



**Ōpōtiki District Council**  
STRONG COMMUNITY STRONG FUTURE

# **Ōpōtiki District Council**

## **2017/18 Summary Annual Report**

October 2018



**Summary of the Ōpōtiki District Council 2017/18 Annual Report**

## What you'll find in this report

- A message from our Mayor and CEO
- A non-financial performance overview
- Highlights and significant events
- A graph showing where your rates dollars are spent
- Financial reporting and prudence information
- Financial strategy information
- Our finances in brief
- A financial summary
- Summary Accounting Policies, Additional Disclosures, Disclaimer
- Our summary audit report

# From the Mayor and CEO

We are pleased to present you with our annual report for 2017-18, a year in which we have had a range of major projects including completing the harbour business case, ten year planning, infrastructure planning and starting the rehabilitation of the sewers in the Ōpōtiki township.

Work on the harbour business case was completed in November with the culmination of the 18 workstreams required by government to meet the 26 KPI's set by them in 2015. The 2 years of work we did showed an increase in the cost of the harbour for a range of reasons, and on the other side of the ledger it showed that the potential opportunity was 5 times larger, with science work showing that up to 19,700 ha of farming offshore was likely to be environmentally sustainable.

The disappointing response was received in May to a harbour funding application which was in the midst of our four week consultation period and caused issues for both the community and council. Despite the challenges an unqualified opinion was received from our auditors and we are now working with a new team in government to look at cost reduction and opportunity enhancement.

Over the last year we have completed our 2018-2028 Long Term Plan amongst a range of challenges, including whether and when to plan for growth. We appreciated the 100% increase in submissions over the previous LTP and are pleased that many of our

community embraced the online processes. We know that not everyone is comfortable online so we are committed to providing many different ways for you to provide feedback. We encourage you to contact us at any time especially on smaller matters that shouldn't need to wait for an annual consultation process.

As part of the Ten Year plan we completed a 30 year infrastructure strategy. This was a major project and this review embraced the reality of climate change and made sure it was factored into our long term planning of our infrastructure provision. You will see a number of stormwater management projects over the coming decade. Storms seem to be becoming a weekly weather event and inevitable clean-up work reduces our business as usual capacity.

On the solid waste front we made the decision to move to plastic wheelie bins, which should help reduce the incidence of dog strike, as well as being a more environmentally friendly option to plastic bags. The changes are currently in the planning phase and should be in place on 1 July 2019. We have also decided to invest more in gardens, litter control and public toilets. Combined with some grant funding from government, and a small restructure within council, this should lift the performance in these areas.

Work also commenced on our three year rehabilitation of the Ōpōtiki sewer, in the worst affected parts of town. While it is early days we are starting to see results with better

performance with less infiltration into the system during periods of heavy rain. Other infrastructure upgrades have been double the usual including footpath upgrades and the start of our street lighting upgrade.

There have been some management gaps between farewelling two managers over the last year and recruiting replacements. With ongoing issues recruiting suitable candidates into the engineering area in particular, we have seen some of the work programme fall behind. Our new recruits have hit the ground running and we are seeing improvements in many areas of Council and reviews that will lead to improvements in the coming year.



