

Annual Report Summary

2017/18

The year in review



A copy of the full Annual Report is available from
waimakariri.govt.nz

MESSAGE FROM

THE MAYOR AND CHIEF EXECUTIVE

The Waimakariri District is continuing to grow with over 630 new building consents issued for the year ended 30 June 2018. The Council adopted the “Waimakariri Our District” 2018-2028 Long Term Plan in June that projects the district population to grow 64% in the next 30 years, from 59,200 in 2018 to approximately 97,000 by 2048.

The 2017/18 year has seen the community and the Council continuing to make very good progress in our recovery from the Canterbury earthquakes. The Council's major recovery works are substantially complete. We are now focused on the major regeneration projects in Kaiapoi that have been enabled by the opportunities presented by earthquakes, such as the creation of additional parks and reserves, development of Kaiapoi river banks and terraces, and the provision of mixed-use business areas adjacent to the town centre.

Key District Development planning projects were also advanced during the 2017/18 year. The Council finalised its District Development Strategy that outlines how the growth in our population will be accommodated over the next thirty years. Good progress has also been made in reviewing the District Plan. It will take another two years to complete the review and the draft Plan will then be released for public consultation in 2020.

The Council has also reviewed the Kaiapoi Town Centre Strategy and the revised Strategy will be finalised later this year.

There were a number of roading projects progressed during the year, including the completion of West Kaiapoi New Arterial. Construction of the West Belt extension to Townsend Road started in January 2018 and is expected to be complete in late 2018. In addition, two major cycleways were completed (the Passchendaele Memorial Path between Rangiora to Kaiapoi, and the Rangiora Woodend Path) and use is growing steadily on both.

The completion of the Rangiora wastewater treatment plant inlet works and aeration basin, an \$11 million

project, was a significant milestone as it improves treatment performance and provides the capacity for the future growth that is forecast to occur. Very good progress has also been made on renewing and upgrading the Central Rangiora sewer trunk main.

The past year was relatively wet with about 60% more rainfall than typically experienced. The groundwater levels have been high across the District and two notable rainfall events occurred, one in July 2017 and one in February 2018 causing localised flooding. There are numerous works that have been completed or are underway to improve our drainage systems.

Drinking-water standards have been widely debated throughout New Zealand regarding the supply and treatment, including the use of chlorine. Our urban communities have generally resisted the use of chlorine and significant work has been done over the years to secure and provide safe drinking water to the 79% of the district's population on Council's 15 schemes.

A number of community buildings and facilities were completed, including the new Oxford Library and Service Centre, the Oxford Cenotaph rebuild as well as a number of reserve developments around the District, notably the redevelopment of Gladstone Park. The District's Libraries and Aquatic Facilities have continued to provide quality programmes and receive significant attendance numbers. The Waiswim programmes received over 115,000 attendances throughout the year. The libraries received over 600,000 visitors, with an additional 76,000 interactions through the Library website.

It is with great sadness that we acknowledge the passing of Councillor Peter Allen. Peter made an outstanding contribution to the Council and was highly regarded and respected by everyone who worked with him, including the multitude of community organisations that he was associated with. A well contested by-election in the Rangiora-Ashley Ward was held in December 2017, with Kirstyn Barnett elected as the successful candidate.

The 2018-28 Long Term Plan was adopted in June, following an extensive consultation and engagement process with over 600 submissions received on the Plan. The major projects that are approved to proceed include the \$27.85 million multi-use sports facility at Coldstream Road in Rangiora, the \$18 million regeneration works programme for the 5 residential red zone areas, and approval of the “your choice” kerbside collection services which is intended to be available from 1 July 2019. We are looking forward to delivering a significant work programme in the 2018/19 year to give effect to the Long Term Plan.



David Ayers

David Ayers
Mayor



Jim Palmer

Jim Palmer
Chief Executive

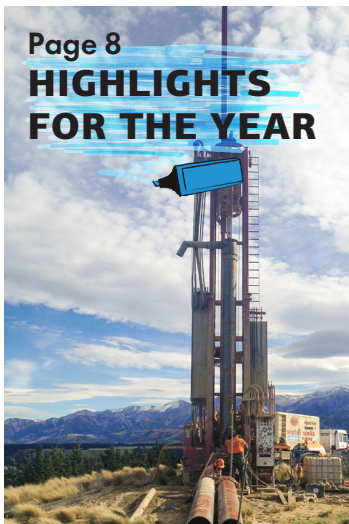
Page 2 **WHERE WE SPENT YOUR RATES**



Page 6 **OVERALL SERVICE PERFORMANCE RESULTS**



Page 8 **HIGHLIGHTS FOR THE YEAR**



Page 4 **COMMUNITY OUTCOMES**



Page 14 **FINANCIALS**

Page 15
FINANCIAL STATEMENTS

Page 16
EXPENDITURE SUMMARY

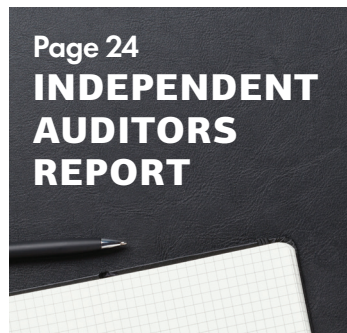
Page 17
VARIANCES

Page 18
**FINANCIAL
BENCHMARKING**

Page 22
FINANCIAL OVERVIEW



Page 24 **INDEPENDENT AUDITORS REPORT**



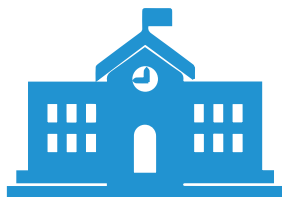
This document is printed on environmentally responsible paper, produced using Elemental Chlorine Free (ECF) pulp sourced from Sustainable and Well Managed Forests, and is manufactured under a Mill Specific Environmental Management System.

