 2020</b>	<b>2,579,899</b>	<b>607,125</b>	<b>1,285,799</b>	<b>4,472,823</b>

**Waikato District Community Wellbeing Trust**  
**As at 31 December 2020**

**Investment portfolio managed by Kiwi Wealth Ltd**

	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>30-Jun-20</b>
Cash	509	10,491	36,199
Fixed income pie	2,141,455	1,956,296	1,999,955
Growth pie	2,701,132	2,416,283	2,449,431
<b>Total portfolio value</b>	<b>4,843,096</b>	<b>4,383,070</b>	<b>4,485,585</b>
6 month change from 1 July 2020	7.97%		
12 month change from 31 December 2019	10.50%		

**Grant commitments**

Te Kauwhata Community Patrol	10,000
Te Kauwhata Emergency Trust Board	25,000
Glen Afton Citizens Sports Club	50,000
<b>Total committed grants at 31 December 2020</b>	<b>85,000</b>

### **Open Meeting**

<b>To</b>	Waikato District Community Wellbeing Trust
<b>From</b>	Alison Diaz Chief Financial Officer
<b>Date</b>	22 February 2021
<b>Prepared by</b>	Julie Kelly Support Accountant
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Waikato District Community Wellbeing Trust – draft Statement of Intent for the year ending 30 June 2022

## **1. EXECUTIVE SUMMARY**

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Pursuant to section 64 of the Local Government Act 2002, a Council-Controlled Organisation (CCO) is required to provide a draft Statement of Intent to its shareholder(s) Waikato District Council (Council) by 01 March each year. Council then has the opportunity to provide feedback on the draft within two months of 01 March, after which time the CCO must provide a finalised Statement of Intent to the shareholder by 30 June.

## **2. RECOMMENDATION**

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**THAT** the report from the Chief Financial Officer be received;

**AND THAT** the Waikato District Community Wellbeing Trust supports the removal of the reference to the 7.5% individual investment limit from the draft Statement of Intent;

**ABD FURTHER THAT** the Waikato District Community Wellbeing Trust approves the draft Statement of Intent for the year ending 30 June 2022 for release to Waikato District Council.

## **3. BACKGROUND**

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The Trustees of the Waikato District Community Wellbeing Trust (Wellbeing Trust) are required to present a draft Statement of Intent for the year ending 30 June 2022 to Council by 01 March 2021. This draft Statement of Intent retains the principles developed in the inaugural Statement of Intent which are:

- Ensure the real (inflation-adjusted) value of the fund is protected;

- Ensure that the total grants distributed do not exceed 50% of the accumulated retained net income after allowing for the CPI movement and expenses;
- Ensure no more than 10% of the capital is distributed in any one year;
- Identify opportunities to grow the fund;
- Have a process for promoting the fund availability and for allocating the fund; and
- Monitor performance of investments by receiving and considering financial information.

This Statement of Intent has been prepared based on receiving a long term, sustainable return on investment of 4% before fund manager fees. The grant distributions are based on the principles identified above and on discussions between the Trustees and Kiwi Wealth Limited.

The current portfolio and distribution policy requires no more than 7.5% in any one investment. Given the use of PIE's this is not a metric that is available any longer.

Staff recommend that the wording in the draft Statement of Intent removes the reference to the cap, subject to updating the portfolio and distribution policy before June 2021.

The draft Statement of Intent will be considered by Council's Strategy & Finance Committee at their 22 March 2021 meeting.

#### **4. OPTIONS CONSIDERED**

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The Trustees have the ability to decline or approve the presentation to Council of this draft Statement of Intent. In any event, a draft must be provided to Council by 01 March each year as required by section 64 of the local Government Act 2002.

