



Annual Report Summary 2018-19

From the Mayor and Chief Executive Officer

The Annual Report looks back on the first year of our 2018/28 Long Term Plan. Our focus over this past year has been on building stability and a strong base for the community to drive innovation and growth in the district, as we have continued to recover and move forward after the November 2016 earthquake.

A major emphasis during the transition from recovery to our new normal has been on the well-being of the community. We have worked to enable and encourage residents to build on the self-sufficiency they demonstrated during the

earthquake, to build even stronger communities. While there is still a lot of work happening to care for and look after residents post-quake, we are acutely aware that there is a large section of our community who have coped well, whilst there are still those that may benefit from assistance. We will continue to stand alongside our residents to meet their on-going needs.

The Council's continued focus on affordability and prudent financial management over a long period of time has held us in good stead to deal with the adverse events that

Contents

- 1 About the Summary
- 1 From the Mayor and Chief Executive
- 3 End of year financial performance
- 5 Explanatory notes to the summary financial statements
- 6 Service performance
- 7 Statement of comprehensive revenue and expense
- 8 Statement of financial position
- 9 Statement of changes in equity
- 9 Statement of cashflows
- 10 Other disclosures

About the Summary Annual Report

The full Annual Report provides information about our performance during the 2018/19 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 is available on the Council's web site at:

www.hurunui.govt.nz

Mother Nature has thrown our way and we continue to remain confident that the recovery of the Hurunui District from the 2016 Hurunui-Kaikoura earthquake remains on track.

This document provides a full financial account and report of the council's activities, as set out in the Long-term Plan. A summary of our main areas of business are included below.

Financial Performance

Our financial position at the end of the year is summarised below (in rounded figures):

- Total income (rates, subsidies, Hanmer Springs thermal pools and spa revenue, development contributions and fees) = \$47.0 million. This was \$983,000 down on budget prediction.
- Total operating expenditure (staffing, wages and operating costs, depreciation and overheads) = \$49.6 million, which was up by \$1,338,000 on the budget prediction
- Total capital expenditure (infrastructure projects mainly) = \$18.2 million. This is \$4.2 million greater than we had planned to spend. There have been projects that have been carried forward from prior years that have progressed during the year. Council was also the conduit for the rebuild of the Waiiau Swimming Pool, which was funded externally and further development of the Hanmer Springs Thermal Pools and Spa was carried out ahead of budget to ensure it is completed before the 2019/20 summer season.

Water, Sewerage and Stormwater
Council has not changed its focus on service delivery to improve the reliability and quality of our drinking water supplies to comply with New Zealand drinking water standards, although there had been understandable delays experienced over the past three years.

There has been a level of catch up on projects that were previously allowed for and carried forward into the 2018/2019 year and as such, we have made significant investments in upgrades across the water, sewerage and stormwater networks. Upgrade work on drinking water supplies has been completed and a significant step has been undertaken during the year in securing the land for the

waste water disposal project in Hanmer Springs.

Ever increasing regulatory standards continue to impact on our service delivery, but our aim continues to be the provision of sustainable drinking water, waste water and storm water systems that meet the current and future needs of the district.

Roads and Footpaths

The renewal and maintenance of our district's roading network continues to be an important focus of our work programme. There is still work to be undertaken on the bridging network as a result of the earthquakes and this work is expected to be completed during the 2019/2020 year.

A major success was the completion of the first stage of the Trip Hazard Elimination Project for footpaths throughout the District. There was a change to funding structure for footpaths; both the way the Council sets its rates for footpath and the fact that the New Zealand Transport Agency contributed subsidies towards the maintenance work for the first time in 2018/2019. These changes facilitated the significant work programme undertaken on footpaths in all urban areas.

Public Services

Public services covers a range of areas such as waste and recycling, libraries, tourism, property, reserves, parks and civil defence. Delivery of the plans for the majority of these areas have continued as usual.

In addition a number of Council owned properties have now been repaired or rebuilt including the Rotherham and Waiiau Halls, the historic Watters Cottage in Rotherham, the Cheviot and Rotherham pools and the new

Waiiau tennis and netball courts. Several of the Council's social housing units have also received significant upgrades to make them modern and more user-friendly for occupants.

Civil Defence remained a high priority for Council and progress was made with further development and upskilling of Civil Defence volunteers across the district.