WHERE WE SPENT YOUR RATES

We deliver a broad range of services to our community or parts of the community in return for payment of rates.

This is a selection of the services we've provided over the year and the cost per day to you the ratepayer. These costs are based on average rates for properties where the service is provided.

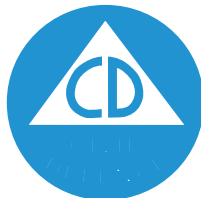
COMMUNITY BUILDINGS



31 cents



PLANNING HEALTH AND SAFETY*



48 cents



ROADS AND FOOTPATHS



\$1.33



* Includes Administration, District Development, Civil Defence, Cemeteries, Health, Animal and Building Control.

SWIMMING POOLS



37 cents



WASTE COLLECTION



25 cents



WATER SUPPLY



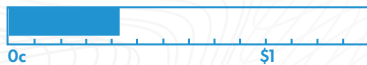
84 cents



LIBRARIES



44 cents



SEWERAGE



97 cents



PARKS



76 cents



EARTHQUAKE RECOVERY



12 cents



COMMUNITY OUTCOMES

Community Outcomes describe how Waimakariri District Council aims to achieve meeting the current and future needs of our communities with good-quality local infrastructure, providing local public services and performance of regulatory functions.

Community outcomes set the direction for our Long Term Plan (LTP) and all activities included in the 2015-2025 LTP that the Council undertakes contribute towards achieving these outcomes. The key groups of activities that contribute to each outcome are displayed.



There is a safe environment for all.

- Community Leadership
- Property Management
- Infrastructure Services
- Community Services



There are areas of significant indigenous vegetation and habitats for indigenous fauna.

- Community Services
- Council Controlled Organisations
- Community Leadership



There are wide ranging opportunities for people to contribute to the decision making by local, regional and national organisations that affects our District.

- Community Leadership



Our community's needs for health and social services are met.

- Community Leadership



Public effect is given to the spirit of the Treaty of Waitangi.

- Community Leadership



The air and land is healthy.

- Community Leadership
- Infrastructure Services



There is sufficient clean water to meet the needs of communities and ecosystems.

- Infrastructure Services



People have wide ranging opportunities for learning and being informed.

- Community Services



Public spaces and facilities are plentiful, accessible and high quality.

- Community Services



The distinctive character of our towns, villages and rural areas is maintained.

- Community Leadership
- Council Controlled Organisations



Core utility services are provided in a timely, sustainable and affordable manner.

- Infrastructure Services
- Council Controlled Organisations



People are friendly and caring, creating a strong sense of community in our District.

- Community Services
- Community Leadership



The community's cultures, arts and heritage are conserved and celebrated.

- Community Services
- Council Controlled Organisations



Businesses in the district are diverse, adaptable and growing.

- Community Leadership
- Council Controlled Organisations



Transport is accessible, convenient, reliable, affordable and sustainable.

- Infrastructure Services



OVERALL SERVICE PERFORMANCE RESULTS

In the Council's Long Term Plan 2015-2025 there are a total of 107 non-financial performance measures in place to gauge the service performance of Councils six groups of significant activities.

Non-financial performance measures have set targets to assess things like responsiveness, health and safety, timeliness and legislative compliance. They also link to and demonstrate how the activities the Council undertakes contribute to outcomes sought by the community.

Overall the results for the 2017/2018 financial year show 84 percent of all measures achieved or nearly achieved. There was a significant increase in the measures that almost achieved target, up from 18 percent to 27 percent. The number of mandatory performance measures increased in 2017/2018 from 81 to 107 due to certain measures being broken down into specific areas, therefore the overall results vary slightly from last year.

Measures that were not met:

Roading and Footpaths – The target was a reduction in the number of fatalities and serious injury crashes however there were 5 more serious crashes in Waimakariri District for the 2017/2018 financial year compared with 2016/2017.

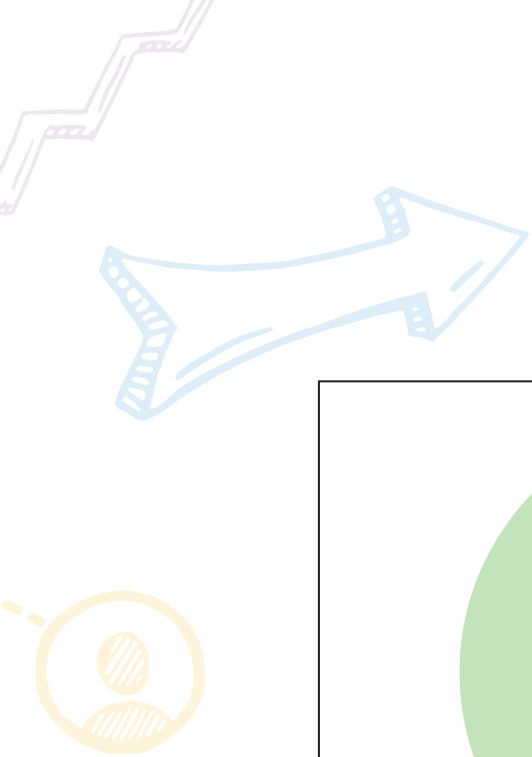
Measures that almost achieved target:

Community Protection – Achieving the 1 hour time period when responding to calls for wandering stock has continued to be challenging for the patrols on Friday and Saturday nights and therefore impact on the results. A review of a number of response targets is underway due to the location and lengthy travel required to attend to some of these complaints.