#### **5. CONCLUSION**

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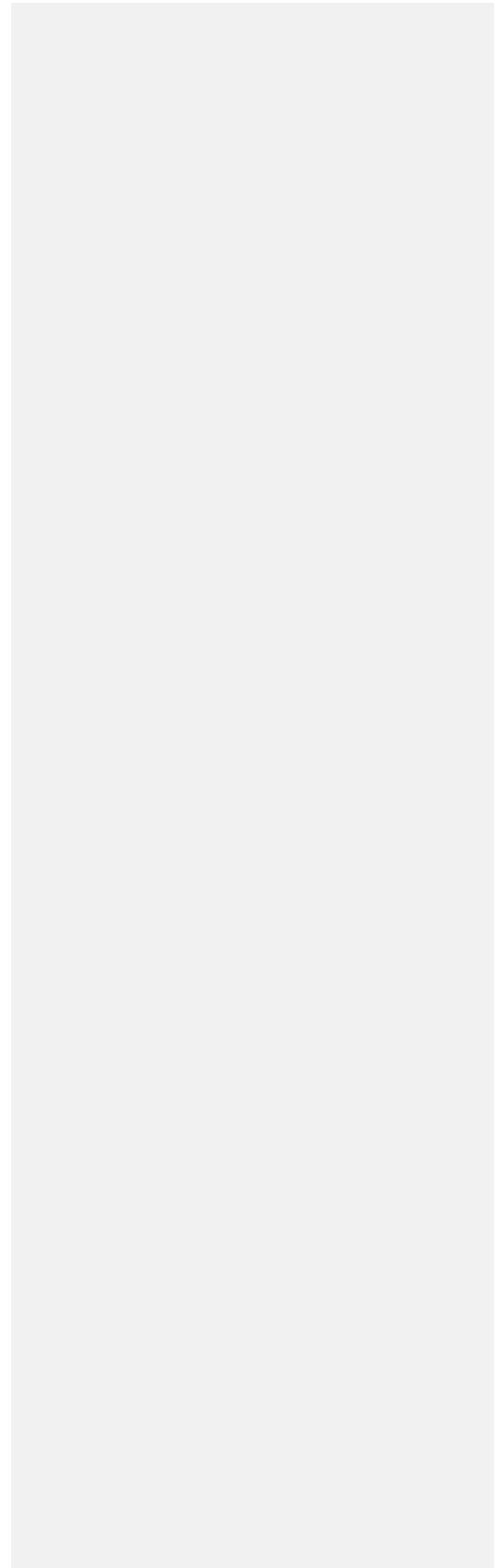
The Trustees are asked to consider the draft Statement of Intent for the Waikato District Community Wellbeing Trust for presentation to Council.

#### **6. ATTACHMENTS**

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Waikato District Community Wellbeing Trust draft Statement of Intent for the year ended 30 June 2022

**Waikato District Community Wellbeing Trust**  
**Draft Statement of intent**  
**For the year ending 30 June 2022**



**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

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**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Introduction**

This Statement of Intent (SOI) is presented by the Waikato District Community Wellbeing Trust (the Trust) as required by Section 64(1) of the Local Government Act 2002.

The SOI forms the basis for the accountability of the Trustees to Waikato District Council, and sets out the objectives, scope of activities undertaken, and performance targets by which the Trust will be measured.

The purpose of this statement of intent is to:

- State publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute;
- Provide a basis for accountability and transparency.

This Statement of Intent covers the year to 30 June 2022 and also includes prospective financial information for the following two financial years.

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**Jacqui Church (Chair)**

**Entity information**

**Legal name**

Waikato District Community Wellbeing 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.

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



**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Objectives of the Trust**

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.

**Governance**

The Trust will be governed in accordance with the terms of the Trust Deed.

Objective

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.

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.

Performance measure

1. Undertake an annual legal review of compliance with the Trust Deed; no later than two months after the end of the financial year.

**Investment**

The Trust will, in accordance with the Trust Deed, invest or reinvest part or parts of the Trust Fund not immediately required for the purposes of the Trust (whether income or capital) in investments or securities, as the Trust Board considers beneficial to the Trust Fund. The Trust will also seek other opportunities and avenues for growing the trust Fund. The intention of the Trustees is that the real value of the Trust Fund is preserved.

Objective

1. To adhere to the Trust's *Management of Investment Portfolio and Distribution Policy*.
2. To review, on an annual basis, the investment mandate and the performance of the portfolio manager.

Performance measure

1. At each quarterly meeting, review compliance with the Trust's *Management of Investment Portfolio and Distribution Policy* during that quarter.

## Waikato District Community Wellbeing Trust Statement of intent For the year ending 30 June 2022

### Fund disbursement

The Trust will, as appropriate, disburse funds towards projects that meet the Trust's criteria and meet the objectives of the Trust Deed.

#### Objective

1. As per the *Management of Investment Portfolio and Distribution Policy*, to distribute total grants that do not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.

#### Performance measures

1. A distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set up by the Trustees in accordance with the *Management of Investment Portfolio and Distribution Policy* for the current year
2. Six monthly reports are received from all successful applicants within the required time frames.

