



Kaikoura District Council

# Annual Report Summary 2013/2014

For the financial year ended 30 June 2014

This Summary Annual Report provides an overview of Kaikoura District Council and group's operational and financial performance for the financial year ended 30 June 2014. It is prepared in accordance with section 98(4) of the Local Government Act 2002, and in line with section 98(5) of that Act, it represents fairly and consistently the information regarding the major matters dealt within the full Annual Report.

The specific disclosures included in this summary have been extracted from the full Annual Report, which has been audited by Audit New Zealand and an unmodified opinion was issued on 30 October 2014.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$,000). This Summary Annual Report complies with financial reporting standard FRS43 Summary Financial Statements, and the full Annual Report has been prepared in accordance with NZ equivalents to International Financial Reporting Standards as applicable for public benefit entities.

This summary report cannot be expected to provide as complete an understanding of the Council and group's financial and service performance, financial position and cashflows as the full Annual Report.

The full Annual Report is available on our website; [www.kaikoura.govt.nz](http://www.kaikoura.govt.nz) or contact the council office for a copy.

## Chief Executive Officer's Report

Welcome to the 2013/14 Annual Report. The 2013/14 year seems to have been the first year since 2008 that economic and tourism activity was on the up. It was great to see more people with smiles on their faces than we've seen for a long time. A new Council was elected in October with a 50% turnover in elected members. The new Council has quickly come to grips with Kaikoura's issues and is working hard to improve on the legacy of previous Councils. Council achieved Earthcheck Platinum status this year which is a huge accolade for all those involved in doing their small bit in demonstrating that we are a sustainable community.

Councils overall surplus for the year was a healthy \$537,000. Similar to 2012/13 we had to deal with the effects of heavy rain and flooding this resulted in some roads being closed for 3 or 4 days and some major slips on rural roads which were eventually fixed. We completed seal extensions on Kiwa and Postmans Road.

Three new sewer pump stations were constructed at Hawthorne Road, Gillings Lane and Mill Road. These projects were substantially completed by 30 June 2013 but commissioned early in the 2013/2014 financial year. Underground sewer pipes were replaced in various locations including the Esplanade and the Brighton Street catchment.

A 72% diversion rate of waste from landfill was achieved this year. Innovative Waste found new markets for polystyrene and new uses for its crushed glass. 2157 tonnes of waste material out of 2999 tonnes of waste delivered to the recycling centre was diverted.

The new Museum/Library/Council Office project is well underway with completion now looking like the second half of the 2014/15 financial year. The delivery of tourism promotion functions were provided by Kaikoura Information and Tourism Incorporated (Destination Kaikoura) from July 2013 and the change had proven to be extremely successful. I would like to thank the Council staff and contractors for enabling us to achieve what we have, in the last financial year, and we look forward to more achievements in the years ahead.

Please take the time to read this report and if you require more information please do not hesitate to contact us.

Stuart Grant  
Chief Executive

## How well did Council perform?

We measure our performance each year using the performance indicators from our Long Term Plan. The results present a high level view of performance. The indicators we use include results from our annual resident satisfaction surveys, achievement of national standards such as water quality grading, as well as technical measures and response times.

### Roads & bridges

99.9% of potholes on unsealed roads were sealed within 7 days of detection, but only 65% of residents are satisfied with the condition of rural roads

### Water supplies

96% of fire hydrants in the Kaikoura township have sufficient water pressure for fire fighting purposes, and 87% of residents are satisfied with their water supply

### Sewerage services

98.9% of alarms for overflows were responded to within one hour of reporting

### Recycling

72% of recyclable material was diverted from the landfill, that's a saving of 2,157 tonnes!

### Community facilities

Over 80% of residents are satisfied with our parks, reserves, cemetery, playground, sports fields, and the library.