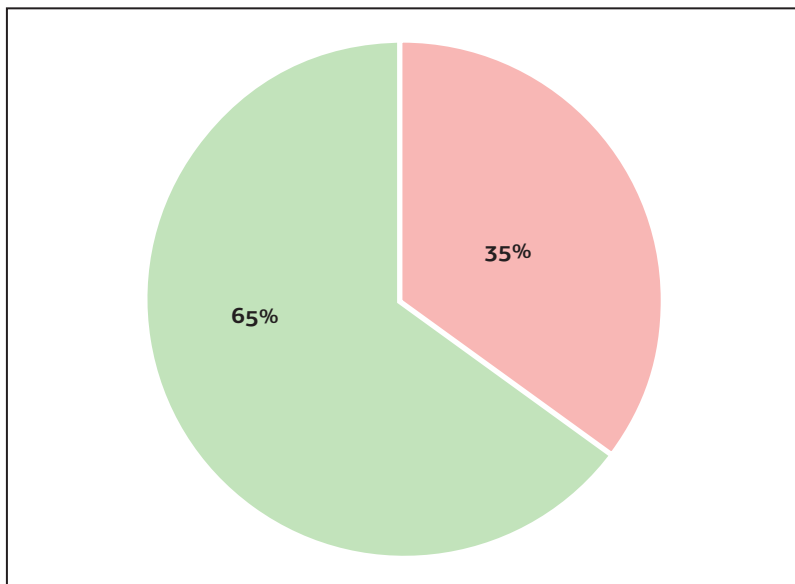
Property Management - Requests often need investigation, discussion and expert advice from other units of Council prior to actioning and this can be difficult to arrange within a 10 day timeframe. Urgent requests are met well within the target.

Stormwater Drainage – The second half of the financial year has seen almost double the annual average rainfall in the district. This resulted in a high number of service requests which has stretched staff resources.

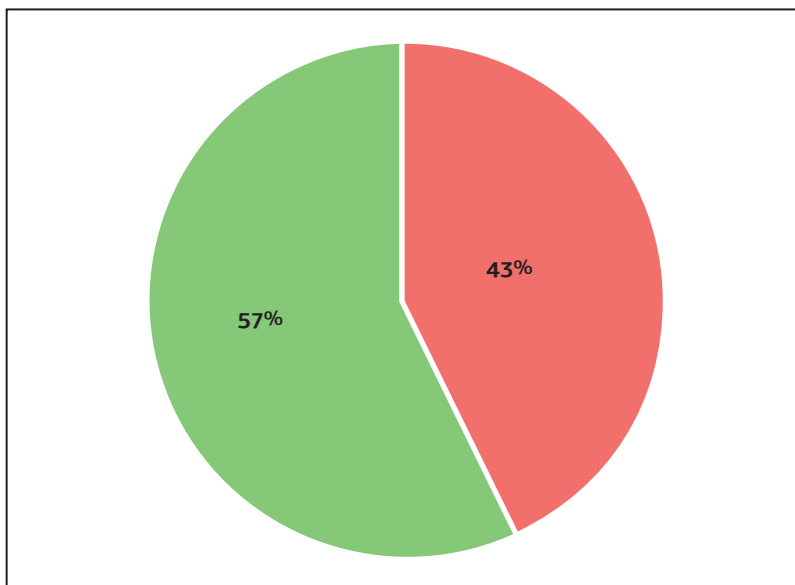
Stock Water - The year has been punctuated by a number of significant storm events which has generated a large number of service requests. Waimakariri Irrigation Ltd staff have been busy attending call outs and service requests.



2016/2017



2017/2018



2016/2017



2017/2018



■ = Met or exceeded target

■ = Not met target (variance greater than 5%)

Of the 107 measures, 57% (61) were completed or met, with 43% (46) not being met. Of the measures not met there were 29 (or 27% of the total measures) within 5% of the measure being met.

HIGHLIGHTS FOR THE YEAR



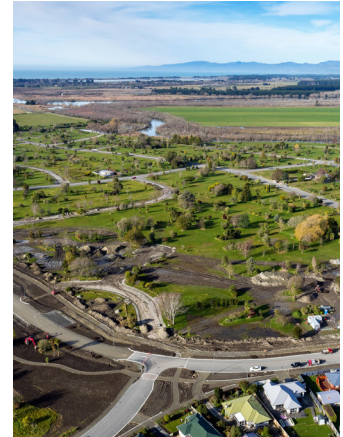
WAIMAKARIRI
DISTRICT COUNCIL



MAJOR CYCLEWAYS PROGRAMME (RANGIORA TO KAIAPOI AND RANGIORA TO WOODEND)

Work has been completed on both cycleways and these are proving to be popular facilities.

The Passchendaele Memorial Path (Rangiora to Kaiapoi) was opened in March 2018 and the Rangiora - Woodend Path opened in June 2018.



WEST KAIAPOI NEW ARTERIAL ROAD

The construction of the West Kaiapoi New Arterial Road was completed in 2017 with the first traffic using the road in January 2018.

Since then finishing work has been carried out along the road with the Cosgrove Road intersection currently being upgraded.



CENTRAL RANGIORA CAPACITY

Construction work has progressed well on the new sewer main from the Rangiora waste water treatment plant into central Rangiora.

Stage 1 and Stage 2a are complete, taking the works past the western side of Southbrook Road. This involved construction of a pipeline in difficult ground conditions under the Middle Brook and the railway line and past several schools. This is part of a 10-year programme of upgrades to reduce wastewater overflows and cater for further growth in the township.



OXFORD RURAL NO.1

A new deep well has been successfully drilled and consent granted for the Oxford Rural No.1 scheme to ultimately allow its river intake from the Waimakariri River to become a back-up.

This source upgrade project will be completed by the end of 2018 to allow this scheme to achieve full compliance with the Drinking Water Standards New Zealand.



