

SUMMARY ANNUAL REPORT

2020 - 21



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About the Summary Annual Report

The full Annual Report provides information about our performance during the 2020/2021 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 website.

www.hurunui.govt.nz

Introduction from the Mayor and Chief Executive Officer

Local services delivered for local people underpins the integrity of local government in New Zealand, and the Hurunui District is no exception in this regard.

The 2020-21 year saw major capital upgrades across a range of Council facilities and assets so that improved services can continue to be delivered into the future. The full Annual Report 2020-2021 presents Hurunui District Council's progress against Year 3 of its Long-Term Plan 2018-2028.

Councillors are proud to have completed the development of the Hurunui District Council Strategic Plan, which ensures we have a robust framework in place to empower sustainable communities within the Hurunui District. The Strategic Plan sets our four key objectives: vibrant communities, water resilience, targeted growth and maximising our advantages. We aim to achieve these objectives through our strength-based focus, which listens to district and community voices to ensure we are future ready. For us, this means having a focus on building an environment where people input into local assets and sustain the local business sector to create employment.

One of the lingering factors in the 2020-21 year has been the COVID-19 pandemic, and its impact on our communities at large and individual wellbeing. Traditionally as a district we have enjoyed the social, cultural and economic benefits of a range of events, which have been disrupted by COVID-19 restrictions.

Good planning creates success. Notable successes during this year included the commencement of the revamped community swimming pool in Amberley, along with the refurbishment of community halls in Scargill, Waiau and Hanmer Springs. These facilities enable people to gather for work, play and recreation, thus reaping advantages for our District for years to come.

Three Waters Reform

The central government's proposed Three Waters Reform Programme has demanded considerable time of councillors, staff and the community to understand the impact that it may have on our District. Later this year, we hope to see better clarity for a way forward as we navigate this Reform process.

Conclusion

Finally, we acknowledge that this has been an extremely difficult year for many. We wish to reassure you that our Council will continue to support our District in whatever way we can during the pandemic recovery phase. By working together, we can achieve so much more.

Mayor Marie Black



Chief Executive Officer



End of year financial performance

<p>Operating revenue \$64.2 million</p> <ul style="list-style-type: none"> Subsidies and grants are \$8.7 million greater than budget. This includes a total of \$4.1 million of Three Waters Reform Funding that has been recognised in the 2020/21 year. Council also received funding from the Tourism Infrastructure Fund for installing new public toilets as well as the completion of the Wastewater Disposal Plant in Hanmer Springs. In addition, Council received \$500,000 from the Mayor's Task Force for Jobs Programme during the year. Fees and Charges are \$6.1 million greater than budget. The majority of this relates to the increased revenue gained from the Hanmer Springs Thermal Pools and Spa than was budgeted for as the forecast effects of the downturn resulting in the COVID-19 did not materialise for the 2020/2021 year. Other Revenue is \$8.8 million greater than budget. This includes \$8.5 million recognised as Vested Asset Revenue, which included \$4.8 million relating to assets that were constructed by Waka Kotahi NZ Transport Agency on the Inland Road, which was passed over to Council when the control of the road returned to Council in December 2020.
<p>Operating expenditure \$46.8 million</p> <ul style="list-style-type: none"> Employment benefits were \$1.0 million greater than budget. This is primarily the additional wage cost associated with the Hanmer Springs Thermal Pools and Spa ahead of budget which was required as the facility was fully operational during the period. Other expenses are ahead of budget by \$3.7 million. This relates to the additional costs associated with the Hanmer Springs Thermal Pools and Spa being at full capacity during the period. In addition, other expenses for the Earthquake Recovery Activity are up on budget due to repair work carried out on the Waiau Hall, Kowai Buildings and Scargill Pavilion. Finance costs are down on budget by \$1.2 million due to the short term interest rates falling and the assessment of the fair value of the Council's derivatives.
<p>Net surplus after tax \$17.5 million</p> <ul style="list-style-type: none"> The surplus recorded was higher than the budgeted deficit of \$2.6 million due to the factors outlined above.
<p>Comprehensive revenue and expense \$31.4 million</p> <ul style="list-style-type: none"> The Council Three Waters assets were revalued resulting in a gain on revaluation of \$11.6 million, which was not budgeted for. In addition, the Council reversed the remaining portion of the impairment it recorded against its assets after the November 2016 Earthquakes.
<p>Capital expenditure \$25.6 million</p> <ul style="list-style-type: none"> Additional capital expenditure was incurred due to additional funding available through the Three Waters Reform Funding, Tourism Infrastructure Funding and funding from the Provincial Growth Fund. The Council undertook a revaluation of the Three Waters assets resulting in an \$11.6 million increase in the value as well as reversed the remaining level of impairment it had recorded against its assets after the November 2016 Earthquakes.
<p>Council owned assets \$512.8 million</p> <ul style="list-style-type: none"> Included in Council owned assets as at 30 June 2021 was: <ul style="list-style-type: none"> Land, Buildings, Plant, Equipment, Library Books and the Hanmer Springs Thermal Pools and Spa assets totalling \$117.9 million. Roading network assets valued at \$268.0 million Water assets of \$70.1 million Sewer assets of \$31.7 million Drainage assets of \$11.6 million
<p>Debt \$38.0 million</p> <ul style="list-style-type: none"> Council budgeted that total debt as at 30 June 2021 would be \$43 million. Due to other funding avenues available, the total debt at the end of the year was only \$38 million with the cash balance being \$6.5 million greater than budgeted.

