

Annual Report Summary

2015/16

The year in review





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Photo credit: Tony Bridge

Message from the Mayor and Chief Executive

Statistics New Zealand estimated the District's population at 56,400 on 30 June 2015 and given the Council has processed 666 consents for new dwellings this year, we estimate the District's population at 30 June 2016 is about 58,000 people.

The Council's 2015-2025 Long Term Plan has estimated that residential population is expected to reach 63,000 by 2025, and most of this growth is anticipated to be in the eastern area of the District. Planning and managing for growth remains a priority issue for the Council.

Of the 50 Earthquake Recovery Infrastructure projects, 43 have been completed as at 30 June 2016 and this includes the repair and replacement of water, sewer, stormwater and roading assets. Over \$20 million is still to be spent on infrastructure repair, along with about \$8 million on Kaiapoi Wharf and riverbank areas.

Significant progress has been made on our key town centre projects in both Kaiapoi and Rangiora this financial year. In November 2015, the joint private/public partnership project, Conway Lane, opened in Rangiora, with the Council creating and owning the public laneway and private landowners developing commercial buildings on either side. Upgrades to Kaiapoi town centre involving the installation of a new water main, reconstruction and refurbishment of Williams Street and new footpaths, were completed in May 2016.

Some of the costs associated with the earthquake rebuild were met from insurance and others from borrowing. The ongoing servicing costs of these loans will be met from rates.

The New Zealand Government introduced legislation through the course of 2015/16 that, if passed, will have a significant impact on local government. This has included the Resource Legislation Amendment Bill and the Local Government Act 2002 Amendment Bill No.2. In both cases the Council made submissions on these proposed amendments, in accordance with the District's Community Outcome that there are wide ranging opportunities for people to contribute to the decision making by local, regional and national organisations that affects our District.

Throughout February and March 2016 the Council consulted with the community on proposed land uses

for Waimakariri's residential red zone areas, now known as the 'regeneration areas'. All feedback and formal comment was considered by a hearing panel in April 2016, who made recommendations to Council.

Following further consultation, the Minister for Earthquake Recovery will make a decision on whether to approve the Draft Recovery Plan for implementation. If that approval is given, execution of some elements of the Plan may begin later in 2016.

The Council made a significant decision in 2015/16 to change the way it proposed to review the District Plan that was notified in 2003. Instead of undertaking a rolling review that reviews different sections of the District Plan progressively, the Council decided to embark on a full review of the District Plan. While this full review will take some years, it will provide the Council, developers and the public with certainty that the District Plan will have internal consistency, and position the District for the changes and challenges of rapid urban and business growth, while still catering for community aspirations and managing impacts on the environment.

The Council undertook a review of its representation arrangements during the year. As a result of the review, a number of changes will take effect for the October 2016 local body elections. While the number of councillors will remain at ten, the number of wards they are elected from will reduce from four to three. From October there will be an increase in the number of community boards from three to four, with all areas of the District now being represented by a community board.

David Ayers
Mayor

Jim Palmer
Chief Executive



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.

Here's 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. Where they are not provided they are not charged for.

Services funded by targeted rates include water supply, sewage disposal, drainage, rural fire, waste collection and recycling.



LIBRARIES



PLANNING HEALTH AND SAFETY*



EARTHQUAKE RECOVERY



SEWERAGE



WASTE COLLECTION



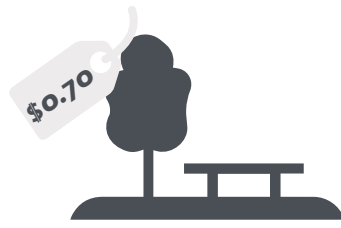
WATER SUPPLY



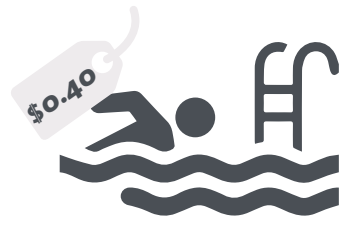
COMMUNITY BUILDINGS



ROADS AND FOOTPATHS



PARKS



SWIMMING POOLS

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

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 shown below.

 <p>There is a safe environment for all.</p> <ul style="list-style-type: none">Community LeadershipProperty ManagementInfrastructure ServicesCommunity Services	 <p>The community's cultures, arts and heritage are conserved and celebrated.</p> <ul style="list-style-type: none">Community ServicesCouncil Controlled Organisations
 <p>Businesses in the district are diverse, adaptable and growing.</p> <ul style="list-style-type: none">Community LeadershipCouncil Controlled Organisations	 <p>Transport is accessible, convenient, reliable, affordable and sustainable.</p> <ul style="list-style-type: none">Infrastructure Services
 <p>Public effect is given to the spirit of the Treaty of Waitangi.</p> <ul style="list-style-type: none">Community Leadership	 <p>The distinctive character of our towns, villages and rural areas is maintained.</p> <ul style="list-style-type: none">Community LeadershipCouncil Controlled Organisations
 <p>Our community's needs for health and social services are met.</p> <ul style="list-style-type: none">Community Leadership	 <p>Core utility services are provided in a timely, sustainable and affordable manner.</p> <ul style="list-style-type: none">Infrastructure ServicesCouncil Controlled Organisations
 <p>The air and land is healthy.</p> <ul style="list-style-type: none">Community LeadershipInfrastructure Services	 <p>Public spaces and facilities are plentiful, accessible and high quality.</p> <ul style="list-style-type: none">Community Services
 <p>There are areas of significant indigenous vegetation and habitats for indigenous fauna.</p> <ul style="list-style-type: none">Community ServicesCouncil Controlled OrganisationsCommunity Leadership	 <p>There is sufficient clean water to meet the needs of communities and ecosystems.</p> <ul style="list-style-type: none">Community Services
 <p>There are wide ranging opportunities for people to contribute to the decision making by local, regional and national organisations that affects our District.</p> <ul style="list-style-type: none">Community Leadership	 <p>People have wide ranging opportunities for learning and being informed.</p> <ul style="list-style-type: none">Infrastructure Services
	 <p>People are friendly and caring, creating a strong sense of community in our District.</p> <ul style="list-style-type: none">Community ServicesCommunity Leadership