John Forbes, MAYOR



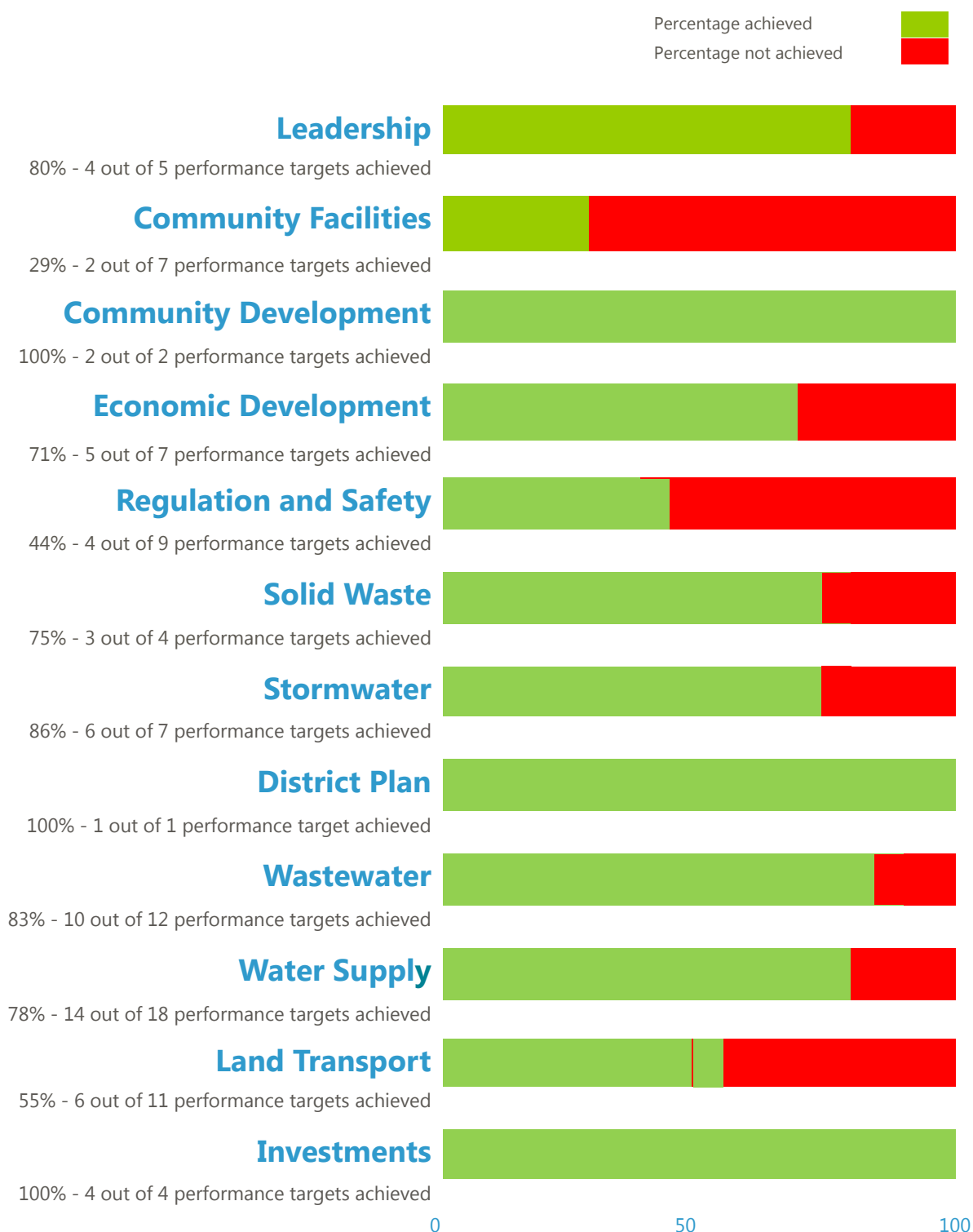
Aileen Lawrie, CEO

# Our performance

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

In our Long Term Plan we set 97 measures which we use to report back on our service performance across these activities. 87 of these measures were applicable for this financial year and are highlighted below. Our performance measures provide us with targets to meet, covering things such as responsiveness, safety, timeliness, meeting statutory requirements and compliance. This graph shows the percentage of targets achieved and not achieved. The calculation does not include, or take in to account, the performance measures that were not applicable (did not need to be reported on) for the 2017/18 year.

Detailed reporting on the individual measures can be found in our full Annual Report along with information on how our measures help us achieve our community outcomes and what progress has been made towards achieving the outcomes.





# Highlights

## Opotiki Sewerage

**The first year of our rehabilitation programme has been successful and we have made significant progress.**

In 2016/17 the Ōpōtiki sewerage investigation project was completed. We did this to work out how widespread the inflow of stormwater into the wastewater system was. Having that information helped us to make the decision to fix and renew existing pipes instead of replacing the system. This is our rehabilitation programme and it allows us to improve levels of service and allow for growth but still keep costs down.

We have been working on the worst areas in town first, repairing manholes and relining mains. We've even refined a way to raise gully traps on private property that will allow us to complete these quicker over the remaining two years of the rehabilitation programme.

Budget for further extension to the wastewater network on Factory Road has been included in the 2018-2028 LTP so we are ready for growth at any time.



Image: Sewer rehabilitation work takes place in Ōpōtiki township.

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## Water Supply

**Work was completed on the Northern Extension in Te Kaha.**

This extends services from Copenhagen Road to the housing clusters in Maungaroa.

Most of the work on Ōpōtiki's supply focussed on investigations to best inform the 2018-2028 LTP.

We are still consulting on the Southern Extension which we expect will extend service along Parekura Hei Rd.

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## Ōpōtiki Stormwater Projects

**Investigations continue to ensure we achieve stable solutions combined with affordable construction.**

Geotechnical investigation for our project to install a stormwater detention basin in the Volkner's Island Reserve found that much of the reserve was occupied by historical landfill. We spent time this year doing further investigation to ensure the stability of the adjacent stop bank would be maintained and our solution would be cost effective.

Groundwater level checks needed to be taken for our second project to install a new trunk main along Richard Street and this revealed high groundwater levels in Ōpōtiki year round. High groundwater levels equals higher construction rates for the trunk main so to make sure we achieve affordable construction (planned for 2019 in the 2018-2028 LTP) we did further investigation and development of design solutions.

## Harbour development

### Validation stage partnership

In October 2015 the government committed \$3 million to the Ōpōtiki Harbour Development Project. A project board was jointly established by Ōpōtiki District Council, Bay of Plenty Regional Council, government, and Whakatōhea Māori Trust Board to oversee 18 workstreams required to advance the harbour project. In March 2017 and 2018, government committed a further \$1M for the partners to deliver various aspects of the project. A business case was submitted in November 2017, while some further cost refinement and geotechnical work was carried out. In May, Minister Jones visited Opotiki to advise that the government had said no to a cost of \$145M but asked us to work directly with the Independent Advisory Panel on a new proposal.

### Pathways to work

The pathways to work project being delivered by Toi-EDA has gone from strength to strength over the last year. Significant progress is being made to increase rangatahi and youth awareness and skills for the world of work. Training and education opportunities are more closely aligned with Eastern Bay of Plenty (EBOP) industry demand. There is increased driver licensing tuition to reduce this common barrier to participation in work. Skills for youth employment are being built, there are focussed pastoral care workers, and funding being delivered to local programmes. A total of \$5.5M He Poutama Rangatahi funding has been approved for EBOP with over 50% of that coming to Whakatōhea, Whakaatu Whanaunga and Opotiki College. This is a significant complement to philanthropic and other government funding into local initiatives.



Image: April Whitelaw-Fidler takes a drive with mentor, Bodine Atkins through the Community Driver Mentor Programme.



## Asset Renewal

### Council completed its programmed works to maintain and upgrade its assets.

As per our asset management plan programme this included:

- Reseal of sections of urban and rural pavements and re-metalling of unsealed road surfaces
- Completion of the annual rehabilitation / upgrade urban street project.

NZTA undertook an investment audit of Council roads this year and reported that the network was in very good condition with a low risk against current investment. The network was assessed as being in the mid-range of cost per km compared to other Council's.



Image: Contractors work on installing new footpath, curb and channel and parking in Potts Ave as part of our Asset Renewal programme.

## Road Seal Extension

### We continued our approach to seal extensions with the adoption of the 2018-2028 LTP.

After the New Zealand Transport Agency advised it would no longer provide funding for these types of capital works we set a new approach to seal extensions in our 2017-18 Annual Plan. This includes undertaking a maximum of 2km seal extension work should a ratepayer request it and provide 60 percent of the cost.

