

ŌPŌTIKI DISTRICT COUNCIL

2015/16 SUMMARY ANNUAL REPORT

October 2016



Ōpōtiki—Coast by Nature



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From the Mayor and CEO

This year we have seen growth in a number of our key industries – kiwifruit, Manuka products, honey and aquaculture. Council is considering how that growth can be supported and the infrastructure needed to ensure those industries flourish.

October 2015 saw a major milestone achieved with the announcement that the government was supporting the Ōpōtiki Harbour Project. A Memorandum of Understanding was signed with the government and the Bay of Plenty Regional Council that commits the parties to working through a range of projects that are required to get the harbour to the point of letting a contract. Government have committed \$3M to fund that work. In February we went to the market to seek contracting companies with the ability to design and construct the harbour, and in May we invited HEB Construction and Brian Perry Civil to submit closed tenders by March 2017. In the meantime two rounds of geotechnical investigation are being carried out in a programme designed with the input of the two tenderers. A close working group has been developed with the government, Bay of Plenty Regional Council and the Whakatōhea Māori Trust Board to oversee the implementation of the project.

Out on the water the farm has been commercially operating for the last two years and is developing well ahead of its previous programme. Supplying spat in New Zealand has meant the farm development could proceed

faster than planned and the vessel “Northern Quest” has been purchased by the operating companies.

Our investigation of inflow and infiltration of the town sewer has proceeded to a “Find and Fix” phase in the northern catchment of the Ōpōtiki township focussing on the shallow parts of the system. Council wanted to determine what sort of performance improvement could be achieved by fixing the shallowest (and therefore cheapest) problems – and at what cost. So rather than just investigate the faults, they were identified and then fixed. In parallel, cameras were put into the deep sewers to determine the faults. Information from both of these investigations will put us in a good position to provide options to the community in our next annual plan process. We hope the investigation will mean a cheaper solution, or a solution that is prioritised and spread over time.

The library continues its operational transformation and the visitor numbers are still climbing, having quadrupled in the last two years. We have also been fundraising and making funding applications for the proposed transformation of the building.

The review of the district plan went to stakeholder groups as a draft. This was a non-statutory process that aims to assist the passage of the document through the planning process.

Council awaits the decision on an application to government for fast

broadband in the Ōpōtiki District.

With a range of exciting projects underway, council has increased staff numbers (funded in a variety of ways) and is working hard to ensure business as usual is maintained. This year has seen some slippage in our parks and reserves and facilities activities and the coming year should see these addressed with further resourcing.

“The library continues its operational transformation and the visitor numbers are still climbing, having quadrupled in the last two years.”

Aileen Lawrie



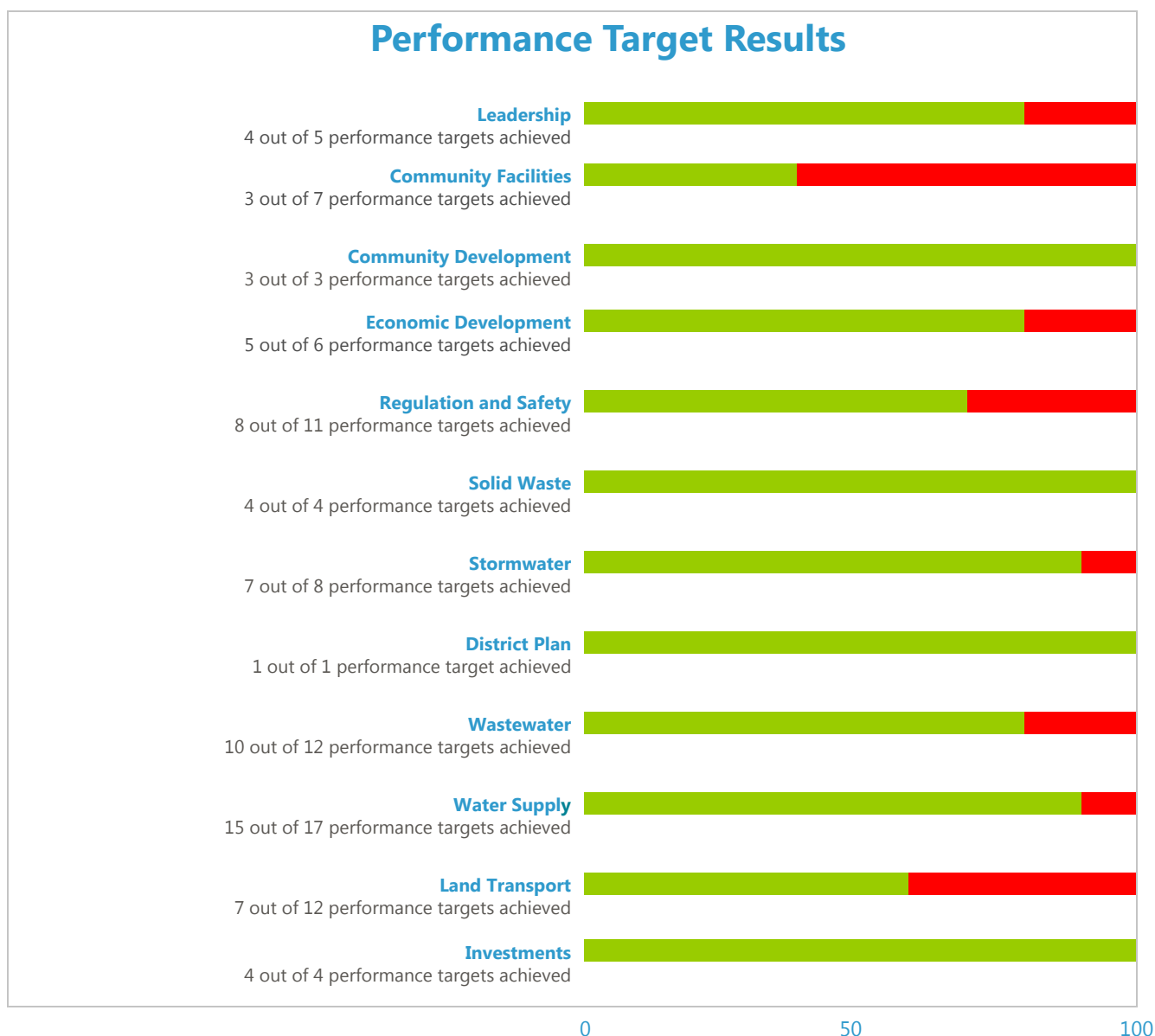
John Forbes
MAYOR



Aileen Lawrie
CEO

How we did

Percentage achieved ■ Percentage not achieved ■



Our projects and work programmes are contained in 12 groups of activities.