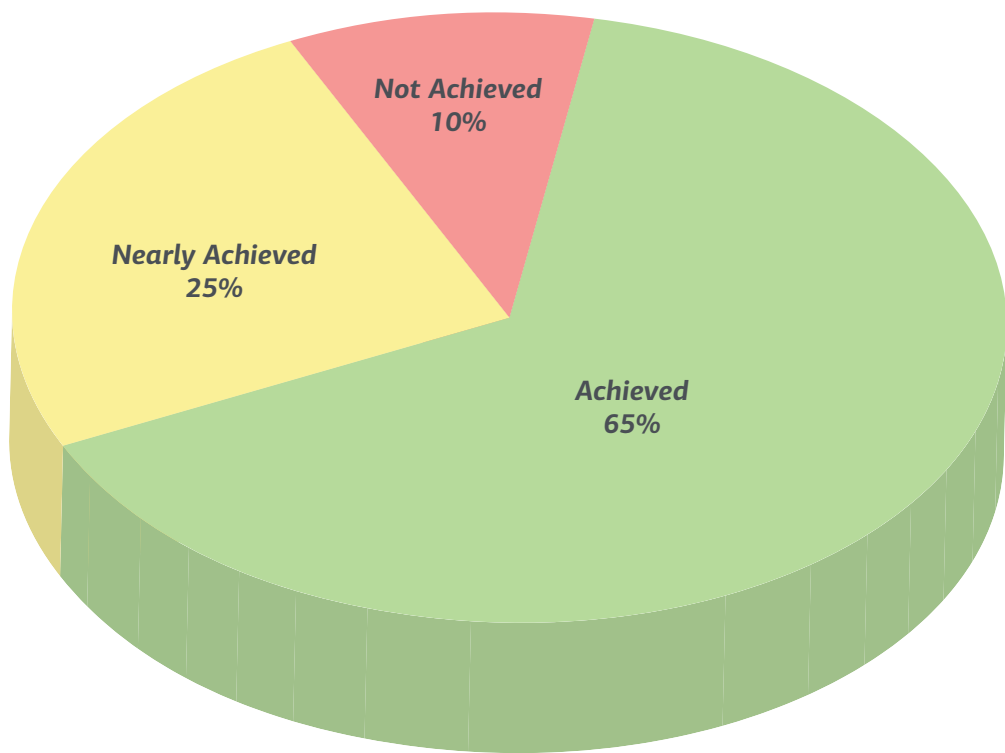
Overall service performance results

There are 81 non-financial performance measures in place to gauge the service performance of Council's six groups of significant activities for the 2015-2025 Long Term Planning three year cycle.

Council's 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 council undertake contribute to outcomes sought by the community.

Mandatory performance measures have been incorporated for the first time this year with measures and targets set by the Department of Internal Affairs for stormwater drainage, sewerage and the disposal of sewage, water supply, and the provision of footpaths and roads.

Overall sixty five percent of the measures put in place were achieved this year. Twenty five percent were nearly achieved and ten percent did not meet target. The majority of those measures that did not meet target were compiled from the Council service request and reporting system. It was identified during the year that the measures were not sufficiently reporting response times, primarily due to work completion times being incorrectly captured. An internal review was undertaken by an independent consultant to correct the data for part of the year with results being reported correctly for the fourth and final quarter. It is important to note that results in earlier quarters are not substantially inconsistent with the data since improvements to the system have been made.



- Key:**
- = Met or exceeded target
 - = Nearly achieved target (within 5% reach of target)
 - = Not met target (variance greater than 5%)

Breakdown by activity

Activity	No. of Measures	Results		
Governance	5	60%	40%	
District Development	4	75%	25%	
Roads and Footpaths	6	66%	17%	17%
Water Supply	7	43%	28.5%	28.5%
Sewerage	6	66.5%		33.5%
Stormwater	9	67%	33%	
Solid Waste	5	40%	60%	
Recreation	5	100%		
Libraries and Museums	3	100%		
Community Protection	17	41%	47%	12%
Community Development	5	100%		
Property Management	1	100%		
Council Controlled Organisations	8	100%		
Overall	81	65%	25%	10%

- Key:**
- = Achieved
 - = Nearly Achieved
 - = Not Achieved



Core Infrastructure

ROADS AND FOOTPATHS

Upgrades and connectivity remained a primary focus for Council this year to help improve the roading and transport network.

Gladstone Road rural upgrade

Consultation and design involving constructing walking and cycling facilities to connect Woodend to Gladstone Park were completed this year with construction anticipated in 2016/17.

Pegasus Road connecting to Gladstone Road

Engagement with the community to identify issues, opportunities and preferences was undertaken this year and construction commences in 2016/17.

STORMWATER DRAINAGE

High rainfall events during 2013 and 2014 resulted in widespread flooding in the district which requires ongoing flood works and maintenance.