We took into consideration demand and need for seal extension across the district, particularly where there is an economic benefit e.g. dust suppression around kiwifruit orchards.

We will review this approach constantly and will consider other funding opportunities, or changes in NZTA's funding assistance rates, with particular consideration for seal extensions that have supporting business cases in line with the objectives of the government policy statement on land transport.

## Resource Consents

**This year almost 40 resource consent applications were processed and all within set timeframes.**

We launched a new call and email request service for customers which provides a higher level of service

delivery for our customers. This proved really successful and was then rolled out to our building and food and health functions as well.

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## Building Control Authority

**We had a 19% increase in the number of building consent applications received this year.**

That meant that there were times when our resources were stretched and we couldn't process applications as quickly as we would have liked.

We set up an agreement with another Council to provide support to our team when we are experiencing high volumes of applications so we can maintain a high level of service for our customers keeping the processing time down.

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## Animal Control

**We expanded our animal control team and they continued to carry out patrols, respond to service requests, maintain our pound and spending time with owners.**

Providing one on one education and assistance has resulted in improvement in many areas and a significant decrease in the number of dogs being euthanized. We plan to extend this service in the new year.

The way our community perceives our level of service or animal control continues to improve although the number of dangerous, menacing and roaming dogs is still a concern for many residents so through its our LTP process we decided to fund a de-sexing programme for menacing and dangerous dogs in the coming year.

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## Food Control

**Nearly all food premises within the district have registered and transferred across to the new Food Control Plan template.**

Our team has assisted these Ōpōtiki businesses to make these changes in line with the new Food Act 2014.

Our staff and contractors continued to regularly visit food premises to ensure that food is being prepared, stored and served in accordance with the Food Act for the safety of our communities and visitors.

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## District Plan

**The review of our plan continued with hearings of submissions held in July and August last year and decisions on submissions notified in May this year.**

While a small number of appeals have been lodged with the Environment Court in relation to the decisions, we are hopeful that most changes should be able to be agreed.





Image: Riders enjoying a break on the Mōtū Trails dunes trail.

## Walkways/Coastal Access

**The business case to support an application to the Ministry of Business Innovation and Employment's Extensions and Enhancements to Cycle Trails funding was completed.**

This has been adopted by the eastern bay councils. In this way funds budgeted in the 2018-2028 LTP will be used to leverage additional funding.

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## Ōpōtiki Research and Technology Library

Fundraising for Te Tāhuhu o Te Rangi continued during this financial year, however the ambitious target of raising the middle million was not achieved. The integrity of the existing library roof has led to leaks and consequently mould issues that will necessitate a temporary move to alternative premises.

These challenges have provided the opportunity to reassess cost and funding options in the next financial year.

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## Investment in Evolution Networks

In October 2016 Council purchased a 30% shareholding in Evolution Networks Limited, a local wireless internet provider, to help provide better connectivity to the community, district, and wider Eastern Bay of Plenty. There are many parts of our district that have little to no connectivity or cell phone coverage.

Achievements for the year include; Upgrading tower equipment in Ōmaio and Nukuhou, building three new towers in Kawerau, and installing relay points in Ōpōtiki for the Library and I-site, the old dairy factory, and a pump station site for Whakatāne District Council.

A lot of staff and director time has been invested in preparing the bid for Governments tender process for the roll out of Rural Broadband, we had to prepare three submissions in total. This process draws to a close shortly. We have been working with kiwifruit growers and hapū up the Coast to provide connectivity and innovative solutions around the Internet of Things.

We've been doing a lot of design work to build resilience and scalability into our network. Documenting processes and procedures ahead of growth, and making sure our support teams are trained and developed to help and assist where needed. This has been an area of concern in the past. A new website and marketing plan is currently in development.

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## RAPID numbering

**We're making it easier for emergency services to locate an address in an emergency.**

This year saw the start of our Rural Address Property Identification (RAPID) numbering project to ensure that

all RAPID numbers are accurate within the district. We're also making sure all roads in our district are named and named correctly according to LINZ standards.

Both parts of this project will help ensure consistency so that an address is easy to find.





Image: Ōpōtiki District Council CEO, Aileen Lawrie presents flowers to Finance and Corporate Services Advisor, Sue Watson on the anniversary of 40 years service with council.

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## Staffing

**We recruited 27 roles and while most of these were replacement positions, a few additional roles were created in response to growing demands.**

We also required additional resource to assist with a number of infrastructure projects we have in progress and with the departure of two group Managers during the year we took the opportunity to restructure our teams.

We took on a student cadet in our Finance and Corporate Services team and we have continued with employing two Ōpōtiki College students in our library. We continue to work with Ōpōtiki College around opportunities for our youth, so we may have more students engaged in work experience in the future.

We've been working with our colleagues at other councils to leverage available resources to help meet our obligations under new health and safety legislation. Ōpōtiki, along with most other councils in the Bay of Plenty, Waikato and further afield have entered into a pre-qualification scheme for contractors. To support some of our smaller local business to pre-qualify, we actively worked with them to improve their health and safety management.



