



# Waimate

# 2013/14 Summary Annual Report

## Introduction from the Mayor and CEO



It is with pleasure that we present the 2013/14 Annual Report.

This past year has been a mix of highs and lows with many challenges for Council as we try to accomplish key Council projects within our budget. As always, with rising costs and inflation, we do our utmost to keep our rate increases as low as possible for our ratepayers, yet keep our district moving ahead.

It has been another busy and productive year for Council as reflected in this annual report. We have recorded a final deficit of \$3,000 against a budgeted deficit of \$195,000. The major items causing this very good result are additional subsidy revenue for the various Drinking Water Standards projects that were delayed from the 2013 financial year and additional New Zealand Transport Agency subsidy revenue. However the additional New Zealand Transport Agency subsidy came at the expense of additional emergency roading reinstatement costs following on from the June 2013 flooding event and other flooding events in April 2014. This emergency reinstatement was 58% funded by the New Zealand Transport Agency.

Additionally we have incurred legal costs of \$145,000 in defence of a court case and final settlement. While having a strong cash balance Council has also been able to repay \$600,000 of term debt. For more explanation of variances refer to each of the Service Performance Statements within each activity.

### Oceania Dairy Factory

Construction commenced on the new Dairy Factory at Glenavy. Resource consents have been granted and Council has been busy processing the various building consents for the different stages of the construction, with the factory now operational.

### Wind Events

In September there was a major wind storm event. This event blew over a considerable number of trees in Council's parks and reserves and forestry blocks. The roading network was disrupted by fallen trees and power wires.

### Army Exercise

In November Waimate, amongst other South Canterbury towns, played host to a major Army's real-time exercise, hosting soldiers from Australia, France, Canada and US marines. For several days there was a very visual presence on Waimate's township area of uniform soldiers, with also a welcome presence at the Waimate A & P Show.

### Civic Awards Recipients

The Waimate District Civic Awards 2014 were held in March to recognise the district's outstanding volunteers. Receiving recognition this year were Ngaire Bond, Matt Henderson, Kathy McCulloch and husband-and-wife team Stephen and Kathy McGirr.

### Motorhome Friendly Town

Mayor Rowley officially accepted the "Motorhome Friendly Waimate" scheme status in March, with Waimate at that time being

one of only two South Island Motor-Home Friendly Towns. As part of this agreement, Council also installed a new effluent disposal station in Hillary Street.

### Boland Park

April saw the Rotary Club of Waimate, handing over to the community the new outdoor fitness equipment at Boland Park. This equipment was part of a major upgrade of the park, with funding assistance from Council.

### Flooding

In April 2014, considerable flooding closed four bridges due to damage to the approaches, and there was widespread scouring and minor damage to the roading network, costing around \$209,000.

### Waitaki Bridges

The Kurow bridge was opened in April 2014, and the Hakataramea bridge opened in June 2014. These were momentous occasions, with a secure roading network now in place to support the economy of the Kurow and Hakataramea communities.

### Hunter Downs Irrigation Scheme

In April, Council gave the green light to invest in Hunter Downs Irrigation. Instalment 1 at \$25/share, a total of \$31,250 was paid. There are two further instalments required, which will be subject to Council approval.

### Waimate District Community Facility

In May Council went to public consultation on the stadium proposal (now known as Waimate District Community Complex), attracting much discussion and several submissions on a two court facility, rather than the single court facility which was presented in the concept design. Council agreed to proceed with the project based on the initial cost estimates presented to the ratepayers, and staff were asked to explore several of the suggestions re design and structure.

### District Roothing Meetings

Community meetings have begun around the district in order to look at roading concerns. Meetings have been held at Hakataramea in May and Maungati in June, with further meetings planned for the Morven/Glenavy and Waihao Downs areas.

### Morven Cemetery

Thanks to a very generous donation from Heritage Roses South Canterbury, and the ongoing care and supervision of the Morven School, 16 heritage roses were planted at the Morven Cemetery in June.

On behalf of our new team of Councillors and our staff, we would like to thank all of those people who work so hard to keep Waimate a great community to work and live in. We look to the coming financial year with a positive and enthusiastic attitude.

**Mayor Craig Rowley  
and CE Bede Carran**

This Summary Annual Report  
is dated 4 November 2014

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 (53% 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 New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

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 2014 are in New Zealand dollars and rounded to the nearest thousand (\$000). The financial statements of the Council have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards as appropriate for public benefit entities.

The 2014 Annual Report, and 2013 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 21 October 2014.

The following information has been extracted from the full Annual Report 2014.

