

TABLE OF CONTENTS

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE	1
OUR COUNCIL	3
Community Outcomes	4
Maori Participation in Decision Making Process	6
Council Structure	7
Council Governance	8
HIGHLIGHTS	9
VARIATIONS TO THE LONG TERM PLAN	12
STATEMENT OF COMPLIANCE.....	14
COUNCIL SERVICES.....	15
Performance Reporting.....	16
Community Services.....	18
Democracy.....	32
Economy.....	35
Environmental Services.....	43
Roothing.....	56
Stormwater.....	61
Wastewater.....	64
Solid Waste.....	67
Water Supply	69
COUNCIL CONTROLLED ORGANISATIONS.....	74
FINANCIAL STATEMENTS	77
STRATFORD DISTRICT COUNCIL – Statement of Financial Position as at 30 June 2016.....	79
STRATFORD DISTRICT COUNCIL – Statement of Changes in Equity.....	80
Stratford District Council – Statement of Cashflows.....	81
Notes to Financial Statements.....	82
Note 1 Statement of Accounting Policies for the year ending 30 June 2016.....	82
Note 2 Summary of Significant Accounting Policies	83
Note 3 Summary of Cost of Services.....	94
Notes 4 – 32 Other notes to Financial Statements	95-117
Funding Impact Statements	118-127
ANNUAL REPORT DISCLOSURE STATEMENT.....	128
AUDIT REPORT.....	135



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We are pleased to present this Annual Report that is the Council's summary of how it has performed compared to what we told you we had planned in our Long Term Plan 2015 to 2025. It has been a very busy and challenging year with a number of achievements accomplished.

Council has delivered on a substantial programme of work while maintaining business as usual activities and contributing to a strong programme of economic development. Highlights include the redevelopment and enhancement of a number of community facilities including the TSB Pool Complex, the redevelopment of the Library, Future of Broadway project and the completion of ongoing infrastructure renewal work that Council performs annually.

Winter in 2015 saw the Taranaki region significantly above its usual rainfall. Over the weekend of 19 – 20 June 2015, Taranaki Regional Council's hydrology sites recorded over half of the month's normal total rainfall, which for the Stratford District, was particularly concentrated in the Eastern Hill country between Toko and Whangamomona, resulting in significant flooding, slips and landslides.

To highlight the severity of the amount of water received over the winter, May received 121% of its usual annual rainfall and June totalled at 133%. Monthly river flows were double the normal levels with some recording equipment washed away and destroyed.

The storm event caused significant damage to infrastructure including bridges and roads being washed out or damaged by flooding, power disruptions, and a number of roads were blocked by massive slips and landslides. On the 20 June a state of emergency was declared with the Government declaring a medium – scale adverse weather event. The June 2015 storm event tripled the normal roading workload conducted by Council. Substantial costs were incurred as a result; overall costs were \$5.2 million (of which Council received \$3.8 million from NZTA). This has had a significant effect on Council's year end position and will have implications for the following year's programme of work. Fortunately despite the significant adverse economic impact on particularly our rural communities there was no loss of life.

Remediation work included clean-up and general reinstatement of roads, including removing over-slips, re-metalling roads and clearing blocked culverts and water tables. Further significant capital works included new retaining walls and culverts, and major earthworks where road width has been reduced or the whole road has been destroyed.

The quick initial response of staff and contractors to the June storm event clearly demonstrated a can-do attitude with the response giving many stranded and isolated residents access to the roading network within a matter of days. The response continued over the next 12 months with management of the programme of emergency works, and the Taskforce Green team assisting on-farm recovery. As a result of the exceptional work and long hours put in by our staff and contractors, Council has received a high number of positive feedback from the community.

Council economic development activities continue to make an important contribution to the District's economy with Council attracting a new lessee for the Stratford Holiday Park who has invested in new facilities including a pool and playground. A strong programme of diverse events including the Oceania International Hockey, Speedway, Baldrick's Big Day Out, and the A&P Show (attracting over 10,000 people) continue to attract visitors from all over New Zealand and beyond. Council events such as the 2016 Summer Nights concert programme have had record attendance.

Throughout the year Council has maintained a strong focus on continuous improvement and ensuring value for money. This focus has been recognised nationally with Stratford District Council receiving the Transforming Service Delivery Award from the Society of Local Government Managers, a notable achievement given Stratford was the smallest council to ever win this award. This award recognised Council's achievements for reducing the costs of building consents while enhancing the service for our customers through the introduction of a Customer Service Charter.

Additional highlights include Percy Thomson Gallery being included in Taranaki's Must Do's 2015-16, Council being an Accessibility Award Finalist and the New Zealand Walking Access Commission – Walking Access Award for both the Council and the individual award for our Parks and Property Asset Manager. The AA Centre scored 100% for its annual mystery shopper results. All of which reflect well not only on Council but our District as a whole.

Collectively these achievements all contribute to making the Stratford District a great place to live, work and play and contributing to the prosperity of the region as a whole.

Operating Results

There was an operating deficit for the year of \$1,160,000, compared to a budgeted surplus of \$1,063,000. The difference was primarily due to the additional expenditure required for the storm event that hit the district on 20 June 2015. Council incurred a total cost of \$5.2m in repairs during the year, however only received \$3.8m in financial assistance from NZTA.

Financial Position

As a direct result of the storm event, cash reserves were utilised to enable the shortfall to come from Council's bank funds. It is intended that this will be rebuilt over time.

General Performance

Responses from our annual customer survey showed a high level of satisfaction. Once again good responses were received on Stratford being an attractive place to live (96% agreed), Stratford being a safe place (98% agreed), and Stratford offering a healthy lifestyle (96% agreed). Performance around targets was generally met with 83.33% of targets being achieved (2014/15 was 81.25%). Of the targets not achieved most of them should be remedied by capital work already completed or work that is scheduled for 2016/17.

This has been a busy and successful year for Council made possible by the commitment, skill and dedication of our staff to make improvements to our community facilities and services. They continue to strive for excellent service standards and we are personally grateful for the team work they have employed to resolve many of the issues and challenges we have faced this year.



A handwritten signature in blue ink, appearing to read 'Matt O'Mara'.

Matt O'Mara
CHIEF EXECUTIVE



A handwritten signature in blue ink, appearing to read 'Neil Volzke'.

Neil Volzke, JP
DISTRICT MAYOR



OUR COUNCIL

Mission Statement

To serve the district and its communities through advocacy, promotion, services, facilities and positive leadership.

Our Vision

A progressive, prosperous district where communities are celebrated.

Our Values

Integrity - Be loyal to the organisation and trustworthy, honest and courteous with everyone we deal with.

Teamwork - Work together in the same direction, assist each other and have respect for others. Maintain a positive attitude and encourage teamwork.

Excellence - Be effective in everything we do using our experience and knowledge. Do the right thing at the right time. Be efficient by being cost effective and ensure prudent management of public money and assets.

Pride - Take pride in our performance and our organisation.

Commitment - Have commitment and respect for each other, our business and our customers.

Innovation - Examine alternatives, challenge the obvious and have a flexible attitude.



COMMUNITY OUTCOMES

Overall Vision

Council spent time reviewing its vision statement for the district and will aspire to be:

“A progressive, prosperous district where communities are celebrated.”