Regulatory Services

The Regulatory Services branch of the Council has been particularly busy this past year with an increase in work flows for both the building and planning areas.

597 building consents were processed and issued this year, which is down on the 646 consents issued last year, but still up significantly from the level consented in 2016/2017.

The planning area was kept busy with a large number of policy initiatives undertaken, plan changes initiated and resource consents to be processed.

Hanmer Springs Thermal Pools and Spa

The thermal pools and spa has continued to be a popular tourist destination. The focus for the complex this year has been to continue to be an award winning pool and spa complex.

We are proud to have won an award for our innovation in converting methane gas from the thermal water bores into electricity. In addition, the initial stages of the first major upgrade to the facilities at the Thermal Pools since 2010 has started with the objective that the new development will be in place before the commencement of the 2019/2020 summer season.

Conclusion

Overall, we are pleased with the progress we have made over the past year as we have transitioned from recovery mode to focus on operational delivery. We acknowledge that there is further significant work in front of us and we look forward to delivering this through our 2019-20 work programme.

We will continue to act in the best interests of our residents, and the well-being of our communities will be at the heart of our future work programmes. We expect the next year to be a busy and successful one for our district.

Mani H. Black.

Mayor



Chief Executive Officer

End of year financial performance

Financial type	Total	Notes
Operating revenue	\$47.0 million	<ul style="list-style-type: none"> • Subsidies and Grants are \$882,000 greater than the budget in the long term plan due to numerous grants received to assist with various projects relating to earthquake recovery. • Fees and charges are \$1,895,000 lower than the long-term plan budget. This is a combination of the lower than budgeted gross revenue derived from the Hanmer Springs Thermal Pools and Spa and the lower level of revenue from the building control department than was budgeted for.
Operating expenditure	\$49.6 million	<ul style="list-style-type: none"> • Employee benefits were \$462,000 greater than the budget in the long-term plan due to additional staff taken on during the year, especially in relation to Earthquake Recovery activities. • Other expenses were \$534,000 than budget due to footpath maintenance work carried out during the year being recognised as operating expenditure rather than capital expenditure as it was budgeted for.
Net deficit after tax	\$2.6 million	<ul style="list-style-type: none"> • Council budgeted to record a deficit of \$264,000.
Comprehensive revenue and expense	\$14.8 million	<ul style="list-style-type: none"> • Included in Other Comprehensive Revenue and Expense is the \$14.4 million increase in the value of the Council's Roothing Network and the reversal of impairment assigned to assets after the earthquake that has since been repaired.
Capital expenditure	\$18.2 million	<ul style="list-style-type: none"> • This is \$4.2 million greater than was allowed for in the budget for the year. • The increase does allow for some projects that were carried forward from the previous year. • The capital expenditure also includes earthquake related work that was funded externally, in particular the rebuild of the Waiiau Swimming Pool.
Council owned assets	\$466.3 million	<ul style="list-style-type: none"> • Included in Council owned assets as at 30 June 2019 was: <ul style="list-style-type: none"> • Land, Buildings, Plant, Equipment, Library Books and the Hanmer Springs Thermal Pools and Spa Assets totalling \$97.1 million. • Roothing network valued at \$272.5 million • Water Assets of \$55.6 million • Sewerage Assets of \$20.9 million • Drainage Assets of \$7.8 million
Debt	\$34.5 million	<ul style="list-style-type: none"> • The budget allowed for debt to sit at \$35.0 million as at the end of June 2019.

