



# Annual Report SUMMARY 2015-16

## Contents

- 1 About the Summary Annual Report
- 1 From the Mayor and Chief Executive
- 2 Performance overview
- 4 End of year financial performance
- 5 Explanatory notes to the summary financial statements
- 6 Statement of Comprehensive Revenue and Expense
- 6 Statement of Changes in Equity
- 7 Statement of Cash Flows
- 8 Statement of Financial Position
- 9 Independent Auditor's Report

## About the Summary Annual Report

The full Annual Report provides information about our performance during the 2015/16 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 2015/16 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

**We** hope you take a few minutes to read this summary of what the Council has been up to in the past financial year (July 2015 to June 2016) and where your rates have been spent.

Over the past year we have been working hard to improve our timeliness to customer requests and to put better systems in place to pre-empt issues. To do this, we have rearranged our infrastructure department so that we have a service delivery team and an asset team. Each team has a different

focus but together, we believe that this had led to a better customer experience. In the background, there are other improvements being made to make it easier for our customers to do business with us. This is an ongoing challenge to manage 24/7 services (such as water, roads, noise control, etc) when the bulk of the business operates on a Monday to Friday basis, and without putting the cost of providing those services up.

Our commitment is to provide our communities with efficient and effective infrastructure, regulatory and public services that represent the best value for the funds spent, and at the least possible cost to our

ratepayers and residents.

We have been very mindful of the financial difficulties our rural communities are facing through drought and cyclical commodity price fluctuations. The duration of the current drought is unprecedented and has affected a large sector of Hurunui's primary producers and many service industries and retail businesses. The effects of these events will be ongoing for an unknown period. This will have undoubtedly caused financial stress and will create some uncertainty about the community's ability to pay for some services.

Last year we came to the difficult

position of having to increase rates to pay for core service upgrades, specifically water and sewer. We had no option but to look at alternative ways to fund these costly service upgrades to stay within our debt limit. To achieve that, we made some fundamental changes which started from 2015/16.

The biggest change was to charge a district wide rate to fund water and sewer instead of our previous local targeted rate for those on Council

run schemes. (An exception was made for those on the Balmoral Water Scheme.) We also introduced a depreciation rating facility to enable us to accumulate funds for water and sewer infrastructure upgrades.

Although we have achieved some good results in the past year, there is still plenty to focus on and improve. We will continue to strive to deliver the most appropriate and affordable services to our district.



Winton Dalley  
Mayor



Hamish Dobbie  
Chief Executive Officer

## Performance overview

### Overview

We have arranged the services and activities that our Council does into 7 groups of council activities. An overview of how we have performed in each of these groups is summarised in this section.

### Water supply

During the year we have placed a greater emphasis on the service delivery aspect of water. More effort has been placed on pre-empting problems, particularly in the latter half of the year when the public expressed concerns about the water supply in Amberley and Leithfield.

We have been challenged by water issues in several parts of the district over the year, but are very pleased to report that we have made good progress. Water hardness and staining issues in Amberley have declined substantially. We have seen a significant reduction in aesthetic issues, such as the taste, smell and clarity of water due to the introduction of an enhanced flushing programme and our improvements to our processes for water treatment. Most pleasing is the faster turnaround we have achieved in dealing with our customer service requests. Water will continue to receive our attention to ensure that the quality and supply remains reliable and meets New Zealand drinking water standards.

We have a set of performance measures with difficult targets to achieve as we have aimed to have

no complaints or failures with our systems. This has helped us focus on anticipating problems and having systems in place before we get into difficulty, as well as aiming for faster resolutions.

### Sewerage

Most of our townships have a Council operated sewerage supply but not all. Our rural communities are mainly self-sufficient with septic tanks. As with our other infrastructure services, we have put more effort into improving or service delivery and response times to issues raised through customer service requests and complaints. All in all, our sewerage systems are reliable and we only received 28 throughout the year. As with water, most of our performance targets are difficult to achieve because we aim to have no faults and no complaints. We have not been able to achieve this totally but are pleased with our response times and low number of complaints.

### Stormwater and Drainage

We have had no instances of flooding of homes over the year. Whereas this could be put down to the drought conditions much of the district has been experiencing, a maintenance and operations working practice has been put in place for our high risk areas. The preventative maintenance routine will consist of inspections and sampling to prevent flooding and contamination.

