



# Waimate

# 2014/15 Summary Annual Report

## Introduction from the Mayor and CE



### A Year of Progress...

This year was marked by a number of significant events and achievements. A few of the major highlights were:

#### Governance Improvements

This year Councillors signalled a desire to improve our status within the community, reinforcing an open-door and can-do approach. This is being reflected in many areas including a shift from portfolio type meetings to three new committees – Environmental Services and Finance; District Infrastructure; and Community Services and Development. These committees meet on a six weekly cycle with decisions ratified at the Council Meetings.

In April 2015 Council welcomed David Anderson to the position of Pareora-Otaio-Makikihi Ward Councillor due to the resignation of Councillor Thomson.

#### Economic Growth

In January 2015 the Waihao Downs Irrigation Scheme officially commenced this exciting project and together with the announcements of the expansion of the Oceania Dairy Plant at Glenavy and the Fonterra Studholme Dairy Factory, our District continues to show positive growth.

#### Motorhome Friendly

Since Waimate became recognised as a Motorhome Friendly town in March 2014, there has been a noticeable increase in motorhome visitors, benefiting local businesses.

#### Waimate District Community Complex

This financial year saw Council achieving the green light to proceed with this very exciting project.

Following public consultation February-May 2014, Council entered into a project partnership with a local businessman for the provision of an extended facility. Because of the partnership arrangement the community will benefit from a facility which has been greatly extended and enhanced from the original single court facility which was consulted on, at no additional cost. Construction was started in September 2015, with completion in mid-2016.

At the time of writing this message the Waimate District Charitable Foundation and Fundraising Committee report that they have achieved the target of attracting external funding of 25% of Council's contribution of \$3.8m towards the project.

#### Building Control

The Building Control Department has fully implemented the new

Quality Assurance System, greatly enhancing the overall knowledge and effectiveness of staff within the department. This improvement aligns the technical and non-technical aspects of the department and sets a firm foundation for ongoing Accreditation as a Building Control Authority.

#### Mid-South Canterbury Rooding Collaboration Agreement

Waimate District along with Ashburton, Timaru and Mackenzie districts has formed the Mid-South Canterbury Rooding Collaboration. This group aims to provide opportunities to share resources, ideas and approaches, with the aim of ultimately achieving better value for money and improving levels of service for the respective district's ratepayers.

#### Financial Assistance Rates Increase

The Financial Assistance Rates (FAR) represents the amount of money the New Zealand Transport Agency (NZTA) will contribute towards local road works. The NZTA conducted a major review of how they will assist Councils in funding local roads, resulting in changes across the country to all Council FARs. Following extensive lobbying by Council, we were pleased to be advised that we will receive funding which recognises our District's unique challenges with our roading network. The FAR review has resulted in the rate for Waimate District increasing from 51% in 2014/15 to 54% in 2015/16 and thereafter increasing 1% each year to a maximum of 60%.

#### Manchester Road Fire

We would like to acknowledge the urgent work undertaken by local tradespeople following a major fire damaging our Manchester Road urban bore site in December 2014. Their immediate action ensured this vital facility was operational over the heavy usage summer period and beyond.

#### Financial Performance ...

Council has incurred a deficit of \$50,000 which compares to the Long Term Plan (LTP) budget deficit of \$352,000 and the Annual Plan deficit of \$696,000. The main reasons for the lower deficit are:

- Increased New Zealand Transport Agency government grants.
- Increased Camping fees, and Dog registration and animal control fees.
- Lower Finance costs from reduced interest rates and stronger cash reserves than expected.
- Lower depreciation, against the Annual Plan, due to delays in capital projects and the revaluation

reduction to some infrastructural assets.

- Council's total liabilities are \$2,730,000 including Public Debt (external borrowings) of \$500,000. Council has strong cash reserves at \$1,905,000 and a working capital ratio of 1.68 (Current Assets of \$4,485,000, compared to Current Liabilities of \$2,664,000).
- Another year of growth, with an additional \$159,000 of value to the forest being recognised.
- Council's Infrastructural/Operational assets and Investments dispersed around the District total \$394,580,000, compared to the LTP budget of \$401,996,000 from lower than expected revaluations.