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 things such as responsiveness, safety, timeliness, meeting statutory requirements and compliance.

Overall we achieved 79% of our performance measure targets. While not a bad effort there is definitely room for improvement. Much of our focus has been on the Harbour Development Project in recent years. This has meant a few areas of Council service have slipped below the level our ratepayers expect to receive and that Council has said it would deliver.

Some of the measures we have taken to increase performance in areas where targets have not been met are:

- Filled existing vacancies in our planning and regulatory area and brought on extra compliance staff to deal with higher workloads
- Upgraded stormwater pump stations, monitoring and alarm systems and started investigations into a new flood storage area
- Made plans to improve the safety of the Ōhiwa water supply
- Continued with footpath upgrades in areas needing the most urgent repairs
- Initiated our Wastewater Upgrade Project

Full details of all our measures can be found in the full copy of the 2015/16 Annual Report.

Further information on the work we are doing to improve facilities and services and assist with the growth of our communities can be found in the highlights section of this summary document.

Highlights

Harbour development

Commitment from government to fund validation work

In October 2015 Ministers Joyce, Tolley and Flavell visited Ōpōtiki to announce the government's commitment to the harbour development project. They announced the signing of a Memorandum of Understanding (MOU) between the government, Bay of Plenty Regional Council (BOPRC) and Ōpōtiki District Council (ODC) committing the parties to working together to take the harbour to being ready to let a contract for the build. Government committed \$3M to ensure the project could advance and will consider the remainder of the funding upon receipt of an updated Business Case in 2017.

Project board set up

To ensure the oversight of the 16 workstreams that arise from the MOU, a Project Board was set up, chaired by the Mayor of Ōpōtiki, John Forbes. The Board is made up of representatives of government, BOPRC, ODC and the Whakatōhea Māori Trust Board. The board meets six weekly and is driving progress.

16 workstreams developed

The 16 Harbour workstreams are intended to ensure the delivery of the infrastructure and planning required to support an aquaculture industry, and to promote additional value,

through other uses and users. While the bulk of expenditure is on advancing the design and construct tenders, there are other important workstreams that underpin the harbour, aquaculture and other growth industries in the district.

Design and Construct Tender process

The government \$3M is allocated to the main workstream of finalising geotechnical investigations, and developing, running and awarding the main design and construct contract. In January, Council resolved to procure its services through an Early Contractor Involvement process, drawing on the expertise of the major contractors, but retaining a competitive pricing element. In February, Council released a request for statements of intent and ability, and after evaluating all submissions, in May invited HEB Construction and Brian Perry Civil into a closed tender process. The timing has meant both tenderers have already had input into two contracts for geotechnical work in the inner harbour and beach and offshore areas.

On water developments

On the water we have seen the mussel farm growing faster than originally planned, to around 87 lines at the end of the financial year, with more being deployed. We understand this has been possible because of the ability of the farm to supply spat (baby mussels) to a spat short New Zealand industry for good return. The Northern Quest, the largest mussel processing barge in NZ has been purchased and is operating out of Whakatāne in the short term, employed on both the Ōpōtiki farm and Coromandel farms. Local jobs are already



Ministers at harbour project special announcement



Northern Quest



Don Riesterer enjoys a mussel



Pathways to Work display at council's 2016 Pop up Shop

being created through the aquaculture companies, and the companies supporting them.

A number of companies are operating in the water space, with Eastern Sea Farms being the “landlord” as holder of the resource consent and owning a good proportion of the infrastructure in the water. Sanford are leasing lines from ESL, and Whakatōhea Mussels (Ōpōtiki) Limited hold a lease for 80% of the space.

Pathways to work

Pathways to work is a project that was catalysed by the harbour but has grown in scope to include all the growing industries in the district, and potentially the Eastern Bay of Plenty. Through work carried out by Toi-EDA it was recognised that aquaculture had the potential to be complementary in its seasonality to the kiwifruit industry, and thereby create all year round work.

Additionally construction of the harbour will create a number of jobs and criteria have been included in the Request for Proposal to the contracting companies asking them to show how they will ensure local employment is created.

Bay of Plenty Regional Council Infrastructure fund

Council continues to work with the BOPRC to satisfy their conditions for the \$20M of pledged funding.

Ōpōtiki District Library

Library services have continued to be a huge hit for local residents with more than 78,000 people walking through the door in the 12 month reporting period. While we all yearn for a bigger, better ‘community hub’ space, Ōpōtiki Library users are incredibly accommodating, happily sharing the cramped space with a diverse range of both traditional and more innovative library activities.

Creating meaningful and memorable library experiences for children now includes providing regular (and enthusiastically attended) school holiday programmes and ongoing weekly story time for toddlers. The recent addition of eAudio Books is also proving to be a big hit with middle-schoolers.

While working hard to stay one step ahead of our many keen book borrowers, we have also continued to develop the online access and digital services which are now a key role for any modern library, particularly so in the Ōpōtiki District where many residents struggle to achieve the digital connectivity enjoyed elsewhere in the country.

Civil Defence

There has been progress over the past year in developing a more co-ordinated approach to preparing for an emergency. Any local emergency will still be responded to by local Council staff, but we now have support from a team of dedicated Civil Defence staff.

District Plan Review

The process to review the Ōpōtiki District Plan continued this year with staff working with the community to seek feedback on a draft document. The formal notification of the proposed Ōpōtiki District Plan occurred on 20 September 2016.