Are your rates a dollar is spent

ANIMAL CONTROL

\$0.012



\$0.012





SOLID  
WASTE  
\$0.14

LEADERSHIP  
\$0.09



WATER,  
WASTEWATER,  
PUBLIC GOOD  
\$0.22



PARKS & RESERVES  
\$0.079



STORMWATER  
\$0.05



LIBRARY  
\$0.031

REGULATION &  
SAFETY  
\$0.04

COMMUNITY  
DEVELOPMENT  
\$0.03



COUNCIL  
PROPERTY  
\$0.032



TOURISM,  
PROMOTIONS, I-SITE  
\$0.024

ENVIRONMENTAL  
PLANNING  
\$0.011



PLAYGROUNDS  
\$0.010

COUNCIL  
PROPERTY  
\$0.032

PUBLIC  
TOILETS  
\$0.02

ECONOMIC  
DEVELOPMENT  
\$0.018



EMERGENCY  
MANAGEMENT  
\$0.014



CYCLEWAY  
\$0.013



HARBOUR  
DEVELOPMENT  
-\$0.015



RURAL  
FIRE  
\$0.003



AIRPORT  
-\$0.004

CEMETERY  
\$0.00

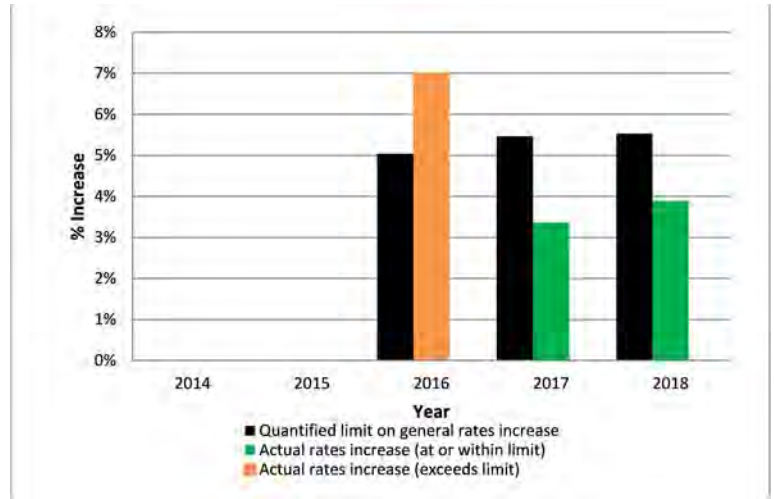
INVESTMENTS &  
SUPPORT SERVICES  
-\$0.06



# Financial Reporting and Prudence

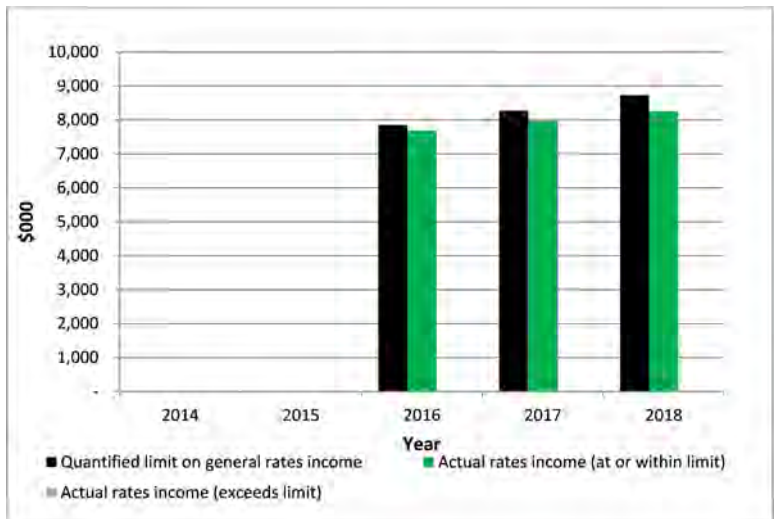
## Rates (increases) Affordability Benchmark – General Rates

The following graph compares the council's actual general rates increases with a quantified limit on general rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is LGCI plus 3%.



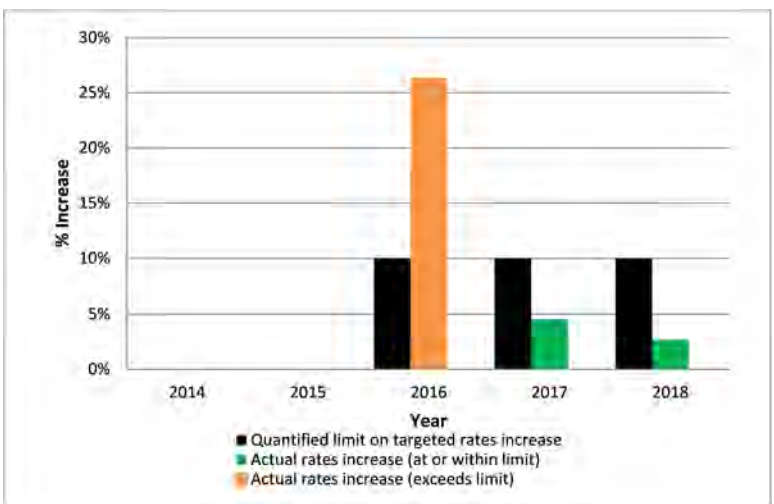
## Rates (Income) Affordability Benchmark – General Rates

The following graph compares the council's actual general rates income with a quantified limit on general rates income contained in the financial strategy included in the council's long-term plan. The quantified limit is \$8.728 million.



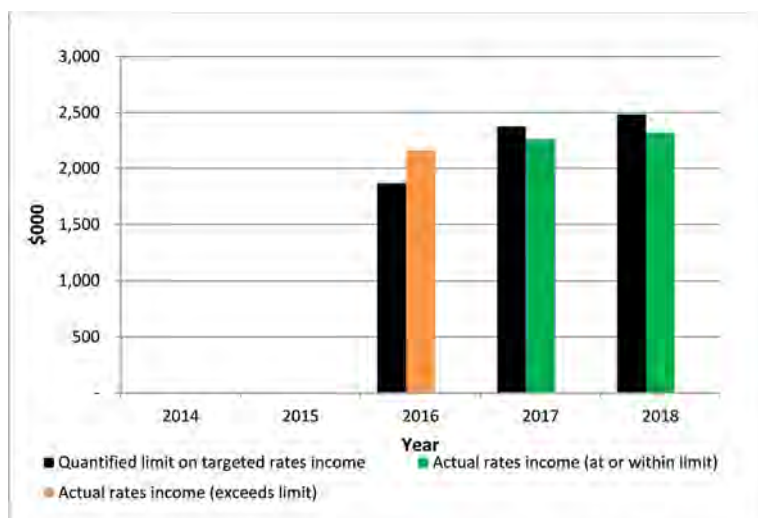
## Rates (increases) Affordability Benchmark – Targeted Rates

The following graph compares the council's actual targeted rates increases with a quantified limit on targeted rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is 10%.