OXFORD RURAL NO.2

Oxford Rural No.2 has been joined to the Oxford Urban scheme such that its water is sourced from the Domain Road deep secure wells, rather than the shallow infiltration gallery at Coopers Creek.

This means that the scheme now fully complies with the Drinking Water Standards New Zealand.

WOODEND WASTEWATER TREATMENT PLANT

The construction of the two new ponds at the Woodend wastewater treatment plant has been completed.

This has enabled desludging works on the existing pond to be undertaken. Part of the wetland has also been deslugged, re-shaped and replanted.

KAIAPOI WASTEWATER TREATMENT PLANT

Works have been undertaken to make provisions for a second inlet screen at the treatment plant.

A surplus screen from the Rangiora waste water treatment plant upgrade is currently being refurbished for installation. Desludging, shaping and planting of one of the wetland cells has also been completed.

FLOOD WORKS

The O'Roarkes Road culvert and channel improvement works has been completed.

A comprehensive investigation of flooding in the Mandeville area has been completed that sets out upgrades over the coming 5 years in this area.



OXFORD LIBRARY REBUILD

The rebuild of the Oxford Library was a major focus for the year.

The new Oxford Library and Service Centre was officially opened by the Mayor, David Ayers, on 15 December 2017. The library has 10,000 collection items along with easy access to eBooks and electronic resources, comfortable seating areas, study spaces, a children's area, public computers and free wifi.

RESERVE DEVELOPMENTS

- A full redevelopment of the Pearson Park Oval including new clay for the cricket block and releveling
- Shade sail installation at Trousselot Park and Karen Eastwood Park
- Half basketball court surface and park furniture renewals at various locations throughout the district
- Sefton Domain Cenotaph upgrade
- Million Metres planting at Silverstream Reserve
- Biodiversity enhancement on the Taranaki Stream
- A new dog park was completed as part of the Gladstone Park Development.

BAKER PARK REDEVELOPMENT

The Baker Park redevelopment was completed.

This included a new toilet, half basketball court, BMX pump track and a redevelopment of the playground.

KAIAPOI COMMUNITY CENTRE

Reconfiguration of the building to allow more space for the Darnley Club to occupy as well as create opportunities for other social service providers to use the building as office style space.



OXFORD CENOTAPH REBUILD

The Oxford Cenotaph was completely removed.

A new foundation was built and the structure was then reassembled. The structure now meets earthquake standards and contains a time capsule produced by the Oxford Area School and the Oxford Returned and Services' Association.

District Growth and Development



DISTRICT DEVELOPMENT PLANNING

Two key District Development planning projects were advanced during the 2017/18 year.

They were the finalisation of the District Development Strategy and further development of the Waimakariri District Plan.

District Development Strategy

This strategy addressed spatial urban growth in response to projected population change. The project is underpinned by a growth model and assists Council in meeting its obligations under the Resource Management Act 1991, particularly in planning future development.

The District Plan Review

This review progressed through the year and included the preparation of Issues and Options papers for community and stakeholder feedback.



DISTRICT E-PLAN

The District Plan E-Plan was introduced.

This is an on-line version of the District Plan that makes the Plan more accessible to users.



KAIAPOI WHARF

In the last year Council completed the final elements of the rebuild and reinstatement of the Kaiapoi wharf, including new roads, utility services, walkways and landscaping.

Council also completed final elements of the steps and decks on the true-right bank of the Kaiapoi River, outside the Ruataniwha Kaiapoi Civic Centre



REGENERATION PROJECTS

Design is complete for the Enabling Works and Beswick Stormwater Management Area contract package, which includes the site clearances, bulk earthworks, drainage and roads and utilities removal in the Kaiapoi East Regeneration Area. Construction is planned to start in October 2018.

Development of the dog park and community BMX track was deferred until the Reserves Master Plan is completed.

Engagement with sports clubs (particularly rugby league and softball) has continued for the proposed new sports field development in Kaiapoi East. Preliminary design of the facility is now underway.

Other key activities included ongoing support for the development of the Kaiapoi Food Forest, removal and rebuild of the old Pines Beach Community Hall and reinstatement of the site and undertaking concept design for the dog park.



OTHER PROJECTS

Construction is now underway on the next phase projects, including the Kaiapoi River Wall Upgrade project.

Design and procurement is underway on the Riverview Terraces and Boardwalk, floating pontoons and dredging projects.

Design and consultation on the Murphy Park rowing base was completed.



FINANCIALS



FINANCIAL STATEMENTS

	Group Actual 2018	Parent Actual 2018	Parent Budget 2018	Group Actual 2017	Parent Actual 2017
	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2018					
Financial Performance					
Total operating revenue	118,091	118,091	106,876	110,349	110,349
Finance costs	4,716	4,716	6,220	4,138	4,138
Other operating expenditure	93,827	93,827	81,638	81,377	81,377
Other gains	913	913	-	3,654	3,654
Plus Share of Associates	674	-	-	(102)	-
Net Surplus / (Deficit) before Taxation	21,135	20,461	19,018	28,386	28,488
Less Taxation expense	-	-	(180)	(349)	(349)
NET SURPLUS / (DEFICIT)	21,135	20,461	18,838	28,037	28,139
Gain/(Loss) on asset revaluation	41,132	41,132	14,087	94,228	94,228
Increase/(decrease) in asset revaluation reserve due to Impairment & impairment reversal	-	-	-	8,451	8,451
Financial assets at fair value through other comprehensive revenue and expense	(196)	(196)	-	1,232	1,232
Total other comprehensive revenue and expense	40,936	40,936	14,087	103,911	103,911
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	62,071	61,397	32,925	131,948	132,050