Council activities summary for the year to 30 June 2021

Water Supplies

Overall, an operating surplus of \$3,606,835 was recorded against a budgeted operating deficit of \$101,470. The key variances from budget are:

- Rates are higher than budget due to the water usage charge was budgeted at 870,190m3 but was 1,122,157m3 when the rates were struck.
- Other Income is higher than budget due to \$2.486 million received in respect to the Three Waters Stimulus Package.
- Employment Costs are lower than budget due to an allocation of wage cost assigned capital projects.

Sewerage

Overall, an operating surplus of \$3,604,142 was recorded against a budgeted operating surplus of \$425,583. The key variances from budget are:

- Other income is higher than budget due to the final tranche of Tourism Infrastructure Funding received for the Hanmer Disposal Project and the amount of Three Waters Stimulus Funding received in the 2020/21 year.
- Development Contributions are ahead of budget due to the receipt of contribution relating to a major subdivision in Hanmer Springs.

Stormwater and Drainage

Overall, an operating surplus of \$1,546,550 was recorded against a budgeted operating surplus of \$182,043. The key variances from budget are:

- Vested Assets are significantly higher than was allowed for in the budget due to stormwater assets for major subdivisions being passed over to Council ownership during the year.

Roads and Footpaths

Overall, an operating surplus of \$4,354,299 was recorded against a budgeted operating deficit of \$1,032,085. The key variances from budget are:

- A total of \$5.8 million of vested assets have been recognised during the year. \$4.8 million of these relate to the asset constructed on the Inland Road since the 2016 Earthquakes, with the other \$1.0 million relating to roading assets vested from developers.

Public Services

Overall, an operating deficit of \$1,695,175 was recorded against a budgeted operating deficit of \$3,061,048. The key variances from budget are:

- Other Income is up on budget due to:
 - additional funding received for Tourism from Strategy Tourism Assets Protection Programme and Regional Events Funding;
 - Additional funding received from Tourism infrastructure Funding for construction of toilets; and
 - Library Partnership Programme Funding being received.
- Development Contributions is up on budget due to contributions received for subdivisions in Amberley.
- Employment Costs are lower than budget due to the budgeted wages being allocated to other areas.
- Other Direct Expenditure is up on budget due:
 - to the expenditure incurred as a result of the additional funding received in Tourism;
 - the additional grant funding provided by the Cheviot Community Committee; and
 - the increased costs incurred on the Track Networks in Hanmer Springs.
- Depreciation is up on budget due to the level of depreciation allowed for in the budget.

Regulatory

Overall, an operating surplus of \$772,900 was recorded against a budgeted operating deficit of \$71,057. The key variances from budget are:

- Other income is higher than was budgeted due to:
 - the level of Building Control income being higher than was anticipated.
 - Funding received from the Responsible Camping Fund
- Employment Costs are lower than budget as some positions budgeted for remained vacant.
- Other Direct Expenditure is lower than budget due to the level of consultancy costs incurred during the year.

Hanmer Springs Thermal Pools and Spa

Overall, an operating surplus of \$4,966,007 was recorded against a budgeted operating surplus of \$1,498,380

- Excluding Rates and internal charges, the surplus recorded by the Hanmer Springs Thermal Pools and Spa facility was \$3,274,536, which was significantly ahead of the budget of \$63,698. As the majority of the trading year was at Alert Level 1, there were little restrictions imposed on the activity.

Corporate and Governance

Overall, an operating deficit of \$2,044 was recorded against a budgeted deficit of \$781,650 for the year. The key variances from budget are:

- Rates are up on budget due to the level of Rate Penalties received during the year.
- Other Income is up on budget due to Dividends received being \$115,200 greater than budget.
- Internal Interest received is down on budget as the internal interest rates have changed to reflect market rates.
- Other Direct Expenditure is lower than budget as the interest costs have reduced and the adjustment for fair value of derivatives has been allowed for.