### Rates (Income) Affordability Benchmark – Targeted Rates

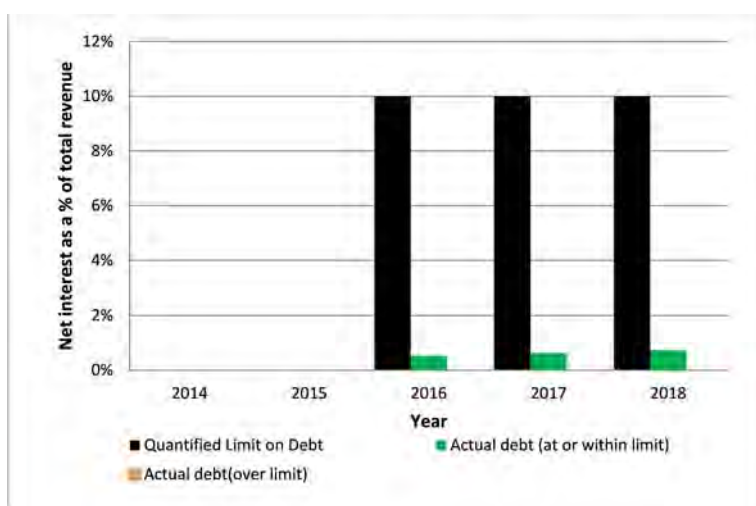
The following graph compares the council's actual targeted rates income with a quantified limit on targeted rates income contained in the financial strategy included in the council's long-term plan. The quantified limit is \$2.485 million.



### Debt Affordability Benchmark

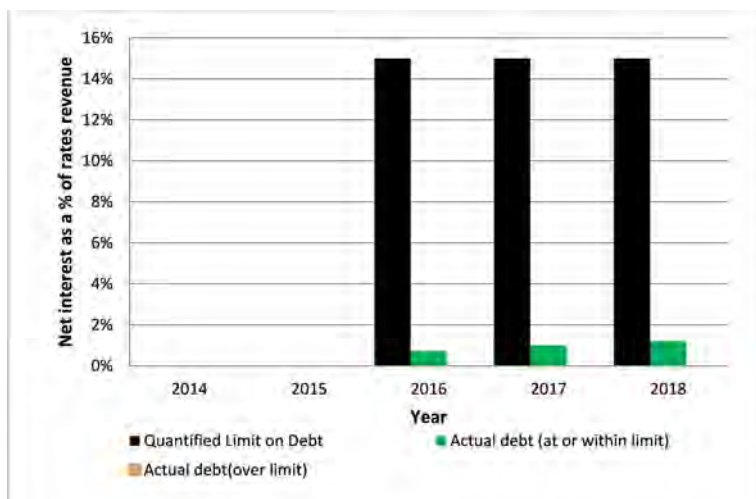
The council meets the debt affordability benchmarks if its actual borrowings are within each quantified limit on borrowing. The following graph compare the council's actual borrowings with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

The quantified limit is net interest expense/ total revenue is less than or equal to 10%.



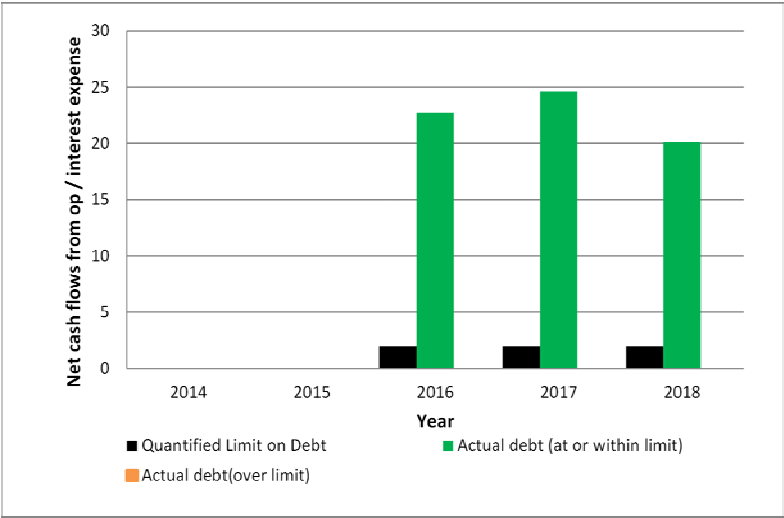
The council meets the debt affordability benchmarks if its actual borrowings are within each quantified limit on borrowing. The following graph compare the council's actual borrowings with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

The quantified limit is net interest expense/ rates revenue is less than or equal to 15%.



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

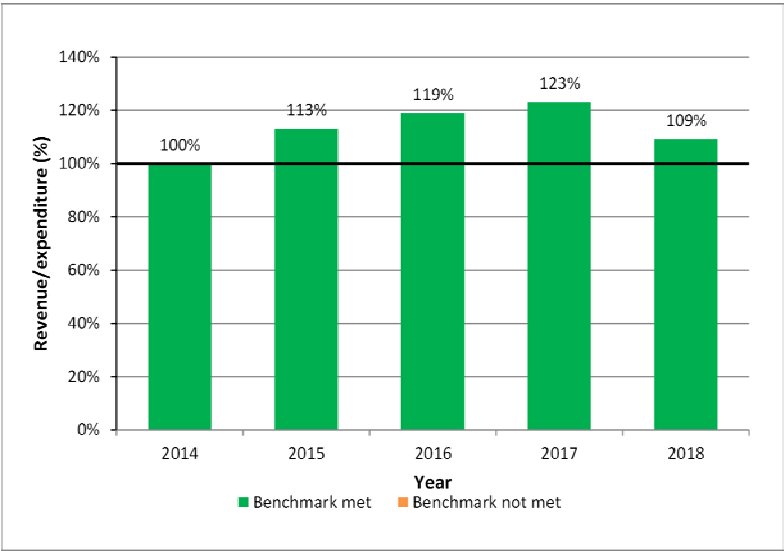
The quantified limit is net cash flows from operating activities/interest expense is greater than or equal to 2.