### Roads and footpaths

In 2015, we signed up to a new road maintenance contract with SICON. We are pleased to report that the transition has gone well with a huge focus on improvement. This is a significant and challenging contract due to the cost for a rural district council of our size. With decreasing government funding and a small rating population, it is difficult to meet everyone's expectations for our roads. Given that most of our roads are unsealed, this in itself is a difficulty. As with any new substantial contract, the initial year brings about 'teething' problems but we are confident that we are headed in the right direction.

Again, we have a set of challenging performance targets to aim for and so far we are seeing an increase on performance compared to previous years. We have improved on our response and resolution times to customer service requests.

Every month an audit of 40 kilometres is carried out in random places across the district looking at equal portions of sealed and unsealed roads. This audit is to check the quality of the maintenance work being carried out and working with SICON Ltd, we have seen consistently high results.

We resealed 32 kilometres of road which slightly exceeds our target to reseal 5% per year. At around \$34,000 per kilometre, this is expensive work. This rate

of resealing will not keep up with the demand over time but will be reviewed during the next long term plan review in 2018.

The number of complaints regarding unsealed roads and potholes significantly decreased during the year compared to previous years. This is largely due to our working relationship with SICON and increased customer focus.

A footpath condition assessment was done and will be used to evaluate and cost a works programme for footpaths throughout the district in the coming years. Traditionally, footpath programmes have been established ward by ward but this has resulted in some areas having better or worse footpaths than others.

### **Public services**

Each year we undertake a resident satisfaction survey to help us understand our customers better and to improve our service.

Overall satisfaction with the Council has increased in 2016 following a gradual decline between 2011 and 2015 with 78% of residents saying they were satisfied or very satisfied. 79% of residents said they were satisfied (or very satisfied) with the service they received at council offices which is back on track after a drop in satisfaction between 2012 and 2014. Most of our services such as libraries, public toilets, reserves, community halls, etc, continue to receive high satisfaction levels.

This year we asked a new question about rural fire and were delighted to see that 91% of residents are satisfied (with most being very satisfied) with the service we provide mainly through our dedicated volunteers. This could be due to an increased appreciation of this service following news there is to be a new fire service which will incorporate rural fire from July 2017.

The Amberley Transfer Station which has been operating since June 2014, has continued to increase in popularity. The use of this has exceeded our expectations but also

increased our waste to landfill (due to commercial volumes of waste being received) whereas ultimately we have a goal to reduce waste. On the other hand, our recyclables have increased as intended.

Our district's youth have proven to be outstanding. The Youth Council and our Hurunui Youth Programme have matured and grown and both are respected by the community and provide credibility on community issues. Several awards have been won, commending Youth and our Youth Development Advisor.

We have been working closely with a community driven project called 'Together Hurunui' which is working towards an outcome where 'All People in the Hurunui are valued and connected'. Through this project, and community funding, three Community Connectors and a Youth Connector have been employed to work in the district to work on this outcome.

### **Regulatory services**

Our review of the District Plan has been a major project over several years. It is a key planning and strategy document for us and the community and it was vital that it reflected community desires, environmental responsibility and encouraged development and growth. After a substantial effort, the process to finalise the plan is almost over.

We have achieved most of our performance targets. Nearly all applications for building and resource consents have been processed well within the legal 20 working day limit. (We only missed two!) Resource consent application numbers have dropped slightly (from 150 to 115) but growth is continuing, with the larger scale subdivision and land use consents continuing in Amberley and Hanmer Springs.

We aim to inspect one third of all known properties with swimming pools each year so that over a 3-year period we will have inspected all swimming pools for safe fencing. We achieved this target. Although

we aim to inspect all food and liquor premises each year, we only inspected 91% of food premises due to the implementation of the new Food Act. The emphasis is now on high risk premises which require a transition to Food Control Plans by early next year.

In a rural district such as ours, there are many animals, but we receive surprisingly few complaints about roaming stock and biting dogs. Those we do receive; we consistently respond within our 24-hour target.

