



# 2013/14 Summary ANNUAL REPORT

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## About

The full Annual Report provides information about our performance during the 2013/14 financial year. This document is a summary of that report intended to quickly provide an overview of the full report. If you wish to know more, then the full Annual Report for 2013/14 is available on the Council's web site at: [www.hurunui.govt.nz](http://www.hurunui.govt.nz)

## From the Mayor and Chief Executive Officer

The Annual Report summarises our performance for the financial year from 1 July 2013 to 30 June 2014. This Summary report is a shortened version of the full report.

For the most part, the 2013/14 year has been business as usual but with some changes to our governance and leadership. The triennial local government election in October 2013 brought about changes to our Council with three new councillors and six returning. The Hanmer Springs Community Board had a substantial change with four new members and one returning member. In addition, Hamish Dobbie joined the Council as our new Chief Executive Officer in September 2013.

### *Financial Performance*

We are committed to managing Council funds and your rates responsibly and affordability is a primary focus when it comes to deciding what we do and don't do. The detail about our financial performance is contained in the full Annual Report, but here are some brief facts about our financial performance in the past year.

Council recorded a net deficit after tax of \$1,858,000. This was \$379,000 lower than the budgeted net deficit of \$1,479,000. Council has recognised a further increase in the valuation of its assets for the year of \$4,163,000, and \$121,000 increase to the value of its equity shares bringing the total comprehensive

income up to a total of \$2,426,000.

Our operating revenue was \$36.9 million which was \$5.5 million greater than what we predicted in our annual plan. The key variances were due to roading subsidies received in relation to the emergency reinstatement work that was required after the July 2013 storm event. In addition, Council received \$3.8 million in forestry proceeds as the result of harvesting the Ashworths Forestry block after the wind event of October 2013.

Operating expenditure was \$38.7 million which was \$5.9 million greater than predicted in the annual plan. The key variances were costs in relation to harvesting the forestry block of \$2.0 million, the additional \$1.8

million spent on emergency reinstatement work for roading and \$1.9 million more in depreciation costs.

Capital Expenditure was \$8.7 million, which was \$1.5 million up on the level budgeted for. The key variances being the completion of some projects that were carried forward from the 2012/2013 year, principally the completion of the Amberley Transfer Station Project and some pipe upgrade work for Amberley Sewer. Included in the capital expenditure is \$1,010,000 of assets that were vested in the Council during the year.

The Council now owns \$379 million of assets on behalf of our residents and ratepayers. At 30 June 2014, Council's debt was \$16.2 million.

### **Service Performance**

Since 2007, we have undertaken a resident satisfaction survey each year. The most recent survey was undertaken in February 2014 and pleasingly, it shows that most people are reasonably satisfied with the Council's performance overall.

Most of our services such as libraries, public toilets, cemeteries, community halls, etc, have consistently received high satisfaction. Roading on the other hand is the Council's largest spending area and the most visible asset we have, but overall, results tend not to be as high.

### **District Changes**

There has been noticeable growth in the Amberley Ward, and few of our people would not have discovered the new retail complex which opened in May 2014, by now. Building consent applications have continued to be steady although have dropped slightly from the previous year. The population for the Hurunui district has now been confirmed at 12,000 (2013 Census

data), compared with 10,750 in 2006 (the previous Census). Most of our townships are not growing and the main increase in population has been due to the growth in the southern end of the district. It is important for us to understand how population growth (and decline) impacts on our levels of service into the future.

### **Key Projects**

We undertook or commenced a number of projects during the year. In the 'Council Activities' section of the Annual Report, we have rated ourselves against a range of performance measures. This is where we report how well we did against what we said we were going to do. All in all, we mainly achieved what we set out to do.

#### **Insurance premium reduction**

Up until 2012/13, the Council had fully insured all of its assets. However the cost of doing so reached almost three times the cost it had been in 2010 (pre Canterbury earthquakes). Whereas the Council had agreed in 2012 to remain fully insured, it was concluded that the cost of doing so was too great, so in conjunction with the Ward Committees, the Council identified a range of community assets on which we no longer hold Natural Disaster cover. This had reduced our insurance bill by \$217,000.