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2018

EQUITY AT BEGINNING OF THE YEAR	1,561,650	1,558,917	1,451,683	1,425,094	1,422,259
Prior year adjustment	-	-	-	4,608	4,608
OPENING BALANCE RESTATED FOR PRIOR YEAR ADJUSTMENT	1,561,650	1,558,917	1,451,683	1,429,702	1,426,867
Net Surplus / (Deficit) for the year	21,135	20,461	18,838	28,037	28,139
Other comprehensive revenue and expense	40,936	40,936	14,087	103,911	103,911
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	62,071	61,397	32,925	131,948	132,050
EQUITY AT END OF THE YEAR	1,623,721	1,620,314	1,484,608	1,561,650	1,558,917

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

Current Assets	35,509	35,509	20,252	31,890	31,890
Non-current Assets	1,746,567	1,743,161	1,638,167	1,655,619	1,652,887
TOTAL ASSETS	1,782,075	1,778,671	1,658,419	1,687,509	1,684,777
Current Liabilities	48,169	48,169	23,674	32,318	32,318
Non-current Liabilities	110,186	110,186	150,138	93,542	93,542
TOTAL LIABILITIES	158,355	158,355	173,811	125,860	125,860
Accumulated general equity	833,866	830,917	784,856	811,871	809,596
Other reserves	6,701	6,701	5,385	6,771	6,771
Revaluation reserve	783,155	782,696	694,367	743,009	742,550
TOTAL EQUITY	1,623,721	1,620,314	1,484,608	1,561,650	1,558,917

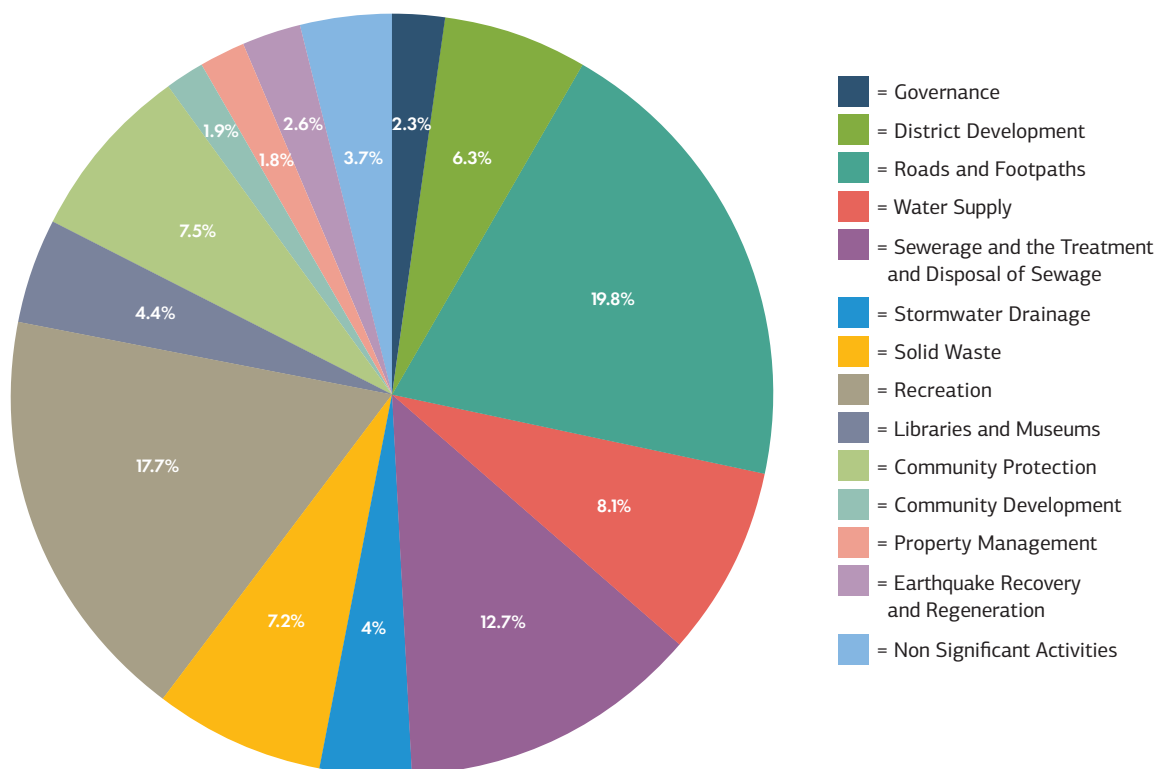
	Group Actual 2018	Parent Actual 2018	Parent Budget 2018	Group Actual 2017	Parent Actual 2017
	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2018					
Cashflows from operating activities	27,510	27,510	27,027	30,913	30,913
Cashflows from investing activities	(54,323)	(54,323)	(75,374)	(41,392)	(41,392)
Cashflows from financing activities	30,000	30,000	48,793	5,000	5,000
NET INCREASE (DECREASE) IN CASH HELD	3,187	3,187	446	(5,479)	(5,479)
Plus opening cash balance	16,143	16,143	9,883	21,622	21,622
CLOSING BALANCE	19,330	19,330	10,329	16,143	16,143

(The above financial statements are rounded to the nearest thousand dollars (\$'000) and are presented in New Zealand dollars)

EXPENDITURE SUMMARY

The chart below shows how expenditure was spread among Council's activities.

Council's total operating expenditure for 2017/18 was \$98.5m.



VARIANCES

Revenue and other gains were \$11.2 million over budget.

Other revenue was \$1.4m over budget due to increased rates penalties, recoveries of private works, more than budgeted connection fees/lump sum contributions to connect to Council's infrastructural facilities and increased liquor licensing/food premises revenue. .

Vested assets were \$10.2m over budget mainly due to significant subdivisions completed in Woodend, Kaiapoi and Rangiora.

Operating expenses were \$10.7 million over budget.