To the deliver the vision we will develop strategies, policy and procedures that facilitate and encourage:

- Outstanding Leadership;
- Affordable, Quality Services and Infrastructure;
- A strong Community;
- A smart, Vibrant and Prosperous District;
- Stratford District as a unique destination; and
- Financial Strength.

Council has a role on behalf of the community it represents in planning, delivering and monitoring parts of this vision.

Council has held workshops to refine the outcomes to better reflect what is important to Stratford. These are then used to provide direction and inform Council on service delivery and use of resources. These community outcomes are detailed below:

COMMUNITY OUTCOME	WHAT COUNCIL WILL DO
Outstanding Leadership	<ul style="list-style-type: none"> • We will maintain and grow Stratford District as a desirable place to live, work, invest and play. • We will ensure strong advocacy for the community at a regional and national level. • We will take a positive leadership role in growing and developing the urban environment.
Affordable, Quality Services and Infrastructure	<ul style="list-style-type: none"> • We will focus on meeting the current and future needs of our communities by providing good quality infrastructure, and local public services. • We will perform regulatory functions in a way that is most cost effective to households and businesses.
Strong Community	<ul style="list-style-type: none"> • We will work with partners to provide and support high level of access to health, education, social and recreational services and facilities. • We will work proactively to recognise and embrace the bicultural nature of our district through functional relationships with iwi authorities. • We will work proactively to recognise and embrace the multicultural nature of our district.
Smart, Vibrant and Prosperous District	<ul style="list-style-type: none"> • We will work to create an attractive and safe built environment. • We will work creatively and collaboratively to develop an attractive, vibrant and prosperous CBD
Stratford District as a unique destination	<ul style="list-style-type: none"> • We will look to work collaboratively to support, build on and promote our uniqueness.
Financial Strength	<ul style="list-style-type: none"> • We will fund infrastructure development and capital works in a way that is most cost effective for households and businesses, seeking alternative funding to rates where possible. • We will ensure the financial security of Council is not compromised.

The group of activities contribute predominantly to the following outcomes:

Activities	Outstanding Leadership	Affordable, Quality Services and Infrastructure	Strong Community	Smart, Vibrant and Prosperous District	Stratford District as a unique destination	Financial Strength
Community Services	✓	✓	✓	✓	✓	✓
Democracy	✓	✓	✓	✓	✓	✓
Economy	✓	✓	✓	✓	✓	✓
Environmental Management	✓	✓	✓	✓	✓	✓
Roading		✓		✓	✓	✓
Stormwater		✓	✓			✓
Wastewater		✓	✓			✓
Solid Waste		✓	✓			✓
Water Supply		✓	✓			✓



OPPORTUNITIES FOR MAORI CONTRIBUTION TO DECISION-MAKING PROCESSES

Section 81 of the Local Government Act 2002 sets out the obligations for Council to both consult with Māori and encourage Māori involvement in Council's decision making processes.

Māori includes those with tangata whenua acknowledged as Ngati Ruanui, Nga Ruahine, Ngati Maru, Ngati Mutunga, Nga Rauru and Te Atiawa. Council also recognises the role of Whakaahurangi Marae within the district.

Council currently has an on-going commitment to Māori consultation with respect to all of its planning processes, including those under the Resource Management Act.

Schedule 10(8) of the Local Government Act 2002 further requires Council state the steps it intends to take to foster the development of Māori capacity to contribute to decision making processes.

To further foster Māori capacity to contribute to decision making processes Council proposes to:

- Adopt a more formal approach to involving Māori in decision making by having regular liaison meetings.
- Involvement in significant events.
- Offer training for Council staff and Councillors on marae protocol, local history and related legislation.
- Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori.

Council is also mindful that there may be additional processes which are also appropriate. Council will therefore continue to consult with Māori in the district on its decision making, taking into account the nature and significance of the decision to Māori. Council will also seek opportunities to expand the engagement model to accommodate any additional consultation mechanisms preferred by Māori.



COUNCIL STRUCTURE

ELECTED MEMBERS

Council consists of a District Mayor and ten Councillors.

DISTRICT MAYOR

Neil Volzke, JP
Phone: (06) 765 7480
Mobile: 027 631 7418
Email: nvolzke@stratford.govt.nz

URBAN WARD

Deputy Mayor Alan Jamieson
Phone: (06) 765 4220
Mobile: 027 533 1167
Email: a.t.jamieson@xtra.co.nz

Councillor Jono Erwood
Phone: (06) 765 6276
Mobile: 0276 404 008
Email: jono.julie@xtra.co.nz
Jonathan.erwood@police.govt.nz

Councillor Roger Hignett
Phone: (06) 765 6981
Email: rojen@xtra.co.nz

Councillor Viv Milner
Phone: (06) 765 6732
Mobile: 021 066 1811
Email: vl@stratfordhigh.school.nz

Councillor John Sandford, JP
Phone: (06) 765 7992
Mobile: 027 496 2278
Email: sandfords.dairy@xtra.co.nz

Councillor Kelvin Squire
Phone: (06) 765 8226
Mobile: 0274 583 777
Email: squirekc@xtra.co.nz

RURAL WARD

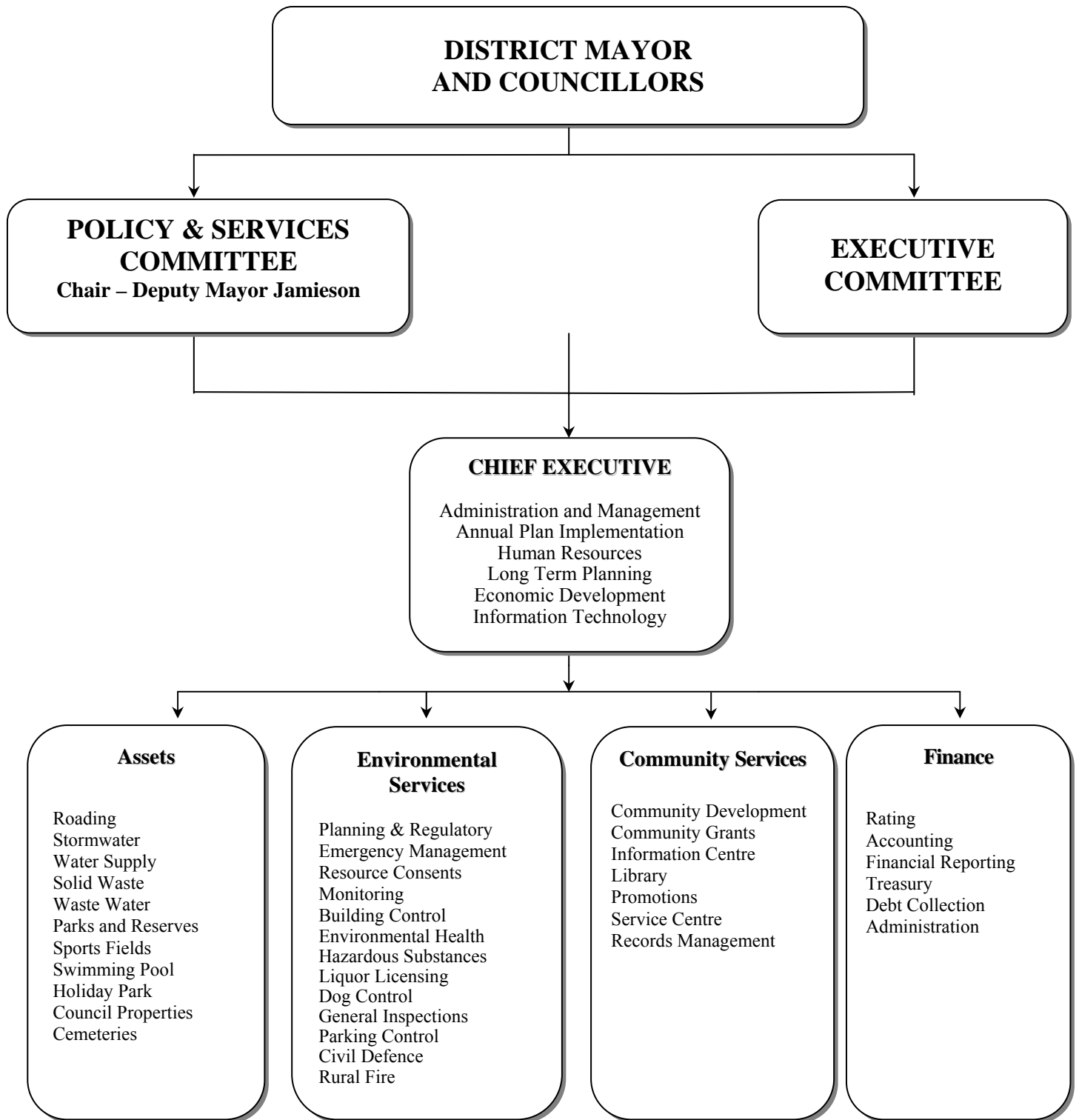
Councillor John Campbell
Phone: (06) 765 5428
Mobile: 027 288 1105
Email: campbellsjag@xtra.co.nz