Flood Mitigation Programme

Projects completed	Works currently under construction	Works about to commence
<ul style="list-style-type: none">Dudley Park pipeMiddle Brook Gefkins Road channel improvementsNorth Brook improvementsSiena Place drainage upgradeWest Belt/Janelle Place	<ul style="list-style-type: none">Cones Road, Ashley drain upgradeEast Kaiapoi drainage worksIsland Road South, Kaiapoi drainage upgrade	<ul style="list-style-type: none">Dockey Creek, Johns Road to O’Roarkes Road, Fernside road improvementsKowhai Avenue, Rangiora culvert inlet upgrade and pipeworkWard Road/Bradleys Road West, Mandville drain upgrade

WATER SUPPLY

The Council is working towards ensuring it fully complies with the Drinking Water Standards for New Zealand with upgrades underway for the Mandeville, Ohoka, Oxford Rural No.1 and Oxford Rural No. 2 schemes.

Oxford Rural No.1

Council has drilled two wells in the upper Rockford Road are but has not found sufficient water for the scheme. Source options are currently being reassessed and consultation with the Oxford Rural No.1 scheme users in upgrading options is underway.

Fernside and Mandeville

The new UV installation at Mandeville was completed in June 2016 and investigations into joining Fernside to the Mandeville water supply scheme are finalised. Consultation with the Fernside community on the proposed upgrade is planned for later this year.

Highlights

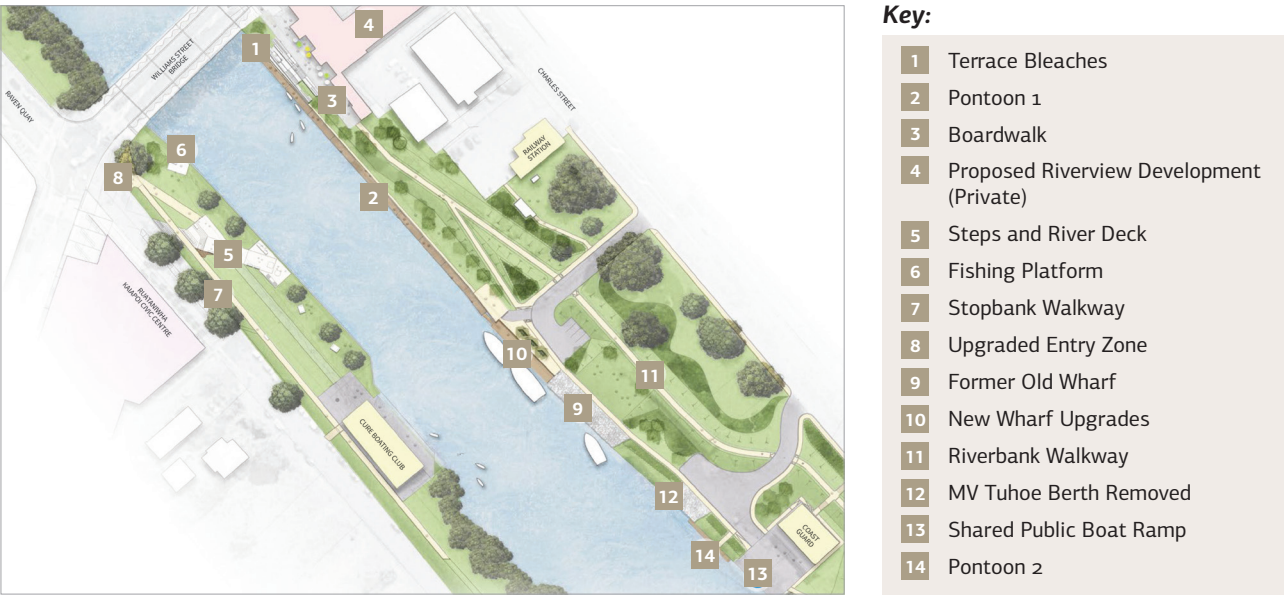
KAIAPOI TOWN CENTRE UPGRADE

Kaiapoi Riverbanks Enhancement Project

Work on the redevelopment of the Kaiapoi Wharf to strengthen and upgrade both the wharf and the wharf side area began in March 2016.

This project, being undertaken by the Council in conjunction with Environment Canterbury (ECan), is part of the overall earthquake recovery and regeneration of the Kaiapoi Riverbanks area.

This project responds to the community’s desire to see the riverbanks enhanced to strengthen Kaiapoi’s river town identity.



Williams Street – Hilton Street upgrades

Work to upgrade the Kaiapoi town centre was completed in May this year. The work involved installation of a new water main on Williams Street, between Raven Quay and the railway line and on Hilton Street near the roundabout, reconstruction of the road, kerb and channel, new footpaths, landscaping, street lighting and improvement of the southern entrance to the town centre.



Highlights continued

RANGIORA TOWN CENTRE UPGRADE



Two-way High Street

Rangiora's main street was opened to two-way traffic for the first time since Canterbury's earthquakes in May this year. The return to two-way traffic was a significant step forward for the town as it continues to rebuild and develop.



In the lead up to two-way laning of High Street a number of projects were undertaken. This included the removal of existing kerb build-outs, the installation of new line markings for parallel parking and an adjusted centre line on High Street west of Durham Street.

The realignment of the Flaxton Road/Lineside Road intersection, with traffic lights on Southbrook Road, was completed in conjunction with the development of the new Pak'nSave supermarket in late 2015.

December 2015 saw the completion of a two-way High Street to King Street.

