

2014-2015

SUMMARY ANNUAL REPORT

October 2015



'The upgraded Whakaruru Playground at Maraetai Bay in Te Kaha opened in May and is being well used by the local community already.'

- Deputy Mayor, Haki McRoberts



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From the Mayor and CE

This year has seen important progress on our two large projects – the Harbour and the Upgrade of the Sewerage reticulation.

Work on the proposed Ōpōtiki Harbour Transformation Project has progressed on a number of fronts. The major piece of work for council has been the completion of a Better Business Case, at the request of central government. We think the document is a compelling story that can only lead to a positive outcome to our funding request to central government for the remaining cost of the harbour. Another piece of work was the development and signing of a Heads of Agreement with the Regional Council for their share. In their Long Term Plan process the Regional Council pledged a further \$2M.

Out on the water the farm has been commercially operating for the last year and within 2 years will be the biggest single mussel farm in New Zealand. This has prompted us to turn our attention to ensuring that the maximum local benefit is achieved from the development. We have therefore been working with a range of partners to understand the districts workforce and look at ways of helping locals into the jobs that will result.

Our investigation of inflow and infiltration of the town sewer got underway with flow equipment deployed in the sewers, level monitors on both the rivers and rain gauges in various places around the town. We then waited for rain and finally in April and May we got the data we needed for analysis. This data will be very valuable in working out the best and most cost effective solution.

The past year has also seen Council very busy preparing a Long Term Plan. The process has been very important to re-test our work plan for the next 10 years and re-

consider our financial planning. The new requirement to do a 30 year Infrastructure Strategy meant that we also needed to look further out and consider our assets and affordability in to the future. We kicked off the public consultation with our pop up shop held in January. Staff and councillors enjoyed talking to our community through these two days and the conversations were valuable to a number of processes including the Long Term Plan. We were pleased to present a Consultation Document and final Long Term Plan to our community. The plan retains the Harbour Development at its centre as the key to unlocking economic growth and social development.

The Library has undergone an operational transformation with the arrival of modern technology - free 24/7 wifi, 3D printer and a new “Kotui” library system. Staff have had a focus on developing better ways of engaging with the community and making the library a welcoming, warm vibrant place. We have also been fundraising and making funding applications for the proposed transformation of the building.

During the year both our major kiwifruit packhouses announced major expansions at the Waioeka Road Industrial area. As a consequence Council brought forward the project to construct sewerage reticulation to the area, albeit with stop gap measures to manage peak flows until the town sewer is upgraded or replaced.

The review of the district plan took some big steps forward during the year with the completion of background technical work. Council has also taken part in an application to government for fast broadband in the Ōpōtiki District. The hope is the groundwork we are laying on our many projects will lead to many opportunities and prosperity for the district into the future.

“...the hope is the groundwork we are laying on our many projects will lead to many opportunities and prosperity for the district into the future.”

John Forbes



John Forbes Mayor

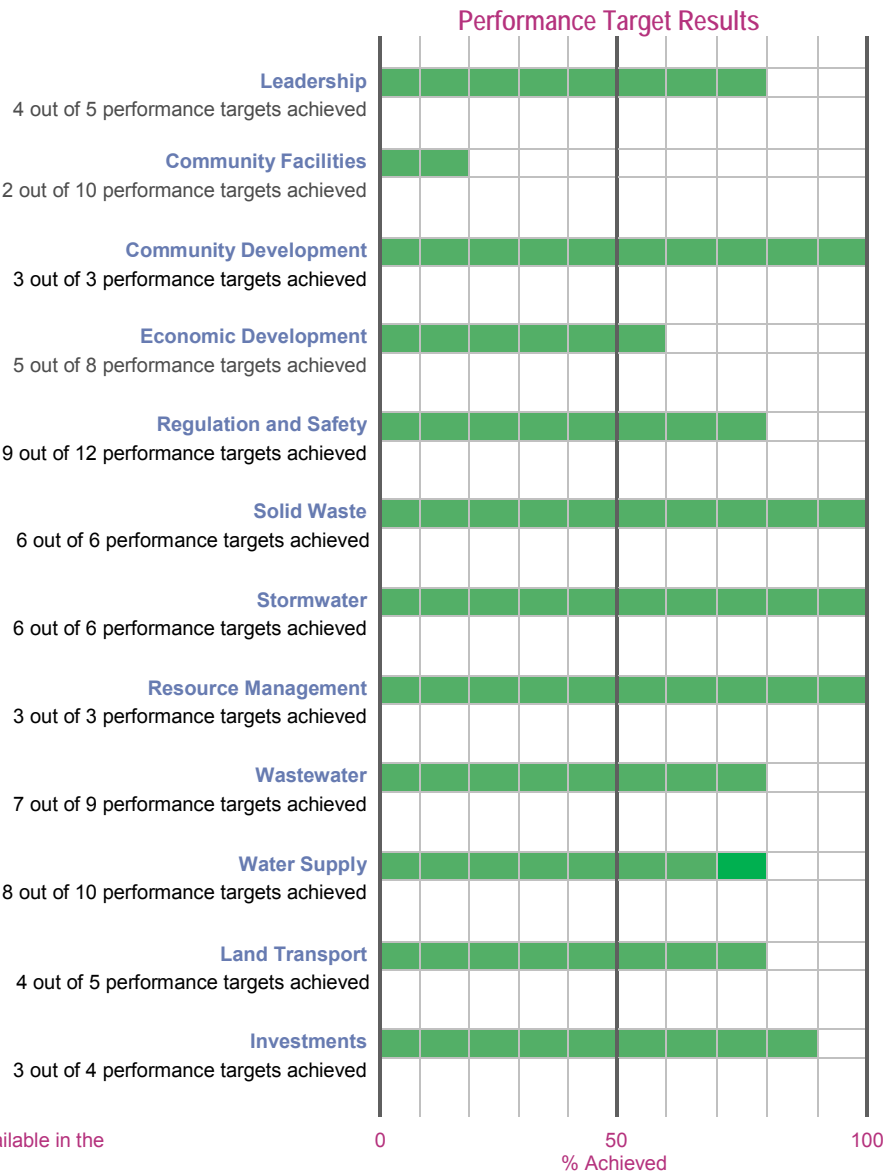


Aileen Lawrie Chief Executive

How we did

Our projects and work programmes are contained in 12 groups of activities. You'll find the details in the Annual Report.