Capital expended of \$5.1m is cost incurred which does not form part of the final assets and was not budgeted.

Loss on disposal of fixed and infrastructural assets of \$2.7m was not budgeted.

Depreciation was \$2.2m over budget mainly due to the revaluation of 3 waters, solid waste and roading assets as at 30 June 2017.

Other comprehensive revenue and expense

The Council recorded a \$41.1m gain on asset revaluation (budget \$14.1m). As at 30 June 2018, Council revalued its roading assets.

Financial Position

Non current assets were \$105 million over budget as valuation movements from 2016/17 for 3 waters, solid waste and roading assets as well as 2017/18 for roading assets were more than budgeted.

Borrowings (current and non-current) were \$18.8 million under budget mainly due to delays in Council's capital programme.

Financial Benchmarking

There are no significant variances in the Council's financial performance in relation to various benchmarks that enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

FINANCIAL BENCHMARKING

Annual report disclosure statement for year ending 30 June 2018

What is the purpose of this statement?

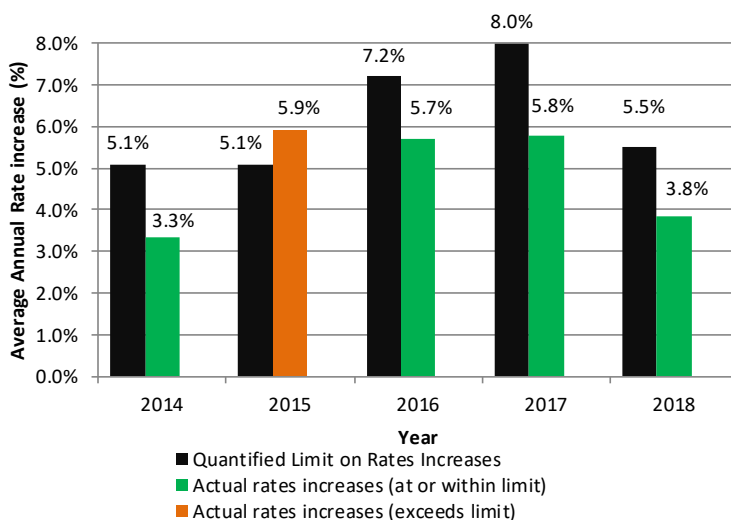
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting Pudence) Regulation 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limit is the average rates increase per property and the limit for each year shown is sourced from the 2012-2022 and 2015-2025 Long Term Plans.

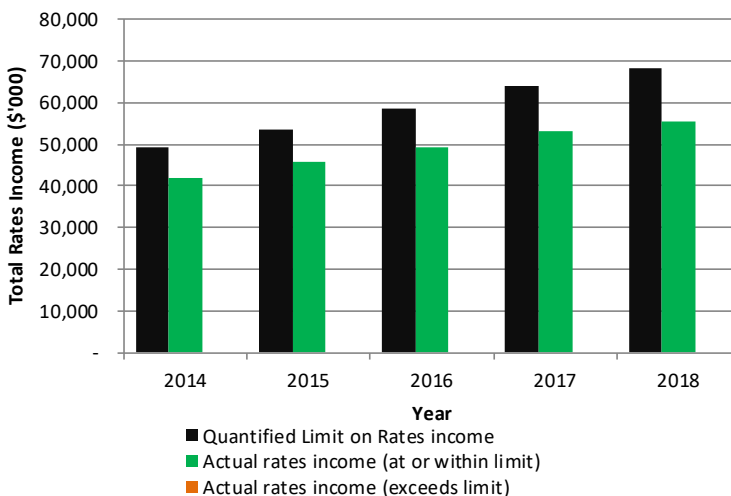
The average increase in rates was more than budgeted in 2015 as the actual rating units were less than what was forecasted.



Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan. The quantified limit is the total rates income for the Council and the limit for each year shown is sourced from the 2012-2022 and 2015-2025 Long Term Plans.

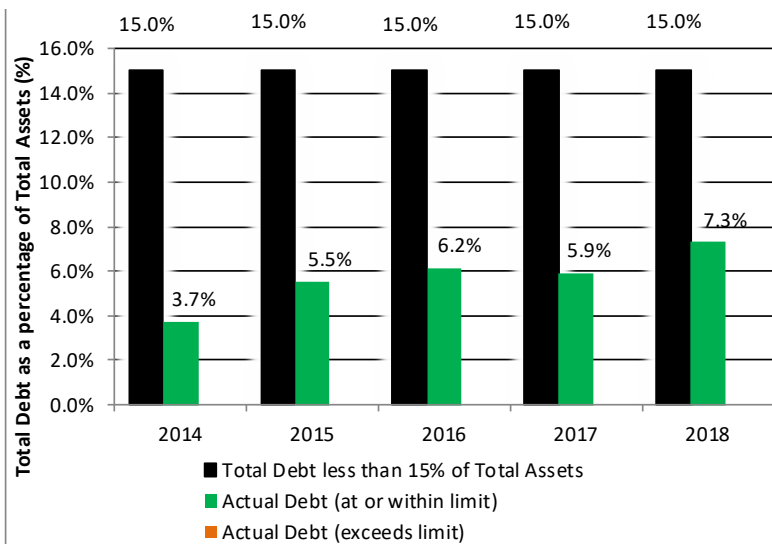
The total rates income in the graph to the right excludes GST.



Debt affordability benchmark

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 for the following graph is total debt as a percentage of total assets will not exceed 15%. The limit shown was sourced from the 2012-2022 and 2015-2025 Long Term Plans.