Earthquake Recovery

Overall, an operating surplus of \$52,278 was recorded against a budgeted surplus of \$305,338 for the year. The key variances from budget are:

- Other Income is up on budget due to:
 - Lottery Grants received for the repair to Waiau Hall, Kowai Building and the Scargill Pavilion;
 - NZTA Subsidies for Bridge Work from the Earthquakes;
 - Further pay-out on the earthquake repairs to the Underground assets from NEMA; and
 - \$500,000 received from the Mayor's Task Force for Jobs Programme.
- Employment costs are up on budget due to:
 - Cost associated with the Covid-19 response; and
 - Wage cost associated with the Mayor's Task Force for Jobs Programme.
- Other Direct Expenditure is up on budget due to:
 - Repair work on Waiau Hall, Kowai Buildings and Scargill Pavilion;
 - Bridge repair work carried out; and
 - external costs relating to the Mayor's Task Force for Jobs.

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 16 December 2021. 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 No 43 - Summary Financial Statements.

The full Annual Report:

- Was approved for issue on 16 December 2021. 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. For the 2021 year, the statutory deadline has been extended by two months.
- Has been audited and the auditors have provided an opinion with an emphasis of matter with respect to the impacts of the Three Waters Reform.

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 2021, the Council had no outstanding contingent assets. (2020: \$Nil).

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 of AA+ and Standard and Poor's of AAA for local currency and AA+ for foreign currency.

As at 30 June 2021, the Council is one of the 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 2021, the LGFA had borrowings totalling \$13.610 billion (2020: \$11.907 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. No call has been made by the Board of New Zealand Mutual

Liability RiskPool for the 2021/2022 year (2020: \$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 arising 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 has been made in each subsequent annual report.

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.

COVID-19

After the 2019/2020 year being headlined by the COVID-19 pandemic and New Zealand's elimination strategy, the country moved to Alert Level 1 on 8 June 2020.

Community cases in Auckland resulted Auckland returning to Alert Level 3 and the rest of the country to Alert Level 2 on 14 August 2020. All regions except Auckland returned to Alert Level 1 on 21 September 2020 with Auckland returning to Alert Level 1 on 7 October 2020. Further community cases resulted in the country returning to Alert Level 2 for three days from 14 February 2021 and a further week from 28 February 2021. After cases in Wellington in late June 2021, the country concluded the financial year at Alert Level 1.

The key effect of various periods of Alert Level 2 for the Hurunui District has been the restrictions placed on the Hanmer Springs Thermal Pools and Spa. This has fortunately not severely impacted on revenue for the 2020/2021 year, however the continual closure of the border does impact on the international market.

As was disclosed in the 2019/2020 Annual Report, based on severely reduced revenues for the period from March to June 2020, the Hanmer Springs Thermal Pools and Spa applied and received a total of \$984,450 from the Wage Subsidy scheme. It was concluded that this amount be recognised as a current liability while the Council continued to seek clarification on the eligibility of the application. Despite the efforts of the Council to seek clarification from the Ministry, none had been received and the \$985,450 remains as a current liability as at 30 June 2021.

Events after balance date

COVID-19 - Delta Variant

New Zealand returned to Alert Level 4 on 17 August 2021 with a number of community cases from the “Delta” variant of COVID -19 introduced from New South Wales. The area south of Auckland moved to Alert Level 3 on 31 August 2021 and then to Alert Level 2 on 7 September 2021. The valuations prepared as at 30 June 2021 contained references to valuation uncertainty in light of COVID -19 generally and there remains significant pressure on the robustness of assumptions contained in the valuations.

Whilst in Alert Levels 3 and 4, the Hanmer Springs Thermal Pools and Spa did not trade. Due to delays in completing scheduled maintenance work due to Alert Level 3 and 4, the facility did not reopen to the public until 13 September 2021. Alert Level 2 does place restrictions on numbers in the facility at any one time. With the loss of four weeks of trading and restrictions placed at Alert Level 2, the revenue flow from the Hanmer Springs Thermal Pools and is expected by be lower than the level budgeted for the 2021/2022 year.

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector alongside iwi/Maori as the Crown’s Treaty Partner.