### Leadership & governance

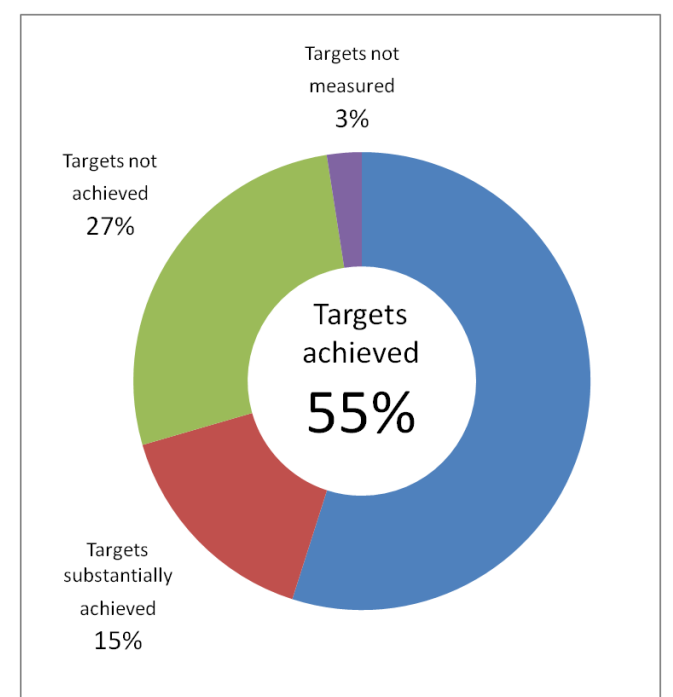
All agenda's for public meetings were made available within statutory timeframes

### Regulation & control

100% of resource consents were processed within statutory timeframes

### Safety & wellbeing

All of our volunteer firefighters are trained to the national standard



Details on all of our performance indicators are included in the full Annual Report, available on [www.kaikoura.govt.nz](http://www.kaikoura.govt.nz)

## Kaikoura has achieved Platinum Status in the Earthcheck Environmental Programme

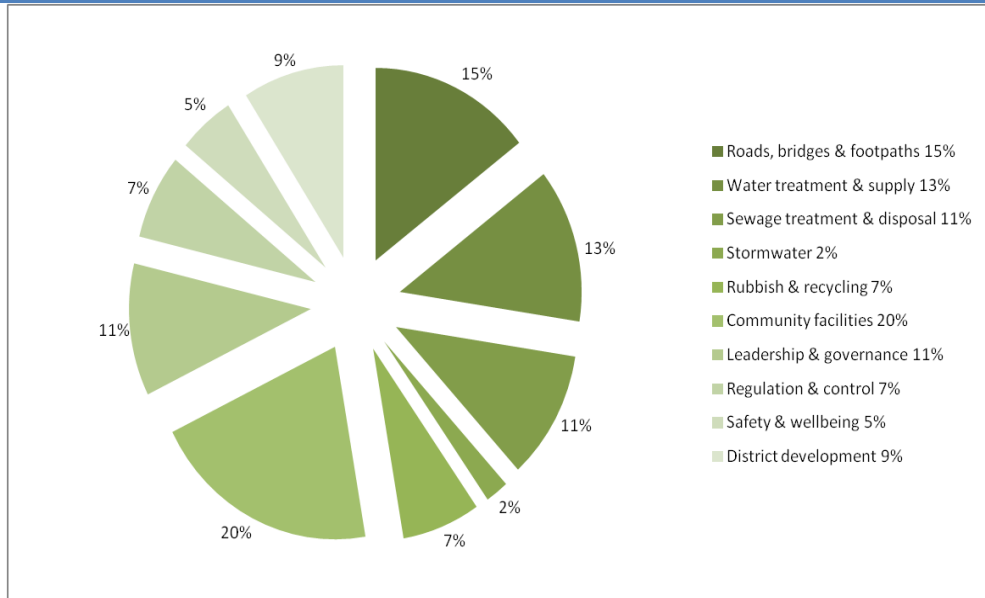
Kaikoura District Council  
e: [kdc@kaikoura.govt.nz](mailto:kdc@kaikoura.govt.nz)  
w: [www.kaikoura.govt.nz](http://www.kaikoura.govt.nz)

34 Esplanade  
PO Box 6  
Kaikoura

p: (03) 319-5026  
f: (03) 319-5308

Kaikoura District Library  
Shop 8, Harakeke Mall  
Beach Road, Kaikoura

## What your rates were spent on



## Resident satisfaction survey results

87% of people living in Kaikoura are satisfied with their water supply, and 92% of people are satisfied with the resource recovery centre. 90% of people are satisfied with the library, although this is a drop in satisfaction since the library relocated to the Harakeke Mall. Other areas showing a drop in satisfaction are public toilets, and rural roads