This document summarises how we did, where we met expectations and where we need to improve. Our performance measures provide us with targets to meet, covering aspects such as responsiveness, safety, timeliness, meeting statutory requirements and compliance.



Further details are available in the full Annual Report

Please note: This year we have amended the way we report the results of the satisfaction survey that we undertake annually. This has created some variance in results between this year and last year in particular reporting of Community Facilities. We now record those that provide no response to a question within the overall result. We feel that this provides more transparent reporting to our ratepayers.



Highlights

Harbour development

Over the last year:

- Council has undertaken a better Business Case process at the request of government to provide them the formal documentation they require to make a decision on funding
- Council signed off a Heads of Agreement with the Bay of Plenty Regional Council for their \$18M share of the harbour costs and in June this year Regional Council advised they had agreed to contribute a further \$2M, taking their total contribution to \$20M
- Council has watched the transformation of our water space from a test/research farm to a fully commercial operating farm. The investment in the water through Whakatōhea Aquaculture Ōpōtiki Limited, Whakatōhea Opotiki Mussels Limited and Eastern Seafarms has seen 42 lines (of 4.5 km each) deployed during the year, and the first commercial spat catch



- Council carried out a project to identify potential other users of the harbour, and to estimate potential revenue that could support the Harbour project. We also took the opportunity to identify asset and planning requirements for those other uses. That information will help inform the review of the district plan that is underway.

Opotiki District Library

In a year we have transformed the library making it into a community lounge where we can deliver the latest 21st century service.



It's a bright, welcoming space where the whole whānau can relax, read and learn something new every time they visit.

Users can get connected with the latest books, magazines and newspapers onsite, and access a wide range of eBooks and articles from their homes through our website.

The Library hosts live readings and performances – and Monday morning storytimes are a hit with the wee ones.

The number of people enjoying the Library has increased to the point that the facility is bursting at the seams and we need a bigger space.



Fundraising for the new Technology and Research Centre

The current library does not meet the minimum seismic grading for Earthquake buildings and this along with a long standing aspiration of the Ōpōtiki Community to upgrade the library has led to a design of the replacement building being approved.

Fundraising has commenced to raise the money required to build a new Technology and Research Centre. Over the last year several local fundraisers such as Quiz nights, raffles and book sales have taken place. Eastern Bay Energy Trust has also pledged \$225,000 towards the project. This is an exciting project for Ōpōtiki community and fundraising for the money required along with grant applications will continue into the 2015/16 financial year.

Whakaruru Playground

Deputy Mayor Haki McRoberts, who is also Chair of the Coast Community Board, officially opened the new Maraetai Bay playground on May 26. The new playground caters to a wide range of ages and can stand up to the harsh coastal conditions.

Council is continuously looking for ways to meet community needs and we think this upgraded playground will enable more families to enjoy the fantastic outdoor environment the Ōpōtiki region is known for.

Ōpōtiki District Council's 2013/14 draft annual plan identified the need for a playground upgrade, and the Coast Community Board supported this. It applied to the Transpower Community Care Fund for assistance and was granted \$33,758 to make the project a reality. The total cost was \$53,000, with the remaining money coming from Ōpōtiki District Council and the Coast Community Board Coast Initiative Fund.

Wastewater

Over the last year Council has developed an effective Technical Advisory Group that is providing governance oversight of the Wastewater Upgrade project. An independent expert has been appointed to that governance group along with four Councillors. They have overseen the design and implementation of a monitoring and investigation project, with

the assistance of external technical expertise as well as Council staff.

In late 2014 Council deployed 8 groundwater monitors, 3 river level monitors and 9 sewer depth monitors. Because we had a dry summer we were able to get good information about our base flow in low groundwater conditions. We finally had rain in March and April capped off with a 15 year rain event in May. These events saw our sewage flows rise from less than 1000 cubic metres per day to 14,500 cubic metres per day. These results indicate large inflows and infiltration into the pipe system. The data is proving very useful to identify the precise problems in the system, and we are now able to target further investigation to assess the most cost effective way we can upgrade the system to better meet the community's expectations.

Waioeka Wastewater Extension

Works were substantially completed in June 2015 to provide for the collection of sewage from the Opac and Eastpack coolstores to enable their sites to be further developed for business expansion. The project included a new pump station with emergency storage at the corner of Stoney Creek Road, and pipeline along Waioeka Road with connection made to the township's reticulation in Church Street. The system has been designed so flow rates can be managed or stalled to allow for periods when the flows in the town are at excessive levels.

Transport

Transport highlights and major works over the 2014-15 year include:

- 8.9% of sealed road surfaces resealed (15 km of 168 km)
- 16.5% of unsealed roads re-metalled (27.5 km of 167.1 km)
- New kerb and channel, drainage, footpath and entrance ways for a 260 m section of Grant Road
- \$225,000 Emergency-storm damage repair undertaken under a slip on Tablelands Road. 51% funded by NZTA
- 2015-18 Opotiki Land Transport Plan and budget prepared and NZTA approval gained
- Roading data updated and a new valuation completed in accordance with Audit NZ requirements.