Following the Government announcement on the 27 October 2021 on 3 waters reform, there is increased certainty with the proposal to transfer the three-water delivery and infrastructure from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. Council would belong to WSE "D", along with 19 other Councils. Based upon the current proposals, the WSE would be independent with a separate Board of Directors and Councils would have no shareholding and no financial interest. At the date of this annual report being approved for issue there is due to this announcement, increased certainty that should the legalisation be enacted, Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

(2020: No significant post balance date events).

Overall service performance for the year to 30 June 2021

In the Council's Long Term Plan for 2018-2028, there are 60 performance measures in place to gauge the service performance of the Council's seven groups of activities. The summary is as follows:

Activity	Targets Achieved	Targets Not Achieved	Targets Almost Achieved	Not Measured	Total Targets
Water Supplies	6	9	0	0	15
Sewerage	6	4	1	0	11
Stormwater and Drainage	7	1	0	0	8
Roading and Footpaths	1	5	0	0	6
Public Services	2	2	0	6	10
Regulatory Services	0	6	0	1	7
Hanmer Springs Thermal Pools & Spa	2	1	0	0	3
Total – 2020/2021	24	28	1	7	60

The summary of results for the 60 performance measures for the 2019/2020 year was as follows:

Activity	Targets Achieved	Targets Not Achieved	Targets Almost Achieved	Not Measured	Total Targets
Water Supplies	6	7	0	2	15
Sewerage	6	3	2	0	11
Stormwater and Drainage	7	1	0	0	8
Roading and Footpaths	1	5	0	0	6
Public Services	3	5	0	2	10
Regulatory Services	2	4	0	1	7
Hanmer Springs Thermal Pools & Spa	0	3	0	0	3
Total – 2019/2020	25	28	2	5	60

Below is a selection of ten of the performance measures – four relating to Water Supplies, three for Sewerage, two for Roothing and one for the Hanmer Springs Thermal Pools and Spa. The full analysis of the performance is included on pages 119 to 141 of the full Annual Report.

Objective: Water Supply – Supply safe drinking water

Target: No failed water tests

2021 Performance: Achieved - Routine testing of all Council's water supplies is done on a scheduled basis throughout the year. During the period 1 July 2020 to 30 June 2021, 2,321 samples were taken. 100% of samples met the compliance criteria (no E.coli present). These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor

2020 Performance: Achieved – no E.coli failures

Objective: Water Supply – Respond quickly to water supply call outs

Target: To respond within 4 hours

2021 Performance: Achieved - 2 Urgent requests for service were received during the reporting period. The median response time was 0.1 hours. This is a great outcome and shows good reliability of the on-demand water network.

2020 Performance: Achieved - the median response time was 1.7 hours.

Objective: Water Supply – Reduce the number of water related complaints

Target: No complaints on the drinking water clarity

2021 Performance: Not Achieved - 8 requests for service were received relating to clarity. After investigation 50% of the reports were related to aeration or no discoloration found.

2020 Performance: Not achieved – 5 complaints were received

Objective: Water Supply – Reduce the number of water related complaints

Target: No complaints to continuity of drinking water supply

2021 Performance: Not Achieved - Pursuant to the Department of Internal Affairs interpretation of the mandatory performance measures, the Council had received 279 customer service requests where a report of ‘no water’ was received irrespective if customers had water in their tank or not. Blocked restrictors, pipe breaks and air locking issues have been the main causes. Continuous improvement in routine maintenance, asset renewal and improved monitoring have been significant factors in the decrease in unplanned water outages.

2020 Performance: Not achieved – 473 complaints were received

Objective: Sewerage – Systems should operate as they should

Target: No sewerage overflows

2021 Performance: Not Achieved - 11 overflows have been experienced or 2.8 overflows per 1000 connections. There were 3950 connections.

2020 Performance: Not Achieved – 0.6 overflows per 1000 connections.

Objective: Sewerage – Respond quickly and resolve sewerage systems faults

Target: To response within 2 hours

2021 Performance: Achieved - The median response time for blockages and mechanical and electrical faults was 2 hrs (13 total requests for service). 11 dry weather and 2 wet weather.

2020 Performance: Achieved - Median response time was 2 hours.

Objective: Sewerage – Reduce the number of sewerage related complaints

Target: No complaints about sewerage odour

2021 Performance: Not Achieved - 3 complaints were received relating to odour.

2020 Performance: Not Achieved - 5 complaints.

Objective: Roading – Have roads which are safe to drive on

Target: No fatalities and serious injury crashes on local roads

2021 Performance: Achieved - There have been 7 crashes. Six resulting in serious injury and one fatality. No crashes were attributed to poor or negligent road maintenance outcomes.