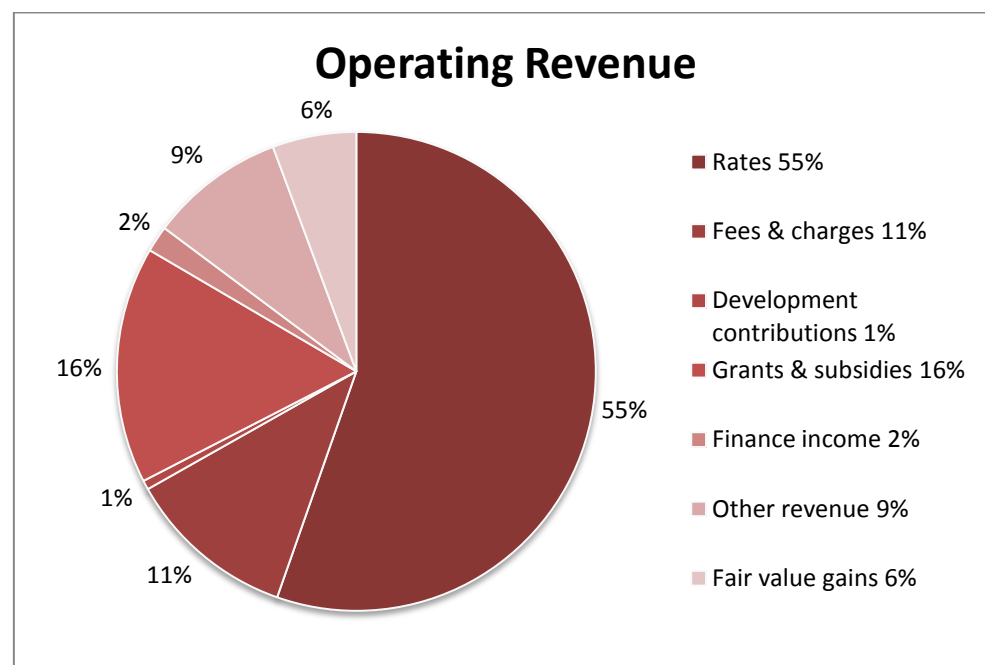
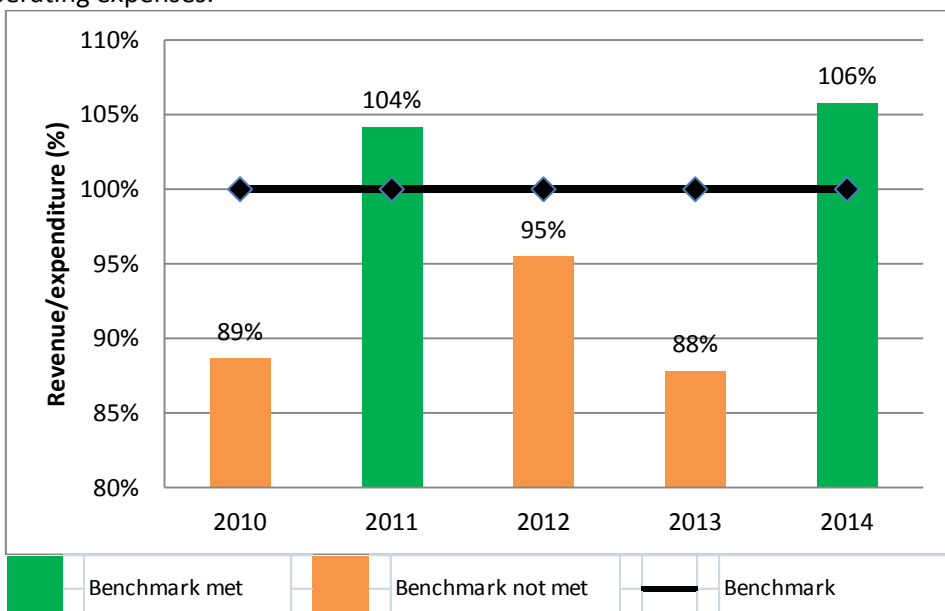
## Capital projects completed

During the year we started or completed the following projects:

- Seal extensions on Kiwa Road and Postmans Road
- The cycleway from Harakeke Mall to Mill Road is almost finished
- Reseals for Esplanade, Puhī Puhī Valley and Postmans Road
- A new footpath on Deal Street
- New sewer pump stations at Mill Road, Hawthorne Road and Gillings Lane
- Major replacement of underground sewer pipes through the West End, Kiwi and Davidson Sts, and the Esplanade and Brighton St catchments
- The Museum/library/council office building is well underway.