#### Points of Interest

- Stage three of the urban water main renewal is completed and has reached a location whereby interim pressure management has become feasible.
- John Street sewer reticulation was upgraded, along with kerb and channel replacement and associated road drainage works. The replacement of a section of the John Street sewer main was identified as being in very poor condition and had been problematic in recent years.
- Completion of 2012-2015 National Land Transport Programme – The Districts 2012-2015 Maintenance Operations, Renewals and Minor improvements programmes has been completed with 2014/15 being the final year of this three year programme. The total programme expenditure was \$10,357,096 including NZTA share of \$6,010,616.
- One Network Road Classification – The Waimate District Rooding Network has been categorised using the One Network Road Classification (ONRC) system. The ONRC has been jointly developed by the NZTA and Local Movement New Zealand as a tool for ensuring that there is a consistent level of service experienced by road users throughout the country. Historically, Waimate District Council has used its own road classification system to categorise roads.

- Rooding Improvements: Reconstruction – Ikawai Middle Road 900m, Craigmore Valley Road 164m, Morven Road 173m. Seal Widening – Ikawai Middle Road 1940m, Esk Valley Road 314m. Resealing – 40.7km completed 5.9% of the sealed network area.

#### Final Comments

It has been a productive year for us all.

We thank those who have contributed to this report's achievements – elected members, council staff, agencies, contractors, local businesses, volunteers and the community.

**Mayor Craig Rowley and CE Bede Carran**

This Summary Annual Report is dated 4 November 2015 and is authorised by His Worship the Mayor Craig Rowley and CE Bede Carran

## Summary Financial Statements

Waimate District Council is a territorial local body governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand.

The Council consists of the Council operations, forestry joint ventures (54.43% owned) and Downlands joint venture (14.81% owned). Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of PBE IPSAS.

The financial statements are for the Council, which is an individual entity and includes the Council forestry joint ventures and the Downlands joint venture.

The financial statements are for the year ended 30 June 2015 are in New Zealand dollars and rounded to the nearest thousand (\$000). The full financial statements of the Council have been prepared in accordance with NZ GAAP and in accordance with Tier 2 Public Benefit Entity accounting standards.

The 2015 Annual Report, and 2014 Annual Report have been audited by Audit New Zealand and received unmodified opinions for each report.

The financial statements were authorised for issue by Council on 27 October 2015.

The summary financial statements are in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43).

The full financial statements that comply with PBE Standards are the first financial statements presented in accordance with the new PBE accounting standards.

The following information has been extracted from the full Annual Report 2015.

## Reporting on the Community's Wellbeing

The Annual Report includes reporting on progress made towards achieving community outcomes as set out in the Long Term Plan 2012-22. The five high level outcomes are: Wealthy Community, Sustainable District and Environment, A Place of Culture and Learning, Safe and Healthy People and Active and Supportive Community.

Progress is monitored by way of specific indicators in the form of performance measures for each of Council's 24 activities. Detail of the measures and reporting is shown in the full Annual Report document. Measures are reported as either achieved or not achieved and the following table lists the results for each group of activities:

Group	Achieved	Not Achieved	% Achieved
Water Supply	5	2	71%
Waste Management	3	3	50%
Stormwater	2	1	67%
Sewerage & Sewage	4	0	100%
Rooding & Footpaths	6	1	86%
Property & Investments	5	1	83%
Parks & Recreation	14	0	100%
Organisation & Governance	4	2	67%
Environmental Services	11	6	65%
Community Services	8	3	73%
<b>Totals</b>	<b>62</b>	<b>19</b>	<b>77%</b>

The 19 measures not achieved were a combination of: survey results showing customer satisfaction below performance measures, some measures set too high and circumstances beyond Councils control. Other measures not achieved highlight the need to make improvements.

## Major Financial Variances

**Water Supply** – Revenue from activities is favourable compared to budget predominately due to capital contributions exceeding budget by \$68,000. Revenue from activities was higher in the 2014 financial year due to grants for previously delayed New Zealand Drinking Water Standards upgrade works.