## 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	4	2	67%
Waste Management	2	3	40%
Stormwater	0	2	0%
Sewerage & Sewage	2	1	67%
Roothing & Footpaths	4	2	67%
Property & Investments	5	0	100%
Parks & Recreation	10	0	100%
Governance & Leadership	4	1	80%
Environmental Services	10	5	67%
Community Services	7	3	70%
<b>Totals</b>	<b>48</b>	<b>19</b>	<b>72%</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 the 2013 financial year and to budget. This is predominantly the result of grants for previously delayed New Zealand Drinking Water Standards upgrade works with \$378,000 additional compared to the 2013 financial year and an additional \$286,000 compared to the LTP Budget.

Capital expenditure is above LTP budget as the various Drinking Water Standards projects were progressed. The Lower Waihao upgrades has been delayed.

**Sewerage and Sewage** – with additional Capital Expenditure that has occurred this year savings in maintenance expenditure have occurred as well as lower than expected LAPP insurance charges.

**Roothing** - The New Zealand Transport Agency subsidy is above both LTP Budget and the 2013 financial year due to additional recovery of emergency reinstatement costs from repairs conducted in the 2014 financial year after the June 2013 flooding event, and other flooding events in April 2014.

**Forestry** - Revenue from activities reflects income from harvest of two Reserves blocks and sales income and insurance recovery for several Reserve Blocks and Joint Venture blocks that were destroyed in the September 2013 windstorm. The respective forests have been revalued and a total gain on revaluation for the Waihao Forest, Reserve blocks, and Joint Venture Forests of \$146,000 has been recognised, compared to budgeted gains of \$128,000 and 2013 financial year gains of \$142,000. Additionally the ETS Carbon Credits received of \$23,000 have been recognised compared to \$14,000 in the 2013 financial year.

Other expenses include the cost/valuation of the two Reserves blocks that were harvested, and the costs to harvest the destroyed blocks, which for the most part has been recovered via the insurance claim.

**Investments and Finance** - Other revenue has increased following recognition of Internal Interest income charged to the various internal loans. Finance expenses have increased against budget following the separate recognition of interest income charged on internal loans referred to above. Other expenses have decreased against budget due to a reduction to Bank Fees and less Rates remissions than expected.

**Building Control** - Other expenses are unfavourable to budget predominately due to legal fees for defence of a court case and resulting settlement and additional consultancy fees. The use of consultants was for staff shortages and to process outstanding code compliance certificates and building consents.

**Resource Management** - Revenue from activities exceeds LTP Budget due to larger reserve contributions being received during the year which was not anticipated when the budget was set. The 2013 financial year had a one-off \$100,000 reserve contribution.





## Points of Significance

**Water Supply** - The second stage of the rising main renewal is completed and, alongside the newly installed variable speed drive at the Manchester's Road bore, represents advances towards pressure management / leakage reduction within the township.

The Otaio Makikihi Rural Water Scheme upgrade has been constructed and successfully commissioned.

The SCADA system upgrade to allow for SMS alerts and future hardware upgrades. Continuous improvements in asset knowledge to better inform renewal programming.

**Waste Management** - Upgrade to the Resource Recovery Building to allow for recyclable drop-off in a safe and clean manner.

**Stormwater Drainage** - Stage 1 of the High Street / Manse Street infrastructure upgrade is complete with a noticeable reduction in surface flooding.

Continuous improvements in asset knowledge to better inform renewal programming.

**Sewerage and Sewage** - Slee Street pipe renewal project successfully completed.

Various CCTV investigations performed to identify problematic gravity sewer lines and inform the asset management system.

Identification (and rectification) of a significant source of stormwater inflow.

Continuous improvements in asset knowledge to better inform renewal programming.

**Roading and Footpaths** - Rain storms in April 2014 resulted in widespread disruption to the roading network and an emergency repair expense of \$210,000. This received a subsidy from NZTA of 58%.

**Forestry** - On 10 September 2013 the Waimate District suffered a severe storm with high winds. Some Council forests blocks were damaged. The damaged blocks have now been harvested and Council insurance on forests received. The results reflect the harvesting and insurance claims along with some other blocks that were harvested before the storm.

With another year of growth an additional \$146,000 of value to the forest was recognised.

**Investments and Finance** - Due to having strong cash reserves available an amount of \$600,000 of external debt was repaid leaving total external debt now of \$500,000.

**Property** - Following confirmation that council was not able to sell the existing stadium or land, Council resolved the stadium project would focus on the current site. Following significant consultation in prior years a Special Consultation Procedure (SCP) took place Feb-May 2014 and Council resolved to proceed with the project. A targeted rate has been introduced which is providing funding for redevelopment of the existing stadium. Council is working through options for upgrading the stadium (now to be called Waimate District Community Complex), and it is expected this project will begin in 2015.