### **Hanmer Springs Thermal Pools and Spa.**

The thermal pools and spa has continued to perform exceptionally well. Not only did we attract more than half a million visitors and exceeded our target, the pools complex continued to be recognised nationally. It won the champion tourism category of the Champion Canterbury Business Awards and the innovation award at the New Zealand Aquatics Industry awards. The complex has a Trip Advisor rating of 4.5 and is the highest ranked pool complex in Australasia. The popularity of the spa exceeded our capacity to meet demand and in late 2015, we opened a new boutique day spa in the Hanmer Springs Village.

The total profit for the year was \$2,470,266 which was \$63,391 down on what we anticipated for the year. Despite this, we still achieved 0.24% increase on our profit. Our customer satisfaction ratings remained high at around 94% satisfaction levels for facilities and staff.

### **Conclusion**

Overall, the binary nature of either meeting or failing an individual performance measure fails to tell the full picture. Details of each performance measure are contained in the full Annual Report and readers are invited to judge for themselves whether these failures are, in fact, significant or simply fall at the margins of what might be expected.



## End of year financial performance

In our Long Term Plan (LTP) 2015-25, we set our budget for 10 years. This section compares how we actually did at the end of the year compared with our predicted budget in the LTP.

### Financial performance

There was no major variance from the strategic directions outlined in the LTP. We recorded a net surplus after tax of \$440,000 whereas we budgeted to record a deficit after tax for the 2015/2016 year \$1,097,000. In addition, we recorded a gain on the value of our assets of \$64.1 million and recognised a \$26,000 increase in our equity shares which brought the total comprehensive income for the Council for the year to \$64,596,000.

### Revenue

Operating revenue for the year was \$40,014,000 which was \$4,485,000 greater than predicted in the LTP. The key variances being:

- Rates received were \$148,000 greater than allowed for in the LTP.
- Subsidies and grants were \$290,000 higher than was budgeted for. Of this amount \$292,655 relates to the NZ Transport Agency (NZTA) subsidies received on additional expenditure approved after the LTP budgets were finalised.
- Forestry proceeds for the year were \$507,891, whereas the budget was only \$78,000.
- Insurance proceeds from outstanding claims on damage resulting from the Canterbury earthquakes recognised during the year were \$366,488 which were not budgeted for.
- Vested asset income totalled \$3,345,000 whereas the budget was only \$488,650.

### Operating expenditure

Operating expenditure was \$39,575,000 for the year, \$2,949,000 greater than was predicted in the LTP, the key variances being:

- Roading expenditure overall was \$799,118 greater than budget

due to additional expenditure being funded by NZTA after the budgets were completed.

- Cost associated with forestry harvest was \$429,000, which was not budgeted for.
- As part of the costs recognised by treasury, \$875,000 was relating to the change in the fair value of the Council's interest rate swaps, which were not budgeted for.
- Depreciation overall was \$1,053,000 greater than was budgeted for.

### Capital expenditure

Total capital expenditure for the year was \$13.6 million as opposed to the budget of \$13.32 million. The key reasons for this result are:

- Water supplies – total capital expenditure was \$3,426,289 compared to the budget of \$4,657,569. Total assets vested in the Council were \$803,828 plus a further \$61,905 of found assets were recorded. Significant works were undertaken on the Ashley supply to provide water to the northern area of the supply. Further works on the treatment upgrade for the Waiau township supply, of which subsidies were received. There were numerous budgets for facilities and reticulation renewals which were largely underspent during the year, the key one of which was the reticulation renewal for the Culverden township of \$570,000.
- Sewer – total capital expenditure was \$721,982 compared to a budget of \$2,004,807. Total assets vested for the year was \$385,359 plus a further \$6,044 of found assets were recorded. The key projects budgeted for was pipe upgrades for Amberley and the disposal project for Hanmer Springs. One of the Amberley pipe upgrades, budgeted at \$817,000 was deferred and only \$72,000 of the

budgeted \$500,000 of the first stage of the disposal project for Hanmer Springs was spent.