### 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).

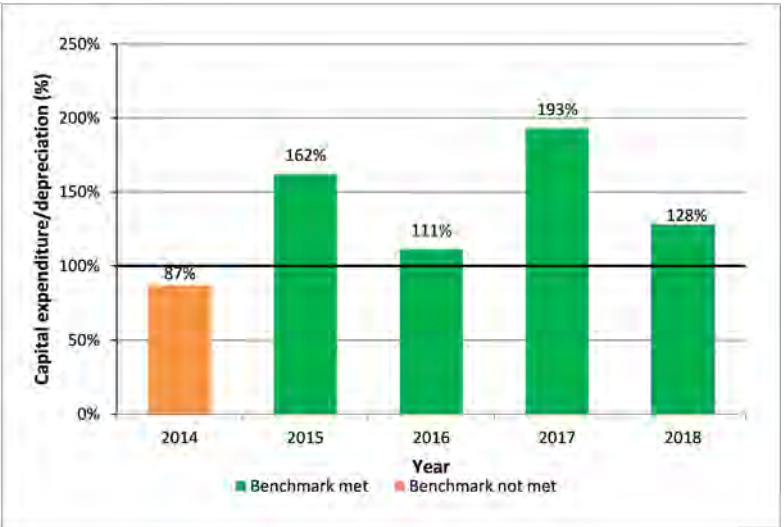
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



### 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.

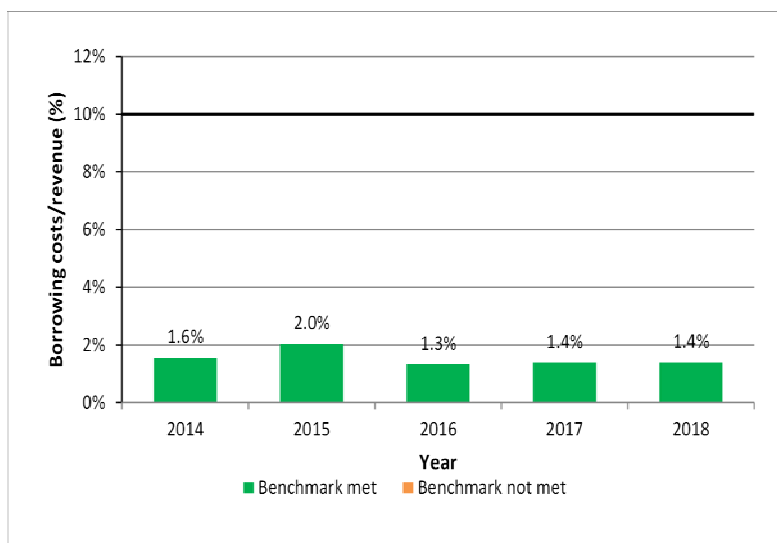




### Debt Servicing Benchmark

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.

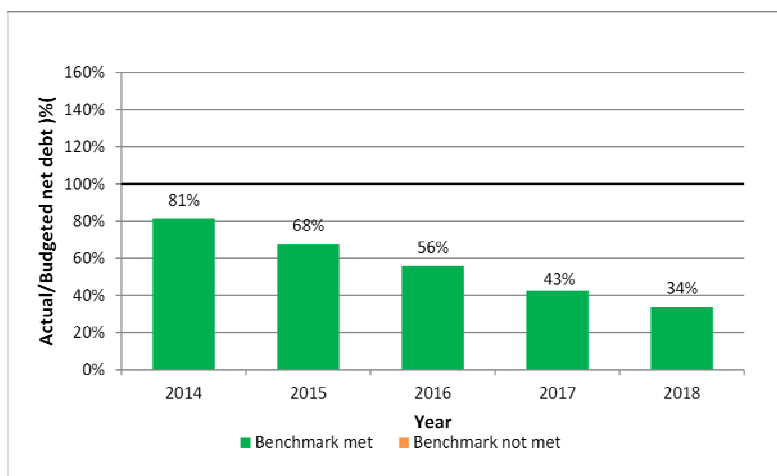


### Debt Control Benchmark

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.

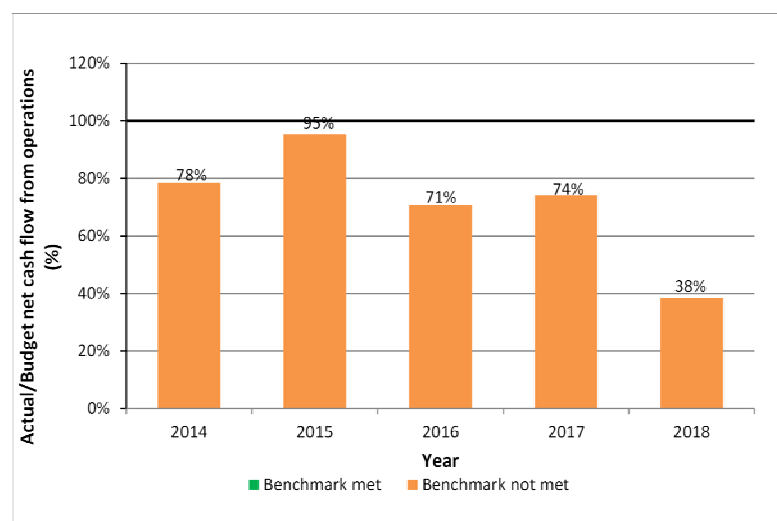


### Operations Control Benchmark

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.

This measure was not met due to the reduced subsidy revenue actually received versus what was budgeted.