2020 Performance: Not Achieved - 8 crashes resulting in serious injuries (no fatalities).

Objective: Roading – Maintain our roads to be in good condition

Target: To reseal more than 5% of our local roads every year

2021 Performance: Not Achieved - 3% of the local roads network was resealed, 5% was not achieved due to funding constraints and other network priorities.

2020 Performance: Not Achieved - 3.76% of sealed network was resealed, 5% was not achieved due to lack of funding.

Objective: Hanmer Springs Thermal Pools and Spa – Achieve our business plan

Target: To make the profit which is forecast for each year

2021 Performance: Achieved - A surplus after depreciation and interest of \$2,702,885 was achieved against budgeted deficit of \$745,294 – it should be noted that the budget was determined with the background of uncertainty created by the COVID-19 pandemic.

2020 Performance: Not achieved – A surplus after depreciation and interest of \$656,397 was achieved against budget of \$1,679,938. That result was heavily impacted by COVID-19.

Statement of comprehensive revenue and expense

	Group		Council		
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Budget 2021 \$000's	Actual 2020 \$000's
For the year ended 30 June 2021					
Revenue					
Rates, excluding targeted water supply rates	20,696	19,791	20,696	20,518	19,791
Targeted rates for water supply	946	744	946	790	744
Subsidies and grants	13,109	6,780	13,109	4,451	6,780
Development and financial contributions	991	402	991	629	402
Fees and charges, excluding those for water supplies	17,710	14,299	17,710	11,848	14,299
Fees and charges for water supplies	430	425	430	167	425
Interest revenue	48	38	48	0	38
Other revenue	10,318	2,522	10,318	1,526	2,522
	64,248	45,001	64,248	39,929	45,001
Less Expenditure					
Employee benefits	14,798	14,520	14,798	13,752	14,520
Other expenses	21,055	19,470	21,055	17,342	19,470
Finance expenses	49	1,444	49	1,268	1,444
Depreciation, amortisation and loss on disposal	10,895	10,644	10,895	10,204	10,644
Total operating expenditure	46,797	46,079	46,797	42,565	46,079
Operating surplus/(deficit) before tax	17,451	(1,078)	17,451	(2,636)	(1,078)
Share of associates surplus/(deficit)	1	3	0	0	0
Net surplus/(deficit) before tax	17,452	(1,075)	17,451	(2,636)	(1,078)
Tax expense	0	0	0	0	0
Net surplus/(deficit) after tax	17,452	(1,075)	17,451	(2,636)	(1,078)
Add other comprehensive revenue and expense					
Gains/(losses) on asset revaluation	11,672	6,352	11,672	0	6,352
Gains/(losses) in fair value of shares	(81)	(55)	(81)	0	(55)
Impairment to property plant and equipment	2,320	2,804	2,320	0	2,804
	13,911	9,101	13,911	0	9,101
Total comprehensive revenue and expense	31,363	8,026	31,362	(2,636)	8,023

Statement of financial position

As at June 30 2021

	Group		Council		
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Budget 2021 \$000's	Actual 2020 \$000's
Assets					
Current assets					
Cash and cash equivalents	6,951	4,979	6,951	455	4,979
Trade and other receivables	4,121	2,709	4,121	5,605	2,709
Inventories	119	133	119	148	133
Non-current assets held for sale	0	0	0	924	0
Derivative financial instruments	0	0	0	0	0
Total current assets	11,191	7,820	11,191	7,133	7,820
Non-current assets					
Property, plant and equipment					
- Operational	56,075	57,177	56,075	51,474	57,177
- Restricted	46,060	45,609	46,060	43,856	45,609
- Infrastructure	397,135	367,850	397,135	368,044	367,850
Intangible assets	649	610	649	255	610
Forestry assets	460	333	460	415	333
Other financial assets	990	1,044	990	1,170	1,044
Investments in associates	265	264	0	0	0
Derivative financial instruments	0	0	0	0	0
Total non-current assets	501,634	472,886	501,369	465,214	472,623
Total assets	512,825	480,707	512,560	472,347	480,443
Liabilities					
Current liabilities					
Payables and deferred revenue	9,960	9,053	9,960	7,672	9,053
Landfill aftercare provision	8	8	8	0	8
Employee entitlements	1,442	1,453	1,442	1,538	1,453
Current portion of term debt	12,000	11,000	12,000	0	11,000
Derivative financial instruments	442	465	442	0	465
Total current liabilities	23,852	21,978	23,852	9,210	21,978
Non current liabilities					
Term debt	26,000	29,000	26,000	43,000	29,000
Payables and deferred revenue	0	0	0	0	0
Landfill aftercare provision	98	96	98	0	96
Employee entitlements	88	107	88	0	107
Derivative financial instruments	704	1,478	704	2,991	1,478
Total non-current liabilities	26,889	30,681	26,889	45,991	30,681
Total liabilities	50,742	52,658	50,742	55,201	52,658
Net assets	462,083	428,048	461,819	417,146	427,785
Equity					
Asset revaluation reserve	287,819	273,826	287,819	265,094	273,826
AFS investments revaluation reserve	287	368	287	0	368
Special fund reserves	4,573	3,698	4,573	0	3,698
Rate reserve funds	(41,160)	(44,916)	(41,160)	(35,556)	(44,916)
Retained earnings	210,565	195,072	210,300	187,608	194,808
Total equity	462,083	428,048	461,819	417,146	427,785