- Stormwater and drainage – total capital expenditure was \$341,417 compared to a budget of \$516,700. Total assets vested for the year was \$320,588 plus a further \$1,795 of found assets were recorded.
- Roading and footpaths - total capital expenditure was \$5,676,074 compared to a budget of \$4,132,205. Total assets vested for the year was \$1,834,760. In addition, total of \$291,578 was spent on various footpath projects during the year.
- Public Services - total capital expenditure was \$938,059 compared to a budget of \$1,118,000. The purchase of the Eastern Reserve for Amberley cost \$371,000. Council also incurred unbudgeted costs of \$246,000 in the Amberley Business Park. The \$300,000 budget for renovations for the Cheviot Medical Centre was deferred to the 2016/2017 year.
- Hanmer Springs Thermal Pools and Spa - total capital expenditure was \$2,007,354 compared to a budget of \$500,000. The key projects undertaken included: the completion of the changing rooms upgrade at \$200,000; café buildings upgrade of \$569,000, café equipment of \$419,000 and the final payment for the discharge bore of \$395,000.
- Governance and corporate services – total capital expenditure was \$412,270 compared to a budget of \$314,880. The key capital projects were replacement of vehicles, information technology equipment and \$134,000 for the alterations to the office in Amberley.

# Explanatory 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).
- Were approved for issue by the Hurunui District Council on 1 December 2016. The specific disclosures included in the summary financial statements have been extracted from the full Annual Report.
- Cannot be expected to provide as complete an understanding as provided by the full Annual Report.
- In compliance with Financial Reporting Standard No43, Summary Financial Statements.

The full Annual Report was:

- Approved for issue on 1 December 2016. Section 98 of the Local Government Act 2002 requires that Council adopt its annual report within four months after the end of the financial year.
- Has been audited and an unqualified audit report was issued.
- Was prepared in accordance with general accepted accounting practice in New Zealand (NZ GAAP).

The full financial statements have been prepared in accordance with Tier 1, PBE accounting standards.

The Hurunui District Council is a public benefit entity.

## Contingent Assets

As at 30 June 2016, the Council had no outstanding contingent assets. (2015: \$497,200). In prior years, Council had various outstanding insurance claims for buildings that were damaged as a result of the Canterbury Earthquakes. The claims have been settled and the proceeds were received on 1 July 2016 and are included as Trade and Other Receivables as at 30 June 2016.

## Contingent Liabilities

### 1) Local Government Funding Agency

The Council is a guarantor of the

New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standards and Poor's of AA+.

Together with the other local authorities (both shareholders and guarantors), the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2016, the LGFA had borrowings totalling \$6.445 billion (2015 \$4.998 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value of the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital very low on the basis that:

- It is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### 2) RiskPool

RiskPool provides 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 2015/2016 year (2015: 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.

We have received notice that there are two active claims under Weathertight Homes Resolution Service. We have assessed that the potential liability arising from these claims is minimal.

### 3) Impairment of Buildings

We have started a process of reviewing all of our buildings for earthquake strengths. Currently our 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. We have identified some buildings that are less than 33% NBS, which is the level that the current valuation for buildings has been assumed. We have 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 the Annual Report.

### Events after balance date

On 14 November 2016, the District experienced a 7.8 magnitude earthquake that affected the north east area of the district. There has been damage to the roading network and also water treatment and reticulation as well as to a number of Council owned buildings, however, it is too early to assess the extent or the cost of the damage.