Council activities summary for the year to 30 June 2019

Activity	2018/19 Actual operating deficit/surplus	2018/19 Budget operating deficit/surplus	Key variances from budget
Water supplies	\$689,629 deficit	\$141,311 deficit	<ul style="list-style-type: none"> Overall, Other Income is lower than was budgeted for. Development Contributions are down on the allowed budget. Vested Asset Income is up on budget. Employment costs directly attributable to Water Supplies were lower than was budgeted but there is a corresponding increase in the employment costs attributed to administration. Other direct expenditure is higher than was budgeted for. Internal interest paid is lower than was budgeted for. Depreciation was lower than was budgeted as a result of the revaluation of the Water Assets in 2018.
Sewerage	\$334,164 surplus	\$233,711 surplus	<ul style="list-style-type: none"> The level of Vested Assets is \$49,825 higher than was allowed for in the budget. Employment costs directly attributable to Sewer were lower than was budgeted. Other direct expenditure is higher than was budgeted for. Internal interest paid is lower than was budgeted for. Depreciation was lower than was budgeted.
Stormwater and drainage	\$129,946 surplus	\$184,993 surplus	<ul style="list-style-type: none"> There was no stormwater assets vested in Council during the year, whereas the budget was \$132,000.
Roads and footpaths	\$212,172 deficit	\$602,659 surplus	<ul style="list-style-type: none"> Other Income is \$402,908 higher than budget. The level of assets vested in Council for 2018/19 was \$227,964, whereas the budget was \$330,000. Operating Expenditure is \$1,151,690 greater than budget.
Public services	\$2,019,212 deficit	\$2,920,119 deficit	<ul style="list-style-type: none"> The level of Other Income is up on budget by \$1,352,986. The level of Other Operating Expenditure is up on budget by \$191,404 The amount recognised as Depreciation for Public Services was \$284,028 greater than was budgeted for.
Regulatory	\$276,638 deficit	\$31,341 deficit	<ul style="list-style-type: none"> Other Income is \$347,103 lower than was allowed for in the budget. Other Direct Expenditure was \$104,423 lower than was budgeted for.
Hanmer Springs Thermal Pools and Spa	\$1,596,038 surplus	\$2,652,331 surplus	<ul style="list-style-type: none"> Operating surplus was lower than budgeted due to lower than expected customer numbers.
Corporate and governance	\$315,507 deficit	\$2 surplus	<ul style="list-style-type: none"> Rates associated with Governance and Corporate Services was \$141,813 greater than budget. Other Income was \$277,203 higher than budget There is lower than budgeted Internal Interest. Employment Costs were greater than budgeted for. Other Direct Expenditure was higher than budgeted.
Earthquake recovery	\$1,092,736 deficit	\$844,717 deficit	<ul style="list-style-type: none"> Other Income is lower than budgeted for Employment costs were higher than budgeted. Other Direct Expenditure is lower than budget for.

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 14 November 2019. 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.
- Are in compliance with Financial Reporting Standard No 43 - Summary Financial Statements.

The full Annual Report:

- Was approved for issue on 31 October 2019. 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 the auditors have provided an unmodified opinion.

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 2019, the Council had no outstanding contingent assets. (2018: \$Nil).

Contingent assets related to earthquake recovery

As a result of the earthquake on 14 November 2016, the Council has contingent assets in the form of funding avenues to assist in meeting the cost of damage caused by the earthquake.

The Council has a contingent asset for subsidies from central government relating to the restoration of infrastructural assets

in the District. The Government policy is to subsidise 60% of the recovery costs incurred by Council. The Council is still determining the extent of the damage to the underground water and sewer reticulation, so is not in a position to accurately assess the amount of this contingent asset.

The Council no longer has a contingent asset for insurance recoveries relating to damage on its insured infrastructural assets. The Council has insurance to cover the 40% of the value of underground water, sewer and stormwater assets not covered by the government subsidy. During the 2018/2019 year, the Council settled its claim with the Local Authority Protection Programme (LAPP).

Contingent Liabilities

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. LGFA has a current credit rating from Fitch Ratings and Standard and Poor's of AA+ and a foreign currency rating of AA.

As at 30 June 2019, the Council is one of 64 participating authorities of the LGFA.

In that regard, it has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified.

Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2019, the LGFA had borrowings totalling \$9.840 billion (2018: \$8.272 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.

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.

A call of \$16,410.66 has been made by the Board of New Zealand Mutual Liability RiskPool for the 2019/2020 year (2018: \$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 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.

Impact of earthquake

The District suffered a 7.8 magnitude earthquake on 14 November 2016, which resulted in damage to the Council's infrastructural assets and some buildings.

Waiau Township, Waiau Rural, Hurunui #1 and Cheviot Water Supplies sustained damage as did approximately 10% of the roading network of the District. An assessment of the impairment to these assets were made in 2016/17, 2017/18 and 2018/19 Annual Reports

All expenditure incurred to date relating to the response, recovery and repairs to the infrastructural and community assets and any revenue (including insurance) received to offset those costs have been disclosed in the Group Activity - Earthquake Recovery table on page 28 of the Annual Report.