Cycle Trails

A new challenge - a BMX Pump Track - was installed at Memorial Park, the start of the Dunes Trail, adding a fast and

exciting ride for those looking for a quick thrill or to just practice their skills.

Plans for new trails or trail extensions have been delayed while various approvals and consents are obtained. Steady progress has been achieved on this front however and we look forward to work commencing in the next 12 months.

Special mention to the tremendous volunteer effort that has gone into reinstating 5km of the Whakaumu Trail - all at no cost to Council. Thanks everyone!

The success of Mōtū Trails continues to grow largely due to the excellent work by Mōtū Trails Charitable Trust on the marketing and promotion front.

Strategically, discussions continue with our neighbouring Councils to establish an Eastern Bay of Plenty Trail aiming to connect our communities by a dedicated walking/cycle trail that will also support the visitor industry by providing a multi-day experience.

Fundraising for Te Tāhuhu o Te Rangi – Ōpōtiki technology and research centre

Council has committed \$300,000 towards construction and redevelopment of Council's library. A project is underway to raise the remaining funds for the construction of the Ōpōtiki Technology and Research Centre which relies on obtaining funding from fundraising and grant applications. We need to raise a total of \$3.4M. This year we have been successful in one grant application and held several local and national fundraising events including a local PechaKucha evening (with more planned) and a local Pop up Gallery over the Christmas Holidays. The large fundraising effort this year was The Real Ōpōtiki art exhibition. The exhibition launched at Studio One Toi Tu in Auckland on 26 July with an estimated 300 people in attendance. The event was supported by 30 artists with connection to Ōpōtiki. The Real Ōpōtiki has the potential to become a successful regular fundraising event hosted in different cities around NZ.

It is hoped that we can construct in the 2017/18 financial year.

i-SITE Events

It was a massive year for our i-SITE and Events staff delivering a range of full on, fun events plus a few stars to Ōpōtiki over the past year.

It kicked off with a send-off for our All Blacks who were victorious in their World Cup campaign (they couldn't have done it without us!). We rolled out the red carpet for Ministers and other dignitaries to announce their formal support of the Harbour Project then celebrated with a street party including food stalls and live entertainment. The Lantern festival headlined by Dave Dobbyn nearly blew over but we found a sheltered spot and our persistence paid off with a large crowd enjoying the show. The Chiefs Rugby team came to town and joined in a frantic fun filled raft race and as if all this wasn't enough we also held the annual Dunes Dash and Summer Festival. We are now looking forward to summer 2017!

Wastewater

Ōpōtiki Wastewater Project

The Sewerage Advisory Group that was set up last year continues to provide governance oversight of the Wastewater Upgrade project. The group comprises an independent expert and four Councillors. With the assistance of external technical expertise and Council staff the advisory group has overseen the design and implementation of a two major monitoring and investigation projects.

Two major projects completed:

Project 1

The Wastewater Pump Station 3 Catchment Find and Fix Project was completed. The Find & Fix Project investigated the improvement that repair of private lines in poor condition could have on the public sewerage system. Wastewater lines in poor condition are characterised by the presence of inflow and infiltration. Inflow is the flow of stormwater into the wastewater lines from open air sources such as illegally connected down pipes or low gully traps. Infiltration is the flow of ground water into wastewater lines from breaks and other faults beneath ground level. By recording flows through pump station 3 before and after repairs Council was able to determine the reduction in inflow and infiltration achieved. Reduction results can now be used for an assessment to rectify the entire wastewater network.

Project 2

The CCTV Condition Assessment Project was completed. The CCTV project investigated the condition of the township's public main lines. A selection of the worst known sewer mains were water blasted, cleaned, inspected and rated using closed circuit TV cameras. The sewer ratings grade the pipe condition and give a good indication of where infiltration into the main sewer reticulation occurs. This information can be used for the assessment to rectify the entire network.

The next steps in the project are to develop a recommended solution for the wastewater project by January 2017 with costings and timelines for inclusion in the Annual Plan for 2017/18.

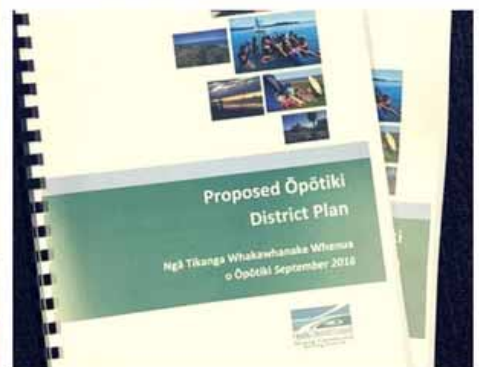
Ōpōtiki Treatment Plant

Effluent disposal lines were replaced as part of an ongoing programme.

A sludge depth analysis was undertaken indicating depths were minimal leaving more than sufficient treatment volume.

Transport

Transport highlights and major works over the 2015/16 year included reseal of 4.8% of paved road surfaces (8.3 km of 168 km), re-metal of 21.0% of unpaved roads (35.1 km of 167.1 km) as well as installation of new drainage, footpaths, entrance



ways and kerb & channel along High Street.

Weather events over the year were of lower intensity than previous years and so no major emergency storm damage repairs were required.

The 2015-18 Ōpōtiki Land Transport Plan and budget was prepared and gained NZTA approval.

Pakahi Bridge was designed and tendered for \$950,871. Construction is planned to start in October 2016 and completed by February 2017.

Minor Safety road straightening works were carried out on Old Creamery Rd to improve roading alignment.

An application was submitted for a resource consent to occupy the coastal marine area in the Ōhiwa Harbour to cover the existing roadway, cycleway, retaining walls and culverts.

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. This has increased residual waste to landfill by approximately 50 tonnes per year.

The Ōpōtiki Resource Recovery Centre (RRC) has had equipment upgrades and the Te Kaha RRC roading surfaces have been resealed.

Council continues to support waste minimisation public education activities such as the Woodlands School Trash and Treasure event held every year.

Water

Ōpōtiki

The Hikutaia water supply extensions were completed looping

the Grants Rd, Woodlands Rd and Dip Rd lines together. This will provide better service and resilience to the network in the area.