#### **Sewer Improvements**

We had a number of costly sewer projects to undertake including desludging of some of our sewer plants. We decided not to do Hanmer Springs in 2013/14 after our engineers assessed that this could be deferred until 2017/2018, subject to a further survey assessment closer to the time. However, the ponds of Hawarden and Waikari cannot wait

that long and have been re-prioritised for completion within the next two years.

#### **Drinking Water**

A new intake serving the Kaiwara rural water scheme has been completed, including new routed pipelines. We consider the new location to have considerable less risk associated with it compared to the last intake placement. Insurance cover paid for most of the new intake costs.

#### **Hanmer Springs Doctor's Residence**

The Council owns the medical centre in Hanmer Springs and now owns a residence, purchased in 2013.

#### **Cheviot Library/Service Centre**

The Cheviot service centre renovations were finalised during the year.

#### **District Plan Review**

This is a major project for the Council and one that will take several years to complete. We have done a substantial amount of work on the District Plan over the past year, inviting community and Ngai Tahu feedback on several aspects of this as we have gone along.

#### **Conclusion**

The Council is focussed on delivering infrastructure, regulatory and public services in a manner that is effective, efficient and appropriate to meet both our current and future needs. The future holds a number of challenges and opportunities for our district including infrastructure affordability in relation to demographic changes, ensuring a vibrant framework for economic development and managing overall debt in the face of higher regulatory compliance burdens coupled with reduced funding from central government.

I hope you enjoy reading this summary of the annual report.



Winton Dalley  
Mayor



Hamish Dobbie  
Chief Executive Officer

## Comparison with the 2013/14 Annual Plan

### Performance:

- The Council recorded a net deficit after tax of \$1,858,000 whereas the Council budgeted to record a deficit after tax for the 2013/2014 year \$1,479,000. In addition, the Council recorded a gain on the value of its assets of \$4,163,000 and recognised a \$121,000 increase in its equity shares which brought the total comprehensive deficit recorded for the Council for the year to \$2,426,000.

### Revenue:

- Operating Revenue for the year was \$36,854,000 which was \$5,487,000 greater than predicted in the Annual Plan. The key variances being:
- Subsidies and Grants were higher than budgeted for as a result of the increased level of New Zealand Transport Agency subsidies received from the significant amount of emergency reinstatement work required after the storm events of July 2013
- Other Income was boosted by Forestry Proceeds of \$3.8 million. This was the result of the wind event from October 2013 which necessitated the harvesting of the Ashworth Forestry Block ahead of schedule.

### Operating Expenditure:

- Operating Expenditure was \$38,712,000 for the year, \$5,886,000 greater than was predicted in the Annual Plan, the key variances being:

- Costs associated with forestry were \$2,052,000 greater than budget. This represents the un-budgeted costs associated with harvesting the forestry blocks ahead of schedule.
- The costs associated with the Emergency Reinstatement work on the Council's Roding Network were \$1,827,000, which was not specifically budgeted for.
- Depreciation was \$1,669,000 greater than was budgeted for. This was due to the need to account for depreciation in revalued assets.
- These major increases on budget were offset by the deferring of \$575,000 of operating costs relating to the desludging of the Waikari and Hanmer Springs Sewer Ponds and the external finance costs were \$714,000 lower.

### Capital Expenditure

- Total Capital Expenditure for the year was \$8.7 million as opposed to the budget of \$7.2 million. The key reasons for this result are:
- Water Supplies – the Council had spent a total of \$1,112,393 on Water Capital Works compared with the budget of \$760,609. The budget for the year was bolstered by a number of projects that were scheduled in the 2012/2013 being carried forward to the 2013/2014 year.
- Sewerage - the Council had spent a total of \$583,485 on Sewer Capital Works compared with

- the budget of \$64,246 – again, a number of projects were carried forward from the previous year. Council also received \$222,891 in vested assets during the year from a key subdivision in Hanmer Springs and work associated with the supermarket in Amberley.
- Roads and Footpaths – the Council has spent \$2,752,167 on Capital Expenditure for Roding during the year.
- Stormwater - Council recognised a further \$141,586 for vested stormwater assets during the year.
- Community Services and Facilities – The key project undertaken was the purchase of the Doctor's House in Hanmer Springs of \$500,000.
- Environment and Safety – there was \$1,154,658 spent on the Amberley Transfer Station, the budget for which was carried forward from previous years.
- Hanmer Springs Thermal Pools and Spa – the Council spent \$813,632 on capital work at the Pools. The upgrade of the changing rooms, which was a project that was budgeted for in the 2012/2013 year but finally underway in July 2014.