During the year public toilets at the Waitaki rest area were upgraded, however the cost of repairing ongoing vandalism places a question mark over the provision of facilities in remote areas.

**Camping** - To facilitate management and collection of Waitaki Lakes camping revenue a Caretakers Facility was constructed during the end of the financial year 2012/13 and was operational for the 2013/14 lakes season.

Camping revenue is steadily increasing each year which suggests that affordable camping holidays are becoming more popular.

**Cemeteries** - Council's Parks and Reserves department continues to manage the operation of the Waimate cemeteries. Some work has been completed on sunken graves by topping up with soil and sowing of grass to enhance their appearance.

To facilitate additional cremation graves a new beam is being constructed which will be completed in the next financial year.

**Parks and Public Spaces** - A skatepark and climbing net situated at Boland Park was constructed in April 2013 by the Waimate Skatepark Committee. Council's Parks and Reserves Department cleared a section of trees surrounding the Skatepark on Queen Street so that the area is open and visual to the public. Rotary Club have donated and installed fit room equipment.

The Friends of Knottingley Park group have continued planting varieties of trees and daffodils as they have in prior years.

Waimate Trackways group have completed all the major tracks within Knottingley Park with further minor tracks to be established in the next financial year.

The glass house situated at Victoria Park is currently under re-construction and this project will be completed in the next financial year.

A number of birds, including a Cockatoo, have been donated to Council's aviary at Victoria Park.

**Swimming** - The Norman Kirk Memorial Pool continues to be well used by the public and visitors to the District. The local swimming club and schools continue to utilise the pool for swimming lessons and swim groups.

**Community Representation** - Local Government elections were held in October 2013, which resulted in six new councillors around the table.

**Managing Services** - A major redevelopment of Councils website content management system was completed.

**Building Control** - Expenditure for the Building Control Department has exceeded budget by a large amount due to legal costs and the use of consultants to assist during staff shortages to process mainly outstanding Code Compliance certificates and Building Consents.

The Building Control Department has processed a large building consent for the establishment of a milk processing plant at Glenavy.

**Resource Management** - Councils 2nd generation District Plan became operative in February 2014.

Council were involved in land use consents for a new dairy factory near Glenavy and the new Waitaki bridges at Kurow.

**Emergency Management** - Council CDEM team responded to two major events, a rain event and a severe wind event both of these events caused major property damage district wide.

**Regulatory Services** - The Regulatory Department has been involved in work associated with the new Local Alcohol legislation mainly around Local Alcohol Policies and Local Alcohol Committees.

**Dog and Animal Control** - There have been large increases in the number of reported animal control related issues.

Council employed an after-hours Animal Control Officer to ease the workload of Council's part time Animal Control Officer.

**Economic Development and Promotions** - The construction of a new dairy factory at Glenavy was completed which is providing significant employment for the region.

The Waimate District featured in several national magazines and newspaper articles.

**Library** - This year the library contracted Aoraki Peoples Network Kaharoa (APNK) to provide free internet services including wi-fi accessible within the building and directly outside.

## Statement of Comprehensive Income for the year ended 30 June 2014

### Operating Income

Rates other than targeted rates for Water Supply  
Targeted rates for Water Supply  
Development and Financial contributions  
Subsidies and Grants  
Other revenue  
Other gains

**Total Operating Income**

### Operating Expenditure

Employment benefit expenses  
Depreciation  
Amortisation  
Other expenses  
Finance costs  
Other losses

**Total Operating Expenditure**

**Operating Surplus/(Deficit) before Taxation**

Taxation expense

**Total Surplus/(Deficit)**

### Other Comprehensive Income

Increase/(decrease) in discretionary reserves/restricted assets  
Increase/(decrease) in revaluation reserves  
Impairment of revalued assets and reversal of a prior year value  
Financial assets at fair value through other comprehensive income

**Total Other Comprehensive Income**

**Total Comprehensive Income**

## Statement of Changes in Equity for the year ended 30 June 2014

Equity as at 1 July

Total Comprehensive Income

**Equity at 30 June**

## Statement of Financial Position as at 30 June 2014

### Assets

#### Current Assets

Cash and cash equivalents  
Trade and other receivables  
Inventories  
Other financial assets  
Total Current Assets

#### Non-Current Assets

Infrastructural assets  
Operational assets  
Forestry assets  
Intangible assets  
Other financial assets  
Total Non-Current Assets

**Total Assets**

### Liabilities

#### Current Liabilities

Trade and other payables  
Public debt  
Provisions  
Derivative financial instruments  
Employee benefit liabilities  
Total Current Liabilities