Overall service performance for the year to June 30 2019

In the Council's Long Term Plan for 2018-2028, there are 60 non-financial performance measures in place to gauge the service performance of the Council's seven groups of activities. The full analysis of the performance is included on pages 118 to 141 of the full Annual Report. The summary is as follows:

Activity	Targets achieved	Targets not achieved	Targets almost achieved	Not measured	Total targets
Water Supplies	5	8	0	2	15
Sewerage	7	2	2	0	11
Stormwater and Drainage	7	1	0	0	8
Roading and footpaths	2	4	0	0	6
Public Services	7	0	1	2	10
Regulatory Services	3	2	2	0	7
Hanmer Springs Thermal Pools & Spa	1	2	0	0	3
Total - 2018/19	32	19	5	4	60

The summary of results for the 70 performance measures for the 2017/2018 year was as follows:

Activity	Targets achieved	Targets not achieved	Targets almost achieved	Not measured	Total targets
Water Supplies	4	7	2	3	16
Sewerage	7	3	2	0	12
Stormwater and Drainage	7	1	0	0	8
Roading and footpaths	8	4	3	0	15
Public Services	6	0	3	0	9
Regulatory Services	3	1	3	0	7
Hanmer Springs Thermal Pools & Spa	2	1	0	0	3
Total - 2017/18	37	17	13	3	70

Statement of comprehensive revenue and expense for the year ended 30 June 2019

	Group		Council		Actual 2018 \$000's
	Actual 2019 \$000's	Actual 2018 \$000's	Actual 2019 \$000's	Budget 2019 \$000's	
Revenue					
Rates, excluding targeted water supply rates	18,619	16,971	18,619	18,487	16,971
Targeted rates for water supply	708	664	708	710	664
Subsidies and grants	9,740	10,116	9,740	8,858	10,116
Development and financial contributions	357	164	357	604	164
Fees and charges, excluding those for water supplies	15,050	15,377	15,050	16,945	15,377
Fees and charges for water supplies	391	280	391	376	280
Interest revenue	172	41	172	0	41
Other revenue	1,992	2,893	1,992	2,033	2,893
	47,030	46,505	47,030	48,013	46,505
Less Expenditure					
Employee Benefits	14,244	13,317	14,244	13,782	13,317
Other Expenses	24,081	20,743	24,081	23,547	20,743
Finance Expenses	1,668	1,155	1,668	1,586	1,155
Depreciation, Amortisation and Loss on Disposal	9,621	9,766	9,621	9,362	9,766
Total Operating Expenditure	49,615	44,981	49,615	48,277	44,981
Operating Surplus/(Deficit) before tax	(2,585)	1,525	(2,585)	(264)	1,525
Share of associates surplus/(deficit)	16	19	0	0	0
Net Surplus/(Deficit) before tax	(2,569)	1,544	(2,585)	(264)	1,525
Tax Expense	0	0	0	0	0
Net Surplus/(Deficit) after tax	(2,569)	1,544	(2,585)	(264)	1,525
Add Other Comprehensive Revenue and Expense					
Gains/(Losses) on Asset Revaluation	14,422	4,128	14,422	15,273	4,128
Gains/(Losses) in Fair Value of Shares	(37)	(60)	(37)	0	(60)
Impairment to Property Plant and Equipment	3,003	1,273	3,003	0	1,273
	17,388	5,341	17,388	15,273	5,341
Total Comprehensive Revenue and Expense	14,819	6,885	14,803	15,009	6,865