## Performance overview

In the 2013/14 Annual Plan we set ourselves 35 goals across 14 activity areas. In the Annual Report one of the roads and footpaths goals was expanded to show three additional sub-goals giving 38 goals in total.

We met or mostly met 21 of those goals (55%), including meeting all the goals in the Sewerage, Roads and Footpaths, and Emergency Services activities. Most of the other activities including both water and Hanmer Springs Thermal Pools and Spa, produced mixed results both meeting

some goals and not meeting others. However there were four activities (Stormwater Drainage, Property, Waste Minimisation and Governance) covering eight goals, where we failed to meet any of the goals for those activities. (See summary table at the end of this section.)

Although we attempt to set 'stretch goals' each year, we are disappointed to meet only 55% of those goals this year. In the previous two years we achieved 77% (2012/13) and 81% (2011/12).

### Significant activities

Our major activities include water supply, sewerage, stormwater and drainage, roads and footpaths and the Hanmer Springs Thermal Pools and Spa. The first four activities are our 'core' activities in that these are considered the most essential for Council to deliver. The thermal pools and spa are also very important to us because of the income they derive for the benefit of our communities. Although this is not considered to be an 'essential' activity, the profits

from the thermal pool complex offsets rates for work and buildings on reserves which would otherwise be funded directly by our ratepayers.

**Water supply:** During the year, we did 1,358 water safety tests on our 13 water schemes to detect the presence of e-coli that would make water unsafe to drink. We did have several reoccurring instances of e-coli levels greater than acceptable in the Amberley and Waiau Townships, and in Cheviot and Hurunui. These resulted in Temporary Boil Water Notices being issued to the schemes affected. Despite installing new treatment plants to improve the quality of the water, we have experienced several failures of this equipment. Most of the problems were with the Hurunui Rural Water Scheme, where we have had recurring problems with the new plant and the old chlorinator. Most of the issues have been resolved but there are still some problems with the new mixed oxidant (MIOX) treatment plants. We are continuing to focus on eliminating these problems so that detecting e-coli in our drinking water becomes a thing of the past.

**Sewerage:** We have 13 resource consents with a total of 204 condi-

tions and Environment Canterbury monitored 184 of them during the year. Two of the 184 conditions were rated as significant non-compliances relating to sampling requirements of treated discharge from the treatment ponds into an open drain. The issues have been remedied to ensure that they comply in future.

**Roads and footpaths:** We compare our roads against the national 'Sealed Roads Condition Rating Index' report. This report assesses the condition index for Hurunui's sealed roads and compares it to the national average for rural roads. Overall, we were slightly lower than the national average which was 98% (we were 97%). Our sealed road network has stayed consistent at 97% over the last three years for condition index ratings, whilst the national average has progressively improved. Although this result is slightly lower than the national average overall, we have done better than the national average for other major measures: smooth travel exposure for our roads is 98%, (national average - 95%); our 'roughness' rating was 3.7% and the national average is 9.5%, (in this case, a lower value is better and this means that we have substantially

fewer 'rough' roads than that nationally); strength of sealed roads for our roads is 96%, (national average - 95%).

**Hanmer Springs thermal pools and spa:** Although the number of customers from Christchurch reduced by 1% on the previous year, the number of international customer increased by 1%. Prices for pool entry and products increased which resulted in a greater profit than the year before. More improvements were done to the complex (changing rooms, i-site and the café) to ensure that the standard of the complex remains high and attractive to future customers.