Capital expenditure is significantly reduced from the 2014 financial year as the various Drinking Water Standards projects, had predominantly been completed in 2014.

**Sewerage and Sewage** – Revenue from activities has exceeded budget and the 2014 financial year predominately due to increased capital contributions of \$27,000 compared to budget.

**Rooding** – The New Zealand Transport Agency subsidy is above both LTP Budget and the 2014 financial year due to the additional renewal and maintenance programme works increases. Rooding expenses exceeded the budget predominately due to increased expenditure on sealed pavement maintenance of \$134,000, unsealed pavement maintenance of \$40,000, and drainage maintenance of \$28,000. The increased expenditure during the 2014 financial year was related to additional emergency reinstatement works following severe flooding and windstorms during that year.

**Forestry** – Revenue from activities includes proceeds from the harvest of two blocks of \$14,000 compared to harvest revenue and insurance proceeds following the 2013 windstorm of \$330,000 in the 2014 financial year. The forests have been revalued and a total gain on revaluation for the Waihao Forest, Reserve blocks, and Joint Venture Forests of \$159,000 has been recognised, compared to budgeted gains of \$143,000.

**Investments and Finance** – Other Revenue has increased from the 2015 LTP budget mainly due to internal interest revenue received. Other Revenue exceeded the 2015 budget due to increased penalties of \$27,000 and external interest revenue exceeding budget by \$46,000. Finance expenses have increased against the LTP Budget following the separate recognition of interest revenue charged on internal loans that was previously offset against the interest charge. This is partly offset by a reduction to the interest charged on bank loans and associated derivatives.

**Building Control** – Other expenses have increased compared to the LTP Budget predominately due to legal fees and additional consultancy fees. The decrease in other expenses compared to the 2014 financial year is related to reduced legal fees of \$127,000 and reduced consultancy/accreditation fees of \$88,000.





Performance measures

The following are some selected performance measures from the Council's 24 activities:

Level of Service	Performance Measure	Result	Achievement 2014/15
<b>Water Supply</b>			
Council will provide potable water	Council provides water that complies with NZ Drinking Water Standards 2005 (revised 2008) by conducting regular testing of Waimate Urban Supply for contamination by bacteria Target: Nil failed samples	Council provides urban water that complies with NZ Drinking Water Standards.	Achieved (2014: Achieved)
Water is used efficiently and in a sustainable manner.	Leak detection programme on urban water supplies is carried out 3 yearly. Target: 2012/13, 2015/16, 2018/19	Leak detection programme carried out bridging the 2014/15-2015/16 financial year.	Achieved (2014: Not measured)
<b>Waste Management</b>			
Council manages the waste management services wisely	80% of satisfied or very satisfied residents with the overall performance of the waste management service. Target: 80%, 2012/13 thereafter biennially	82% of users (70% of residents) were very or fairly satisfied with the waste management services.	Achieved (2014: Not measured)
<b>Sewerage and Sewage</b>			
Council manages Sewerage and Sewage schemes wisely	80% of satisfied or very satisfied residents with the overall performance of the Sewerage and Sewage service. Target: 80%, 2012/13 thereafter biennially	99% of users (53% of residents) were very or fairly satisfied with the sewerage and sewage service.	Achieved (2014: Not measured)
Sewerage connections are available upon request within the rateable area of the sewerage network	Sewerage connections for 100% of applicants are completed within the rateable area of the sewerage network. Target: 100% connection	100% of applied sewerage connections were completed within the rateable area of the sewerage network.	Achieved (2014: Achieved)
<b>Roading</b>			
Asset monitoring and works programmes are completed	Resealing programme is completed Target: 100% completed	Resealing programme 100% completed by 1 April 2015.	Achieved (2014: Achieved)
<b>Cemeteries</b>			
Provide high quality cemetery facilities	80% of customers are satisfied or very satisfied with cemeteries facilities, that have used them in the last year Target: 80%, 2012/13 thereafter biennially	94% of visitors who have used the cemetery facilities in the last year were very or fairly satisfied.	Achieved (2014: Not measured)
<b>Dog and Animal Control</b>			
Council responds quickly to wandering stock complaints	Council responds to all wandering stock and animal related complaints within 2 hours Target: Respond within 2hrs	There were 171 wandering dogs and 92 wandering stock complaints. All responded to within 2 hours.	Achieved (2014: Achieved - 337 complaints attended to within timeframe)