# Statement of Comprehensive Revenue and expense

FOR THE YEAR ENDED 30 JUNE 2016

	Group			Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Revenue</b>					
Rates, excluding targeted water supply rates	14,858	14,919	14,858	14,847	14,919
Targeted rates for water supply	682	496	682	545	496
Subsidies and grants	4,028	4,869	4,028	3,738	4,869
Development and financial contributions	537	956	537	553	956
Fees and charges, excluding those for water supplies	14,014	12,806	14,014	14,379	12,806
Fees and charges for water supplies	570	336	570	118	336
Interest revenue	49	65	49	0	65
Other revenue	5,277	3,019	5,277	1,349	3,019
	<b>40,014</b>	<b>37,465</b>	<b>40,014</b>	<b>35,529</b>	<b>37,465</b>
<b>Less Expenditure</b>					
Employee Benefits	11,136	10,546	11,136	11,020	10,546
Other Expenses	17,973	17,436	17,973	16,798	17,436
Finance Expenses	1,871	1,688	1,871	1,267	1,688
Depreciation, Amortisation and Loss on Disposal	8,593	8,240	8,593	7,541	8,240
<b>Total Operating Expenditure</b>	<b>39,574</b>	<b>37,909</b>	<b>39,574</b>	<b>36,626</b>	<b>37,909</b>
<b>Operating Surplus/(Deficit) before tax</b>	<b>440</b>	<b>(444)</b>	<b>440</b>	<b>(1,097)</b>	<b>(444)</b>
Share of associates surplus/(deficit)	(7)	(4)	0	0	0
<b>Net Surplus/(Deficit) before tax</b>	<b>433</b>	<b>(448)</b>	<b>440</b>	<b>(1,097)</b>	<b>(444)</b>
Tax Expense	0	0	0	0	0
<b>Net Surplus/(Deficit) after tax</b>	<b>433</b>	<b>(448)</b>	<b>440</b>	<b>(1,097)</b>	<b>(444)</b>
<b>Add Other Comprehensive Revenue and Expense</b>					
Gains/(Losses) on Asset Revaluation	64,130	11,010	64,130	10,622	11,010
Gains/(Losses) in Fair Value of Shares	26	151	26	0	151
	<b>64,156</b>	<b>11,161</b>	<b>64,156</b>	<b>10,622</b>	<b>11,161</b>
<b>Total Comprehensive Revenue and Expense</b>	<b>64,589</b>	<b>10,713</b>	<b>64,596</b>	<b>9,525</b>	<b>10,717</b>

# Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2016

	Group			Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Equity at Start of Year</b>	<b>366,561</b>	<b>354,730</b>	<b>366,354</b>	<b>356,657</b>	<b>354,519</b>
Add Total Comprehensive Revenue and Expense for Year	64,589	10,713	64,596	9,525	10,717
Adjustment to opening balance of Rate Reserve Funds	(108)	0	(108)	0	0
Found Assets	70	1,119	70	0	1,119
<b>Equity at End of Year</b>	<b>431,112</b>	<b>366,561</b>	<b>430,912</b>	<b>366,182</b>	<b>366,354</b>

# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2016

	Group		Council		
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Cash flows from operating activities</b>					
Revenue	37,000	36,740	37,000	34,969	36,740
Agency receipts	3,136	3,218	3,136	2,243	3,218
Interest received	49	65	49	0	65
Dividends received	172	163	172	72	163
Payments to suppliers and employees	(28,693)	(29,453)	(28,693)	(27,818)	(29,453)
Interest and other costs of finance paid	(997)	(781)	(997)	(1,267)	(781)
Agency payments	(3,136)	(3,218)	(3,136)	(2,243)	(3,218)
Net GST Movement	376	256	376	0	256
<b>Net cash from operating activities</b>	<b>7,907</b>	<b>6,990</b>	<b>7,907</b>	<b>5,956</b>	<b>6,990</b>
<b>Cash flows from investing activities</b>					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equip	0	0	0	0	0
Proceeds on sale of investments	0	71	0	0	71
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	(151)	(57)	(151)	0	(57)
Payment for plant, property & equipment	(10,556)	(10,305)	(10,556)	(12,831)	(10,305)
<b>Net cash from investing activities</b>	<b>(10,707)</b>	<b>(10,291)</b>	<b>(10,707)</b>	<b>(12,831)</b>	<b>(10,291)</b>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of debt securities	5,000	4,000	5,000	7,300	4,000
Repayment of loans	(2,700)	(3,000)	(2,700)	0	(3,000)
<b>Net cash from financing activities</b>	<b>2,300</b>	<b>1,000</b>	<b>2,300</b>	<b>7,300</b>	<b>1,000</b>
<b>Increase/(decrease) in cash &amp; cash equivalen</b>	<b>(500)</b>	<b>(2,301)</b>	<b>(500)</b>	<b>425</b>	<b>(2,301)</b>
Cash and cash equivalents as 1 July	1,774	4,075	1,774	28	4,075
<b>Cash and cash equivalents as 30 June</b>	<b>1,274</b>	<b>1,774</b>	<b>1,274</b>	<b>453</b>	<b>1,774</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 2016