### Other activities

In addition to the above activities, we also provide other services such as community services and facilities (youth programme, library, property, reserves), environment and safety (emergency services, resource management, compliance and regulatory functions, waste minimisation), district promotion and governance. A summary of performance in these areas with the significant activities is shown below.

Activity	Met & Mostly Met	Not met
Water supply	1	2
Sewerage	2	
Roads and footpaths	6	
Stormwater and drainage		2
Community services	2	1
Property		3
Reserves	1	1
Emergency services	2	
Resource management	2	1
Compliance and regulatory functions	2	1
Waste minimisation		2
District promotion	1	2
Hamner Springs Thermal Pools & Spa	2	1
Governance		1
<b>Totals</b>	<b>21</b>	<b>17</b>



Opening the new Countdown supermarket

## Notes to the summary Financial Statements

- The summary financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's).
- The summary financial statements were approved for issue by the Hurunui District Council on 13 November 2014. The specific disclosures included in the summary financial statements have been extracted from the full Annual Report.
- The summary financial statements cannot be expected to provide as complete an understanding as provided by the full Annual Report.
- The full Annual Report was approved for issue on 30 October 2014. Section 98 of the Local Government Act 2002 requires that Council adopt its annual report four months after the end of the financial year.
- The full Annual Report has been audited and an unqualified audit report was issued.
- The full Annual Report was prepared in accordance with general accepted accounting practice in New Zealand (NZ GAAP) and complied with New Zealand International Financial Reporting Standards (NZ IFRS).
- The Hurunui District Council is a public benefit entity.
- The Summary financial statements are in compliance with Financial Reporting Standard No43, Summary Financial Statements.

### **Contingent assets and liabilities**

#### **Contingent Assets**

The Council has a level of damage to various buildings resulting from the Canterbury Earthquakes. The assess-

ment of the insurance claims for the Council's non-residential buildings that have yet to be settled has been estimated at \$497,200.

Council had a low level of damage to its residential buildings as well. Being residential buildings, the repair process is organised by EQC and a full assessment of the damage and the possible payout should the Council undertake the repair work itself has yet to be received. (2013: \$497,000). In addition, there was a fire in the Ashley Forest area, which cost the Council's Rural Fire Control Department approximately \$189,000 to suppress. It has been assessed that a total of \$170,000 is to be reimbursed for the costs by the party causing the fire but that is still to be agreed to.

#### **Contingent Liabilities**

##### **RiskPool**

RiskPool provide public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the Fund year. The Council has been asked to make calls in the past for Fund years as a result of deficits incurred due to the "leaky building" issue. No calls have been made by the Board of New Zealand Mutual Liability RiskPool for the 2014/2015 year (2013: Nil). There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for

weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of the ruling.

Council has received notice that there are two active claims under Weathertight Homes Resolution Service.

The Council has assessed that the potential liability to Council arises from these claims is minimal.

#### **Impairment of Buildings**

Council has started a process of reviewing all of its buildings for earthquake strengths. Currently the Council's policy is to ensure that buildings are at least 67% of New Building Standard (NBS), however, central government is in the process of reviewing this standard nationally. The Council has identified some buildings that are less than 33% NBS, which is the level that the current valuation for buildings has been assumed. Council has had some indicative costings on certain buildings to bring them up to the new standard of 67% NBS, however, there is not enough reliability to determine what level of costs would be required to match the level that the buildings were previously valued at and as a result, no specific impairment assessment has been allowed for in this Annual Report.

#### **Subsequent events**

There have been no events subsequent to 30 June 2014 which would affect the readers' assessment of the financial performance and position of the Hurunui District Council.

# Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Group			Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Budget 2014 \$000's	Actual 2013 \$000's
<b>Revenue</b>					
Total rates revenue, excluding targeted water supply rates	14,399	13,578	14,399	13,932	13,578
Fees, charges, and targeted rates for water supply	659	1,125	659	471	1,125
Development Contributions	472	1,145	472	390	1,145
Investment income	188	137	188	74	137
Subsidies and grants	5,153	3,499	5,153	3,388	3,499
Hanmer Springs Thermal Pools & Spa	9,967	9,503	9,967	9,801	9,503
Vested Asset Income	1,010	2,429	1,010	227	2,429
Other Income	6,770	3,371	6,770	3,071	3,371
Gains/(Losses) on Forestry Revaluation	(1,788)	401	(1,788)	13	401
Gains/(Losses) on NZ Emissions Units	25	(54)	25	0	(54)
	<b>36,854</b>	<b>35,134</b>	<b>36,854</b>	<b>31,367</b>	<b>35,134</b>
<b>Less Expenditure</b>					
Employee Benefits	9,933	9,334	9,933	9,895	9,334
Direct Expenditure	20,059	15,510	20,059	15,431	15,510
Finance Expenses	508	320	508	1,222	320
Depreciation, Amortisation and Loss on Disposal	8,213	7,197	8,213	6,298	7,197
<b>Total Operating Expenditure</b>	<b>38,712</b>	<b>32,361</b>	<b>38,712</b>	<b>32,846</b>	<b>32,361</b>
<b>Operating Surplus/(Deficit) before tax</b>	<b>(1,858)</b>	<b>2,773</b>	<b>(1,858)</b>	<b>(1,479)</b>	<b>2,773</b>
Share of associates surplus/(deficit)	(3)	1	0	0	0
<b>Net Surplus/(Deficit) before tax</b>	<b>(1,861)</b>	<b>2,774</b>	<b>(1,858)</b>	<b>(1,479)</b>	<b>2,773</b>
Tax Expense	0	0	0	0	0
<b>Net Surplus/(Deficit) after tax</b>	<b>(1,861)</b>	<b>2,774</b>	<b>(1,858)</b>	<b>(1,479)</b>	<b>2,773</b>
<b>Add Other Comprehensive Income</b>					
Gains/(Losses) on Asset Revaluation	4,163	16,505	4,163	4,938	16,505
Gains/(Losses) in Fair Value of Shares	121	41	121	0	41
	<b>4,283</b>	<b>16,546</b>	<b>4,283</b>	<b>4,938</b>	<b>16,546</b>
<b>Total Comprehensive Income</b>	<b>2,423</b>	<b>19,320</b>	<b>2,426</b>	<b>3,459</b>	<b>19,319</b>

# Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	Group			Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Budget 2014 \$000's	Actual 2013 \$000's
<b>Equity at Start of Year</b>	<b>353,537</b>	<b>334,217</b>	<b>353,323</b>	<b>339,556</b>	<b>334,004</b>
Add Total Comprehensive Income for Year	2,423	19,320	2,426	3,459	19,319
<b>Equity at End of Year</b>	<b>355,960</b>	<b>353,537</b>	<b>355,749</b>	<b>343,015</b>	<b>353,323</b>

# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014

	Group		Council		
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Budget 2014 \$000's	Actual 2013 \$000's
<b>Cash flows from operating activities</b>					
Revenue	36,569	32,180	36,569	30,979	32,180
Agency receipts	3,006	2,857	3,006	2,243	2,857
Interest received	60	54	60	0	54
Dividends received	128	83	128	74	83
Payments to suppliers and employees	(29,925)	(25,039)	(29,925)	(25,175)	(25,039)
Interest and other costs of finance paid	(832)	(2,084)	(832)	(1,223)	(2,084)
Agency payments	(3,006)	(720)	(3,006)	(2,243)	(720)
Net GST Movement	(178)	233	(178)	0	233
<b>Net cash from operating activities</b>	<b>5,822</b>	<b>7,564</b>	<b>5,822</b>	<b>4,655</b>	<b>7,564</b>
<b>Cash flows from investing activities</b>					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	0	246	0	0	246
Proceeds on sale of investments	101	5	101	0	5
Insurance recoveries	0	204	0	0	204
Payment for purchase of investments	(121)	0	(121)	0	0
Payment for plant, property & equipment	(7,363)	(7,658)	(7,363)	(6,993)	(7,658)
<b>Net cash from investing activities</b>	<b>(7,383)</b>	<b>(7,203)</b>	<b>(7,383)</b>	<b>(6,993)</b>	<b>(7,203)</b>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of debt securities	3,850	5,900	3,850	2,250	5,900
Repayment of loans	0	(5,550)	0	0	(5,550)
<b>Net cash from financing activities</b>	<b>3,850</b>	<b>350</b>	<b>3,850</b>	<b>2,250</b>	<b>350</b>
<b>Increase/(decrease) in cash &amp; cash equivalents</b>	<b>2,289</b>	<b>711</b>	<b>2,289</b>	<b>(88)</b>	<b>711</b>
Cash and cash equivalents as 1 July	1,786	1,075	1,786	124	1,075
<b>Cash and cash equivalents as 30 June</b>	<b>4,075</b>	<b>1,786</b>	<b>4,075</b>	<b>36</b>	<b>1,786</b>