## Balanced budget benchmark

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



	Council			Group	
	2014 Budget	2014 Actual	2013 Actual	2014 Actual	2013 Actual
	\$000	\$000	\$000	\$000	\$000
<b>Summary Statement of Comprehensive Income</b>					
Total Revenue	8,250	9,222	8,611	9,747	9,173
Total Expenses excluding financing	7,343	8,167	8,435	8,739	8,908
Financing expenses	503	440	359	451	371
<b>Operating surplus/(deficit)</b>	<b>404</b>	<b>615</b>	<b>(183)</b>	<b>557</b>	<b>(106)</b>
Ecan share of MRF surplus	-	(61)	(116)	(61)	(116)
<b>Net surplus/(deficit)</b>	<b>404</b>	<b>554</b>	<b>(299)</b>	<b>496</b>	<b>(222)</b>
Gains on asset revaluation	-	(17)	5,621	(17)	5,621
<b>Total Comprehensive Income</b>	<b>404</b>	<b>537</b>	<b>5,322</b>	<b>479</b>	<b>5,399</b>
<b>Summary Statement of Movements in Equity</b>					
Equity at start of year	171,369	160,243	154,921	160,698	155,299
Prior year adjustment for KET	-	-	-	(25)	-
Total Comprehensive Income	404	537	5,322	479	5,399
<b>Equity at end of year</b>	<b>171,773</b>	<b>160,780</b>	<b>160,243</b>	<b>161,152</b>	<b>160,698</b>
<b>Summary Statement of Financial Position</b>					
Current assets	4,073	7,263	7,831	7,351	7,970
Non-current assets	177,347	162,985	161,961	163,558	162,593
<b>Total Assets</b>	<b>181,420</b>	<b>170,248</b>	<b>169,792</b>	<b>170,909</b>	<b>170,563</b>
Current liabilities	3,178	4,843	4,043	4,992	4,184
Non-current liabilities	6,469	4,625	5,506	4,765	5,681
Equity	171,773	160,780	160,243	161,152	160,698
<b>Total Liabilities &amp; Equity</b>	<b>181,420</b>	<b>170,248</b>	<b>169,792</b>	<b>170,909</b>	<b>170,563</b>
<b>Summary Statement of Cashflows</b>					
Net cash from operating activities	2,188	2,162	1,702	2,193	1,798
Net cash from investing activities	(5,874)	(2,487)	(3,519)	(2,521)	(3,623)
Net cash from financing activities	1,506	(265)	296	(285)	306
<b>Net increase/(decrease) in cash held</b>	<b>(2,180)</b>	<b>(590)</b>	<b>(1,521)</b>	<b>(613)</b>	<b>(1,519)</b>
Opening cash at start of year	4,817	1,506	3,027	1,573	3,090
<b>Closing cash balance</b>	<b>2,637</b>	<b>916</b>	<b>1,506</b>	<b>960</b>	<b>1,572</b>
<b>Equity</b>					
	2014 Actual	2013 Actual	2014 Actual	2013 Actual	
<i>Year end equity is split into the following reserves:</i>	\$000	\$000	\$000	\$000	
Public equity	88,438	87,648	88,810	88,103	
Special reserves & special funds	3,025	3,261	3,025	3,261	
Asset revaluation reserves	69,317	69,334	69,317	69,334	
	160,780	160,243	161,152	160,698	

A storm event over Easter weekend resulted in substantial damage to rural roads, and while this resulted in increased costs in repairs, we were able to receive a higher subsidy from NZTA. The Museum/library/council office building was not completed by 30 June 2014 and has carried over into the 2014/2015 financial year.

## Audit statement

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

### Independent Auditor's Report

#### To the readers of Kaikoura District Council and group's summary annual report for the year ended 30 June 2014

The summary annual report was derived from the annual report of the Kaikoura District Council (the District Council) and group for the year ended 30 June 2014. 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 1 to 2:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014; and
- the summary statement of service provision (referred to as "How well did Council perform?") of the District Council.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 30 October 2014.

#### 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 FRS-43 (PBE): *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 30 October 2014 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 FRS-43 (PBE): *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 FRS 43 (PBE): *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.

Bede Kearney,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
12 November 2014