A water supply pipe main was drilled under the Waioeka River establishing the third connection between the township and the Hikutaia area. The new line added resilience to the supply of water to the Hikutaia area and permitted decommission of the Hikutaia bore. With the old shallow bore gone water quality has also been improved.

Te Kaha

Progress was made on both the southern and northern water supply extensions which will connect additional users along Parekura Hei Rd and SH35 to the north. Design and modelling was completed and consultation is set to begin in October. Construction is planned for April 2017.

Stormwater

Ōpōtiki

The newly upgraded St John St/High St Flood Pump Station was completed, providing faster relief from flooding in the High St area.

The comprehensive stormwater consent, catchment management plan and flood model covering all of Ōpōtiki Township and Waiotahi Drifts was submitted to Bay of Plenty Regional Council (BOPRC) for comment before final submission and approval. The consent will act as to govern the operation of the stormwater network to ensure environmental protection.

Council's monitoring and alarm system designed to alert staff of faults and record data for analysis has been upgraded in all critical pump stations.

Preliminary investigation for the Tarawa Creek Flood storage area was completed. Ground strata were mapped and contamination issues were identified due to the old landfill. All findings have been taken into consideration for the in depth investigation and design which will begin in October 2016.



What's been happening in our district

Pop up shop bigger and better than ever...

Not only did Council's pop up shop showcase a wide range of the activities Council is involved in (including a fully functioning mini sewerage system display) it also ran a Pathways to Work expo. The expo included presentations, stands with local business owners and local government work opportunities.



Water supply extension completed...

New water ring extension pipework was completed in the Hikutaia-Woodlands area last August. This means the area now has a high quality water source with improved pressure, flow, reliability and extra hydrants and meets Ministry of Health standards.



Pump track ready to ride...

The new BMX 'pump track' at Memorial Park opened in May 2016 and proved an instant hit with Ōpōtiki riders.



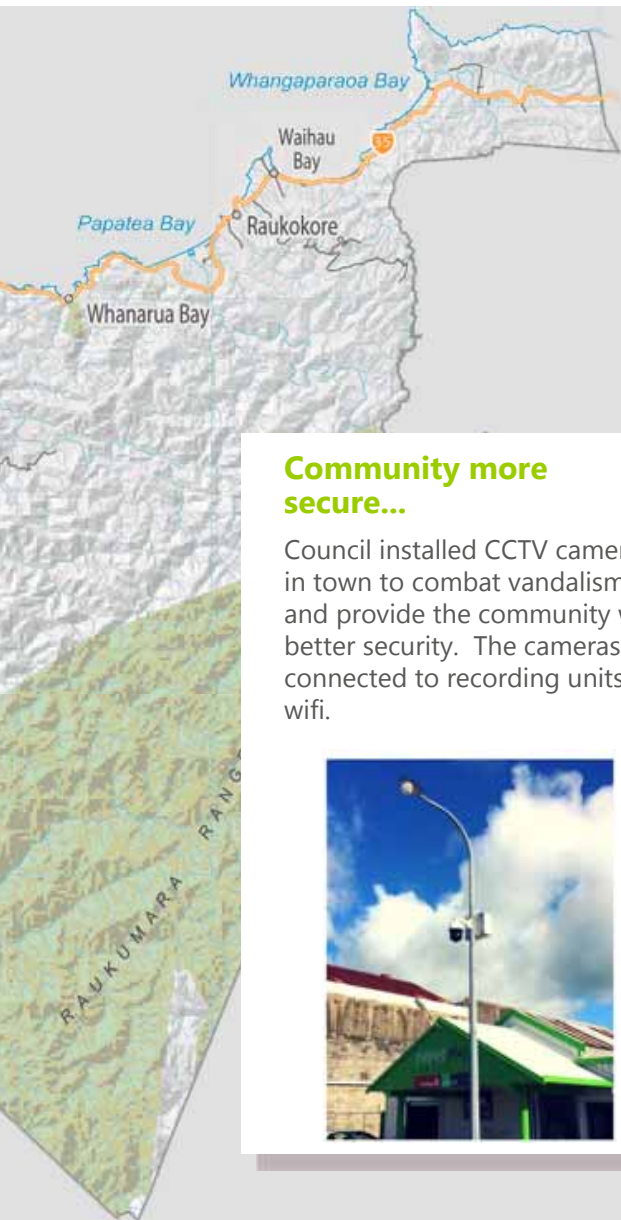
All blacks visited Ōpōtiki...

After a massive effort by the community and Council's i-SITE team we managed to get a visit from the All Blacks. It was a fantastic turnout and a real buzz for our school kids who were praised for their good behaviour.



School holiday programmes at the library continue to delight...





Community more secure...

Council installed CCTV cameras in town to combat vandalism and provide the community with better security. The cameras are connected to recording units by wifi.



Image: Kaumatua led the karakia for the start of validation testing for the harbour development – June 1 2016

Harbour Redevelopment

Another major milestone was reached with the announcement of the final two successful applicants who will be entering the competitive design and construction phase for the Ōpōtiki Harbour Development.

Ōpōtiki — NZ's first drone friendly district...

People can fly their UAVs on council-owned land without having to seek permission each time as long as they are following CAA restrictions. The move highlighted Ōpōtiki as a drone-friendly destination to thousands round the world.



Name chosen for new Ōpōtiki library...

Te Tāhuhu ō te Rangi is the name conferred on Ōpōtiki's planned new technology and research center by Whakatōhea kaumatua. The name represents the library's role as an inspirational storehouse of knowledge.



Keeping it beautiful...

The community sympathised with our hard working mower operators after lots of rain *and* sunshine in March saw them going hard out to keep up with the rocketing grass growth.