Balanced budget benchmark

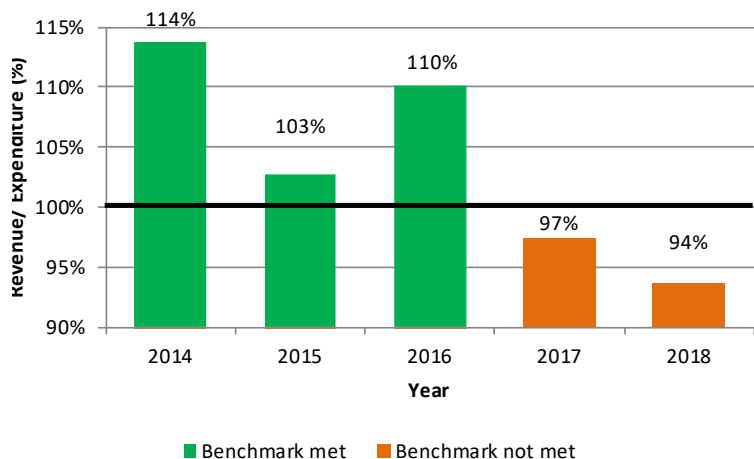
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

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

Council's revenue exceeded its operating expenses in 2014 and 2016 by over 10% mainly due to insurance recoveries for earthquake works.

Council's operating expenses exceeded its revenue in 2017. Council considered rate affordability by smoothing the rates increase caused by the earthquake events to outer years. Also depreciation is not fully funded due to the depreciation fund able to be invested at a higher rate than inflation over the useful life of assets.

Council's operating expenses exceeded its revenue in 2018 due to costs expensed from capital projects which did not form final assets.

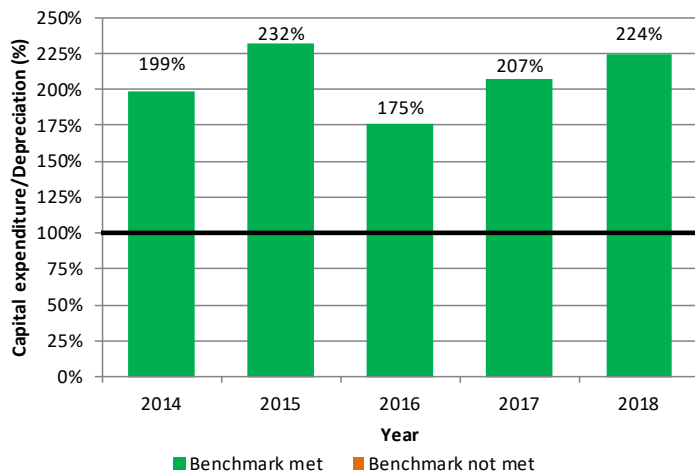


Essential services benchmark

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.

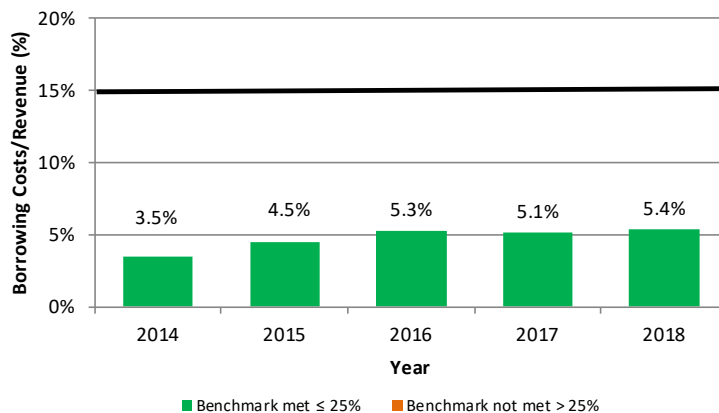
The Council expenditure on network services excludes earthquake repairs/replacements but includes new/growth works.



Debt servicing benchmark A

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 revaluations of property, plant, or equipment).

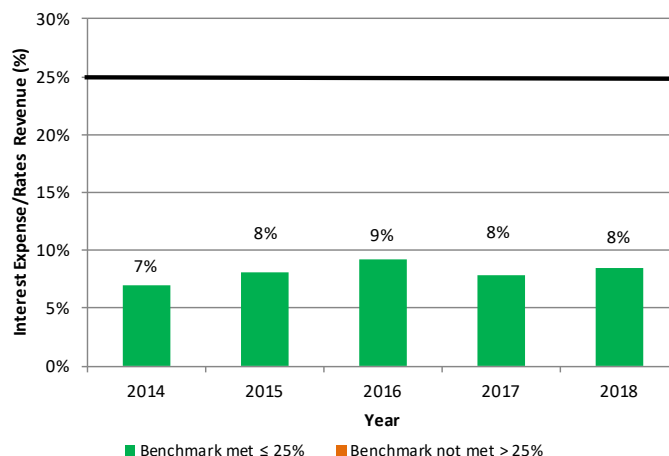
Because Statistics New Zealand projects the Council's population will grow as fast as, or faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt servicing benchmark B

The following graph compares Council's interest expense with the rates revenue and the limit was sourced from the 2012-2022 and 2015-2025 Ten Year Plans.

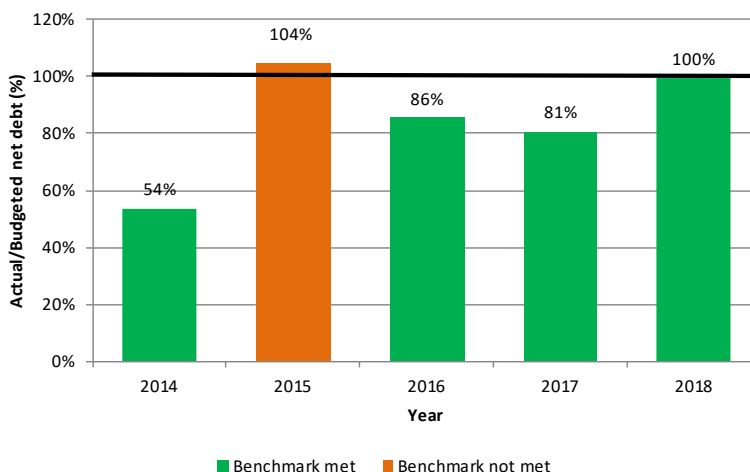
The Council meets this benchmark if interest expense as a proportion of rates revenue does not exceed 25%.