Conway Lane

The new retail and business development at Conway Lane in Rangiora opened in November 2015 and was a joint public/private project, with the Council creating and owning the public laneway and private landowners developing commercial buildings on either side. The project which was a strategic direction in the Rangiora Town Centre Strategy 2020, initially triggered by development opportunities arising following the earthquakes



NATIONAL RECOGNITION



The Ruataniwha Kaiapoi Civic Centre and the Oxford Town Hall buildings were selected for awards at the New Zealand Commercial Project awards in May this year.

The awards celebrate completed construction projects and the team relationships that achieve them, with entries open to all New Zealand commercial construction projects. There were a number of categories, including Commercial and Civic and Restoration, where Ruataniwha and the Oxford Town Hall featured.



Ruataniwha Kaiapoi Civic Centre

Ruataniwha Kaiapoi Civic Centre, Kaipaoi opened in January 2015. It was awarded Silver in the Commercial and Civic Class at the New Zealand Commercial Project Awards in May 2016, and a Best in Category 'Special Purpose Building,' at the Property Industry Awards. Built to replace its earthquake damaged predecessor, the two storey enhanced centre incorporates a library, service centre, museum, art gallery and meeting rooms providing a much needed boost to the community.

The Oxford Town Hall

The Oxford Town Hall which reopened in February 2015 was awarded Silver in the Restoration Class. Carried out over a 13-month period including a full seismic upgrade, alterations to the existing hall, demolition and re-building of two wings as well as the construction of decks and site works, the project saw a popular and well-used community facility come to life.





Highlights continued

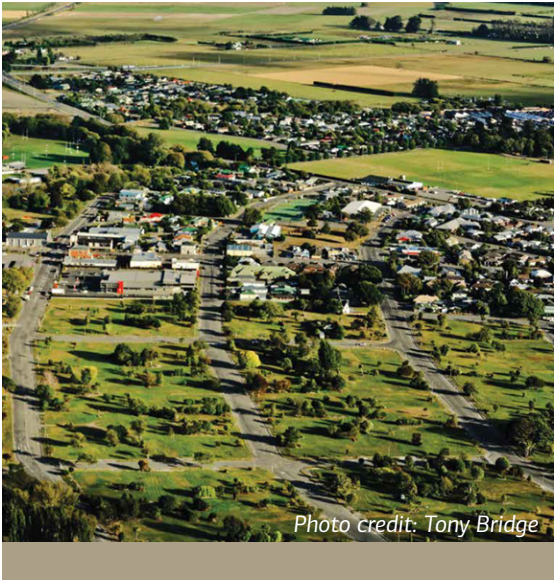
RED ZONE RECOVERY PLAN

Throughout February and March 2016 the Council consulted with the community on proposed land uses for Waimakariri’s residential red zone areas – now known as the ‘regeneration areas’.

Let’s Plan was the culmination of feedback, ideas and suggestions drawn from the community during the Canvas and Let’s Discuss campaigns held in 2014 and 2015 respectively. This combined with updated geotechnical information and one-to-one discussions with a broad range of interest groups, led to the development of a series of broad use plans for the five regeneration areas of Kaiapoi East, Kaiapoi West, Kaiapoi South, Pines Beach and Kairaki. This became the Preliminary Draft Residential Red Zone Plan (Let’s Plan) which was publicly released on 5 February 2016.

The plan was developed in collaboration with the Canterbury Earthquake Recovery Authority (CERA), Environment Canterbury and Te Rūnanga o Ngāi Tahu.

All feedback and formal comment from Let’s Plan was considered by a hearing panel during April 2016, who subsequently made recommendations to Council. Following possible further consultation the Minister for Earthquake Recovery will make a decision on whether to approve the Draft Recovery Plan for implementation. If that approval is given, execution of some elements of the Plan may begin later in 2016.



DISTRICT GROWTH

The Council’s 2015-2025 Long Term Plan has estimated that residential population is expected to reach 63,000 by 2025 with most of the growth anticipated to be in the eastern area of the District. This year planning and managing for growth remained a priority for the Council as we introduced new processes to move toward electronic processing to cope with the unprecedented increase in dwelling consent numbers.

Building Consents Issued for new dwellings:

	July - September 2015 Number Issued	October - December 2015 Number Issued	January - March 2016 Number Issued	April - June 2016 Number Issued	Total for year ending 30 June 2016 Number Issued
Kaiapoi	62	55	48	44	209
Rangiora	27	55	46	74	202
Oxford	3	2	3	3	11
Woodend	1	0	1	0	2
Small Town/Beach	11	6	3	4	24
Residential 4	5	7	7	5	24
Pegasus (Residential 6)	19	12	14	17	62
Rural	39	40	28	25	132
Total	167	177	150	172	666

MILLTON RESERVE DOG PARK

An area in Millton Memorial Reserve between River Road, Millton Avenue and Cones Road was developed, into a dog park facility, which opened in December 2015.

During community consultation for the development of the Draft Millton Memorial Concept Development Plan, a dog park was strongly identifiable as something the community wanted to see.

The facility was incorporated into the Development Plan approved by Council last June as the existing Southbrook dog park, whilst a popular destination for dog owners, was unable to fully cater for the rapid population growth and demand for off-leash dog exercise areas in the district.

The new Millton Dog Park is 2.7 hectares with provision for future expansion. It boasts two separate, fully fenced areas for large dogs and small dogs, a pathway and drinking facilities in both areas, two bins with bag dispensers, double gated entry and new native plantings.