### Portfolio and distribution policy compliance

#### Agreed targets

1. Ensure that the real (inflation-adjusted) value of the Fund is protected.
2. Ensure that no more than 10% of the capital is distributed in any one year.
3. Ensure there is diversification of investments with a 7.5% cap on the value of any single investment in the portfolio.
4. The portfolio investment manager will report regularly to the Trustees.
5. The Trustees will annually review the performance of the portfolio manager.

Commented [AD1]: We cannot see this any longer as the investment is in a PIE format. Suggest we remove the 7.5% cap.

### 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 Trustees are:

Mayor	Allan Sanson
Councillor	Jacqui Church (Chair)
Councillor	Rob McGuire
WDC appointee	Judi Muru
WDC appointee	vacant position

The operation and administration of the Trust are undertaken by staff of WDC. Those staff are: Chief Financial Officer, EA to the Chief Operating Officer, Community Development Coordinator and Financial Accountant.

### 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**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Prospective statement of financial performance**

**Prospective performance reports for the years ending 30 June 2021 - 2024**

**Prospective statement of financial performance**

	<b>FY Budget</b>	<b>FY Forecast</b>			
	<b>2020/21</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>					
Finance income	241	97	378	378	378
Dividend income from portfolio of investments managed by Kiwi Wealth Limited	-	-	-	-	-
Realised gains on investments	55,464	79,615	41,153	40,952	40,604
Unrealised gains on investments	161,194	403,112	148,490	147,768	146,513
<b>Total revenue</b>	<b>216,899</b>	<b>482,824</b>	<b>190,021</b>	<b>189,098</b>	<b>187,495</b>
<b>Expenses</b>					
Audit fees	7,810	8,627	8,627	8,627	8,627
Portfolio management fees	30,452	31,949	33,480	33,150	32,858
Other expenditure	2,159	1,866	1,905	1,997	2,047
Grants	190,719	122,000	185,481	59,015	33,763
Unrealised losses on investments	-	-	-	-	-
<b>Total expenses</b>	<b>231,140</b>	<b>164,442</b>	<b>229,493</b>	<b>102,789</b>	<b>77,295</b>
<b>Surplus/(deficit) for the period</b>	<b>(14,241)</b>	<b>318,382</b>	<b>(39,472)</b>	<b>86,309</b>	<b>110,200</b>

**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Prospective statement of financial position**

**Prospective statement of financial position**

	<b>FY Budget</b>	<b>FY Forecast</b>			
	<b>2020/21</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9,214	14,528	14,422	14,268	14,474
Other financial assets	4,383,471	4,736,840	4,713,845	4,673,876	4,758,641
Prepaid insurance	408	434	490	503	517
<b>Total current assets</b>	<b>4,393,093</b>	<b>4,751,802</b>	<b>4,728,757</b>	<b>4,688,647</b>	<b>4,773,632</b>
<b>Total assets</b>	<b>4,393,093</b>	<b>4,751,802</b>	<b>4,728,757</b>	<b>4,688,647</b>	<b>4,773,632</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Creditors and other payables	202,991	182,178	198,595	72,166	46,941
Accrued expenses	8,166	8,972	8,982	8,992	9,002
<b>Total current liabilities</b>	<b>211,157</b>	<b>191,150</b>	<b>207,577</b>	<b>81,158</b>	<b>55,943</b>
<b>Total liabilities</b>	<b>211,157</b>	<b>191,150</b>	<b>207,577</b>	<b>81,158</b>	<b>55,943</b>
<b>Net assets</b>	<b>4,181,936</b>	<b>4,560,651</b>	<b>4,521,180</b>	<b>4,607,489</b>	<b>4,717,689</b>
<b>Equity</b>					
Introductory fund	2,579,899	2,579,899	2,579,899	2,579,899	2,579,899
Capital maintenance fund	648,626	649,547	740,761	831,184	923,334
Accumulated funds	953,411	1,331,205	1,200,520	1,196,406	1,214,456
<b>Total net assets / equity</b>	<b>4,181,936</b>	<b>4,560,651</b>	<b>4,521,180</b>	<b>4,607,489</b>	<b>4,717,689</b>