Points of Significance

**Water Supply** – Stage three of the urban water main renewal is completed and has reached a location whereby interim pressure management has become feasible.  
The Manchester Road urban bore site was subject to significant fire damage in December 2014 with subsequent investigations attributing the cause to the particularly hot weather observed.  
The SCADA system was further upgraded to ensure continuity through extended power outages.  
Continued improvements in both asset knowledge and asset management processes.

**Waste Management** – Continued improvements to the operation of the Resource Recovery Park and Rural Drop-Off facilities.

**Stormwater Drainage** – John Street reticulation was upgraded, along with kerb and channel replacement and associated road drainage works.

**Sewerage and Sewage** – Replacement of a section of the John Street sewer main which was identified as being in very poor condition and had been problematic in recent years. Ongoing CCTV inspections to better inform the renewal programme.

**Roading and Footpaths** – Financial Assistance Rates Increase – The New Zealand Transport Agency (NZTA) have conducted a major review of how they will assist Councils in funding local roads. The NZTA review has resulted in changes across the country to all Council Financial Assistance Rates (FARs). The FAR represents the amount of money the NZTA will contribute towards local road works. The review has resulted in the rate for Waimate District increasing from 51% 2014/15 to 54% 2015/16 and increasing 1% each year to a maximum of 60%. Waimate District along with Ashburton, Timaru and Mackenzie districts has formed the Mid-South Canterbury Roothing Collaboration. This group aims to provide opportunities to share resources, ideas and approaches, with the aim of ultimately achieving better value for money and improving levels of service for the respective district's ratepayers.

**Investments and Finance** – Due to having strong cash reserves the total external debt remains at \$500,000, and short term deposits increased to \$1,822,000.

**Property** – This financial year saw Council achieving the green light to proceed with the Waimate District Community Complex. Following public consultation February–May 2014, Council entered into a project partnership with a local businessman for the provision of an extended facility. Because of the partnership arrangement the community will benefit from a facility which has been greatly extended and enhanced from the original single court facility which was consulted on, at no additional cost.

**Parks and Public Spaces** – A new set of swings and a new slide were built at Knottingley Park, also swings were replaced with new swings in the urban reserves on Wilkin Street, Belt Street and at the skatepark. These were all built to New Zealand Playground Safety Standards.  
The show house situated in Victoria Park which was reconstructed after being damaged in the 2013 wind storm is once again open to the public. New plants consist of flowering specimens, plus cacti and succulents.

**Swimming** – All the exterior surfaces on the buildings associated with the Norman Kirk Memorial Pool were painted before the 2014 season commenced.

**Community Representation** – Due to the resignation of Councillor Thomson a By-election was held in March 2015 for the Pareora-Otaio-Makikihi ward. Councillor David Anderson was elected unopposed.  
Council changed from a portfolio system to a three committee system, meeting every six weeks, with full Council meetings also on a six weekly cycle, three weeks apart.

**Strategy** – The Long Term Plan 2015-25 was produced with the consultation document highlighting seven major issues, 169 submissions were received. The Long Term Plan 2015-25 received a clear opinion from Audit NZ.

**Building Control** – The Building Control Department has fully implemented the new Quality Assurance System, greatly enhancing the overall knowledge and effectiveness of staff within the department. This improvement aligns the technical and non-technical aspects of the department and sets a firm foundation for ongoing Accreditation as a Building Control Authority.  
Staff cleared the backlog of 369 Code Compliance Certificates (CCCs) from the 2005-2011 period.

**Emergency Management** – Council participated in a Canterbury wide monitoring and evaluation programme arranged by the Ministry of Civil Defence and Emergency Management (MCDEM).