Wainui Road River Protection

Erosion over the years resulted in route security issues for a length of road along Wainui road. Full funding of \$200k from the Bay of Plenty Regional Council meant that Council could arrange and supervise the rock protection control works. This was an unanticipated project.

Solid Waste

Following submissions received for the 2015-25 LTP, Council decided to increase the refuse collection services to peripheral housing clusters around the current serviced urban area.

Capacity and performance is being reviewed to assess if further expansion is possible and what it will cost.

Ministry of Health Funding for water projects

The Ministry of Health approved 85% assistance funding for extending the Te Kaha water reticulation northwards and for upgrading the treatment rate to cater for the additional consumers. Extensive consultation will need to be completed before funds are committed as the extension will require some local contribution from new consumers.

Stormwater

Stormwater highlights and major works over the 2014-15 year include:

- Consent applications lodged for Tarawa Creek and St John pump station capacity upgrades
- New Tarawa Creek pump installed with 3 times greater capacity
- Pump refurbished for new St John St station, inlet structure works completed
- Opotiki township stormwater modelling substantially completed
- New Stormwater Asset Management Plan prepared and approved.

Cycle Trails

Over the past year we have been working with our neighbouring Councils to link Mōtū Trails and Ōpōtiki to Whakatāne, Kawerau and potentially Rotorua. While this does not change our plans to further develop Trails in Opotiki it will mean we get better connected.

In Ōpōtiki we plan to extend the Mōtū Trails out west – 17 km along Waiōtahe Trail to Ōhiwa Harbour. We are fortunate to have a corridor of public land that provides access along the coast – making it easy for users to love our coast on their waiwai or bicycle.



Civil Defence

From 1 July 2015, Ōpōtiki District Council has entered into an agreement to be a part of a centrally managed locally delivered model for Civil Defence Emergency Management. The new delivery model is based on all the operational emergency management staff from across the Councils in the Bay of Plenty coming together into one team. This new entity is known as Bay of Plenty Emergency Management.

Bringing the emergency management resources together under one umbrella is designed to enable more collaborative working, sharing of resources, and to gain efficiencies through a shared business delivery model.

Key Issues

Harbour

Previous years had seen a delay in the decision making around the Regional Infrastructure Fund and therefore Council progress against the KPI's set in the 2012-22 Long Term Plan has slipped. This slippage was further compounded this year by a delay in the government decision making on funding the harbour. We had expected a decision by the end of June but the Better Business Case process took longer than had been anticipated. While it has taken longer this should lead to more comprehensive consideration of our case. Our timeline is still aligned with (and in fact dependent upon) the timeline of the commercial aquaculture interests.

Opotiki wastewater replacement

Council's wastewater investigation has taken longer than anticipated due to the lack of rain following the deployment of our monitoring equipment into the sewers. The equipment was fully in place by December but we had to wait until May for a large enough event to carry out the necessary technical analyses. Every cloud has a silver lining however and the very dry conditions allowed us an opportunity to better understand our base flows.

Waioeka extension

In August this year council received a request from Opac to extend the sewer to its site at Factory Road. The work was in the Council's Long Term plan but not for several more years. In the current year it had not been anticipated, was not funded and staff were fully employed on other projects. Discussions with Eastpack and Opac resulted in a Memorandum of Understanding with the two companies agreeing to cover consultancy costs, and the cost of a loan until such time as Council would have undertaken the work. A further complication arose because of the performance issues of the downstream system when it rains. The solution was to design a holding tank that could store sewage for several days and then drip feed it into the system after the rainfall event had subsided.

During the final stages of investigation we unexpectedly found historic items at the pump station site and had to seek approval from Heritage New Zealand to modify an archaeological site. This held up work for several months. The work was complete before the end of the previous year however, aided by the dry conditions over late summer.



Internet connectivity in Opotiki

This year Council seized an unexpected opportunity to lodge an application for ultrafast broadband roll out and mobile blackspot funding.

The district has one of the countries lowest uptake of internet services, not because people don't want internet, but because there are only small pockets of the district

where a suitable internet service is provided, and there is limited choice of providers.

Geographically the district is difficult to service. The big players are unlikely to invest money in more infrastructure to increase services to small pockets of people. Council have been working with an internet service provider to formulate a solution to service the needs to the Opotiki District. Evolution Networks is a joint venture set up by 3 service providers from Taupō, Tauranga, and Gisborne with a purpose of providing a suitable solution for the Ōpōtiki district. They have now got internet services up and running to Ōhiwa, and are looking to expand over the hill to Ōpōtiki shortly. Phase two of the application process occurs in the coming year with the submission of a digital enablement plan.

District Plan review

A district plan review is potentially a large and expensive task. The 10 yearly review process kicked off this year with some unanticipated support from the Ministry for Primary Industry who helped fund several pieces of underlying work for this process. In kind support from the Bay of Plenty Regional Council was also appreciated. The coming year will see consultation on a draft document before we formally notify it as a proposed plan.

Technology and Research Centre

Fundraising for the Technology and Research Centre has proceeded well with most of the events/funds we have been looking to. We were disappointed however, following encouragement by DIA staff, to be turned down by the DIA significant facilities fund. The need for significant grant funding means the timing on this project is difficult to predict.

Affordability

Council continues to balance its activities with affordability to the local community. Maintaining our current levels of service to the community is constantly challenged by legislation changes, increasing the pressure and standard by which we must do things. Inevitably more cost is added to the business to ensure Council continues to comply with legislative requirements. To deal with this Council is constantly looking at how to maximise grant funding for activities, and our planned Hikutaia water supply upgrade is a good example of this. We are also constantly considering how we can share services with others to gain expertise to implement better standards but without the full cost.