Statement of financial position as at 30 June 2019

	Group		Council		
	Actual 2019 \$000's	Actual 2018 \$000's	Actual 2019 \$000's	Budget 2019 \$000's	Actual 2018 \$000's
Assets					
Current Assets					
Cash and cash equivalents	3,674	2,180	3,674	155	2,180
Trade and other receivables	5,605	5,602	5,605	4,039	5,602
Inventories	148	163	148	185	163
Non-current assets held for sale	924	0	924	250	0
Derivative financial instruments	0	0	0	0	0
Total current assets	10,352	7,946	10,352	4,630	7,946
Non-current assets					
Property, plant and equipment					
- Operational	51,260	49,839	51,260	49,495	49,839
- Restricted	41,738	39,722	41,738	41,198	39,722
- Infrastructure	360,869	339,024	360,869	366,725	339,024
Intangible assets	451	399	451	361	399
Forestry assets	415	677	415	414	677
Other financial assets	1,170	1,038	1,170	1,648	1,038
Investments in associates	261	244	0	0	0
Derivative financial instruments	0	5	0	0	5
Total non-current assets	456,164	430,948	455,903	459,840	430,704
Total assets	466,516	438,894	466,255	464,470	438,649
Liabilities					
Current liabilities					
Payables and deferred revenue	7,523	6,894	7,523	6,627	6,894
Landfill aftercare provision	8	8	8	0	8
Employee entitlements	1,440	1,450	1,440	1,343	1,450
Current portion of term debt	4,500	2,000	4,500	0	2,000
Derivative financial instruments	59	19	59	0	19
Total current liabilities	13,529	10,371	13,529	7,970	10,371
Non-current liabilities					
Term debt	30,000	21,500	30,000	35,000	21,500
Payables and deferred revenue	1,230	1,230	1,230	0	1,230
Landfill aftercare provision	91	102	91	0	102
Employee entitlements	90	85	90	0	85
Derivative financial instruments	1,579	1,063	1,579	1,177	1,063
Total non-current liabilities	32,991	23,979	32,991	36,177	23,979
Total liabilities	46,520	34,350	46,520	44,147	34,350
Net assets	419,996	404,543	419,735	420,323	404,299
Equity					
Asset revaluation reserve	264,670	247,246	264,670	259,077	247,246
AFS investments revaluation reserve	423	459	423	0	459
Special fund reserves	3,297	3,234	3,297	0	3,234
Rate reserve funds	(37,887)	(30,575)	(37,887)	(35,617)	(30,575)
Retained earnings	189,494	184,179	189,233	196,862	183,935
Total Equity	419,997	404,543	419,735	420,323	404,299

Statement of changes in equity for the year ending 30 June 2019

	Group		Council		
	Actual 2019 \$000's	Actual 2018 \$000's	Actual 2019 \$000's	Budget 2019 \$000's	Actual 2018 \$000's
Equity at Start of Year	404,543	396,882	404,299	405,313	396,657
Add Total Comprehensive Revenue and Expense for Year	14,819	6,885	14,803	15,010	6,865
Found Assets	634	777	634	0	777
Equity at End of Year	419,996	404,543	419,736	420,323	404,299

Statement of cash flows for the year ending 30 June 2019

	Group		Council		
	Actual 2019 \$000's	Actual 2018 \$000's	Actual 2019 \$000's	Budget 2019 \$000's	Actual 2018 \$000's
Cash flows from operating activities					
Revenue	47,727	43,042	47,727	47,114	43,042
Agency receipts	3,295	3,121	3,295	2,243	3,121
Interest received	172	41	172	0	41
Dividends received	197	221	197	150	221
Payments to suppliers and employees	(39,795)	(31,901)	(39,795)	(37,171)	(31,901)
Interest and other costs of finance paid	(1,060)	(1,049)	(1,060)	(1,586)	(1,049)
Agency payments	(3,295)	(3,121)	(3,295)	(2,243)	(3,121)
Net GST Movement	(727)	(288)	(727)	0	(288)
Net cash from operating activities	6,514	10,066	6,514	8,507	10,066
Cash flows from investing activities					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	105	360	105	0	360
Proceeds on sale of investments	0	0	0	0	0
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	(305)	211	(305)	0	211
Payment for plant, property & equipment	(15,820)	(10,152)	(15,820)	(13,382)	(10,152)
Net cash from investing activities	(16,020)	(9,581)	(16,020)	(13,382)	(9,581)
Cash flows from financing activities					
Proceeds from the issue of debt securities	11,000	0	11,000	5,000	0
Repayment of loans	0	(500)	0	0	(500)
Net cash from financing activities	11,000	(500)	11,000	5,000	(500)
Increase/(decrease) in cash & cash equivalents	1,494	(15)	1,494	125	(15)
Cash and cash equivalents as 1 July	2,180	2,195	2,180	30	2,195
Cash and cash equivalents as 30 June	3,674	2,180	3,674	155	2,180

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

Other Annual Report disclosures for the year to 30 June 2019

Rating base information:

The following rating base information for Hurunui District Council is disclosed based on the rating base information at the end of the preceding financial year:

Number of rating units within the district	8,057
Total Capital Value of rating units within the district	\$6,903,096,660
Total Land Value of rating units within the district	\$4,441,386,110

Key Benchmarks:

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the full Annual Report is required to provide a series of benchmarking graphs to enable the assessment of whether the Council is prudently managing its revenues, expenses assets, liabilities, and general financial dealings.