**Dog and Animal Control** – The Dog Control Policy and Dog Control Bylaw have undergone full review & adoption by Council. In December 2014 Council achieved registration of 100% of all known dogs as at 1 July 2014.

Statement of Comprehensive Revenue and Expenditure for the year ended 30 June 2015

Operating Revenue

Rates	\$8,494	\$8,628	\$8,465	\$8,191
Development and Financial contributions	146	93	85	133
Subsidies and Grants	2,252	1,983	2,021	2,759
Fees and charges	1,013	839	885	1,052
Interest revenue	81	85	30	66
Other revenue	1,465	1,316	1,430	1,658
<b>Total Operating Revenue</b>	<b>13,451</b>	<b>12,944</b>	<b>12,916</b>	<b>13,859</b>

Operating Expenditure

Employment benefit expenses	3,351	3,299	3,302	3,235
Depreciation	4,110	4,027	4,190	4,071
Amortisation	48	31	55	15
Finance costs	22	83	29	36
Other expenses	5,970	5,856	6,036	6,505
<b>Total Operating Expenditure</b>	<b>13,501</b>	<b>13,296</b>	<b>13,612</b>	<b>13,862</b>

Operating Surplus/(Deficit) before Taxation

Taxation expense	-	-	-	-
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Total Surplus/(Deficit)

Other Comprehensive Revenue and Expenditure

Increase/(decrease) in discretionary reserves/restricted assets	(3)	-	-	3
Increase/(decrease) in revaluation reserves	2,383	1,293	1,072	11,356
Impairment of revalued assets and reversal of a prior year value	-	-	-	(63)
Financial assets at fair value through other comprehensive revenue	14,607	-	-	-
<b>Total Other Comprehensive Revenue and Expenditure</b>	<b>16,987</b>	<b>1,293</b>	<b>1,072</b>	<b>11,296</b>
<b>Total Comprehensive Revenue and Expenditure</b>	<b>\$16,937</b>	<b>\$941</b>	<b>\$376</b>	<b>\$11,293</b>

Statement of Changes in Equity for the year ended 30 June 2015

	2015 Actual \$000	2015 LTP Budget \$000	2015 Annual Plan \$000	2014 Actual \$000
Equity as at 1 July	\$379,398	\$401,642	\$407,278	\$368,105
Total Comprehensive Revenue and Expenditure	16,937	941	376	11,293
<b>Equity at 30 June</b>	<b>\$396,335</b>	<b>\$402,583</b>	<b>\$407,654</b>	<b>\$379,398</b>

Statement of Financial Position as at 30 June 2015

Assets

Current Assets

Cash and cash equivalents	\$1,905	\$1,808	\$555	\$1,553
Trade and other receivables	1,447	949	965	1,512
Inventories	540	244	245	586
Other financial assets	593	221	8	410
<b>Total Current Assets</b>	<b>4,485</b>	<b>3,222</b>	<b>1,773</b>	<b>4,061</b>

Non-Current Assets

Infrastructural assets	346,392	374,615	372,437	346,468
Operational assets	19,332	15,873	21,310	17,536
Forestry assets	1,749	1,713	1,408	1,569
Intangible assets	121	50	108	135
Other financial assets	26,986	9,745	12,545	12,280
<b>Total Non-Current Assets</b>	<b>394,580</b>	<b>401,996</b>	<b>407,808</b>	<b>377,988</b>

Total Assets

Liabilities

Current Liabilities

Trade and other payables	1,799	974	958	1,621
Public debt	500	37	500	500
Provisions	5	-	6	6
Derivative financial instruments	-	-	-	12
Employee benefit liabilities	360	282	410	444
<b>Total Current Liabilities</b>	<b>2,664</b>	<b>1,293</b>	<b>1,874</b>	<b>2,583</b>

Non-Current Liabilities

Public Debt	-	1,137	-	-
Provisions	66	205	53	68
<b>Total Non-Current Liabilities</b>	<b>66</b>	<b>1,342</b>	<b>53</b>	<b>68</b>