Councillor Graham Kelly
Phone: (06) 764 8003
Mobile: 027 203 9330
Email: Kelly.RG@vodafone.co.nz

Councillor Robert (Rob) Thomson
Phone: (06) 758 1923
Email: TheThomos@xtra.co.nz

Councillor Robin Vickers
Phone: (06) 762 8845
Email: r.m.vickers@xtra.co.nz

Council Governance



HIGHLIGHTS

The purpose of this Annual Report is to outline the financial performance for the 2015/16 year, identify any changes from the 2015-2025 Long Term Plan (LTP), contribute to the accountability of the Council to its community, and extend opportunities for participation by the public in decision-making processes.

RATING BASE and STATISTICAL INFORMATION	
Rating Base Information	
Rating units within Stratford District Council at the end of the preceding financial year (30 June 2015)	
- Number of Rateable Assessments	4,952
- Total Number of Rating Units	5,275
Valuations of the district (including non rateable)	
- Land Value of Rating Units	\$1,827,472,350
- Improvements	\$1,039,200,300
- Total Capital Value of Rating Units	\$2,866,672,650
Statistical Information	
	30 June 2016
Land Area	2170 sq km
Population (as per 2013 census)	8,988
Public Debt / Term Liabilities	\$9,560,000
Debt per Head of Population	\$1,064
Debt per Rateable Assessment	\$1,930.53
Debt Servicing as a Percentage of Rate Revenue (max 20%)	3.20%
Full Time Permanent Staff at 30 June 2016	37
Roads	
- Sealed	391.1 km
- Unsealed	206.7 km

The operating result for the year ended 30 June 2016 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

For the years ended:	30-Jun-16	30-Jun-16	30-Jun-15
	Actual	Budget	Actual
	\$000	\$000	\$000
Revenue			
- Rates	11,000	11,037	10,628
- All Other Revenue	8,881	5,872	5,560
Total Revenue	19,881	16,910	16,188
Total Operating Expenditure	21,042	15,847	15,389
Net Surplus (Deficit)	(1,160)	1,063	799
Capital Expenditure	8,476	9,273	6,000
Working Capital	2,441	483	3,139
Current Ratio (Budget not to be less than 1:1)	1.81:1		2.63:1
Public Debt per Head of Population	\$1,063.64		\$594.13
Rates per Head of Population	\$1,223.88		\$1,143.01

The Statement of Financial Position shows the Council's assets, liabilities and its net worth known as equity.

Council's net worth has decreased from \$305.0 million to \$303.9 million, a decrease of \$1.1 million. This correlates to the deficit before tax.

Financial Strategy

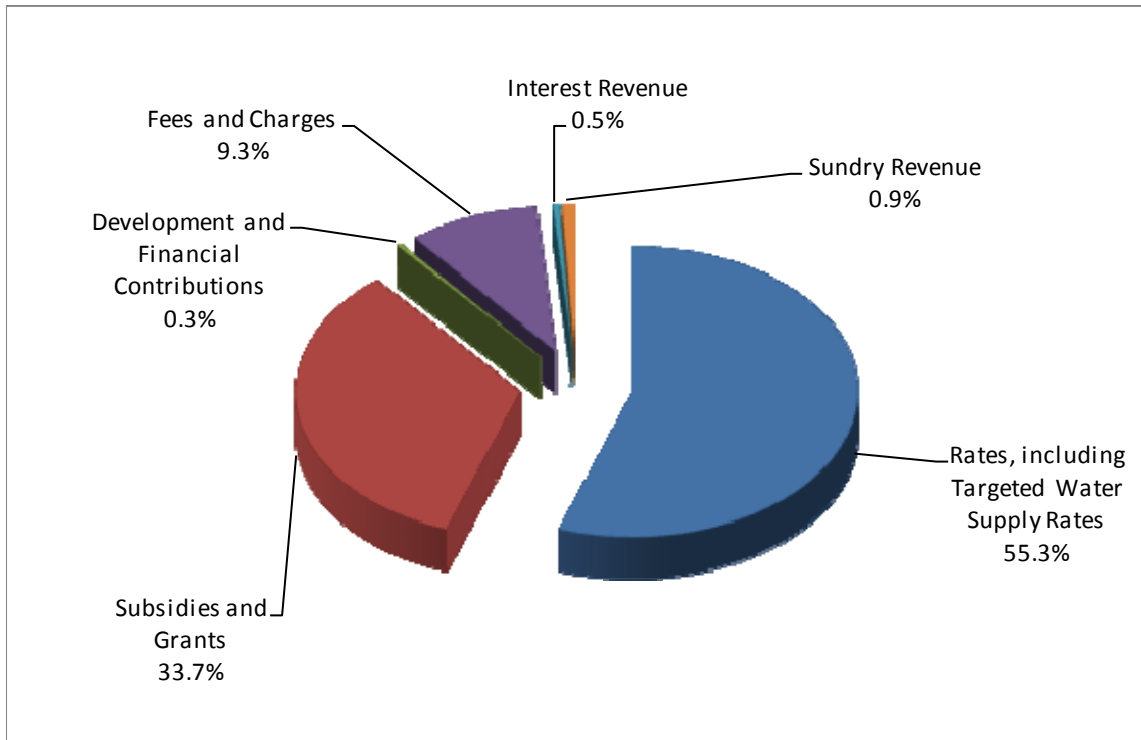
Council sets its financial strategy to what is seen as affordable for Council and the ratepayers. This involves a balancing act of delivering services while keeping the income required affordable. To achieve this goal Council sets some key targets in its Long Term Plan to measure the financial strategy.