AA CREDIT RATING

This is the second year in a row that the Council has been issued with an AA rating from Standard and Poor’s. The AA credit rating equates the Council with New Zealand’s national rating – the ‘sovereign rating’. Standard and Poor’s do not rate any individual Council higher than the sovereign rating.

The Council was evaluated as having strong financial management, budgetary flexibility and liquidity. This was offset by an average District economy, a high debt burden and weaker budgetary performance brought about in part by earthquake recovery.

The rating, issued in April 2016, significantly strengthens the Council’s position in terms of establishing a strong financial platform. When loan-funding is considered to assist in completing major, capital intensive projects in the future, it is essential that the Council maintains a consistently strong fiscal performance so that interest rates will be at the lowest possible level.

The AA credit rating over two consecutive years reinforces the Council’s reputation as fiscally sound, prudent and reliable. By retaining this rating there are significant savings for the Council on loan funding through the Local Government Funding Agency, for both new debt and refinancing of existing debt.



Independent auditors report

To the readers of Waimakariri District Council and group's summary annual report for the year ended 30 June 2016

The summary annual report was derived from the annual report of the Waimakariri District Council (the District Council) and group 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 4 to 11 and 13 to 21:

- the summary statement of financial position as at 30 June 2016;
- 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 2016;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 4 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 and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 4 October 2016 on the full audited statements.

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 and group.

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 or any of its subsidiaries.



John Mackey
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand
4 October 2016

Financial benchmarking

Annual report disclosure statement for year ending 30 June 2016

What is the purpose of this statement?

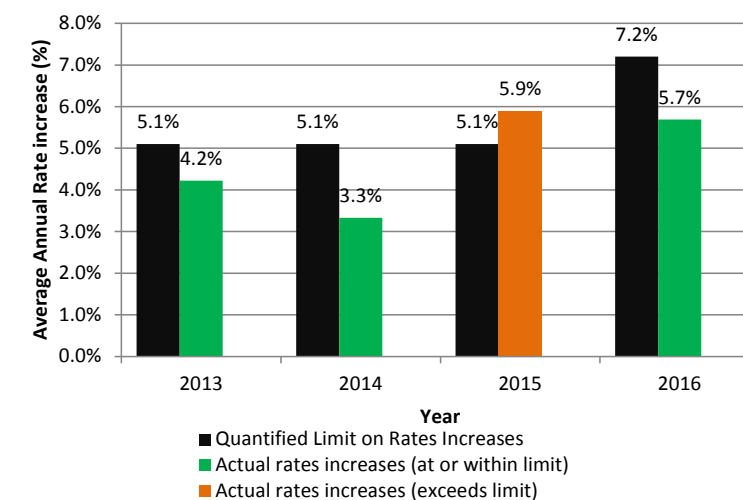
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting Prudence) Regulations 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 Ten Year Plans. There was no limit established in the 2009-2019 Long Term Plan in regards to this measure.

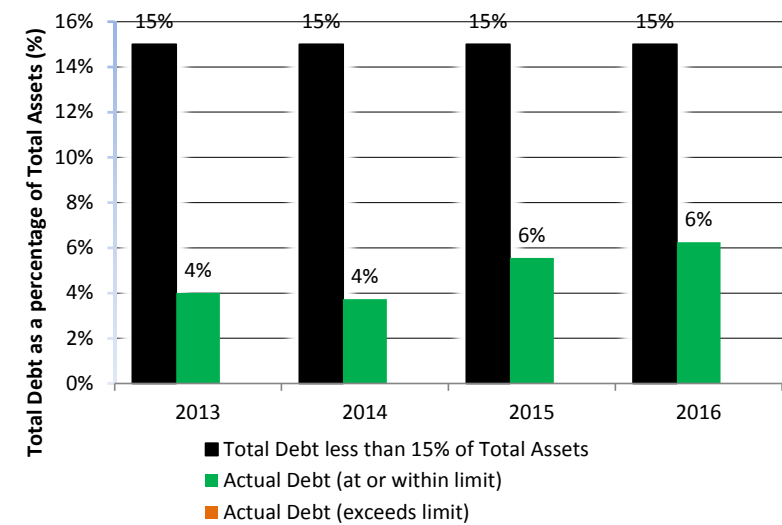
The average rates increase per property in 2013 and 2014 were less than budgeted as Council had remitted rates based on Council's rates remission policy. The average increase was more than budgeted in 2015 as the actual rating units were less than what was forecasted.



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 Ten Year Plans. There was no limit established in the 2009-2019 Long Term Plan in regards to this measure.

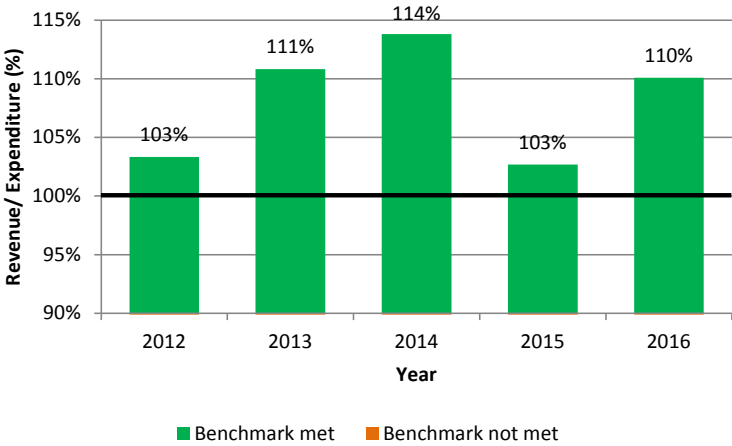


Balanced budget benchmark

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 2013, 2014 and 2016 by over 10% mainly due to insurance recoveries for earthquake works.