#### Non-Current Liabilities

Public Debt  
Provisions  
Derivative financial instruments  
Total Non-Current Liabilities

### Equity

Public Equity  
Special separate and trust funds  
Asset revaluation reserve  
Other reserves  
Total Equity

**Total Liabilities and Equity**

2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Operating Income</b>			
\$6,412	\$6,461	\$6,372	\$6,140
1,737	1,738	1,740	1,603
133	89	94	237
2,759	2,205	2,379	1,841
2,603	2,058	2,151	2,224
173	128	143	157
<b>13,817</b>	<b>12,679</b>	<b>12,879</b>	<b>12,202</b>
<b>Operating Expenditure</b>			
3,235	3,222	3,213	2,980
4,071	3,737	3,988	3,621
15	20	20	17
6,402	5,610	5,651	5,800
36	83	65	42
61	202	94	56
<b>13,820</b>	<b>12,874</b>	<b>13,031</b>	<b>12,516</b>
<b>(3)</b>	<b>(195)</b>	<b>(152)</b>	<b>(314)</b>
-	-	-	-
<b>\$(3)</b>	<b>\$(195)</b>	<b>\$(152)</b>	<b>\$(314)</b>
<b>Other Comprehensive Income</b>			
3	-	-	(27)
11,356	39,218	39,326	-
(63)	-	-	227
-	-	-	2,525
<b>11,296</b>	<b>39,218</b>	<b>39,326</b>	<b>2,725</b>
<b>\$11,293</b>	<b>\$39,023</b>	<b>\$39,174</b>	<b>\$2,411</b>

2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
\$368,105	\$362,619	\$365,805	\$365,694
11,293	39,023	39,174	2,411
<b>\$379,398</b>	<b>\$401,642</b>	<b>\$404,979</b>	<b>\$368,105</b>

2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Assets</b>			
<b>Current Assets</b>			
1,553	1,177	708	2,302
1,512	932	907	1,338
586	339	339	539
410	237	220	251
<b>4,061</b>	<b>2,685</b>	<b>2,174</b>	<b>4,430</b>
<b>Non-Current Assets</b>			
346,468	375,440	376,694	334,941
17,536	14,835	17,464	17,995
1,569	1,613	1,766	1,714
135	28	98	92
12,280	9,732	9,749	12,306
<b>377,988</b>	<b>401,648</b>	<b>405,771</b>	<b>367,048</b>
<b>\$382,049</b>	<b>\$404,333</b>	<b>\$407,945</b>	<b>\$371,478</b>

2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Liabilities</b>			
<b>Current Liabilities</b>			
1,621	946	1,123	1,731
500	35	-	1,100
6	6	6	5
12	52	87	41
444	276	410	411
<b>2,583</b>	<b>1,315</b>	<b>1,626</b>	<b>3,288</b>
<b>Non-Current Liabilities</b>			
-	1,174	1,280	-
68	202	60	71
-	-	-	14
<b>68</b>	<b>1,376</b>	<b>1,340</b>	<b>85</b>

2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Equity</b>			
83,272	82,834	84,206	83,520
1,387	167	699	1,139
291,466	317,893	319,326	280,173
3,273	748	748	3,273
<b>379,398</b>	<b>401,642</b>	<b>404,979</b>	<b>368,105</b>
<b>\$382,049</b>	<b>\$404,333</b>	<b>\$407,945</b>	<b>\$371,478</b>

## Statement of Cash Flows for the year ended 30 June 2014

### Cash flows from operating activities

#### Cash was received from:

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Receipts from rates revenue	\$8,107	\$7,052	\$6,964	\$7,810
Interest received	66	74	34	50
Dividends received	577	578	576	578
Receipts from other revenue	4,407	5,525	5,585	3,977
	13,157	13,229	13,159	12,415

#### Cash was applied to:

Payments to suppliers and employees	9,485	9,566	9,162	8,605
Interest paid	80	83	65	97
	9,565	9,649	9,227	8,702
	<b>3,592</b>	<b>3,580</b>	<b>3,932</b>	<b>3,713</b>

### Net Cash Flows from operating activities

### Cash flows from investing activities

#### Cash was received from:

Proceeds from sale of property, plant and equipment	101	25	25	21
Proceeds from sale of harvested forests	331	-	-	211
Proceeds from sale of investment property	-	134	-	-
Proceeds from sale of investments	57	3	3	21
	489	162	28	253