		Council's Target (limits)	LTP – 2015/25	Actual – 2015/16
Debt Levels	Debt Servicing as a % of rates	<20%	5.39%	3.21%
	Debt/Equity Ratio	<10%	3.08%	3.15%
Income & Affordability	% Rates Increase	<6%	4.244%	3.70%
	Uniform Annual General Charge (UAGC)	<30%	29.88%	27.48%
	% of Funding Other than Rates	>50%	50.72%	58.95%

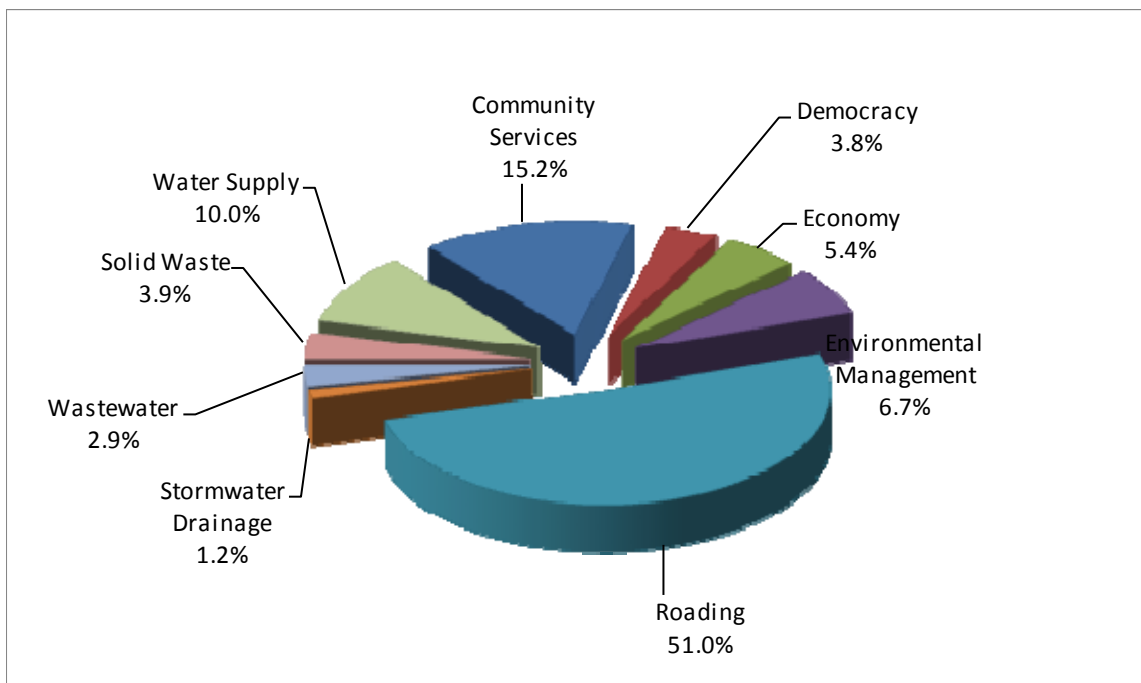
Net debt levels are within the targeted limits. Council has borrowings of \$9.56 million at interest rates ranging from 4.72% down to 3.90%.

Financial Overview

SOURCE OF REVENUE – COUNCIL ONLY



OPERATING EXPENDITURE (WHERE THE MONEY IS SPENT) - COUNCIL ONLY



VARIATIONS TO THE LONG TERM PLAN

The following table shows the variances to the Long Term Plan for the year ended 30 June 2016.

	Actual \$000	Budget \$000	Variance \$000	Variance %
Net Operating Cost				
Community Services	2,697	2,991	294	9.83%
Democracy	719	714	(5)	(0.71%)
Economy	604	513	(91)	(17.65%)
Environmental Management	1,014	968	(45)	(4.69%)
Roading	3,837	2,049	(1,788)	(87.25%)
Stormwater Drainage	255	250	(6)	(2.28%)
Wastewater	567	455	(113)	(24.84%)
Solid Waste	719	720	1	0.10%
Water Supply	1,778	1,311	(468)	(35.67%)
Total	12,191	9,970	(2,221)	(22.27%)
Capital Expenditure				
Roading	2,357	3,723	1,366	36.69%
Stormwater	450	250	(200)	(80.13%)
Water Supply	549	495	(54)	(11.00%)
Solid Waste	238	65	(173)	(100.00%)
Wastewater	295	663	367	55.43%
Parks and Reserves and Cemeteries	91	240	149	62.05%
Property	4,367	3,629	(739)	(20.37%)
Other	129	210	81	38.64%
Total	8,476	9,273	797	8.59%

Operating Costs

Community Services

Library costs were less than budgeted as the planned building upgrade had not been completed, so depreciation was considerably less than budget. Also book purchases were \$12,000 under budget.

Civic Amenities and Cemeteries expenditure is under budget as the anticipated level of expenditure was not required to meet the levels of service.

Economy

Net operating costs are higher than budget primarily due to the reduction in the price per kilogram of farm milk revenue.

Environmental Management

Net operating costs are higher than budget primarily due to the reduced income in building control, animal control, bylaws and resource consents.

Roading

Net operating costs are higher than anticipated as a result of the June 2015 storm event. Although \$5.2 million was expended, only \$3.8 million was received in financial assistance from NZTA.

Waste Water

Net operating costs were over budget due to the failure of two aerators in a row at the oxidation ponds that required immediate repair. While these were out of the pond and already partly dismantled, they received a full overhaul which was scheduled for the following years.

On the reticulation side, a number of pumps required urgent maintenance and/or refurbishment that was not allowed for in the current budget.

Water Supply

Net costs are over budget due to the following:

- Revenue from metered water supply was less than budget
- Following the replacement of Council's three water treatment plants, each of them has presented itself with its own set of teething problems, which has resulted in unplanned expenditure to ensure ongoing provision of safe water to the community, as well as long-term resolution of the underlying problems.

Capital Expenditure

Roading

Expenditure is under budget as funds were used towards Council's contribution of the June 2015 storm event.

Stormwater

Expenditure is over budget due to the Miranda Street project being brought forward on to the 2015/16 programme as a result of a tunnel collapse.

Water Supply

Expenditure is over budget primarily due to major works required at the Toko Water Treatment Plant to remove recurring problems, and to purchase land for the backwash facilities.

Solid Waste

Expenditure is over budget as there was a requirement to meet new health and safety regulations. This budget also included the expenditure for a dangerous goods shed.

Wastewater

Expenditure is under budget as Council was not able to commence the oxidation pond upgrade until the consent renewal process had been completed, which will now be in 2016/17.

Parks, Reserves and Cemeteries

Expenditure is under budget as Council is awaiting the outcome of the review of the Reserves Management Plan.

Property

Expenditure was over budget, mainly due to the following:

- Purchase of a new farm milk vat.
- Extension to the farm cowshed.
- Library upgrade continuing, with some funds carried forward from 2014/15.
- Additional work done on the swimming pool while it was already shut down.

Other

This was under budget as some information technology/management projects were re-prioritised.



STATEMENT OF COMPLIANCE

COMPLIANCE

The Council and management of Stratford District Council confirm that all the statutory requirements in relation to the Annual Report as outlined the Local Government Act 2002, have been complied with.