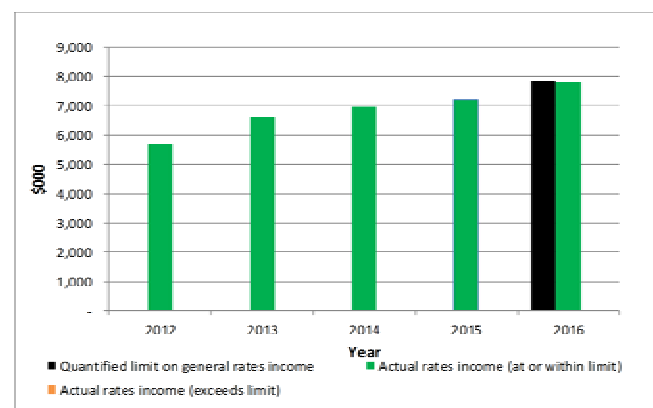
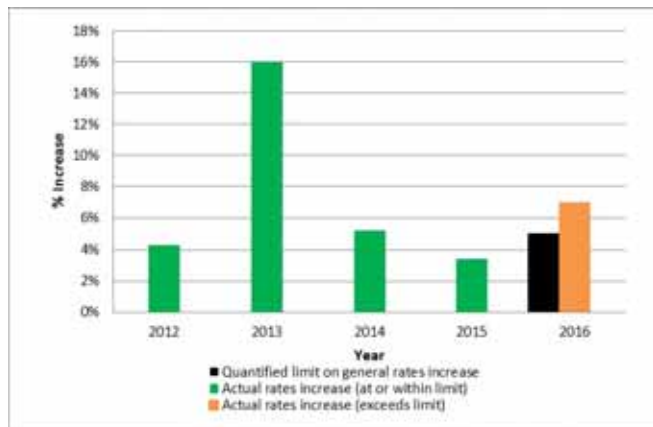


Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2016

Rates (Increases) Affordability—General Rates and Rates (Income) Affordability

The following graphs compare the council's actual general rates Increases and Income with a quantified limit on general rates contained in the financial strategy included in the council's long-term plan (LTP). The quantified limit on Increases is LGCI plus 3%. The quantified limit on Income is \$7.856 million. The Council meets the Increases benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.

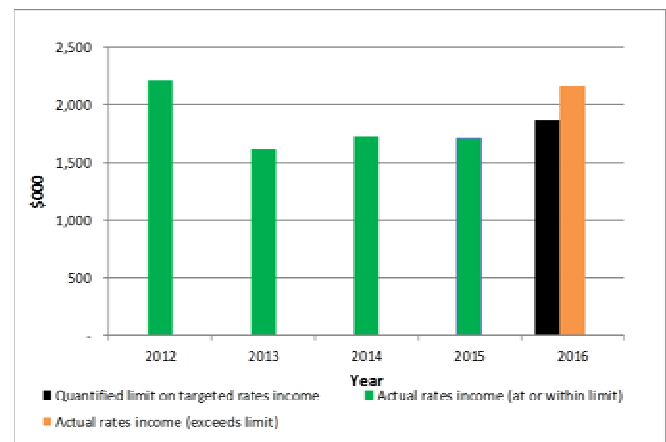


The rates increases benchmark for general rates was not met this year due to much lower general rates increase last year than anticipated, which caused the increase this year to be higher. Total general rates sought still came under the limit that we set.

Rates (Increases) Affordability—Targeted Rates and Rates (Income) Affordability—Targeted Rates

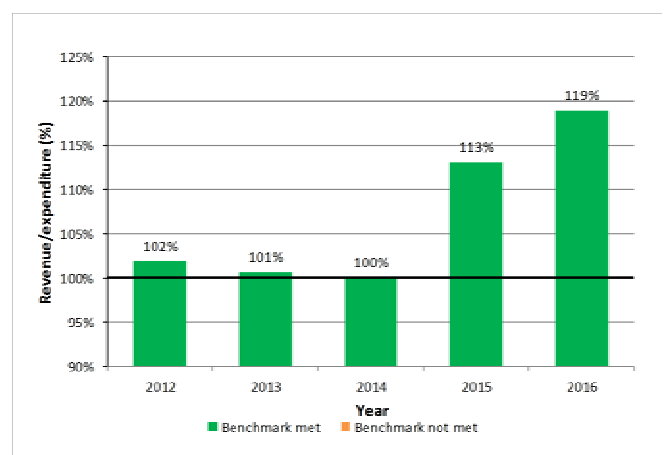
The following graphs compare the council's actual targeted rates increases and income with a quantified limit on targeted rates contained in the financial strategy included in the LTP. The quantified limit on Increases is 10%. The quantified limit on Income is \$1.868 million. The Council meets the Increases benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.

The rates income and increases benchmark for targeted rates was not met this year because of a requirement to reclassify over \$280k worth or metered water charges from fees and charges revenue to targeted rates, we are unable to account for this in the cap however. If this was excluded we would be below the limit set .



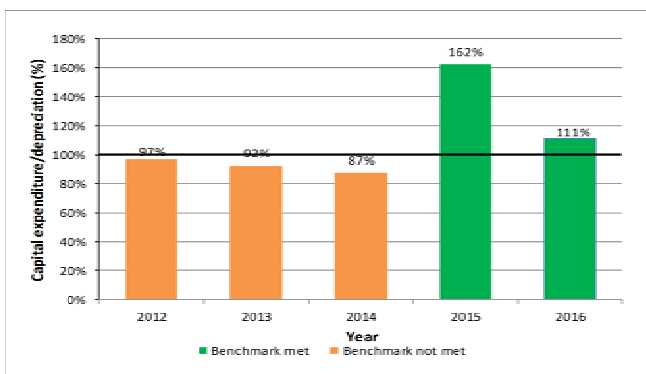
Balanced Budget Benchmark

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

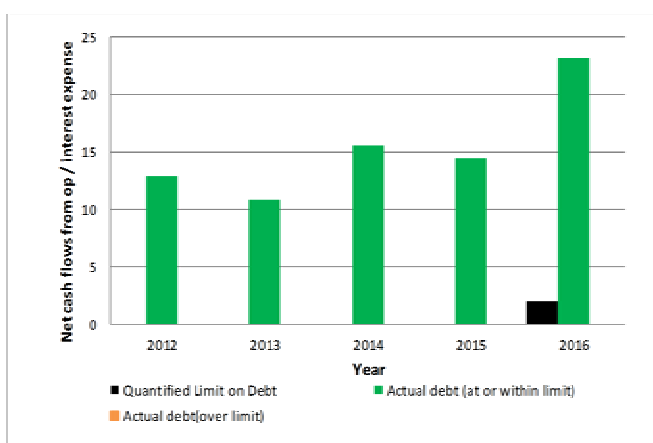


This measure was met during the year as we spent more on capital expenditure in relation to our infrastructure assets than we collected through depreciation funding. This is expected as we progress through the wastewater renewal project. Once that project is complete this measure will be very difficult to meet.