# Our finances in brief

**\$16.6**

Million Operating Revenue

**\$15.1**

Million Operating Expenditure

**\$5.6**

Million Capital Expenditure

**\$0.37**

Million rate increase for 2017/18

**\$5.0**

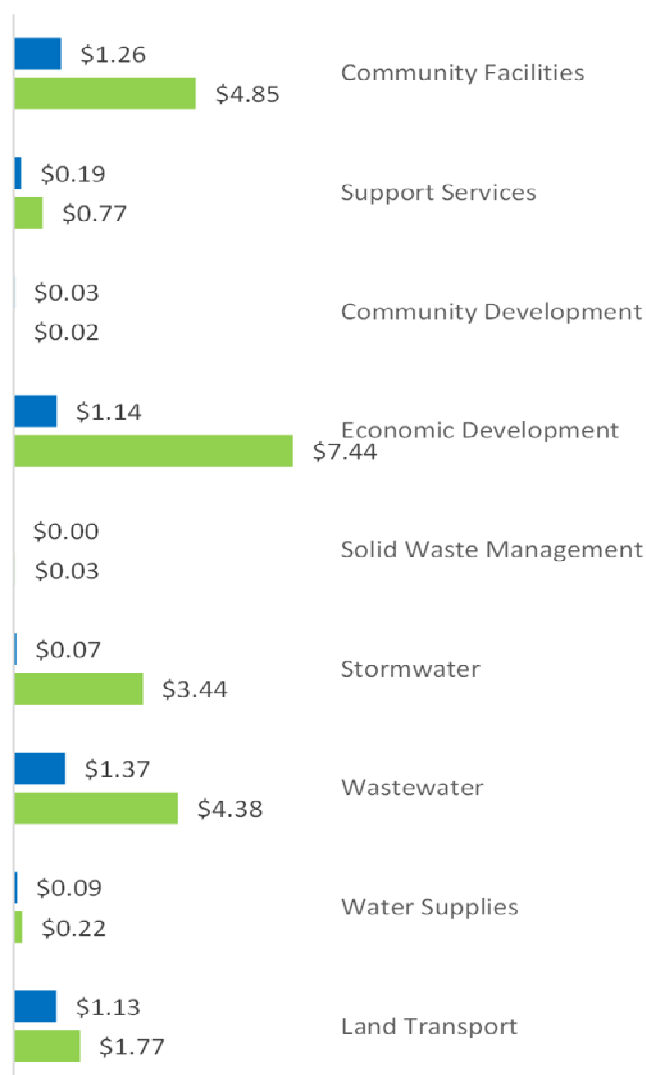
Million of borrowings

**\$212.0**

Million of assets

## Capital Expenditure \$million's

■ Actual ■ Budget



### Major Variances

Community facilities—library development project delayed.

Economic Development—Harbour project delayed by government as we undertake the additional workstream requirements for the \$3 million funding.

Stormwater—projects delayed trying to obtain comprehensive resource consent

Wastewater—Ōpōtiki reticulation project progressing well and under budget.

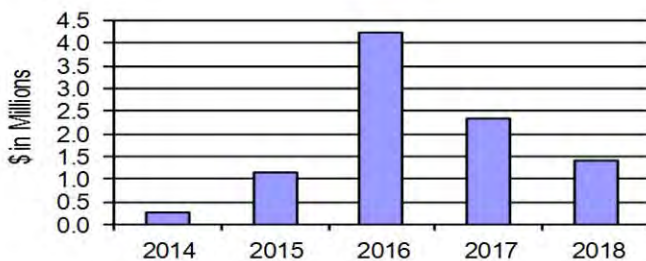
# Financial strategy

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 are very sustainable in terms of Councils ability to meet its financial obligations.

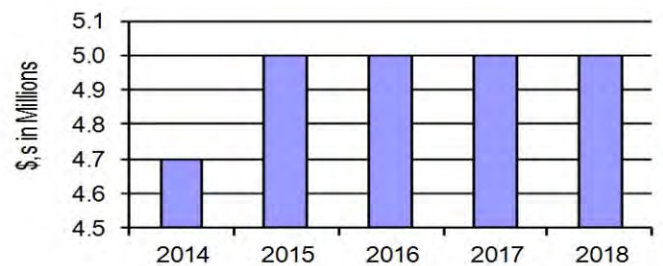
It does need to be mentioned that the appropriate utilisation of debt means that rates increases can be managed more effectively over a longer term. Take for example Council undertaking a capital project costing \$100,000. This represents over a 1% increase in rates. But if it was funded by borrowing, 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.

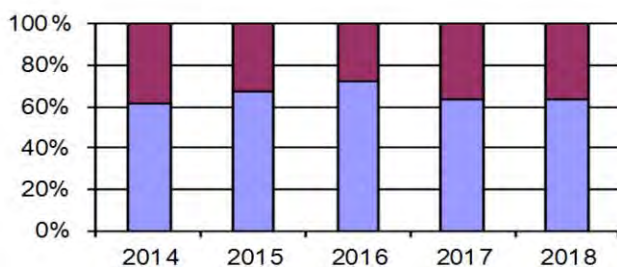
Whilst debt is crucial to ensuring the Council is managing its assets appropriately, it also plays a significant role in ensuring that Council meets the service level needs of its community. Where there are new requirements for services driven by growth, Council needs to be able to respond to these needs. 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**

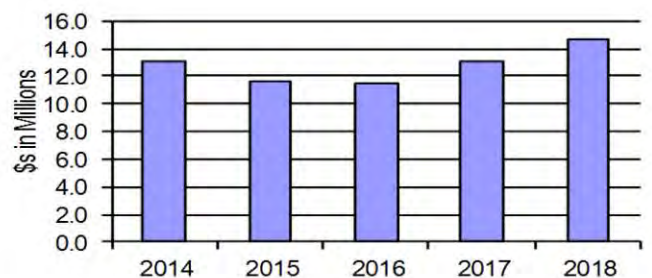


**Public debt**



**Revenue Ratios**

■ Rates ■ Other Income



**Cost of Service**



# Financial summary

## Variance Comments

### Income

Operating revenue is \$7.2 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 and the harbour development construction start has been delayed.