His Worship the Mayor
N C Volzke
25 October 2016

Chief Executive
M O'Mara
25 October 2016





COUNCIL SERVICES

GROUPS OF ACTIVITIES

As required by the Local Government Act 2002, Council has grouped the services it provides into the following groups of activities:

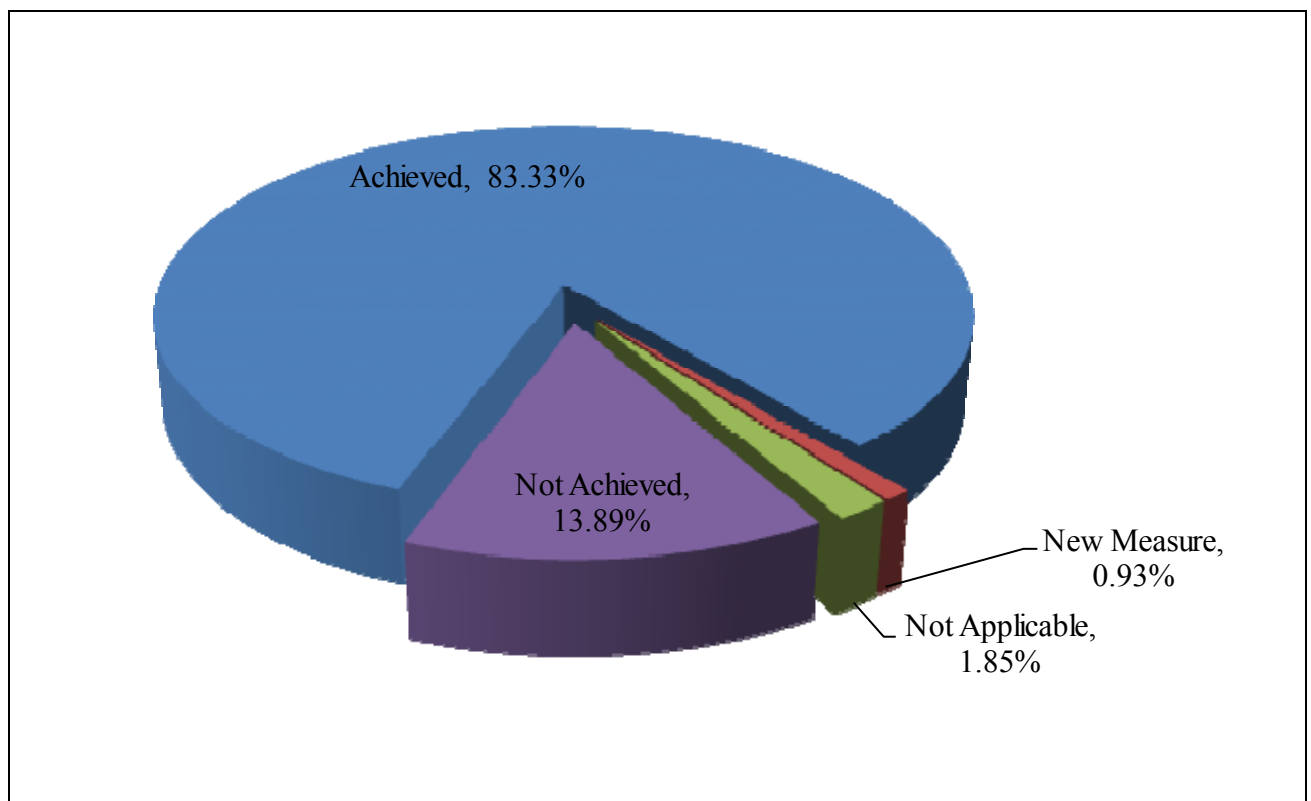
GROUP	ACTIVITY	SERVICES
<i>Community Services</i>	Aerodrome	
	Civic Amenities	Civic Amenities & Toilets Pensioner Housing
	Community Development Library Parks, Reserves & Cemeteries TSB Pool Complex	
<i>Democracy</i>		Democracy Corporate Support
<i>Economy</i>	Economic Development Information Centre	
	Rental & Investment Properties	Farm Holiday Park Rental Properties
<i>Environmental Services</i>	Building Control	
	Planning And Bylaws	District Plan Resource Consents
	Community Health And Safety	Food and Health Alcohol Licensing Parking and other Bylaw compliance Animal Control
	Emergency Response	Rural Fire Civil Defence
<i>Roading</i>	Roading	Construction, maintenance and renewal of roads, footpaths and associated infrastructure.
<i>Stormwater</i>	Stormwater	Construction and renewal of stormwater infrastructure.
<i>Wastewater (Sewerage)</i>	Wastewater	Construction, maintenance and renewal of waste water network and treatment facilities.
<i>Solid Waste</i>	Waste Management	Kerbside collection of refuse and recycling and operation of the transfer station.
<i>Water Supply</i>	Water Supply	Construction, maintenance and renewal of water treatment plants and water reticulation network.



In the activities that follow, performance reporting against the **Targets** will be detailed as follows:

- Achieved** Required actions have been completed and the intended level of service has been achieved.
Or where a long-term level of service is targeted, the results for the year are in keeping with the required trend to achieve the intended level of service.
- New Measure** This measure was introduced after the commencement of the relevant financial year, hence no data is available.
- Not Achieved** None of the required actions have been undertaken.
Or the result for the year is less than half of the intended level of service.
Or where a long-term level of service is targeted, the results for the year are contrary to the required trend to achieve the intended level of service.
- Not Applicable** No action was required during the year.

Performance Measures Pie Chart



Performance Measures Not Achieved

Activity	Reason
TSB Pool - admissions	The number of pool admissions was down by 10,946 visits from the previous year due to the two required shut down periods.
Economic Development Strategy	The Stratford Economic Development Strategy has been reviewed and an update report has been prepared. The update identifies what the priorities will be while a regional economic strategy and a new regional tourism strategy are prepared. The Stratford strategy will be reviewed again once the regional direction has been set.
Resource Consents applications on hold –	The target for the number of resource consents applications placed on hold was less than 30%. However there was no significant change in numbers so the target was not met.
Resource Consents processing times –	Although the target was that 100% of all non-notified applications were processed within 20 working days, only 95% were actually processed within this timeframe. In actual terms this means 2 consents did not get processed within the statutory timeframe. One was due to a breakdown in the technology (the software module stopped counting the days accurately) and the other was due to a breakdown in the process. Both have been addresses with new procedures.
Resource Consents digital lodgement –	Although the target was to receive greater than 60% of resource consent applications in digital form, less than 20% were received in this form.
Building Control – digital lodgement	Although the target was to receive greater than 60% of building consent applications in digital form, only 5% were received in this form.
Building Control applications on hold –	The target for the number of building applications placed on hold was less than 30%. However there was no significant decrease from the previous year.
Dog Control registrations –	The target for the number of known registered dogs to be registered at 30 June 2016 was 100%. However only 2,110 out of 2,142 dogs (98.5%) were registered. The remaining 32 unregistered dogs were as a result of non-payment of the fee.
Roading – road safety	Although the road safety performance measure was not achieved, the increase in fatalities and serious injury crashes from the previous year were not due to roading factors, and were beyond Council's control.
Roading – road condition	Although the urban roading condition was achieved, the rural road condition was not met. This was as a result of the June 2015 storm event, where funds were diverted to the repairs after the storm.
Roading – road maintenance	Council made a decision to reduce resealing in 2015/16 to enable funds to be used for pavement strengthening projects.
Water Supply – water safe to drink	All three Water Treatment Plants complied with bacterial compliance requirements; however, Toko is non-compliant with regards to Protozoa. This will be addressed through the implementation of a safe water plan for this plant. Water distribution in Stratford and Midhirst complied with all quality requirements throughout however Toko's distribution tested positive for E.coli on one occasion.
Water Supply – fire hydrants	Of the 35 fire hydrants tested by Council's maintenance contractor during the year, one did not meet the criteria of the NZFS Code of Practice. The faulty hydrant has been replaced and the replacement now complies.
Solid Waste	Despite increasing frequency of collection from the previous year, the total amount of recyclables collected at the kerbside fell short of the desired 30% by weight. This is largely due to the lighter nature of most recyclables as well as many ratepayers still using the free recycling drop-off for larger items (particularly cardboard) at the transfer station.