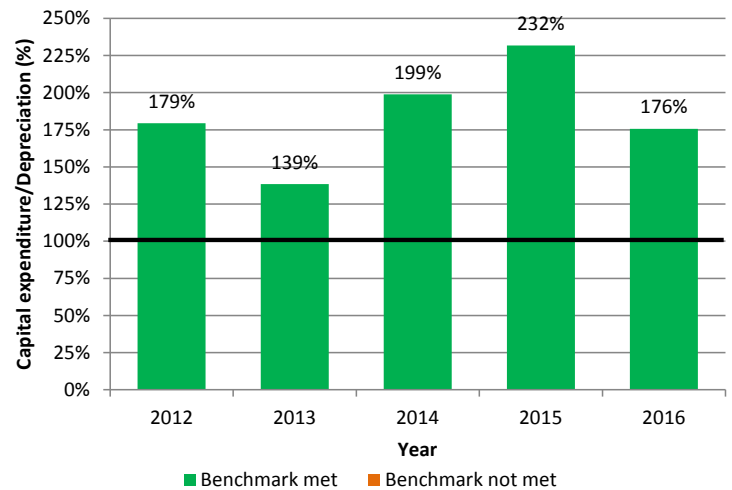


Essential services benchmark

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.

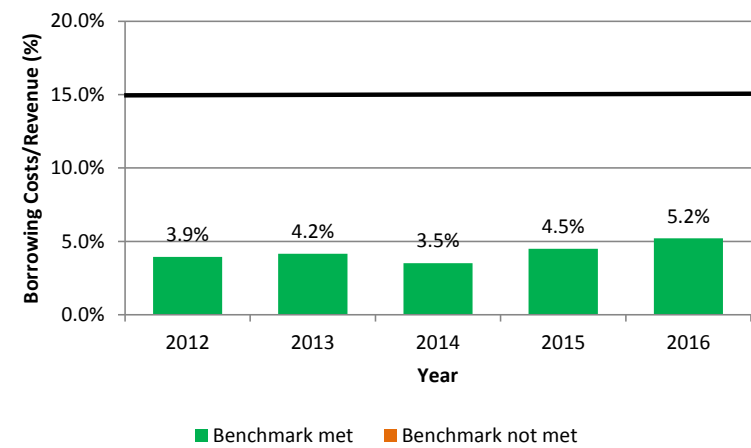
The Council expenditure on network services excludes earthquake repairs/replacements but includes new/growth works.



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).

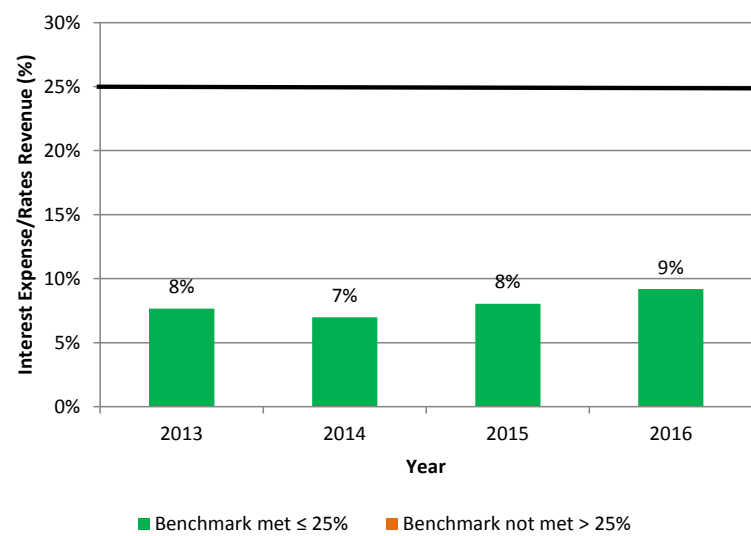
Because Statistics New Zealand projects the Council's population will grow as fast as, or faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



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.

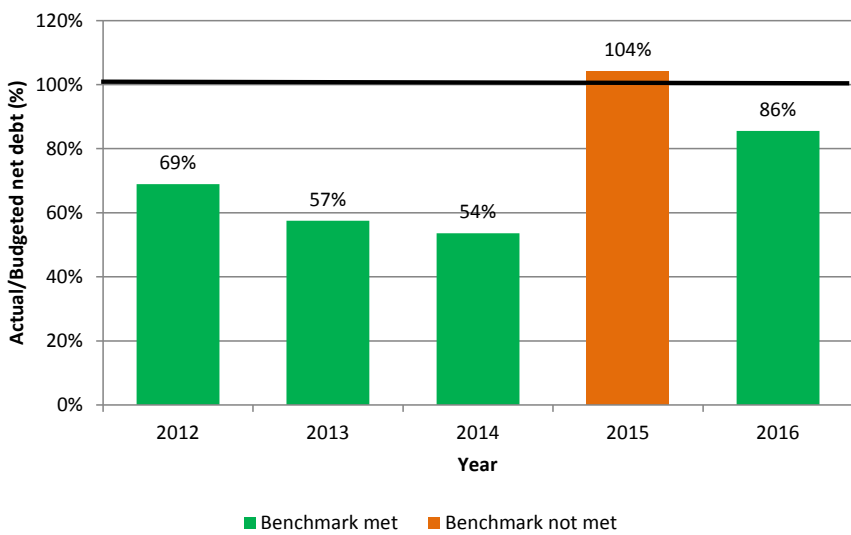
The Council meets this benchmark if interest expense as a proportion of rates revenue does not exceed 25%. The limit was not established in the 2009-2019 Long Term Plan.