Statement of changes in equity

For the year ended 30 June 2021

	Group		Actual 2021 \$000's	Council	
	Actual 2021 \$000's	Actual 2020 \$000's		Budget 2021 \$000's	Actual 2020 \$000's
Equity at start of year	428,046	419,995	427,785	419,781	419,736
Add total comprehensive revenue and expense for year	31,363	8,026	31,362	(2,636)	8,023
Found assets	2,672	25	2,672	0	25
Equity at end of year	462,081	428,046	461,818	417,145	427,785

Statement of cash flows

For the year ended 30 June 2021

	Group		Council		
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Budget 2021 \$000's	Actual 2020 \$000's
Cash flows from operating activities					
Revenue	53,682	45,408	53,682	39,088	45,408
Agency receipts	3,592	3,411	3,592	2,243	3,411
Interest received	48	38	48	0	38
Dividends received	265	215	265	150	215
Payments to suppliers and employees	(34,579)	(32,530)	(34,579)	(31,094)	(32,530)
Interest and other costs of finance paid	(861)	(1,193)	(861)	(1,268)	(1,193)
Agency payments	(3,592)	(3,411)	(3,592)	(2,243)	(3,411)
Net GST movement	(360)	1,020	(360)	0	1,020
Net cash from operating activities	18,195	12,958	18,195	6,877	12,958
Cash flows from investing activities					
Payment on loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	1,232	991	1,232	0	991
Proceeds on sale of investments	0	64	0	0	64
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	0	0	0	0	0
Payment for plant, property & equipment	(15,455)	(18,208)	(15,455)	(8,353)	(18,208)
Net cash from investing activities	(14,223)	(17,153)	(14,223)	(8,353)	(17,153)
Cash flows from financing activities					
Proceeds from the issue of debt securities	0	5,500	0	1,500	5,500
Repayment of loans	(2,000)	0	(2,000)	0	0
Net cash from financing activities	(2,000)	5,500	(2,000)	1,500	5,500
Increase/(decrease) in cash & cash equivalents	1,972	1,305	1,972	24	1,305
Cash and cash equivalents as 1 July	4,979	3,674	4,979	431	3,674
Cash and cash equivalents as 30 June	6,951	4,979	6,951	455	4,979

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 2021

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	9,308
Total Capital Value of rating units within the district	\$7,906,011,910
Total Land Value of rating units within the district	\$5,171,913,070

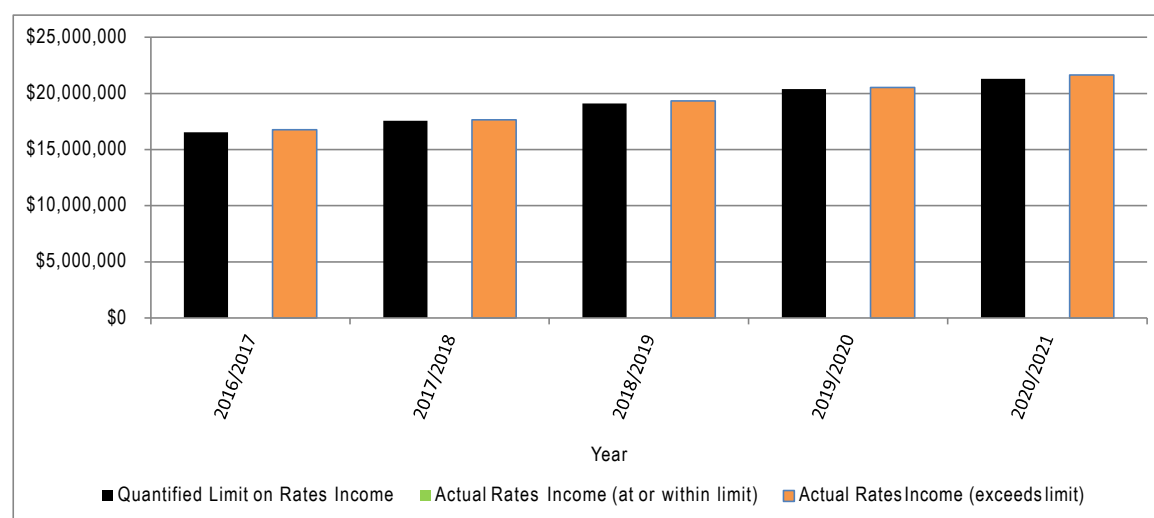
Key Benchmarks:

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:

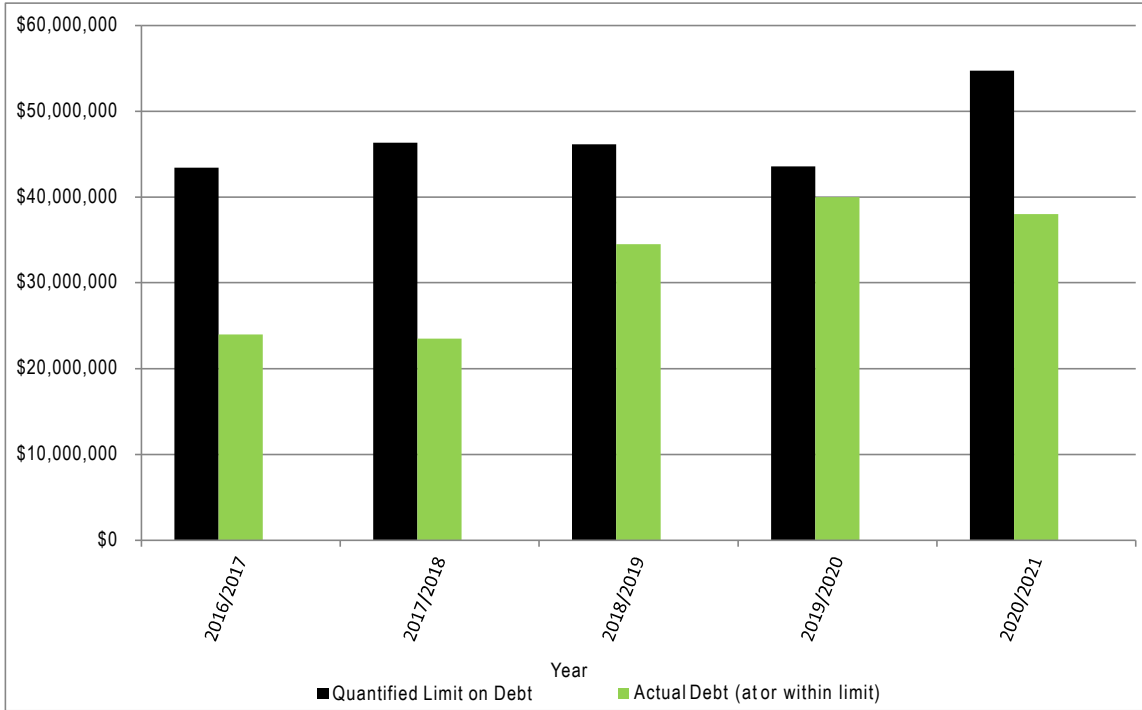
Rates (income) affordability

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.