COMMUNITY SERVICES

Aerodrome

1.1 What We Do

Council owns the aerodrome to make provision for local air transport, recreation and light commercial needs. The aerodrome is situated at Flint Road and has two grassed runways.

1.2 Why We Do It

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

This activity does not create any negative effects apart from noise around the aerodrome. The aerodrome is located in the rural area and Council owns the farm surrounding the aerodrome which serves as a buffer zone.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	Annual Aerodrome user survey	Achieved - 100% (2014/15 Achieved 92.5%)	>70%

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Stratford Aero Club Fuel Facility	Replacement	\$0	\$50,000	The new facility is almost complete but the associated groundworks will not be done until the new financial year.

1.6 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

Aerodrome

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
65	Operating Expenditure	68	65
21	Revenue	21	19
44	Net Cost of Service	47	46
	EXPENDITURE		
42	Operating Costs	45	43
1	Depreciation	1	-
22	Allocated Overheads	22	22
65	Total Operating Expenditure	68	65
19	Capital Expenditure	50	-
84	Total Expenditure	118	65
	FUNDED BY:		
21	Charges for Services	21	19
21	Total Revenue	21	19
49	General Rates	46	45
19	Transfers from Reserves - Capital	50	-
-	Other Funding	-	1
89	Total Funding	117	65

Civic Amenities

1.1 What We Do

Council's Civic Amenities include a range of facilities that are fairly typical of a rural area and service town:

- Council Office (Miranda Street)
- Centennial Library Building
- War Memorial Centre
- Pensioner Housing
- Centennial Rest Rooms
- Clock Tower (Glockenspiel)
- Bell Tower
- Bus Shelters
- Hall of Remembrance
- Public Toilets
- Rural Halls
- Security Cameras
- Structures/Beautification

1.2 Why We Do It

Council owns Civic Amenities to provide a community good or core civic functions, some of these are provided by Council because no other agencies are able or willing to provide them.

This activity contributes to the achievement of the District's civic, congregational and leisure needs.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

There are no significant negative effects associated with the Civic Amenities activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	Building WoF records	Achieved - 100% (2014/15 Achieved)	100%
	Annual booking of War Memorial Centre.	Booking records	Achieved - 604 (2014/15 Not Achieved – 561, based on target of 600)	>500
	Annual booking of Centennial Restrooms.	Booking records	Achieved - 274 (2014/15 Achieved – 242)	>200
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	Annual User Survey	Achieved - 100% (2014/15 Achieved – 100%)	>90%
	Annual Occupancy rate.	Tenancy records.	Achieved - 98% (2014/15 Achieved – 97%)	>95%
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	Annual Residents Survey	Achieved – 85.8% (2014/15 Achieved – 90.8%)	>75%

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Prospero Place Development	Level of service	\$50,000	\$0	The main focus for the Prospero Place development has been the collation of all ideas into a masterplan called the Future of Broadway. It is due for public release in October 2016. It incorporates design work that has been done in collaborating with Taranaki Futures and Stratford High School.
Security Cameras Prospero Place Development	Replacements Operating expenditure	\$19,000 \$50,000	\$20,874 \$6,534	Complete. The main focus for the Prospero Place development has been the collation of all ideas into a masterplan called the Future of Broadway. It is due for public release in October 2016. It incorporates design work that has been done in collaborating with Taranaki Futures and Stratford High School.

1.6 Cost of Services Statement

The detailed financial summary for the Civic Amenities and Pensioner Housing activities are shown below. The costs of operating the Miranda Street Office are not shown here because they are allocated to the various Council functions as overheads.

Civic Amenities

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
602	Operating Expenditure	632	745
50	Revenue	46	49
551	Net Cost of Service	585	696
	EXPENDITURE		
219	Operating Costs	222	340
-	Interest	-	1
269	Depreciation	278	267
114	Allocated Overheads	132	136
602	Total Operating Expenditure	632	745
-	Principal Loan Repayments	-	1
136	Capital Expenditure	21	72
738	Total Expenditure	653	818
	FUNDED BY:		
50	Charges for Services	46	49
50	Total Revenue	46	49
404	General Rates	643	635
14	Targeted Rates	14	14
248	Depreciation Funded from Reserves	48	44
136	Transfers from Depreciation Reserves	21	23
-	Loan Funding - Capital	-	50
3	Other Funding	-	3
855	Total Funding	772	818

Pensioner Housing

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
114	Operating Expenditure	96	97
50	Revenue	54	51
64	Net Cost of Service	42	46
	EXPENDITURE		
45	Operating Costs	36	36
27	Depreciation	27	28
42	Allocated Overheads	33	33
114	Total Operating Expenditure	96	97
13	Capital Expenditure	12	13
127	Total Expenditure	108	109
	FUNDED BY:		
50	Charges for Services	54	51
50	Total Revenue	54	51
13	General Rates	25	25
10	Transfers from Depreciation Reserves	12	13
40	Balance From Reserves	17	20
1	Other Funding	-	1
127	Total Funding	108	109

Community Development

1.1 What We Do

Community development encourages and supports groups and individuals in the District to achieve their own goals and outcomes in a way that sustainably benefits the community. It does this by providing information, advice, and support to groups and individuals, through activities such as networking, facilitation, administration support, promotion, advocacy, and event facilitation.

Examples of current community development activities include:

- Administration support for a number of community groups including the Positive Ageing Group and Central Taranaki Safe Trust
- Coordinating the promotion of school holiday activities
- Administration of the Sport NZ Rural Travel Fund and Creative New Zealand Funding Scheme
- Working with community groups to identify the outcomes they want for the community
- Working in partnership with regional agencies to support the well-being of the community
- Providing community events such as Summer Nights and War Memorial commemorations.

1.2 Why We Do It

This activity contributes to the District's well-being by the Council maintaining a general overview of trends in the social well-being of the District and initiating, usually in conjunction with others, action for enhancement whenever it considers that to be necessary, appropriate and practical.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

There are no negative effects associated with the Community Development activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide a number of community events and provide support that encourages involvement of the community	Number of Community events organised.	Number of events held are recorded	Achieved - 10 (2014/15 Achieved – 11)	2
	Percentage of residents feeling a sense of community.	Annual Residents Survey	Achieved – 96.7% (2014/15 Achieved – 97.2%)	>72%
Youth are supported to participate in their community through developing and implementing their own projects	Number of projects successfully developed and implemented by youth with support from community development	Number of projects developed are recorded	Achieved - 4 (2014/15 Achieved – 7)	4
Council will provide, encourage and/or support events within the district	Events Council has provided or supported are measured	Number of supported events are recorded	Achieved - 6 (2014/15 Not Measured)	2

1.5 Projects and Other Programmes

There are no future projects associated with the Community Development activity.