Below is a selection of those benchmark graphs:

Rates (income) affordability

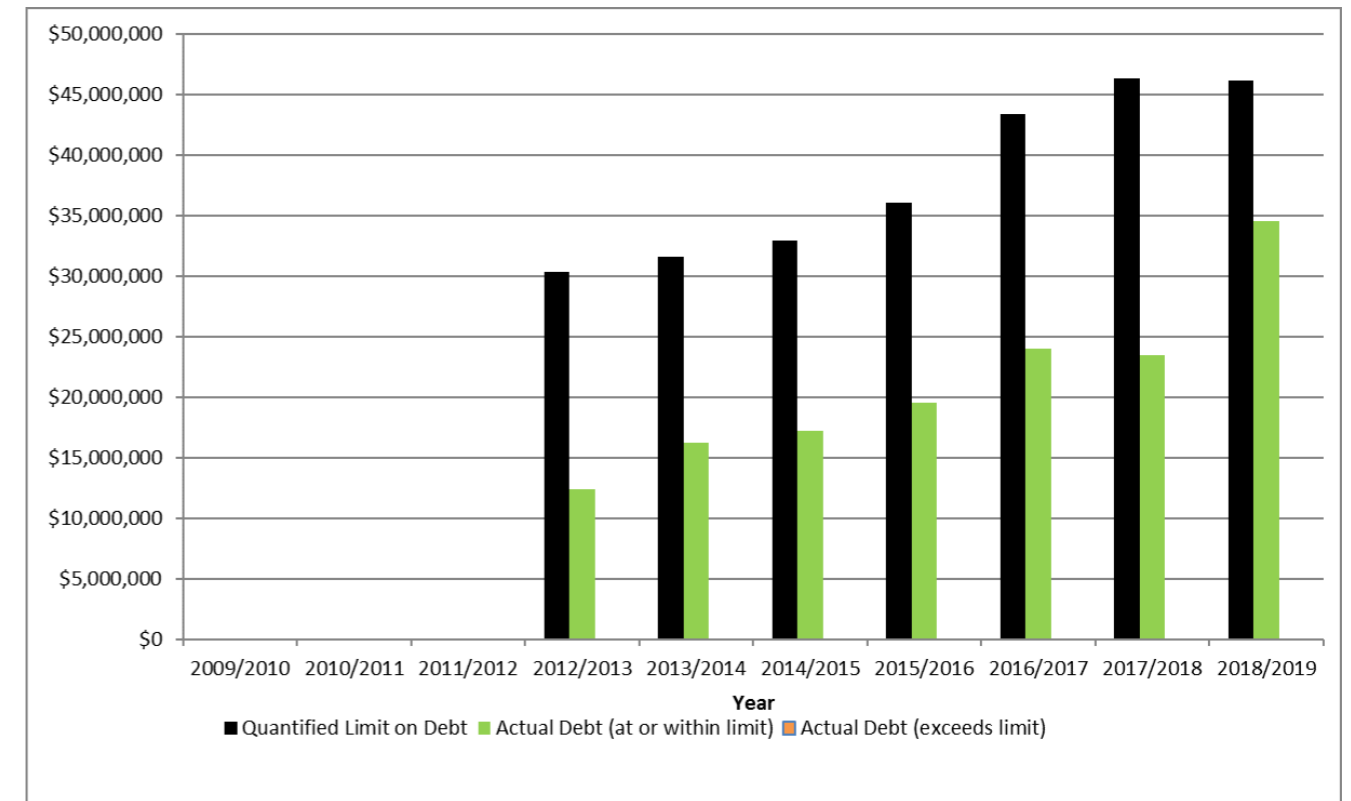
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan.