The use of technology plays, and will increasingly play a major role in ensuring Council meets standards and service levels, whilst still maintaining affordability to the community. You will begin to see more and more of Councils services provided online as we look to implement the systems that many other Councils already have. There are two main reasons why we haven't made these changes yet and now have to play catch up, one is the cost, and the other is the connectivity. Full

utilisation of online services will only be achieved once the rest of the community is connected as well.

Collaboration

Council works closely with others where it can. Most of the time this works to our advantage due to our small size and the larger amount of resources our counterparts have.

There are a number of changes in legislation and other legislative requirements that have fallen upon Local Government this year. The opportunity to work with other Council means that we can share the workload, resulting in robust processes while not having to carry the entire cost and burden that working alone would result in.

This is becoming more and more important to do as there seems to be an ever increasing list of demands coming down the chain from Central Government.

Capital projects

At years end we were \$1.7M underspent in capital. There were a range of reasons for this underspend:

- Project delays resulting from consultants, landowner approval issues, unanticipated projects requiring staff resourcing
- Lack of accompanying grant funding to go ahead with the project
- Direct funding of costs that were otherwise budgeted.



Beautiful Ōhiwa Harbour—Image courtesy Rob Donald

What's been happening in our district

Civil Defence

Council continues to promote Civil Defence and Emergency Management awareness and preparedness. This student competition at the library was very popular.



During Cyclone Pam Council kept the community informed and helped with the clean up.



Woodlands School Trash and Treasure

Council continues to support waste minimisation public education activities such as the Woodlands School Trash and Treasure event where one mans Trash is another mans treasure.



Summer festival better than ever

This year included The Lantern Festival, Raft Race, Driftwood Sculpture, the O-mazing Race and a Scary Night Out.



Whakaruruhau

They're popping up all over – little red roofed shelters located at some of our best spots around Ohiwa harbour and Mōtū Trails. A great place to stop and enjoy what we like most about our turangawaewae - our coast, bush and rivers.

Thanks to support from the Bay of Plenty Regional Council.



District Plan Review

The 10 year review process kicked off this year with a number of pieces of work supported by the Ministry for Primary Industries and in kind support from the Bay of Plenty Regional Council helping us to prepare for consultation in the coming year.

Firefighters hone skills

Our local volunteer firefighters spent time practising their skills with helicopters for the summer fire season..



Erosion Control Works

Erosion over the years resulted in route security issues for a length of road along Wainui road. Funding of \$200k from the Bay of Plenty Regional Council meant that the Council could undertake this erosion control project.



Whakaruru Playground open

In May this year the community helped to open Whakaruru Playground in Te Kaha with funding for the playground provided by TransPower, Coast Community Board and Opotiki District Council.



Free wifi

State Highway contractors staff know about the library wifi. 24/7 free wifi in the center of town is a great community service.



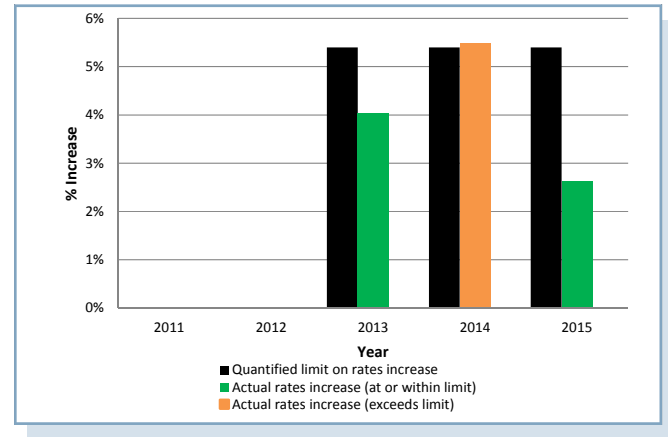
Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2015

Rates (increases) Affordability

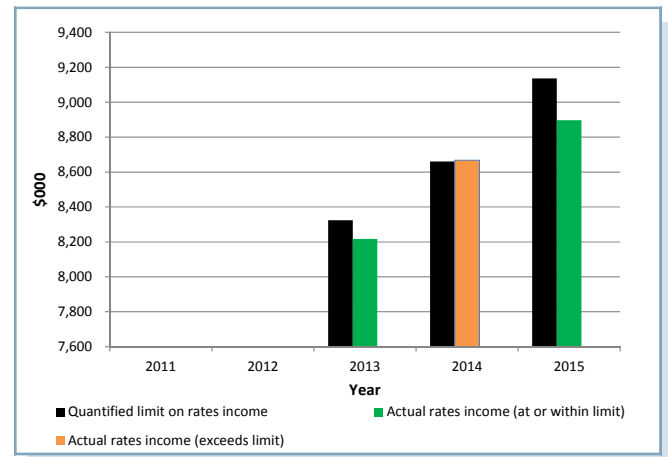
The following graph compares the council's actual rates increases with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is 5.40%.

The Council meets this benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.



Rates (Income) Affordability Benchmark

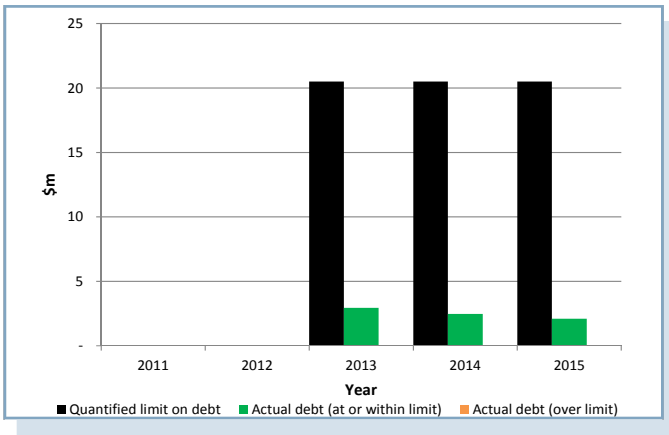
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The Council meets this benchmark if its actual rates income is not more than 5.40% higher than the previous year's rates income.