Debt Affordability

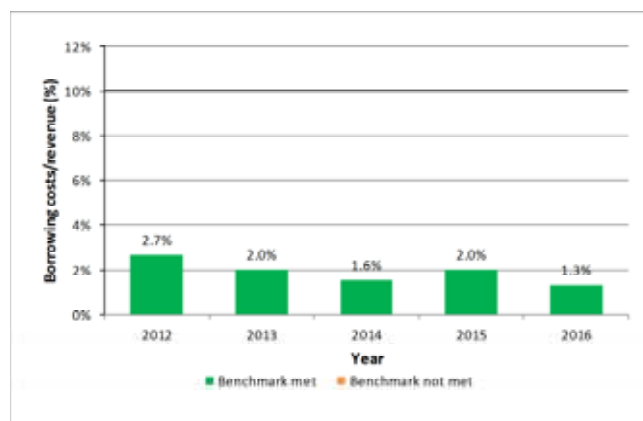
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's LTP.

The quantified limit is net cash flows from operating activities/ interest expense is greater than or equal to 2.



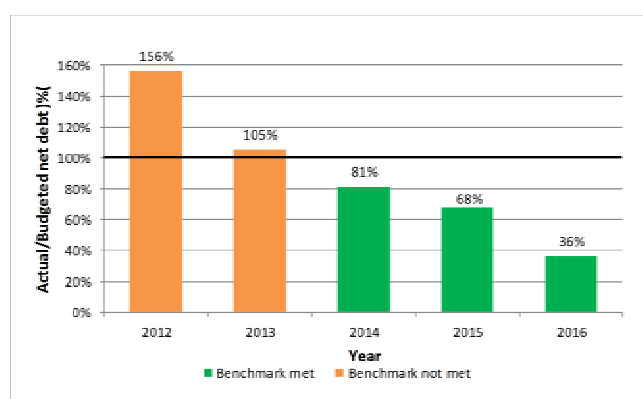
Debt Servicing Benchmark

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 district'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.



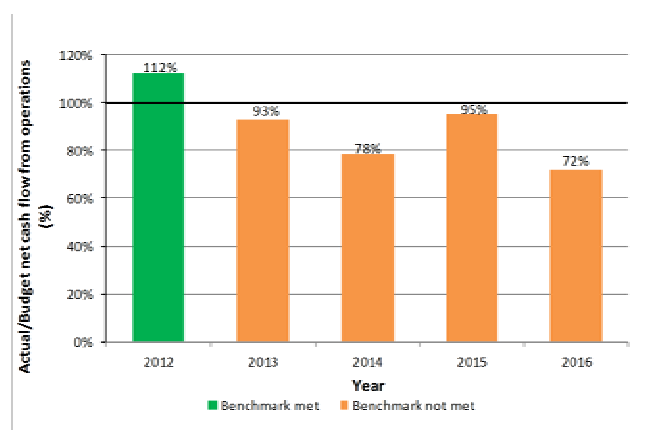
Debt Control Benchmark

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.



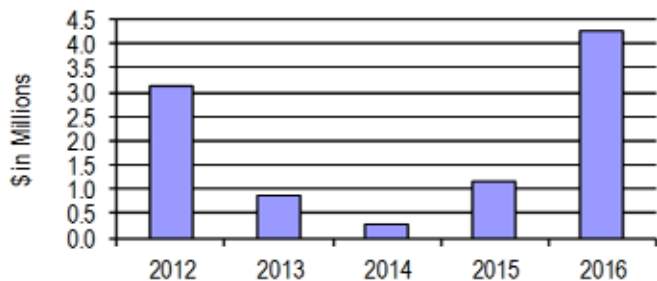
This benchmark was not met for the last four years as Ōpōtiki is very reliant on subsidy revenue to complete the planned capital projects within the community. Because the expected subsidy revenue is a significant proportion of the revenue to Council, any project deferrals or delays in funding will have a negative impact on this measure.

Financial strategy

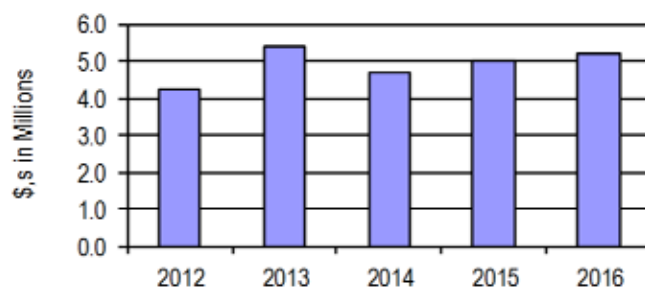
The graphs and summary tables below demonstrate Council's financial prudence over time. Council is focused on keeping levels of debt as low as possible before the two large capital expenditure projects of the harbour and wastewater replacement begin. There is always a lot of public scrutiny on Council debt levels nationally, and there are a number of cases where some Councils have let debt levels get out of hand. Sustainable debt levels and debt management is extremely important to Council, and is an area which is managed well. Debt levels for Ōpōtiki are some of the lowest in the country currently and as the financial prudence measures outline further on in this report, are very sustainable in terms of Council's ability to meet its financial obligations.

It does need to be mentioned that the appropriate utilisation of debt means that rates increases can be managed more effectively over a longer term. Take for example Council undertaking a capital project costing \$100,000. This represents over a 1% increase in rates. But if it was funded by borrowing, then the impact on rates would be 0.1% of rates, meaning we could undertake \$1,000,000 worth of projects for the same rating impact of one \$100,000 project. The use of debt also helps smooth rate increases out between years, by spreading the impact of a large capital project over a number of rating years. This reduces the lumpiness and rate increases of big projects.