Note: The actual rates for 2018/19 has exceeded the limit due to growth in the rating base being higher than was predicted in the Long Term Plan.

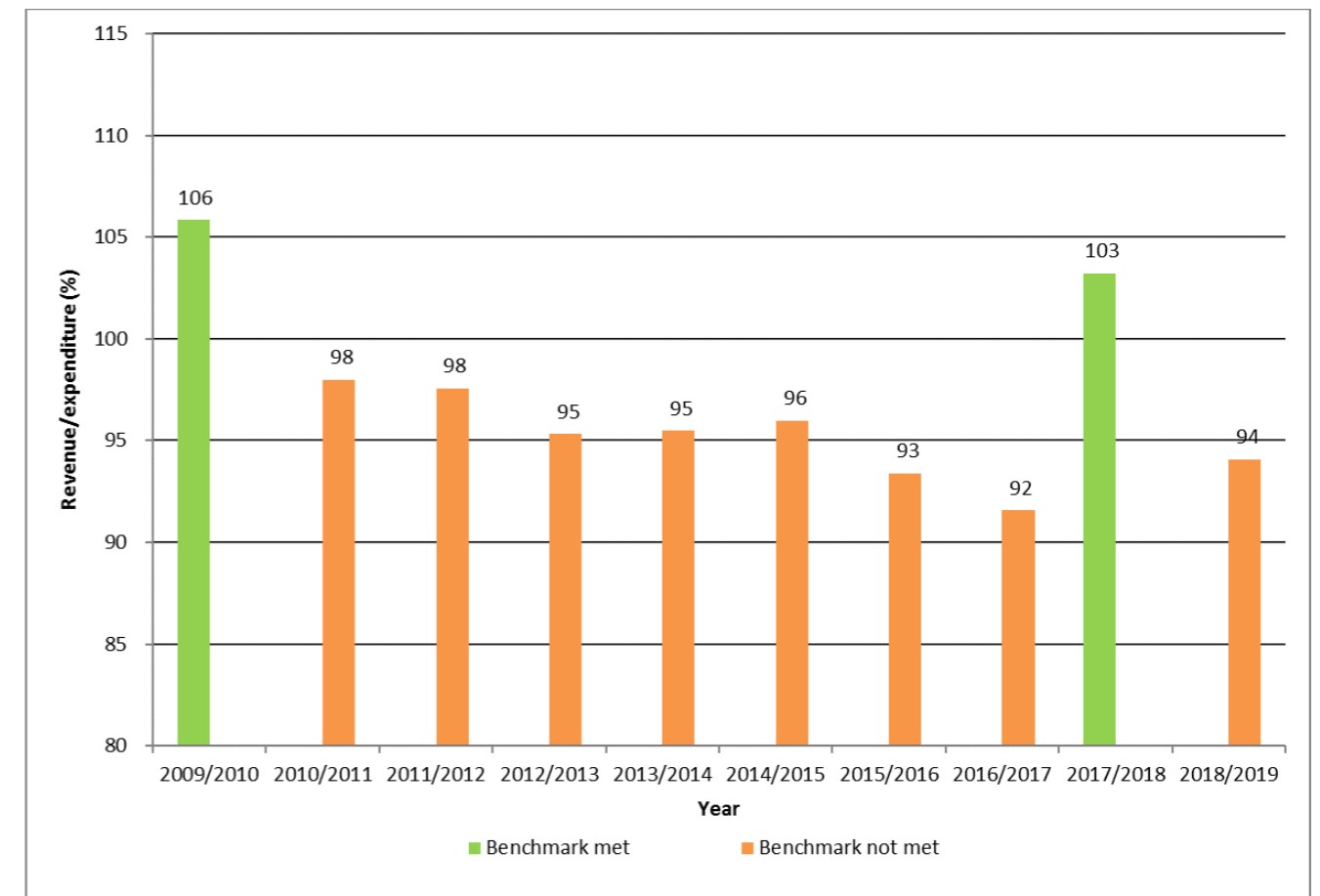
Debt affordability benchmarks

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The key benchmark is that total debt is no more than 100% of total income.