Equity

Public Equity	82,768	81,923	82,671	83,272
Special separate and trust funds	1,838	726	1,139	1,387
Asset revaluation reserve	293,849	319,186	320,571	291,466
Other reserves	17,880	748	3,273	3,273
<b>Total Equity</b>	<b>396,335</b>	<b>402,583</b>	<b>407,654</b>	<b>379,398</b>
<b>Total Liabilities and Equity</b>	<b>\$399,065</b>	<b>\$405,218</b>	<b>\$409,581</b>	<b>\$382,049</b>



## Statement of Cash Flows for the year ended 30 June 2015

### Cash flows from operating activities

#### Cash was received from:

	2015 Actual \$000	2015 LTP Budget \$000	2015 Annual Plan \$000	2014 Actual \$000
Receipts from rates revenue	\$8,418	\$7,427	\$7,236	\$8,107
Interest received	81	85	30	66
Dividends received	589	578	608	577
Receipts from other revenue	4,224	5,420	5,963	4,407
	13,312	13,510	13,837	13,157

#### Cash was applied to:

Payments to suppliers and employees	9,219	9,898	10,154	9,485
Interest paid	34	84	29	80
	9,253	9,982	10,183	9,565
	<b>4,059</b>	<b>3,528</b>	<b>3,654</b>	<b>3,592</b>

### Net Cash Flows from operating activities

### Cash flows from investing activities

#### Cash was received from:

Proceeds from sale of property, plant and equipment	75	25	25	101
Proceeds from sale of harvested forests	14	-	-	331
Proceeds from sale of investment property	-	137	134	-
Proceeds from sale of investments	12	4	3	57
	101	166	162	489

#### Cash was applied to:

Purchase of property, plant and equipment	3,510	2,975	3,771	4,004
Purchase of intangible assets	6	53	-	35
Purchase of silviculture	-	-	44	-
Acquisition of investments	292	-	250	191
	3,808	3,028	4,065	4,230
	<b>(3,707)</b>	<b>(2,862)</b>	<b>(3,903)</b>	<b>(3,741)</b>

### Net Cash Flows from investing activities

### Cash flows from financing activities

#### Cash was applied to:

Repayment of public debt	-	35	-	600
	-	35	-	600
	-	<b>(35)</b>	-	<b>(600)</b>
Net increase/(decrease) in cash held	352	631	(249)	(749)
Add opening cash balance (1 July)	1,553	1,177	804	2,302
	<b>\$1,905</b>	<b>\$1,808</b>	<b>\$555</b>	<b>\$1,553</b>

#### Closing cash (30 June)

#### Represented by:

Cash, cash equivalents and bank overdrafts

## Funding Impact Statement for the year ended 30 June 2015

### Sources of operating funding

General rates, UAGC and rates penalties	\$5,426	\$5,641	\$5,384	\$5,344	\$5,385
Targeted rates	3,131	3,025	3,116	2,890	2,294
Subsidies and grants for operating purposes	978	849	874	1,160	801
Fees and charges	911	766	810	950	1,299
Interest and dividends from investments	683	663	638	643	652
Local authority fuel tax, fines, infringement fees other	714	630	718	972	995
<b>Total sources of operating funding</b>	<b>11,843</b>	<b>11,574</b>	<b>11,540</b>	<b>11,959</b>	<b>11,426</b>

### Applications of operating funding

Payments to staff and suppliers	9,305	9,155	9,244	9,678	9,100
Finance costs	22	83	29	36	83
Other operating funding applications	-	-	-	-	100
<b>Total applications of operating funding</b>	<b>9,327</b>	<b>9,238</b>	<b>9,273</b>	<b>9,714</b>	<b>9,283</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,516</b>	<b>2,336</b>	<b>2,267</b>	<b>2,245</b>	<b>2,143</b>

### Sources of capital funding

Subsidies and grants for capital expenditure	1,303	1,134	1,148	1,622	1,405
Development and financial contributions	146	93	85	133	89
Increase/(decrease) in debt	-	(35)	-	(600)	(35)
Gross proceeds from sale of assets	75	25	25	100	25
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,524</b>	<b>1,217</b>	<b>1,258</b>	<b>1,255</b>	<b>1,484</b>