#### Cash was applied to:

Purchase of property, plant and equipment	4,004	3,864	4,823	2,660
Purchase of intangible assets	35	-	35	12
Purchase of silviculture	-	-	-	17
Acquisition of investments	191	-	-	-
Payment of prior surplus to community board	-	-	-	29
	4,230	3,864	4,858	2,718
	<b>(3,741)</b>	<b>(3,702)</b>	<b>(4,830)</b>	<b>(2,465)</b>

### Net Cash Flows from investing activities

### Cash flows from financing activities

#### Cash was received from:

Proceeds from public debt	-	-	1,280	-
	-	-	1,280	-

#### Cash was applied to:

Repayment of public debt	600	35	1,280	180
	600	351	1,280	180
	<b>(600)</b>	<b>(35)</b>	<b>-</b>	<b>(180)</b>

### Net Cash Flows from financing activities

Net increase/(decrease) in cash held	(749)	(157)	(898)	1,068
Add opening cash balance (1 July)	2,302	1,334	1,606	1,234

### Closing cash (30 June)

### Represented by:

Cash, cash equivalents and bank overdrafts	1,553	1,177	708	2,302
	<b>\$1,553</b>	<b>\$1,177</b>	<b>\$708</b>	<b>\$2,302</b>

## Funding Impact Statement for the year ended 30 June 2014

### Sources of operating funding

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000	2013 Budget \$000
General rates, UAGC and rates penalties	\$5,344	\$5,385	\$5,302	\$5,056	\$5,089
Targeted rates	2,848	2,294	2,846	2,695	2,695
Subsidies and grants for operating purposes	1,160	801	818	875	773
Fees and charges	950	1,299	835	785	721
Interest and dividends from investments	643	652	610	628	663
Local authority fuel tax, fines, infringement fees other	1,345	995	1,068	1,161	1,036
<b>Total sources of operating funding</b>	<b>12,290</b>	<b>11,426</b>	<b>11,479</b>	<b>11,200</b>	<b>10,977</b>

### Applications of operating funding

Payments to staff and suppliers	10,010	9,100	9,263	9,040	8,936
Finance costs	36	83	65	42	82
Other operating funding applications	-	100	-	100	-
<b>Total applications of operating funding</b>	<b>10,046</b>	<b>9,283</b>	<b>9,328</b>	<b>9,182</b>	<b>9,018</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,244</b>	<b>2,143</b>	<b>2,151</b>	<b>2,018</b>	<b>1,959</b>

### Sources of capital funding

Subsidies and grants for capital expenditure	1,622	1,405	1,561	982	1,599
Development and financial contributions	133	89	94	236	86
Increase/(decrease) in debt	(600)	(35)	-	(180)	(36)
Gross proceeds from sale of assets	101	25	25	21	25
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,256</b>	<b>1,484</b>	<b>1,680</b>	<b>1,059</b>	<b>1,674</b>

### Applications of capital funding

Capital expenditure - to meet additional demand	45	10	25	21	25
Capital expenditure - to improve level of service	1,603	900	2,155	635	1,640
Capital expenditure - to replace existing assets	2,354	2,954	2,724	2,016	2,363
Increase/(decrease) in reserves	(693)	(237)	(1,073)	405	(395)
Increase/(decrease) in investments	191	-	-	-	-
<b>Total applications of capital funding</b>	<b>3,500</b>	<b>3,627</b>	<b>3,831</b>	<b>3,077</b>	<b>3,633</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,244)</b>	<b>(2,143)</b>	<b>(2,151)</b>	<b>(2,018)</b>	<b>(1,959)</b>

### Funding balance

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000	2013 Budget \$000
	\$ -	\$ -	\$ -	\$ -	\$ -

## Commitments, Contingencies, Related Party Disclosures & Insurance

There are capital commitments in relation to one project from Council's capital programme - Capital expenditure contracted for at balance date not yet incurred for property, plant and equipment totalling \$229,000.

Contracts reviewed on an annual basis have been accepted for:

Roading - roading contracts area contractual commitment with a right of renewal for a further year. In May 2012 Council signed a new three year contract commencing 1 July 2012. Also in October 2013 the Reseal contract (13/1) was signed and this has been extended to 30 June 2015.

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.

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 2013. These were included as Contingent Assets in 2012. There are no Contingent Assets as at 30 June 2014.

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.

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 2013/14 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 5 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 2014

The summary annual report was derived from the annual report of the Waimate District Council (the District Council) for the year ended 30 June 2014. 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 2014;

the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;

the notes to the summary financial statements that include other explanatory information; and the summary statement of service provision of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 21 October 2014.

### 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 FRS43 (PBE): *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 21 October 2014 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 FRS43 (PBE): *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 FRS 43 (PBE): *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 2014