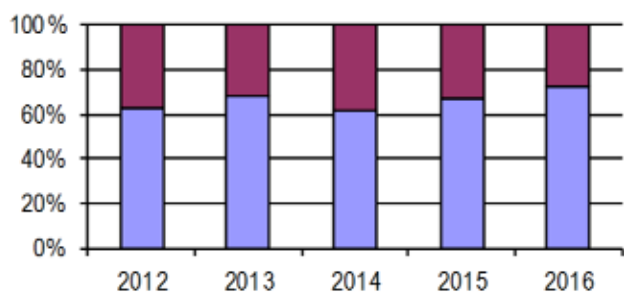
Whilst debt is crucial to ensuring the Council is managing its assets appropriately, it also plays a significant role in ensuring that Council meets the service level needs of its community. Where there are new requirements for services driven by growth, Council needs to be able to respond to these needs. Debt is the appropriate tool to fund this response as the cost is spread over a long period. This promotes the term intergenerational equity. Intergenerational equity is a term used widely in Local Government because the assets we tend to build last many generations. Sometimes three or more generations. It is fair that the cost of the future benefit received by future generations is paid by future generations. Otherwise it would be the "now" generation paying for the benefit that those in the future would receive.



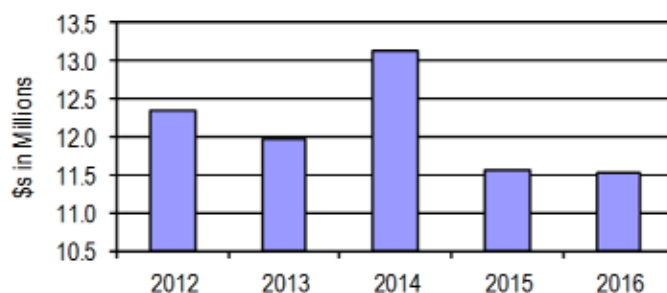
Working Capital



Public debt



Revenue Ratios
 ■ Rates ■ Other Income



Cost of Service

Our finances in brief

\$13.7

million operating
revenue

\$11.5

million operating
expenditure

\$2.9

million capital
expenditure

\$0.7

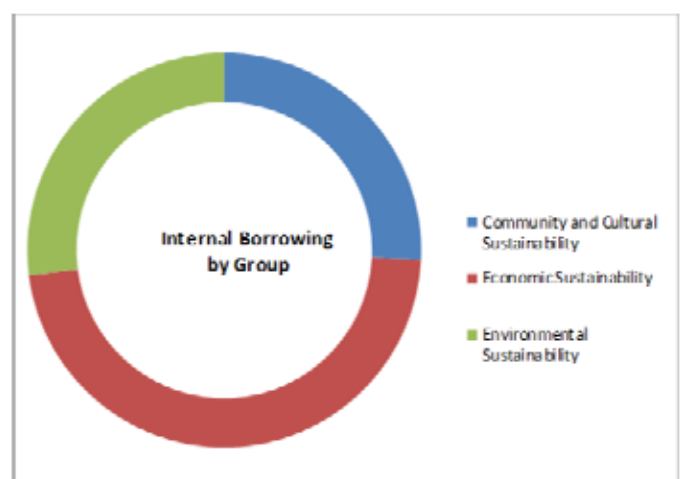
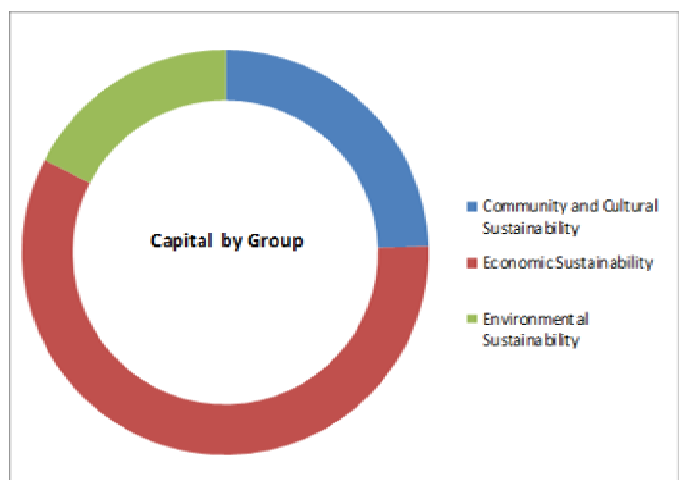
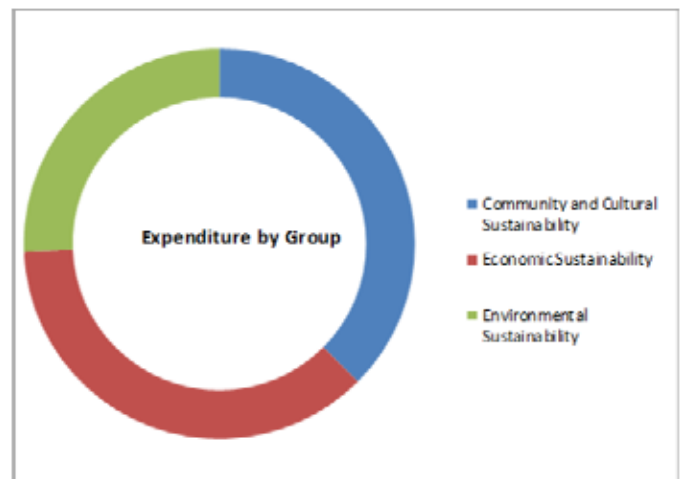
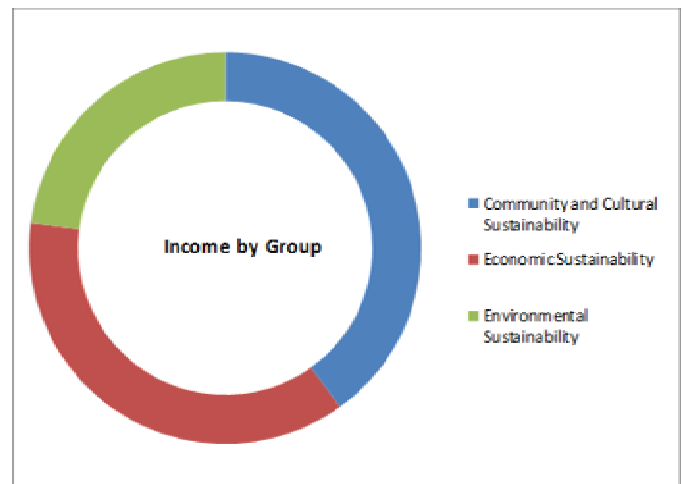
million rate
increase
for 2015/16