	Group			Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	1,274	1,774	1,274	453	1,774
Trade and other receivables	1,850	3,149	1,850	3,442	3,149
Inventories	214	157	214	143	157
Non-current assets held for sale	305	305	305	305	305
Derivative financial instruments	0	0	0	0	0
<b>Total current assets</b>	<b>3,643</b>	<b>5,384</b>	<b>3,643</b>	<b>4,343</b>	<b>5,384</b>
<b>Non-current assets</b>					
Property, plant and equipment					
- Operational	47,425	46,380	47,425	45,208	46,380
- Restricted	37,489	37,315	37,489	39,219	37,315
- Infrastructure	369,007	301,147	369,007	308,356	301,147
Intangible assets	394	254	394	266	254
Forestry assets	502	552	502	950	552
Other financial assets	924	825	924	617	825
Investments in associates	200	207	0	0	0
Derivative financial instruments	0	35	0	0	35
<b>Total non-current assets</b>	<b>455,941</b>	<b>386,716</b>	<b>455,741</b>	<b>394,616</b>	<b>386,509</b>
<b>Total assets</b>	<b>459,584</b>	<b>392,100</b>	<b>459,384</b>	<b>398,959</b>	<b>391,893</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Payables and deferred revenue	6,040	6,332	6,040	4,995	6,332
Landfill aftercare provision	8	8	8	0	8
Employee entitlements	1,111	987	1,111	1,782	987
Current portion of term debt	0	0	0	0	0
Derivative financial instruments	21	13	21	0	13
<b>Total current liabilities</b>	<b>7,180</b>	<b>7,340</b>	<b>7,180</b>	<b>6,777</b>	<b>7,340</b>
<b>Non-current liabilities</b>					
Term debt	19,500	17,200	19,500	26,000	17,200
Landfill aftercare provision	102	98	102	0	98
Employee entitlements	50	93	50	0	93
Derivative financial instruments	1,639	808	1,639	0	808
<b>Total non-current liabilities</b>	<b>21,292</b>	<b>18,199</b>	<b>21,292</b>	<b>26,000</b>	<b>18,199</b>
<b>Total liabilities</b>	<b>28,472</b>	<b>25,539</b>	<b>28,472</b>	<b>32,777</b>	<b>25,539</b>
<b>Net assets</b>	<b>431,112</b>	<b>366,561</b>	<b>430,912</b>	<b>366,182</b>	<b>366,354</b>
<b>Equity</b>					
Asset revaluation reserve	274,560	210,485	274,560	178,242	210,485
AFS investments revaluation reserve	434	408	434	0	408
Special fund reserves	2,310	1,598	2,310	0	1,598
Rate reserve funds	(29,995)	(26,338)	(29,995)	(23,988)	(26,338)
Retained earnings	183,804	180,408	183,603	211,928	180,201
<b>Total Equity</b>	<b>431,112</b>	<b>366,561</b>	<b>430,912</b>	<b>366,182</b>	<b>366,354</b>



## Independent Auditor's Report

### To the readers of Hurunui District Council and group's summary annual report for the year ended 30 June 2016

The summary annual report was derived from the annual report of the Hurunui District Council (the District Council) and group for the year ended 30 June 2016. 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 2 to 8:

- the summary statement of financial position as at 30 June 2016;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2016;
- 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 and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 1 December 2016.

### 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 FRS-43: 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

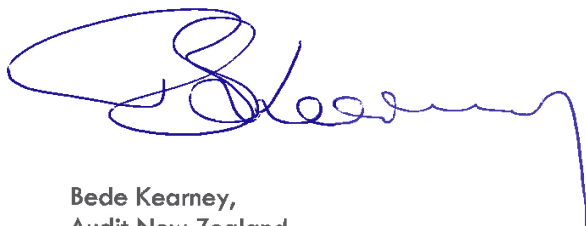
statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

### **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 FRS-43: 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 or any of its subsidiaries.



Bede Kearney,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
1 December 2016



*Address:* 66 Carters Road  
PO Box 13  
Amberley 7441

*Phone:* 03 314 8816

*Fax:* 03 314 9181

*Email:* [info@hurunui.govt.nz](mailto:info@hurunui.govt.nz)

*Web:* [hurunui.govt.nz](http://hurunui.govt.nz)