### Applications of capital funding

Capital expenditure - to meet additional demand	8	-	10	45	10
Capital expenditure - to improve level of service	642	378	642	1,603	900
Capital expenditure - to replace existing assets	2,855	2,647	3,163	2,354	2,954
Increase/(decrease) in reserves	243	528	(540)	(693)	(237)
Increase/(decrease) in investments	292	-	250	191	-
<b>Total applications of capital funding</b>	<b>4,040</b>	<b>3,553</b>	<b>3,525</b>	<b>3,500</b>	<b>3,627</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,516)</b>	<b>(2,336)</b>	<b>(2,267)</b>	<b>(2,245)</b>	<b>(2,143)</b>

### Funding balance

	2015 Actual \$000	2015 LTP Budget \$000	2015 Annual Plan \$000	2014 Actual \$000	2014 LTP Budget \$000
	\$ -	\$ -	\$ -	\$ -	\$ -

## Commitments, Contingencies, Related Party Disclosures & Insurance

There are capital commitments in relation to two projects from Council's capital programme – Capital expenditure contracted for at balance date not yet incurred for buildings and property, plant and equipment totalling \$3,922,000.

Contracts reviewed on an annual basis have been accepted for:

Roading – In May 2012 Council signed a new three year contract commencing 1 July 2012. This contract was extended to expire on 30 November 2015. At 30 June 2015 a new Reseal contract has been let for a term of two years.

Refuse Collection – The contract was entered into with Metallic Sweeping (1998) Limited on 1 October 2009. This five year contract has consolidated all refuse and recycling collection and processing. The contract has been extended for a further two years and has provision for a further two year extension.

Following registration with the Emissions Trading Scheme Council has applied for carbon credits for both the pre-1990 forests it operates and post-1989 forests it operates. The credits received have been classified as an Intangible asset as at 30 June 2015.

There are no Contingent Assets as at 30 June 2015.

Council has a potential liability under the Emissions Trading Scheme if forests harvested in the last two years are not replanted.

Council has a potential liability, pending the outcome of an appeal to the High Court, for additional costs relating to the court case that has been defended during the year. This contingent liability is unquantified. This has now been resolved between the parties.

Timaru District Council (TDC) is a related party of the Council through the Downlands rural water scheme (DRWS). Council collects rates on behalf of the DRWS and distributes them to TDC.

Insurance cover for all New Zealanders has become a prominent issue following the 2010/11 Canterbury earthquakes, and this includes Local Government. International reinsurance companies have reassessed their view of disaster events in New Zealand and a return to pre-2010 price levels is nowhere in sight. During the 2014/15 year Council has cover in place for its below ground infrastructure assets, provided by the Local Authority Protection Programme Disaster Fund (LAPP). In the event of a claim during this year Council would have had to fund five times its annual contribution before the LAPP Fund would pay 40% of the reinstatement costs of the loss, with Central Government meeting the remaining 60%.

## Events After Balance Date

There are no significance events after balance date

Note: Users of the Summary Financial Report should note that the information contained herein cannot be expected to provide as complete an understanding as that provided by the full financial reports contained in the full Annual Report.

AUDIT NEW ZEALAND  
Mana Aotake Aotearoa

## Independent Auditor's Report

### To the readers of Waimate District Council's summary annual report for the year ended 30 June 2015

The summary annual report was derived from the annual report of the Waimate District Council (the District Council) for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 1 to 3:

the summary statement of financial position as at 30 June 2015;

the summaries of the statement of comprehensive revenue and expenditure, statement of changes in equity, statement of cash flows and funding impact statement for the year ended 30 June 2015;

the notes to the summary financial statements that include accounting policies and other explanatory information; and

the summary statement of service provision referred to as performance measures of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 27 October 2015.

#### Opinion

In our opinion:

the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and

the summary statements comply with PBE FRS43: *Summary Financial Statements*.

#### Basis of opinion

Our audit was carried out in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on*

*Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 27 October 2015 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

#### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS43: *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.



Scott Tobin, Audit New Zealand  
On behalf of the Auditor General  
Dunedin, New Zealand  
4 November 2015