1.6 Cost of Services Statement

The detailed financial summary for the community development activity is shown below.

Community Development

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
316	Operating Expenditure	324	353
22	Revenue	22	21
294	Net Cost of Service	302	333
EXPENDITURE			
260	Operating Costs	219	244
55	Allocated Overheads	105	109
316	Total Operating Expenditure	324	353
FUNDED BY:			
22	Grants	22	21
22	Total Revenue	22	21
302	UAGC	332	328
2	Other Funding	0	5
327	Total Funding	354	353

Library

1.1 What We Do

The Stratford and District Centennial Library provides physical and digital access to a collection of lending material and information resources in a safe and welcoming environment intended for community activities, leisure, social interaction, and study. It promotes creativity and learning through the delivery of public programmes and the provision of support facilities such as the Wi-Fi network and access to equipment and technology.

1.2 Why We Do It

This activity contributes to the district’s overall well-being by providing access to reading material, databases and internet services that individuals are unlikely to be able to provide for themselves.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

There are no negative effects associated with the Library activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide a library service which meets the needs of and is being used by Stratford District residents	Number of people visiting the library is measured.	Door count	Achieved – 93,532 (2014/15 Not Measured)	>90,000
	% of library users satisfied with library services.	Annual Residents Survey	Achieved - 100% (2014/15 Achieved – 98%)	>80%
Library services will be accessible to the community	The number of visitors accessing the Wi-Fi service is measured.	Internal records	Achieved – 22,281 (2014/15 Not Measured)	>15,000
	The number of sessions accessing the People’s Network is measured.	Internal records	Achieved – 11,241 (2014/15 Not Measured)	>10,000

1.5 Projects and Other Programmes

The Library has undergone redevelopment in 2015/16 of the Long Term Plan.

This redevelopment follows a needs analysis completed in 2012 which highlighted the changing needs of library users and is timely with a number of repairs and renewals due for completion. These include earthquake strengthening, leak repairs and a full replacement of the air conditioning system.

The redevelopment will increase the floor area, create active spaces and address current maintenance issues.

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Building Upgrade	Level of Service	\$350,000	\$621,719	The expected completion date is August 2016. There has been issues with the availability of the lowest priced contractor and delays in the contractor's programme. Unspent funds from 2014/15 were carried forward to 2015/16 towards the project.

1.6 Cost of Services Statement

The detailed financial summary for the Library's activities is shown below.

Library

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
484	Operating Expenditure	571	681
18	Revenue	15	18
466	Net Cost of Service	556	663
289	Operating Costs	295	322
-	Interest	11	36
84	Depreciation	75	124
111	Allocated Overheads	189	198
484	Total Operating Expenditure	571	681
-	Principal Loan Repayments	4	27
92	Capital Expenditure	622	350
576	Total Expenditure	1,196	1,058
	FUNDED BY:		
18	Charges for Services	15	18
18	Total Revenue	15	18
412	General Rates	603	596
80	Depreciation Funded from Reserves	46	58
92	Loan Funding - Capital	322	350
-	Grants and Donations	300	-
-	Transfer from Depreciation Reserves	4	27
4	Other Funding	0	9
606	Total Funding	1,291	1,058

Parks, Reserves & Cemeteries

1.1 What We Do

Council provides a range of active and passive recreation opportunities that benefit the community's physical, social and personal quality of life. Parks assets include:

- (i) 36.7 hectares of passive reserves:
 - Gardens, lawns, trees, and amenity street plantings
 - 2 neighbourhood parks and 3 playgrounds
- (ii) 10 hectares of urban active reserves comprising:
 - 2 croquet greens
 - 6 netball/tennis courts
 - 5 rugby fields
 - 3 cricket wickets
 - 2 soccer fields
 - 2 hockey fields
- (iii) 9.4 hectares of cemeteries
 - 5.1ha in 2 operating cemeteries
 - 4.3ha in 5 closed cemeteries
- (iv) 14km of walkway including 9 foot bridges.
- (v) 4.8ha in 14 esplanade reserves.
- (vi) Accessory structures and buildings:
 - Grandstand at Victoria Park
 - Toilet block at Victoria Park
 - Croquet pavilion at Victoria Park
 - Memorial gates at Victoria Park
 - Malone Gates at King Edward Park
 - Netball shelters at King Edward Park
 - Stratford Gateway Structures (2)
 - Skatepark at Victoria Park
- (vii) 34.3ha in rural domains and reserves.

1.2 Why We Do It

The provision of an adequate network of parks and reserves, encompassing passive, active and scenic open space is a significant contributor to its desirability and attractiveness.

The Parks and Reserves activity creates and provides a sense of belonging and pride, comprehensive social, recreational and cultural facilities accessible to all.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

There are no significant negative effects associated with the Parks activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide parks, sportsfields and other open spaces that meet community demand	Number of complaints and requests for service.	Reporting against corporate CRM system.	Achieved - 12 (2014/15 Achieved – 18)	<40
	Percentage of Stratford residents satisfied with:			
	• Parks;	Annual Residents Survey	Achieved – 94.5% (2014/15 Not Measured separately)	>80%
	• Sportsfields; and	Annual Residents Survey	Achieved – 87.6% (2014/15 Not Measured separately)	>80%
	• Cemeteries.	Annual Residents Survey	Achieved – 87.5% (2014/15 Not Measured separately)	>80%
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor.	Achieved – 100% (2014/15 Achieved)	100%
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	Biennial bridge inspection Report	Achieved – 100% (2014/15 Achieved)	100%

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Parks and Reserves				
Park Development	Level of service	\$25,000	\$28,264	Complete.
Picnic Tables and seating	Level of service	\$16,000	\$1,042	The expenditure of \$11,000 from grant funding will be carried over to 2016/17.
Obtain ownership and reseal two netball courts.	Level of service	\$35,000	\$28,990	Complete.
Victoria Park scooter/trike track	Level of service	\$25,000	\$0	This project did not proceed this year as it is pending review of the reserve management plan.
Whangamomona playground	Level of service	\$60,000	\$0	The Whangamomona Committee have applied for grant funding for this project but it will not commence until 2016/17.
Whangamomona heritage walk and garden	Level of service	\$50,000	\$0	This project did not proceed this year as it is dependent on a grant funding application.
Revamp exeloos (Victoria Park)	Replacements	\$20,000	\$21,872	Complete.
Heritage trail signs	Replacements	\$5,500	\$1,190	Council are in the process of completing the art work for new signs at the start of the Forgotten World Highway but they won't be done until the next financial year.

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Cemeteries				
Seal track top burial plots	Replacements	\$3,000	\$0	Not required.
Midhirst cemetery gate replacement	Replacements	\$0	\$4,011	This was funded from the budget for the replanting of trees at Midhirst cemetery.