Rates revenue was \$13k higher than budget due to slightly less rate rebates and remissions being applied for during the year.

Fees and charges revenue is \$303k lower than budgeted due to reclassifying rental revenue as other income, conversely other income is higher than budgeted by \$890k because of this and revaluation movements taken through the statement of income.

### Expenditure

Operating Expenditure is \$1.07 million higher than budget for the year across the following areas.

Other expenses is \$1.29 million higher than budget due to the effect of revaluation movements taken through expenditure.

Depreciation and amortisation is \$505k higher than budgeted due to the asset revaluation.

Employee benefit costs are lower than budget by \$540k 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 \$182k below budget due to Council not drawing down additional debt and having all debt now with LGFA.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Comprehensive	2018	2018	2017
Revenue and Expense for the year ended 30 June 2018	\$000	\$000	\$000
Total Revenue	16,535	23,744	16,076
Operating Expenditure	14,907	13,654	12,837
Finance Costs	229	411	222
<b>Operating Surplus/(Deficit)</b>	<b>1,399</b>	<b>9,679</b>	<b>3,017</b>
Share of Associate Surplus/(Deficit)	( 22)	-	( 32)
Other Comprehensive Revenue			
Gain on Asset Revaluations	15,843	38	-
<b>Total Comprehensive Revenue and Expense</b>	<b>17,220</b>	<b>9,717</b>	<b>2,985</b>

### Other Comprehensive Revenue

This year included the three yearly asset revaluation.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Changes in	2018	2018	2017
Equity for the year ended 30 June 2018	\$000	\$000	\$000
Equity at the Beginning of the Year	184,720	191,799	181,523
Total Comprehensive Revenue and Expense	17,220	9,717	2,985
Transfers to/from Equity	1,113	( 425)	212
	<b>203,053</b>	<b>201,091</b>	<b>184,720</b>
<b>Equity - Closing Balances</b>			
Accumulated Funds	132,122	136,905	131,185
Asset Reserves	66,451	62,480	50,043
Council Created Reserves	4,480	1,706	3,492
<b>Equity at the End of the Year</b>	<b>203,053</b>	<b>201,091</b>	<b>184,720</b>

### Statement of Financial Position

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

Total assets are lower than budget because of the delays to the projects.

This year we did not need to borrow any additional funds for capital expenditure as budgeted due to the delays. Our level of total liabilities are tracking against budget for the year.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Financial	2018	2018	2017
Position as at 30 June 2018	\$000	\$000	\$000
Total Current Assets	7,124	4,511	8,807
Total Non-Current Assets	205,287	212,620	185,528
<b>Total Assets</b>	<b>212,411</b>	<b>217,131</b>	<b>194,335</b>
Total Current Liabilities	5,724	3,758	6,481
Total Non-Current Liabilities	3,634	12,282	3,134
<b>Total Liabilities</b>	<b>9,358</b>	<b>16,040</b>	<b>9,615</b>
<b>Net Assets/Equity</b>	<b>203,053</b>	<b>201,091</b>	<b>184,720</b>

## Statement of Cash Flows

Net cash from operations for the year was lower than budgeted by \$7.4 million due to a reduced level of subsidy and external revenue to fund the capital projects that Council proposed to undertake. The major projects that were not funded or delayed this year were the library redevelopment and harbour development project.

Net cash from investing activities was higher than budget by \$13.5 million 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 did not borrow any additional funds during the year.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Cash Flows	2018	2018	2017
for the year ended 30 June 2018	\$000	\$000	\$000
Net Cash from Operating Activities	4,328	11,978	5,465
Net Cash from Investing Activities	(5,299)	(19,120)	(5,388)
Net Cash from Financing Activities	-	7,142	-
Net Increase/(Decrease) in Cash	(971)	-	77
Cash at the Beginning of the Year	4,601	60	4,524
<b>Cash at the End of the Year</b>	<b>3,630</b>	<b>60</b>	<b>4,601</b>

## Summary Accounting Policies

The information included in this summary has been extracted from the audited full financial information in the Ōpōtiki District Council 2017/18 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 30 October 2018 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 30 October 2018.

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 30 October 2018 of the Financial Statements for the year ended 30 June 2018 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.

The presentational currency is the New Zealand Dollar

NZD.

## Summary Additional Disclosures

### Contingencies

We have contingent liabilities at year end of \$50,000 (2017: \$50,000) which relate to a weathertightness claim in for a leaky building within the district.

We have contingent assets at year end of \$14,439 (2017: \$26,439) which relate to Tamatari Enterprises for the construction of a public toilet at Waihou Bay.

### Commitments

Council has capital commitments at 30 June 2018 of

	2018	2017
Water Systems	\$1.045m	\$437k
Roading Network	\$92k	\$44k
Buildings	\$ -	\$681k

\$1.14 million (2017:\$1.16 million). These relate to the capital works for the following asset classes

Council has operating commitments at 30 June 2018 of \$2.27 million (2017: \$1.66 million). These relate to non-cancellable contracts that have been entered into during the current financial years. These contacts have the following maturity;

Less than 1 year \$2.27 million (2017: \$1.66 million)

### Events after balance date

There are no significant events after balance date. (2017: Credit Union Central occupied premises located on Council owned land. The lease of the land to a previous party terminated in 2016 and purchase of the building by Council occurred in August 2017).

## 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](http://www.odc.govt.nz).

# Audit Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Ōpotiki District Council's summary of the annual report for the year ended 30 June 2018

The summary of the annual report was derived from the annual report of the Ōpotiki District Council (the District Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on page 3 and pages 18 to 19:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2018;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary Council activities and 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 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 2018 in our auditor's report dated 30 October 2018.

### 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.



Clarence Susan,  
Audit New Zealand  
On behalf of the Auditor General  
Tauranga, New Zealand  
30 October 2018