Debt Affordability

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

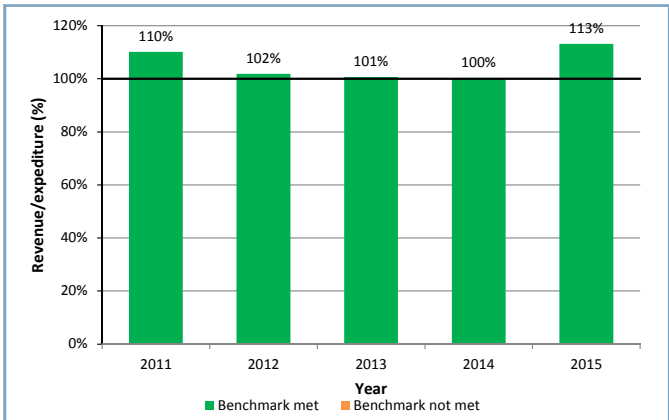
The quantified limit is net debt less than \$20.5 million.



Balanced Budget Benchmark

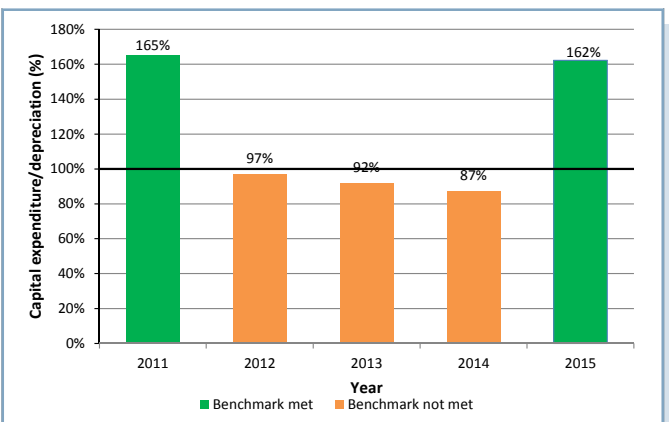
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial 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

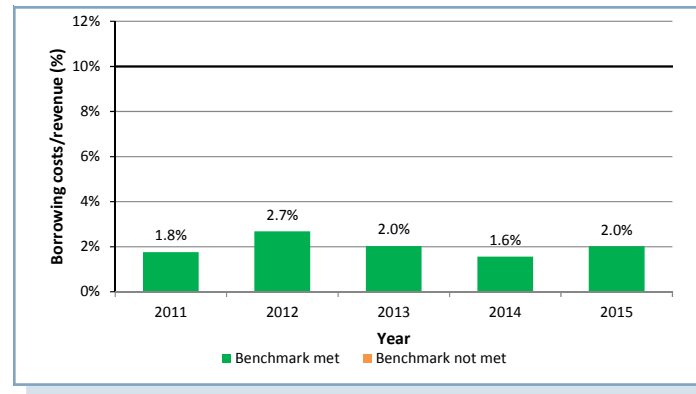
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and costs equal revaluations of property, plant, or equipment).

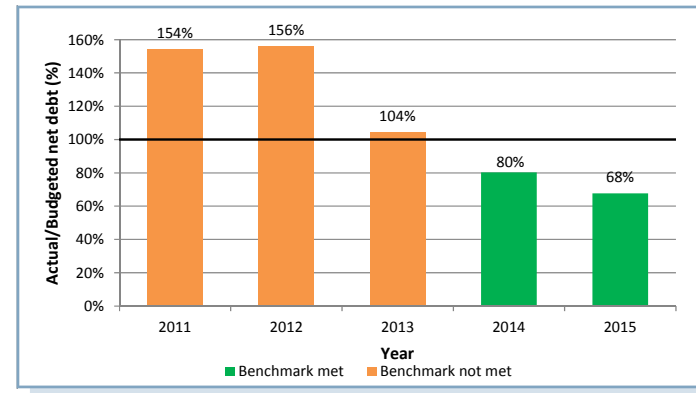
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt Control Benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt.

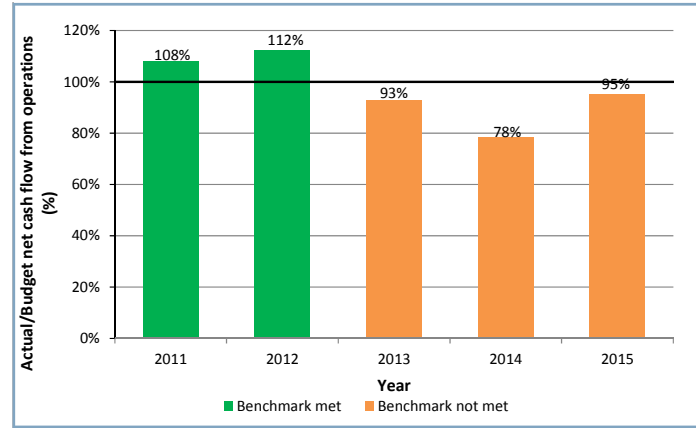
In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control Benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Benchmarks not met

The Operations Control Benchmark was not met during the year as cash flow from operations was \$3.8 million compared to a budget of \$4.0 million. The difference was \$190,000.