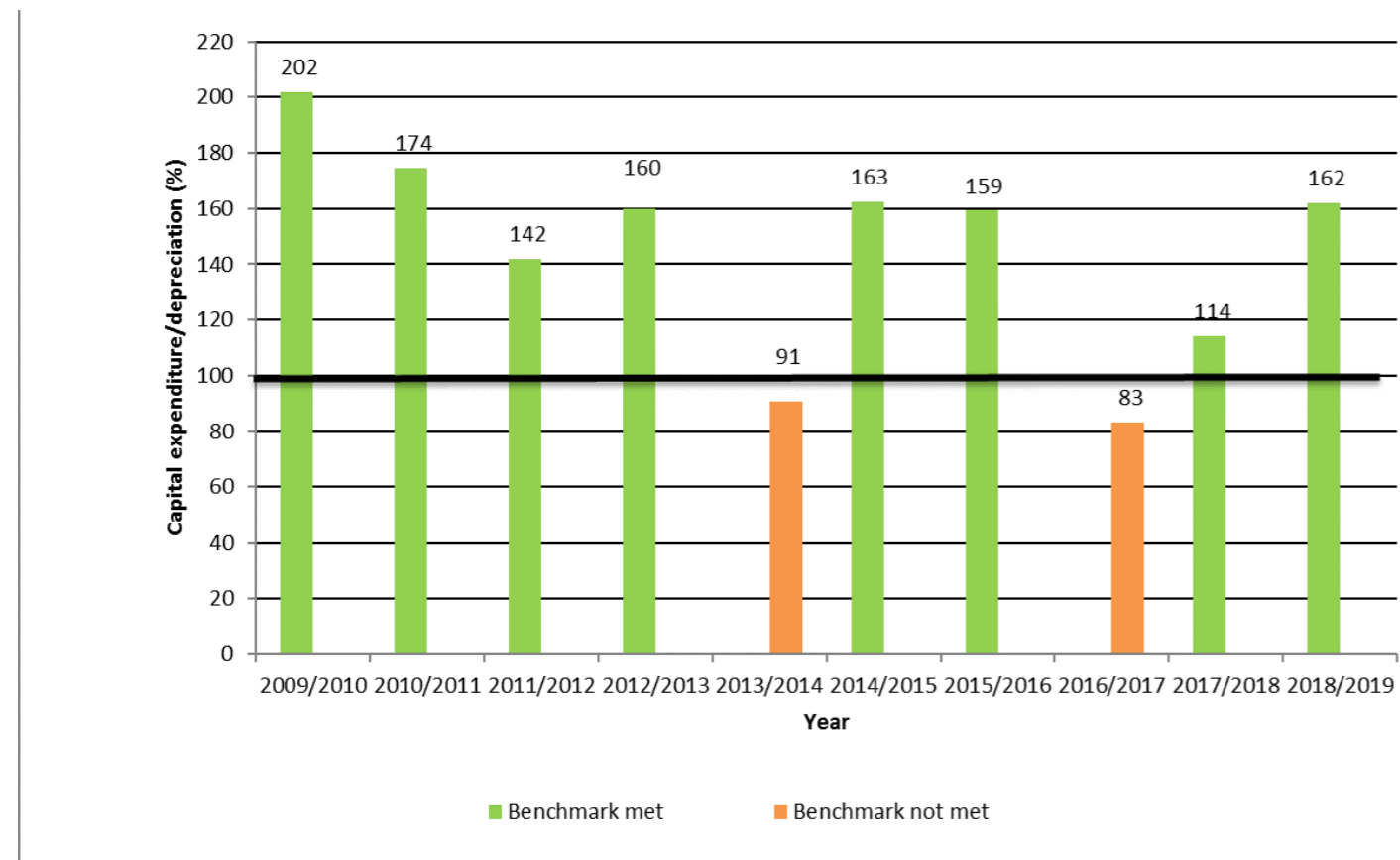
Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Independent Auditor's report

Independent Auditor's Report

To the readers of Hurunui District Council's and group summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of the Hurunui District Council and group (the Group) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 3 to 12:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary Council Activities Statements and performance measures.

Opinion

In our opinion:

- the summary of the 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.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 31 October 2019.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council and its subsidiaries and controlled entities.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
14 November 2019



Address: 66 Carters Road
PO Box 13
Amberley 7441

Phone: 03 314 8816

Email: info@hurunui.govt.nz

Web: www.hurunui.govt.nz