**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Prospective statement of cash flows**

**Prospective performance reports for the years ending 30 June 2021 - 2024 (cont)**

**Prospective statement of cash flows**

	FY Budget	FY Forecast			
	2020/21	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
<b>Cash was received from:</b>					
Interest receipts	241	97	378	378	378
Dividends received	-	-	-	-	-
<b>Cash was applied to:</b>					
Payments to donees	(123,056)	(158,217)	(171,556)	(185,481)	(59,015)
Payments to suppliers	(39,806)	(59,250)	(41,210)	(43,554)	(40,569)
<b>Net cash flows from operating activities</b>	<b>(162,621)</b>	<b>(217,370)</b>	<b>(212,388)</b>	<b>(228,657)</b>	<b>(99,206)</b>
<b>Cash flows from investing and financing activities</b>					
<b>Cash was received from (applied to):</b>					
Realised gains from investments	55,464	79,615	41,153	40,952	40,604
Sale (acquisition) of investments	107,220	115,175	171,129	187,551	58,808
<b>Net cash flows from investing and financing activities</b>	<b>162,684</b>	<b>194,790</b>	<b>212,282</b>	<b>228,503</b>	<b>99,412</b>
Foreign exchange translation differences	-	-	-	-	-
<b>Net increase (decrease) in cash for the year</b>	<b>63</b>	<b>(22,580)</b>	<b>(106)</b>	<b>(154)</b>	<b>206</b>
<b>add opening bank accounts and cash</b>	<b>9,151</b>	<b>37,108</b>	<b>14,528</b>	<b>14,422</b>	<b>14,268</b>
<b>Closing bank accounts and cash</b>	<b>9,214</b>	<b>14,528</b>	<b>14,422</b>	<b>14,268</b>	<b>14,474</b>

**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Statement of accounting policies**

**Basis of preparation**

The Board of Trustees has 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 \$2million.

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

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

Commented [SH2]: IPSAS 41?? Impact???

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**

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 the end of the period 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 Board 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**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Statement of accounting policies (cont)**

**Bank accounts and cash**

Bank accounts and cash comprise 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 (deficit) for the year. The reason for this classification is that the portfolio is comprised of identified financial instruments which are managed together and for which there is evidence of short-term profit-taking.

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

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.

**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

**Forecast assumptions**

**1. Portfolio income**

Kiwi Wealth has estimated an average return on the portfolio of 5% for the remaining six months to 30 June 2021 and 4% per annum for financial years 2022 to 2024 before expenses.

The split of the total return between interest, dividends and gains/losses is estimated using proportions calculated from an average of past results while taking into account changes to the components of the portfolio.

**2. Expenses**

Audit fees are estimated at \$8,627 for each of the four forecast years.

Portfolio management fees are assumed at a rate of 0.61% of the opening portfolio value in each year.

Other expenditure comprises annual return fees, bank charges, general expenses and audit disbursements.

**3. Grants expenditure**

It is assumed that for the current (2021) year all outstanding grants will be paid by 30 June 2021. It is further assumed that in subsequent years 80% of the maximum allowable distribution will be approved and fully paid by year end.

The maximum allowable distribution is set out in the *Management of Investment Portfolio and Distribution Policy*. Total grants must not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.

**4. Prepayments**

Prepayments represent four months of insurance costs.

**5. Creditors and other payables**

Creditors and other payables are made up of the amount owing to Waikato District Council and the June portfolio management fee.

It is assumed that the year-end balance owing to WDC is paid in full in the following year.

**6. Accrued expenses**

Accrued expenses comprise audit fees and disbursements.

**7. Equity**

The Trust was established with an initial capital 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.



**Waikato District Community Wellbeing Trust**  
**Statement of intent**  
**For the year ending 30 June 2022**

The capital maintenance fund is made up of accumulated annual charges transferred from accumulated funds to maintain the real value of the Trust fund.  
 The accumulated funds and capital maintenance funds together represent the total net increase in the fund value since the inception of the Trust.

**Other financial disclosures**

**Ratios**

The Local Government Act 2002 requires a statement of intent to include the projected ratio of equity to total assets.

The ratio of equity to total assets is forecast as follows:

2020/21	96.0%
2021/22	95.6%
2022/23	98.3%
2023/24	98.8%

**Compensation**

The Trustees will not seek any fees or expenses for work undertaken on behalf of Waikato District Community Wellbeing Trust.

**Information to be provided to the Trustees**

The Trustees will be provided with the following information:

- Within four months of the end of the financial year the audited financial statements plus a summary of how the Trust has performed against its objectives and performance targets;
- Quarterly reports on the performance of investments; and,
- A draft statement of intent for consideration in February of each year.