East of Te Kaha

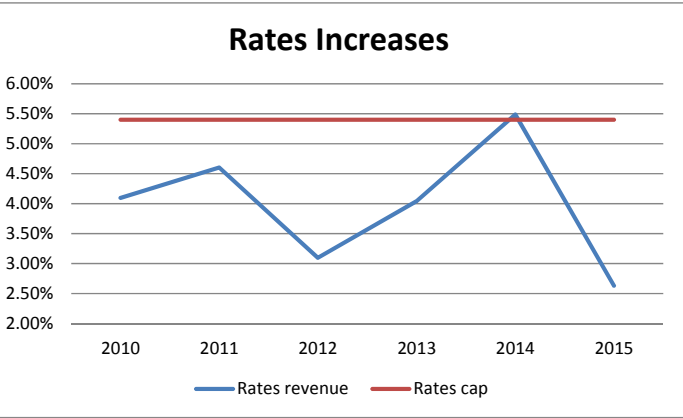
Financial strategy

Rate Increases

Rates affordability continues to be an issue for Council, and will be for the foreseeable future. Council made a conscious decision when the Global Financial Crisis (GFC) hit to try to maintain levels of service and keep rates increases to an absolute minimum. This continued when the PSA virus hit the kiwifruit industry. Now that the GFC and PSA have all but gone it is time for Council to place more of a focus back on developing the district infrastructure to provide for a growing economy.

Council needs to ensure that there is the appropriate infrastructure here in the District to cater for the growth demands in the kiwifruit and aquaculture industry, not to do this means we risk losing opportunity to neighbouring districts that are prepared to invest in theirs.

Council in the 2014-2015 Annual Plan set a rates increase of 5.4%, which is at the rates limit that it set in the 2012-2022 Long Term Plan. The actual rates increase after allowing for rates remissions and provision for doubtful debts was 2.63%.



Investments

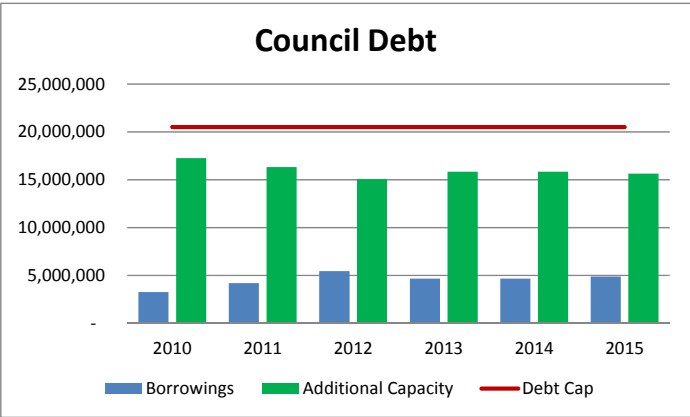
Council has limited investments amounting to just over \$3.2 million, which includes cash and short term deposits, and shares in local government entities. Council keeps investments at a minimum because debt rates are more often than not higher than investment rates, so in being prudent Council prefers to reduce debt when able with available cash.

The investments in shares are generally not to generate a return of income, but more to generate an operational efficiency. Council has shares in Civic Assurance, which provides insurance products to Councils nationwide. There are operational efficiencies gained by having a reduced cost structure dedicated to providing a Local Government solution to insurance.

Council also owns shares in BOPLASS Ltd, which is a company set up by the Bay of Plenty Councils to look into shared services amongst the member Councils, and source bulk purchasing efficiencies. A report of the work done by BOPLASS Ltd this year is available in the full Annual Report document.

Public Debt

Council has been prudently managing its levels of debt with average debt over the last 5 years of \$4.2 million. We have set a limit of \$20.5 million for net debt in the 2012-22 financial strategy to allow the council to contribute towards the harbor redevelopment and upgrade the wastewater system to enable the growth in kiwifruit and aquaculture.



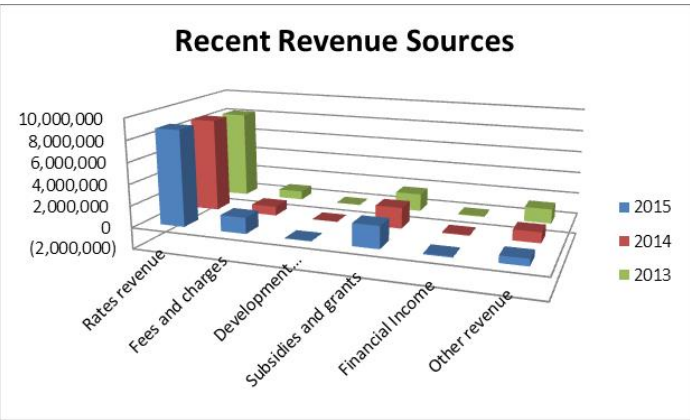
As part of the 2015-25 LTP Council revised its debt limits to relate to debt serviceability rather than having a flat limit.

Council was able to borrow from the Local Government Funding Agency (LGFA) during the year, and will achieve significant interest cost savings over the long term with the ability to source much cheaper debt. As Council's bank debt matures this will be replaced with LGFA debt.

Revenue Sources

Revenue collection is of huge importance to Council. With more focus on the levels of subsidies that are allocated by Central Government it is ever increasingly more important for Council to try to collect revenue from other sources. Rates revenue is Council's single biggest revenue source, however Council is very aware that this is a finite income source, and carries with it the pressures of a struggling economy.

Where Council is able to seek revenue from fees and charges it does so to ease the burden on ratepayers. Also where able to Council seeks as much subsidy revenue for projects that it can, so that it does not need to borrow money for these projects. This past year has seen increases in revenue in the regulatory area.