\$5.0

million of borrowings

\$190.6

million of assets



Financial summary

Variance Comments

Income

Operating revenue is \$2.283 million 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 \$135,000 higher than budget due to a requirement to reclassify metered water charges from Fees and Charges Revenue to Rates Revenue, excluding this our rates revenue was \$153,000 lower due to additional remissions provided this year.

Fees and charges revenue is \$25,000 higher than budgeted due to increased rental received from Council owned property and a borrower premium from LGFA, and increased revenue driven by a lift in economic development within the district.

Expenditure

Operating Expenditure is \$1.069 million lower than budget for the year, \$690,000 relating to a reduction in normal operating expenditure, this has been caused by a delay or deferral in significant number of capital projects.

Depreciation and amortisation is \$205,000 lower than budgeted due to having a lower carrying value of assets than expected.

Employee benefit costs are also lower than budget by \$75,000 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 \$99,000 below budget due to Council choosing to repay debt with available cash instead of drawing down additional debt.

Ōpōtiki District Council Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2016	Actual 2016	Budget 2016	Actual 2015
	\$000	\$000	\$000

Total Revenue	13,698	15,981	13,160
Operating Expenditure	11,344	12,314	11,302
Finance Costs	182	281	266
Operating Surplus/(Deficit)	2,172	3,386	1,592
Other Comprehensive Revenue			
Gain on Asset Revaluations	-	51	-
Total Comprehensive Revenue and Expense	2,172	3,437	1,592

Other Comprehensive Income

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

Ōpōtiki District Council Summary Statement of Changes in Equity for the year ended 30 June 2016	Actual 2016	Budget 2016	Actual 2015
	\$000	\$000	\$000

Equity at the Beginning of the Year	179,350	178,048	178,183
Total Comprehensive Revenue and Expense	2,172	3,437	1,592
Transfers to/from Equity	-	-	(425)
	181,522	181,485	179,350

Equity - Closing Balances			
Retained Earnings	127,970	129,755	128,079
Revaluation Reserves	50,043	50,067	50,043
Special Funded Reserves	3,509	1,663	1,229
Equity at the End of the Year	181,522	181,485	179,350

Balance Sheet

This year due to a number of capital projects being deferred or delayed the level of property plant and equipment that we have capitalized is lower than we had expected to achieve, this in turn has meant that we are carrying more cash than we had budgeted, we have this sitting on term deposit. Overall the level of total assets is tracking against budget for the year.

This year we refinanced the remaining bank loan with LGFA, we did not need to borrow any more additional funds for capital expenditure during the year as expected. Our level of total liabilities is also tracking against budget for the year.

Ōpōtiki District Council Summary Statement of Financial Position as at 30 June 2016	Actual 2016	Budget 2016	Actual 2015
	\$000	\$000	\$000

Total Current Assets	8,159	4,579	6,366
Total Non-Current Assets	182,421	185,945	181,862
Total Assets	190,580	190,524	188,227
Total Current Liabilities	3,919	3,516	5,199
Total Non-Current Liabilities	5,139	5,523	3,679
Total Liabilities	9,058	9,039	8,877
Net Assets/Equity	181,522	181,485	179,350

Statement of Cash Flows

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. This relates to the water supplies, Economic Development, Land Transport, and Community Facilities activities, the major project that was not funded this year was 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 higher than budget as we repaid bank debt with LGFA borrowings with a slightly higher amount.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Cash Flows	2016	2016	2015
for the year ended 30 June 2016	\$000	\$000	\$000

Net Cash from Operating Activities	4,135	5,851	3,839
Net Cash from Investing Activities	(2,509)	(5,589)	(3,411)
Net Cash from Financing Activities	140	(262)	139
Net Increase/(Decrease) in Cash	1,766	-	567
Cash at the Beginning of the Year	2,759	64	2,192
Cash at the End of the Year	4,524	64	2,759

Summary Accounting Policies

The information included in this summary has been extracted from the audited full financial information in the Ōpōtiki District Council 2015/16 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 31 October 2016 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 31 October 2016.

The full 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 approval by the Council on 31 October 2016 of the Financial Statements for the year ended 30 June 2016 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 31 October each year.

Summary Additional Disclosures

Contingencies

We have contingent liabilities at year end of \$50,000 (2015: \$77,000) which relate to a weathertightness claim in for a leaky building within the district.

We have contingent assets at year end of \$739,439 (2015: \$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.

A new contingent asset of \$257,000 (2015: Nil) was created for the Credit Union Central building located on Council owned land. The lease of the land terminated during the 2016 financial year and the ownership of the building is being negotiated with the current tenant.

Commitments

Council has operating commitments at 30 June 2016 of \$3.393 million (2015: \$3.383 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 \$1.960 million (2015: \$1.866 million)
Less than 5 years \$1.433 million (2015: \$1.517 million)

Events after balance date

There have been no significant events occurring after balance date (2015: 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 2016

The summary annual report was derived from the annual report of the Ōpōtiki District Council (the District Council) for the year ended 30 June 2016. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 3 and 14 to 15:

- the summary statement of financial position as at 30 June 2016;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2016;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary Council Activities and Performance of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 31 October 2016.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary

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

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
31 October 2016