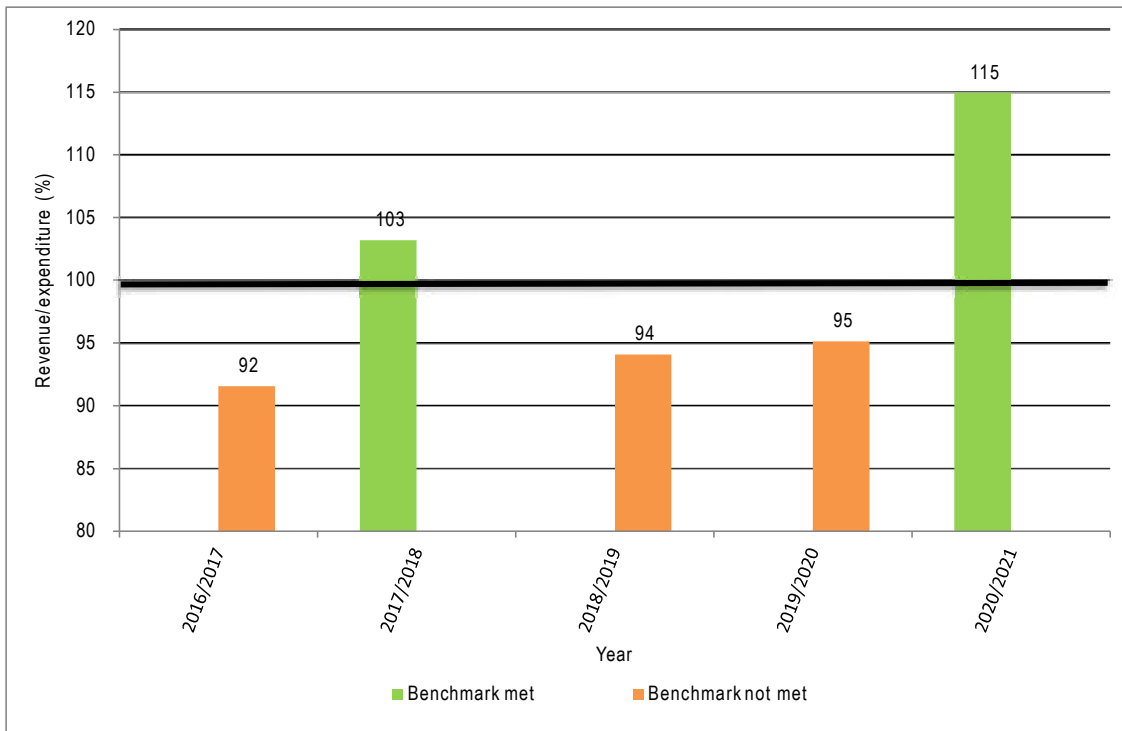
Debt affordability benchmarks

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.



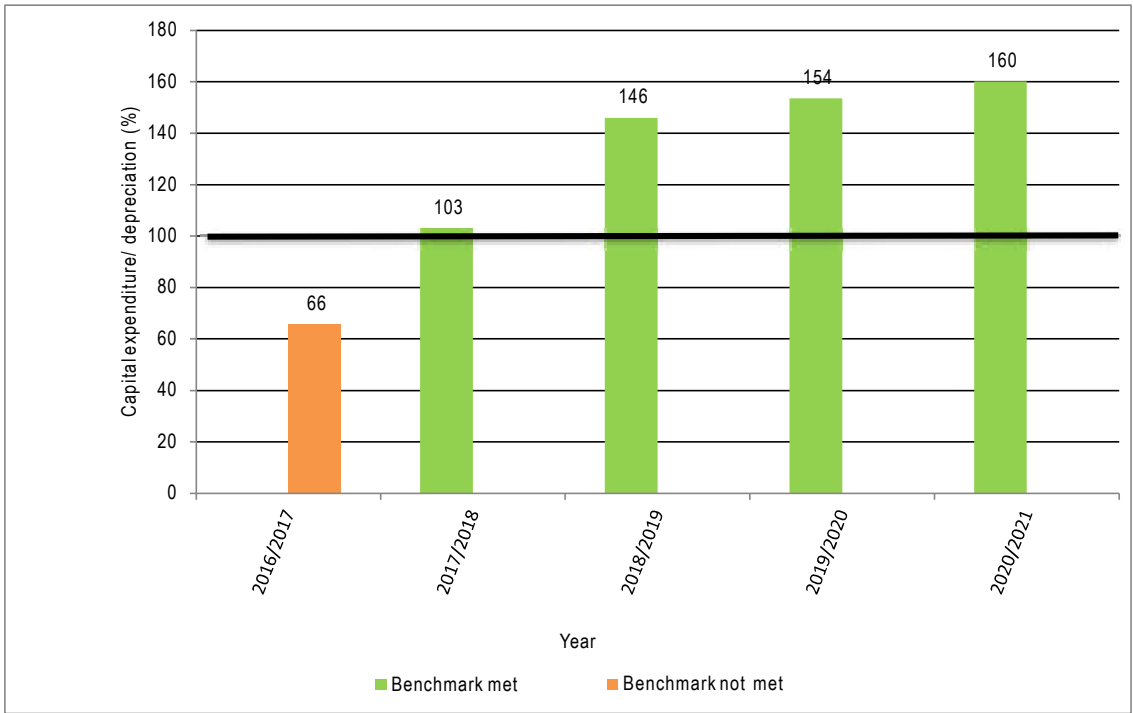
Balanced budget benchmark

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

To the readers of Hurunui District Council's and group summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Hurunui District Council (The District Council) and its subsidiaries and controlled entities (the Group) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 3 to 17:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary description used for the summary service performance.

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 2021 in our auditor's report dated 16 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to

the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 26 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed on page 8 of the summary financial statements.

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.



Chris Genet
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
16 December 2021