Our finances in brief

\$13.2
million operating revenue

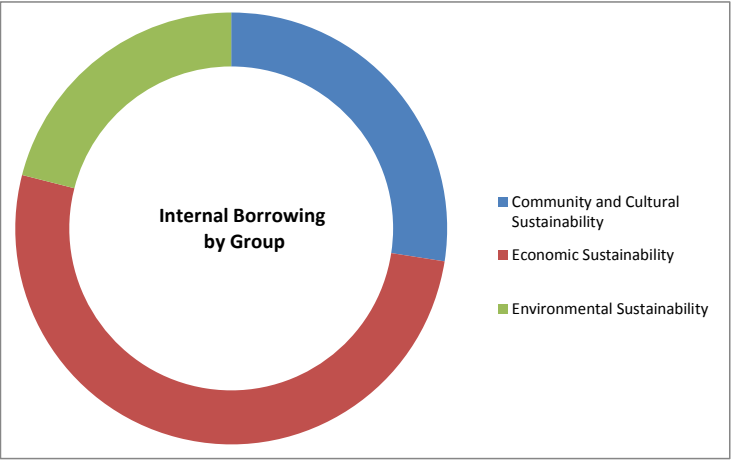
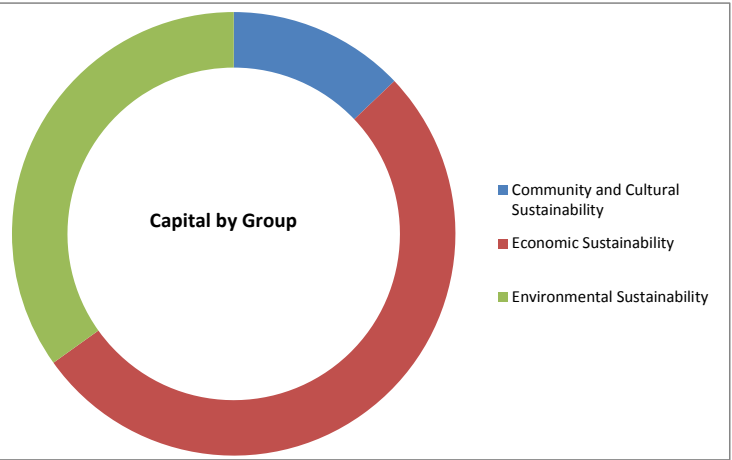
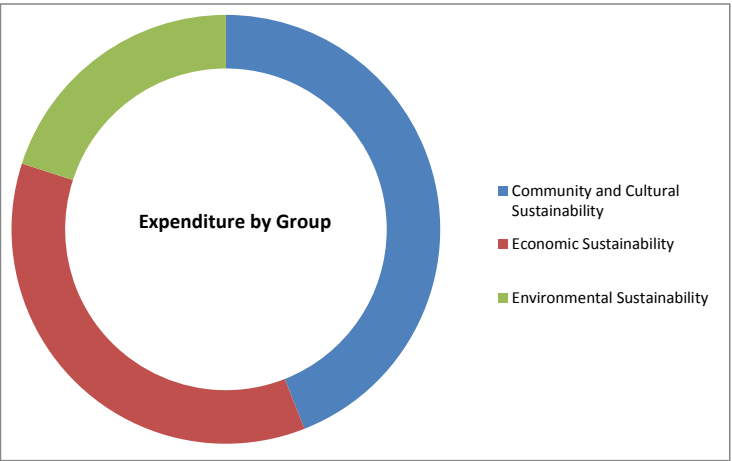
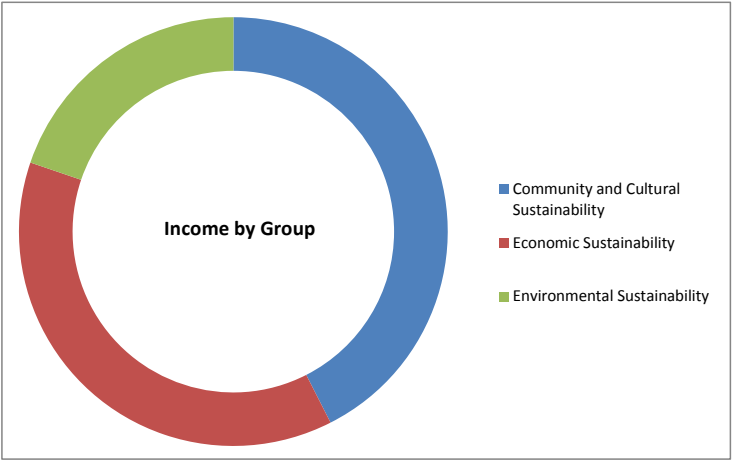
\$11.6
million operating expenditure

\$3.5
million capital expenditure

\$0.2
million rate increase for 2014/15

\$4.9
million of borrowings

\$188.2
million of assets



Financial summary

Variance Comments

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Comprehensive	2015	2015	2014
Revenue and Expense	\$000	\$000	\$000

Total Revenue	13,161	14,401	12,912
Operating Expenditure	11,569	12,753	13,141
Operating Surplus/(Deficit)	1,592	1,648	(229)
Other Comprehensive Revenue	-	-	367
Total Comprehensive Revenue	1,592	1,648	138

Income

Operating revenue is \$1,240,000 lower than budgeted for the year mainly due to subsidies and grants received being significantly lower as we did not receive funding for the library development project.

Rates revenue was \$1,034,000 lower than budget due to additional rates rebates and remissions, and also reclassification of \$748,000 of targeted rates for water supply to fees and charges.

Other revenue is \$467,000 higher than budgeted due to receipts of contributions towards capital projects, increased rental revenue, gifted assets, a borrower premium from LGFA, and gains made on investment property and assets.

Expenditure

Operating Expenditure is \$1,184,000 lower than budget for the year, \$727,000 relating to as offset of internal expenditure recovery previously recorded in fees and charges revenue.