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.

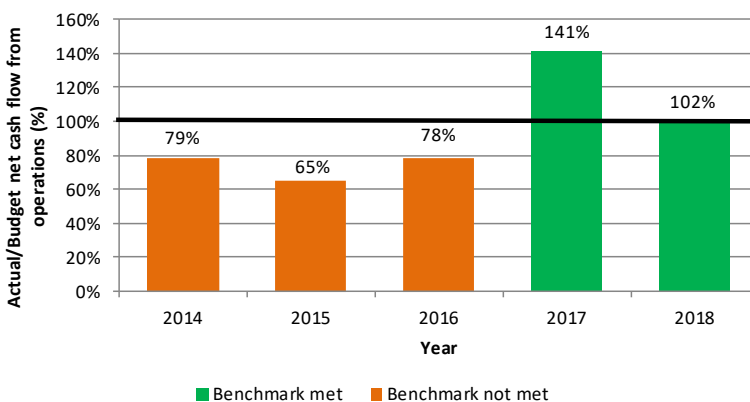
The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

In 2014 Council received less New Zealand Transport Authority subsidies compared to the budget due to delayed progress of some roading capital projects, for example, the new Ashley Bridge project.

In 2015 the benchmark was not met as delays in the Earthquake recovery programme reduced the cash received from Canterbury Earthquake Recovery Authority (CERA).

In 2016 Council received less NZTA subsidies compared to the budget due to delay of roading capital programme.

In 2017 Council received more development and other contributions compared to the budget due to subdivisions completed in Rangiora, Kaiapoi and Woodend.



FINANCIAL OVERVIEW

Under the provisions of the Local Government Act (LGA) 2002 (s.101) Council is required to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community.

The Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (breakeven).

The Annual Report shows that Council recorded a net surplus before taxation for the year ended 30 June 2018 of \$20.5 million, which was \$1.4 million more than budget. The surplus was \$28.5 million for the 2016/17 financial year.

The significant variations from budget are below.

Vested assets were \$10.2m over budget mainly due to significant subdivisions completed in Woodend, Kaiapoi and Rangiora.

Costs of \$5.1m relating to capital projects have been expensed and shown as operating expenditure.

The Council recorded a \$41.1m gain on asset revaluation (budget \$14.1m). As at 30 June 2018, Council revalued its roading assets.

Non current assets were \$105 million over budget as valuation movements in 2016/17 and 2017/18 were more than budgeted.

The Council's borrowings as at 30 June 2018 were \$130 million (\$100 million in 2016/17). This compares with a budget of \$148.8 million. Borrowings were less than budget due to the delays in Council's capital programme.

SPECIFIC DISCLOSURES

The specific disclosures in the summary financial statements have been extracted from the full financial statements. The full financial statements were authorised for issue by Council on 16 October 2018.

The full financial statements of the Council and group have been prepared in accordance with the requirements of the LGA 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The full financial statements have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The summary financial statements are in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43).

An unmodified audit opinion was given on the full Annual Report by Audit New Zealand.

You can find a copy of the full Annual Report on the Council's website: waimakariri.govt.nz.

EVENTS AFTER BALANCE DATE

Land owned by the Crown will be divested into the ownership of Waimakariri District Council. This is expected to be completed by 31 December 2018.

The land is in the Kaiapoi area which was red zoned after the Canterbury earthquakes.

Following the government's approval of the Waimakariri Residential Red Zone Recovery Plan in December 2016, a Council governance group and operational team was formed in early 2017 to manage and implement the Recovery Plan. Since this time, Land Information New Zealand has worked closely with Council and the Te Kōhaka o Tūhaitara Trust on the land divestment process.

Cabinet approved the land divestment plan on May 14 2018.

The value of the land is approximately \$10.9million.

PRIOR YEAR ERROR CORRECTION

The Council has adjusted its comparative year financial statements for the year ended 30 June 2017 for the correction of a prior period error.

During 2017/18, the Council identified assets (not captured in the system) that were vested to Council prior to 30 June 2016. The list of vested assets missed is shown in the Table A.

The inclusion of the additional vested assets identified has increased the opening balance of the accumulated general equity and relevant asset categories included in Property Plant & Equipment as at 1 July 2016 and 30 June 2017 by \$4.6m respectively.

VESTED ASSETS - TABLE A

Period to adjust to
1/07/2016

	\$'000
Water	393
Sewer	405
Drainage	772
Community Facilities	3,038
	4,608

For details, please refer to Note 32 of 2017-18 Annual Report.

CONTINGENT ASSET

The Council engaged an external contractor to construct the Ocean Outfall, where corrosion damage was identified and required replacement.

Legal proceedings have been submitted with the High Court seeking damages from the Company who disputes liability. For the year to 30 June 2018, the Council's lawyers advise that it is probable that the Council will receive compensation for costs incurred remedying the corrosion damage.

INDEPENDENT AUDITORS REPORT

To the readers of Waimakariri 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 Waimakariri District Council (the District Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on pages 6 to 20 and 25 to 27:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive income, 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 statement of service performance.

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 16 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.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

John Mackey,

Audit New Zealand

On behalf of the Auditor-General Christchurch, New Zealand

16 October 2018





**215 High Street
Private Bag 1005
Rangiora 7440
waimakariri.govt.nz**