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.

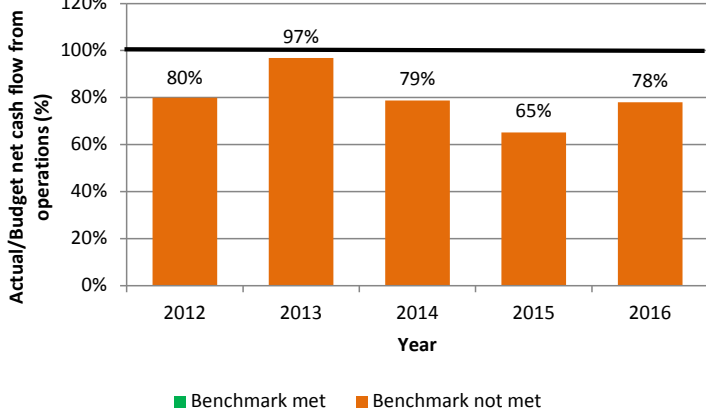
The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

The benchmark was not met in 2011-12 and 2012-13 due to less than budgeted earthquake recoveries from insurance and Canterbury Earthquake Recovery Authority (CERA).

In 2014 Council received less NZTA 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.



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 2016 of \$25.4 million, which was \$13.0 million less than budget. The surplus was \$33.6 million for the 2014/15 financial year.

The major variations from budget are below.

The Council’s net surplus before taxation was \$13.0 million less than budget. Fewer development contributions and vested assets were received in the current financial year as fewer subdivisions were completed compared to the original forecast.

The Council’s borrowings as at 30 June 2016 were \$95.0 million (\$80.0 million in 2014/15). This compares with a budget of \$108.9 million. Borrowings were less than budget due to the delay of the earthquake recovery programme while waiting for the finalising of the Residential Red Zone Recovery Plan.

Specific disclosures under PBE FRS43

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 4 October 2016.

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

Council was recently advised of an error in the survey provided to the developer and the Council for the Silverstream development. This survey was used to set benchmarks. These benchmarks were used to set the floor levels (floor heights) for homes within the

development. An assessment of actual floor levels is currently being undertaken to determine whether the dwellings meet the floor levels required under the Building Act.

Financial statements

	Group Actual 2016	Parent Actual 2016	Parent Budget 2016	Group Actual 2015	Parent Actual 2015
	\$'000	\$'000	\$'000	\$'000	\$'000

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2016

<i>Financial Performance</i>					
Total operating revenue	111,275	111,275	119,139	115,174	115,174
Finance cost	4,545	4,545	6,497	3,683	3,683
Other operating expenditure	82,458	82,458	74,269	78,148	78,148
Other gains	1,098	1,098	-	252	252
Plus Share of Associates	25	-	-	(63)	-
Net Surplus / (Deficit) before Taxation	25,395	25,370	38,373	33,532	33,595
Less Taxation expense	(217)	(217)	(75)	(137)	(137)
NET SURPLUS / (DEFICIT)	25,178	25,153	38,298	33,395	33,458

<i>Other comprehensive revenue and expense</i>					
Gain/(Loss) on asset revaluation	23,242	23,011	45,579	35,656	35,656
Increase/(decrease) in asset revaluation reserve due to Impairment & impairment reversal	11,344	11,344	-	3,388	3,388
Financial assets at fair value through other comprehensive revenue and expense	(29)	(29)	-	32	32
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	34,557	34,326	45,579	39,076	39,076

TOTAL COMPREHENSIVE REVENUE AND EXPENSE	59,735	59,479	83,877	72,471	72,534
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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2016

EQUITY AT BEGINNING OF THE YEAR	1,341,093	1,338,514	1,307,364	1,268,622	1,265,980
Net Surplus / (Deficit) for the year	25,178	25,153	38,298	33,395	33,458
Other comprehensive revenue and expense	34,557	34,326	45,579	39,076	39,076
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	59,735	59,479	83,877	72,471	72,534
EQUITY AT END OF THE YEAR	1,400,828	1,397,993	1,391,241	1,341,093	1,338,514

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

Current Assets	32,519	32,519	25,237	20,869	20,869
Non-current Assets	1,488,245	1,485,411	1,497,339	1,423,742	1,421,164
TOTAL ASSETS	1,520,764	1,517,930	1,522,576	1,444,611	1,442,033

Current Liabilities	33,702	33,702	36,608	36,657	36,657
Non-current Liabilities	86,235	86,235	94,727	66,862	66,862
TOTAL LIABILITIES	119,937	119,937	131,335	103,519	103,519