Depreciation and amortisation is \$249,000 lower than budgeted due to having a lower carrying value of assets as revalued last year than expected.

Employee benefit costs are also lower than budget by \$133,000 due to a few budgeted roles not yet being filled, and those that were filled were done so part way through the year.

Finance costs are \$76,000 below budget due to Council choosing to repay debt with available cash instead of drawing down additional debt.

Other Comprehensive Income

This year there was no additional comprehensive income as it was not a revaluation year.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Changes in	2015	2015	2014
Equity	\$000	\$000	\$000

Equity at the Beginning of the Year	178,183	191,600	178,045
Total Comprehensive Revenue	1,592	1,648	138
Transfers to/from Equity	(425)	-	-
	179,350	193,248	178,183

Equity - Closing Balances			
Retained Earnings	128,079	128,739	126,355
Revaluation Reserves	50,043	62,556	50,081
Special Funded Reserves	1,229	1,953	1,747
Equity at the End of the Year	179,350	193,248	178,183

Balance Sheet

This year we borrowed from the Local Government Funding Agency for the first time. We chose to repay \$3.3 million of ANZ debt with LGFA debt. We will receive considerable savings with lower interest rates on LGFA debt than otherwise achievable on bank borrowings. We have further loans maturing later this year that we will replace with LGFA debt as well.

Our total assets is much lower than budgeted, the reason for this is that when we undertook the forecasting for the 2014/15 Annual Plan we were expecting to receive a much larger asset revaluation than we actually did. This has in turn contributed to the lower than budgeted depreciation costs.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Financial	2015	2015	2014
Position	\$000	\$000	\$000

Total Current Assets	6,366	5,243	5,537
Total Non-Current Assets	181,862	197,886	180,513
Total Assets	188,227	203,129	186,050
Total Current Liabilities	5,199	6,400	5,257
Total Non-Current Liabilities	3,679	3,481	2,610
Total Liabilities	8,877	9,881	7,867
Total Equity	179,350	193,248	178,183

Statement of Cashflows

Net cash from operations for the year was lower than budgeted due to a reduced level of subsidy and external revenue to fund some of the capital projects that Council proposed to undertake. The bulk of this related to the roading activity and the library redevelopment project. To offset some of this reduced income Council incurred less than budgeted expenditure, as most of the expenditure hinged on the fact that we were expecting some external funding. Because this was not received the expenditure did not go ahead as planned.

Net cash from investing activities was higher than budget as we did not complete all of the capital projects that we proposed to do. As with above a lot was based on receiving

external funding which did not happen. Net cash from financing activities was lower than budget as we paid off debt instead of borrowing more.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Cash Flows	2015	2015	2014
	\$000	\$000	\$000

Net Cash from Operating Activities	3,839	4,028	3,116
Net Cash from Investing Activities	(3,411)	(4,954)	(2,731)
Net Cash from Financing Activities	139	1,070	(771)
Net Increase/(Decrease) in Cash	567	144	(386)
Cash at the Beginning of the Year	2,192	2,179	2,578
Cash at the End of the Year	2,759	2,323	2,192

Summary Accounting Policies

The information included in this summary has been extracted from the audited full financial information in the Ōpōtiki District Council 2014/15 Annual Report. It is prepared on an individual entity basis as Ōpōtiki District Council does not have a group. This Summary Annual Report was authorised for issue on 27th October 2015 by the Mayor and Chief Executive of the Council.

The Council's full Annual Report has been audited by Audit New Zealand and an unmodified opinion was issued on 27th October 2015.

The full and summary financial statements have been prepared in accordance with Tier 2 PBE accounting

standards. This Summary Annual Report has been prepared in accordance with PBE FRS-43 Summary Financial Statements. The full financial statements are the first prepared in accordance with the new PBE accounting standards. There were no material adjustments or reclassifications on transition.

The approval by the Council on 27 October 2015 of the Financial Statements for the year ended 30 June 2015 is within the statutory deadline for adoption established by the Local Government Act 2002, which requires that the financial statements are completed and adopted by Council before the 31st October each year.

Summary Additional Disclosures

Contingencies

We have contingent liabilities at year end of \$77,000 (2014: \$124,240) which relate to a weathertightness claim in for a leaky building within the district of \$77,000 (2014: 27,000). The repayment of development contributions collected that relate to the event centre has been moved to provisions as we now know that we will refund these. 2015: \$0 (2014: \$97,240).

We have contingent assets at year end of \$482,439 (2014: \$484,453) which relate to club room buildings built on reserve land, and an advance to Tamatari Enterprises for the construction of a public toilet at Waihau Bay.

Commitments

Council has operating commitments at 30 June 2015 of \$3.383 million (2014: \$1.047 million). These relate to non-cancellable contracts that have been entered into during the current and preceding financial years. These contacts have the following maturity;

Less than 1 year \$1.866 million (2014: \$662k)
Less than 5 years \$1.517 million (2014: \$385k)

Events after balance date

There have been no significant events occurring after balance date (2014: Nil).

Disclaimer

This document is a summary of the full Annual Report, and as such does not include all of the detail and disclosures of the full Annual Report. It cannot be expected to provide as complete an understanding as provided by the full Annual Report. Copies of the full Annual Report are available from Ōpōtiki District Council Customer Services or Library. It is

also available for viewing or downloading from Council's website at www.odc.govt.nz.

Independent Auditor's Report

To the readers of Ōpōtiki District Council's summary annual report for the year ended 30 June 2015

The summary annual report was derived from the annual report of the Ōpōtiki District Council (the District Council) for the year ended 30 June 2015. 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 3 to 15:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2015;
- 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 performance target results) of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 27 October 2015.

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.

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.



Clarence Susan,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
27 October 2015