The GST (net) component of operating activities reflect the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

# Statement of Financial Position

AS AT 30 JUNE 2014

	Group		Actual 2014 \$000's	Council	
	Actual 2014 \$000's	Actual 2013 \$000's		Budget 2014 \$000's	Actual 2013 \$000's
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4,075	1,786	4,075	37	1,786
Trade and other receivables	3,442	2,290	3,442	2,181	2,290
Inventories	143	155	143	204	155
Non-current assets held for sale	305	305	305	324	305
<b>Total current assets</b>	<b>7,964</b>	<b>4,536</b>	<b>7,964</b>	<b>2,746</b>	<b>4,536</b>
<b>Non-current assets</b>					
Property, plant and equipment					
- Operational	45,219	41,238	45,219	45,978	41,238
- Restricted	37,322	35,941	37,322	45,550	35,941
- Infrastructure	286,513	287,160	286,513	272,926	287,160
Intangible assets	140	147	140	80	147
Forestry assets	950	2,738	950	2,363	2,738
Other financial assets	617	374	617	339	374
Investments in associates	211	214	0	0	0
<b>Total non-current assets</b>	<b>370,972</b>	<b>367,812</b>	<b>370,761</b>	<b>367,236</b>	<b>367,598</b>
<b>Total assets</b>	<b>378,936</b>	<b>372,348</b>	<b>378,725</b>	<b>369,982</b>	<b>372,134</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	3,826	3,539	3,826	4,183	3,539
Landfill aftercare provision	8	8	8	8	8
Employee benefits	1,122	1,054	1,122	0	1,054
Current portion of term debt	2,000	0	2,000	0	0
Current portion of derivative financial instruments	1	11	1	0	11
Income in advance	1,683	1,444	1,683	997	1,444
<b>Total current liabilities</b>	<b>8,639</b>	<b>6,056</b>	<b>8,639</b>	<b>5,188</b>	<b>6,056</b>
<b>Non-current liabilities</b>					
Term debt	14,200	12,350	14,200	21,000	12,350
Landfill aftercare provision	116	120	116	779	120
Employee benefits	47	35	47	0	35
Derivative financial instruments	(26)	250	(26)	0	250
<b>Total non-current liabilities</b>	<b>14,338</b>	<b>12,755</b>	<b>14,338</b>	<b>21,779</b>	<b>12,755</b>
<b>Total liabilities</b>	<b>22,977</b>	<b>18,811</b>	<b>22,977</b>	<b>26,967</b>	<b>18,811</b>
<b>Net assets</b>	<b>355,960</b>	<b>353,537</b>	<b>355,749</b>	<b>343,015</b>	<b>353,323</b>
<b>Equity</b>					
Asset revaluation reserve	199,695	195,532	199,695	189,563	195,532
AFS investments revaluation reserve	257	136	257	92	136
Special fund reserves	2,015	1,975	2,015	972	1,975
Rate reserve funds	(24,261)	(23,428)	(24,261)	(21,947)	(23,428)
Retained earnings	178,254	179,322	178,043	174,335	179,108
<b>Total Equity</b>	<b>355,960</b>	<b>353,537</b>	<b>355,749</b>	<b>343,015</b>	<b>353,323</b>

**Independent Auditor's Report**  
**To the readers of**  
**Hurunui 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 Hurunui 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 8:

- 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 accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as the performance overview) of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 30 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 FRS-43 (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 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 FRS-43 (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.



Julian Tan,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
20 November 2014



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