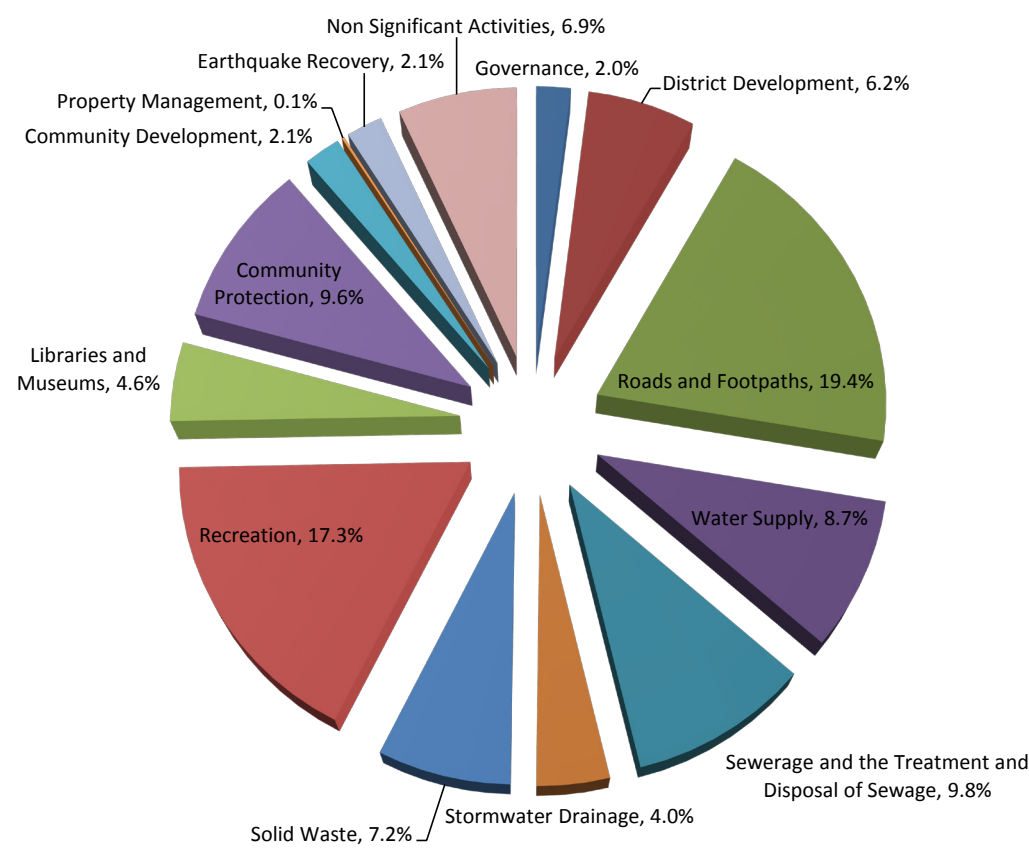
Accumulated general equity	754,224	751,848	768,635	727,635	725,284
Other reserves	5,385	5,385	6,101	5,977	5,977
Revaluation reserve	641,219	640,760	616,505	607,481	607,253
TOTAL EQUITY	1,400,828	1,397,993	1,391,241	1,341,093	1,338,514

	Group Actual 2016	Parent Actual 2016	Parent Budget 2016	Group Actual 2015	Parent Actual 2015
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2016					
Cashflows from operating activities	31,193	31,193	39,994	26,844	26,844
Cashflows from investing activities	(36,437)	(36,437)	(58,646)	(65,509)	(65,509)
Cashflows from financing activities	15,000	15,000	23,932	30,000	30,000
NET INCREASE (DECREASE) IN CASH HELD	9,756	9,756	5,280	(8,665)	(8,665)
Plus opening cash balance	11,866	11,866	12,058	20,531	20,531
CLOSING BALANCE	21,622	21,622	17,338	11,866	11,866

(The above financial statements are presented in New Zealand dollars)

Expenditure summary

How expenditure was spread among Council’s activities. Council’s total operating expenditure for 2015/16 was \$87.om.



Variances

Revenue and other gains were \$6.8 million under budget.

Subsidies and grants were under budget by \$1.9 million as expenditure on subsidised road capital projects was below budget.

Other revenue was \$3.3 million over budget due to unbudgeted insurance proceeds for Dudley Pool, recoveries of private works, more than budgeted connection fees/lump sum contributions to connect to Council's infrastructural facilities, increased rental revenue and increased liquor licensing/food premises revenue.

Development Contribution revenue was \$8.0 million below budget as expected development has not occurred in some Outline Development Areas.

Earthquake recoveries from Government agencies were under budget by \$6.5 million due to delays in the recovery programme (Council is in the process of finalising the Residential Red Zone Recovery Plan). Council received \$7.8 million from Civic Assurance for its above ground infrastructure and buildings. The insurance proceeds (earthquake related) were not budgeted.

Vested assets were \$2.7 million under budget as fewer subdivisions were completed in 2015/16 compared to the original forecast.

Other gains of \$1.1 million contain valuation gains of Council's forestry assets and investment properties, which were not budgeted.

Operating expenses were \$6.2 million over budget.

There was a loss on the change in fair value of interest rate swaps of \$4.8 million due to falling interest rates. The remaining variance is mainly due to the unbudgeted asset disposal costs from the capital renewal programme.

Other comprehensive revenue and expense

The Council recorded a \$23.0 million gain on asset revaluation (budget \$45.6 million). This represents the increase in the value of Council's roading assets, greenspace asset and land/building assets which were revalued at 30 June 2016.

The impairment reversal of \$11.3 million reflects the progress made on Council's earthquake recovery projects in 2015/16.

Financial Position

Current assets were \$7.3 million higher than budget. Cash is more than budget as cash was held for debt repayment due in July 2016,

Non-current assets were \$11.9 million under budget as valuation movements were less than the original forecast.

Trade and other payables were \$3.1 million under budget mainly due to release of bonds/retentions.

Derivative financial instruments were \$5.4 million over budget due to loss on fair value movements of Council's interest rate swaps principally due to low interest rates.

Borrowings (current and non-current) were \$13.9 million under budget due to delay of earthquake recovery programme.

Financial Benchmarking

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



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