1.6 Cost of Services Statement

The detailed financial summary for the Parks and Reserves and Cemeteries activities are shown below:

Parks and Reserves

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
510	Operating Expenditure	534	536
8	Revenue	8	8
501	Net Cost of Service	526	528
	EXPENDITURE		
374	Operating Costs	376	392
51	Depreciation	62	47
85	Allocated Overheads	96	97
510	Total Operating Expenditure	534	536
191	Capital Expenditure	87	237
701	Total Expenditure	621	772
	FUNDED BY:		
8	Charges for Services	8	8
8	Total Revenue	8	8
493	General Rates	569	562
51	Depreciation Funded from Reserves	-	-
-	Grants and Donations	-	146
154	Transfers from Depreciation Reserves	51	55
2	Other Funding	0	2
708	Total Funding	627	772

Cemeteries

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
164	Operating Expenditure	179	220
75	Revenue	125	114
89	Net Cost of Service	54	106
	EXPENDITURE		
91	Operating Costs	93	134
5	Depreciation	7	5
68	Allocated Overheads	79	82
164	Total Operating Expenditure	179	220
22	Capital Expenditure	4	3
186	Total Expenditure	183	223
	FUNDED BY:		
75	Charges for Services	125	114
75	Total Revenue	125	114
69	General Rates	104	103
22	Transfer from Depreciation Reserves	-	3
3	Other Funding	0	4
168	Total Funding	229	223

TSB Pool Complex

1.1 What We Do

The TSB Pool Complex is a community swimming pool owned and operated by the Stratford District Council. This facility has three indoor pools that cater year-round for casual as well as organised swimming, including learn-to-swim, as well as an outdoor toddler’s pool which is open during the summer months. As part of the operation the pool provides a range of fitness programmes, coaching and events.

1.2 Why We Do It

Council owns the pool to provide aquatic recreation for its residents.

Council has traditionally adopted the role of provider of a swimming pool complex for the District as there has been no alternative provider.

The Pool makes a valuable contribution to the health of residents and visitors providing diverse recreational activities and enhances the attractiveness of the district.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

Public Health - The potential threat to public health is recognised. The control of Cryptosporidia and other water pathogens is a critical part of the treatment processes at the Pool Complex, and the risk is mitigated by the type of filtration system in use.

Odours (Chlorine) - The current Purefibre vacuum type of water filtration minimises the level of chlorine used, and therefore the chlorine odour of the pool water can be kept at low levels.

Environmental - The environmental impact on the Patea River is managed under resource consent discharge conditions.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	Accident register – also reported monthly to Council.	Achieved - 67 (2014/15 Not Achieved – 214)	<80
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	Water quality register.	Achieved - 100% (2014/15 Achieved)	100%
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	Annual customer survey.	Achieved – 90.3% (2014/15 Achieved – 94.3%)	>80%
	Number of pool admissions per annum.	Ticketing system – also reported monthly to council.	Not Achieved – 43,498 (2014/15 Not Achieved – 54,444, based on target of 61,200)	>50,000

Although the 2015/16 target for pool admissions was less than 2014/15, the reduced target has still not been met. This was entirely due to the two shut down periods during the year, however attendances will be back on target for 2016/17.

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Various items of equipment	Level of Service	\$51,500	\$0	There are some under and over expenditures amongst the pool projects. Collectively the project is 15% over budget on completion. Problems were identified during the shutdown and had to be rectified. These solutions should result in significant cost savings and operational improvements. There have been ongoing issues with the pool paint, forcing a repaint, however problems still persist. The long term solution is to repaint with a different product.
Plumbing and electrical upgrade	Replacements	\$50,000	\$69,790	
Plant and chlorine system	Replacements	\$60,000	\$83,524	
Replace gas boiler	Replacements	\$140,000	\$144,081	
Concrete floor and building upgrades	Replacements	\$80,000	\$159,425	

1.6 Cost of Services Statement

The detailed financial summary for the TSB Pool Complex activities is shown below:

TSB Pool Complex

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
730	Operating Expenditure	755	749
189	Revenue	170	175
540	Net Cost of Service	585	574
	EXPENDITURE		
581	Operating Costs	532	548
89	Depreciation	121	98
59	Allocated Overheads	103	103
730	Total Operating Expenditure	755	749
6	Capital Expenditure	578	382
736	Total Expenditure	1,334	1,130
	FUNDED BY:		
189	Charges for Services	170	175
189	Total Revenue	170	175
447	General Rates	576	569
88	Depreciation Funded from Reserves	-	-
6	Transfers from Depreciation Reserves	578	382
2	Other Funding	0	5
733	Total Funding	1,325	1,130



1.1 What We Do

Democracy

Democracy includes the formal meeting processes, elections and the means for community involvement in the democratic process. The Democracy activity supports the elected members in these roles and ensures the purposes of the Local Government Act 2002 are met.

The Stratford District Council comprises a District Mayor and ten Councillors. The District Mayor is elected by the whole community, with the Councillors elected on a ward system, with four from the Rural Ward and six from the Urban Ward. Council sets the policy and standards for the management and delivery of Council activities and services.

Corporate Support

Corporate Support provides a range of professional support services to the Council and to agencies closely associated with Council. These services include financial planning, reporting, analysis and advice, the provision of accounting services, secretarial and administrative support and the development and maintenance of management information systems.

1.2 Why We Do It

Council is required by the Local Government Act 2002 to provide a democratic process and manage its funding and administrative services efficiently and responsibly on behalf of the district.

The Democracy activity, by its nature, contributes to all of the desired district well-beings, and community outcomes that Council aims to achieve.

Corporate Support is an internal support function that provides services to other areas of Council to assist them in the delivery of activities. The total costs are allocated to other activity areas.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

No negative effects are generated by these activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide Democracy services in accordance with statutory deadlines.	Agendas and associated reports for all scheduled meetings are available to interested parties in accordance with statutory timeframes.	Meeting Register.	Achieved - 100% (2014/15 Achieved)	100%
	All Council meetings are publicly notified in accordance with statutory timeframes.	Meeting Register.	Achieved – 100% (2014/15 Achieved)	100%
To ensure that the Health and Safety manual is reviewed	Complete an annual review of the Health and Safety Manual.	Review Date.	Achieved – June 2016 (2014/15 New Measure)	Achieved
Ensure accountability documents are prepared and meet statutory requirements.	The Annual Report, Annual Plan and Long Term Plan meet statutory deadlines and receive an unqualified audit opinion where relevant.	Audit Opinion.	Achieved (2014/15 Achieved)	Achieved

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Computers and peripherals	Replacements	\$155,000	81,228	Management have re-prioritised the projects for the next three years and as a result some have been deferred until 2016/17.
Vehicle replacements	Replacements	\$35,000	\$38,681	
Miscellaneous equipment	Replacements	\$20,000	\$8,942	Complete. This was used for unplanned air-conditioning replacements in the Administration Building.
Miranda Street Office				
Furniture replacement	Replacements	\$3,000	\$18,856	This is to replace old work stations with ergonomically designed furniture. This was funded from the floor coverings budget below.
Floor coverings replacements	Replacements	\$25,000	\$0	This budget was used for the replacement of office furniture above.
Reseal carpark	Replacements	\$3,500	\$0	Not required.

1.6 Cost of Services Statement

The detailed financial summary for Governance and Corporate Support's activities are shown below:

Corporate Support

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
213	Operating Expenditure	0	-
64	Revenue	64	60
149	Net Cost of Service	(63)	(60)
EXPENDITURE			
	Operating Costs		
303	- Chief Executive's Department	347	327
988	- Finance Department	521	556
(1,078)	Allocated Overheads	(868)	(883)
213	Total Operating Expenditure	0	-
285	Capital Expenditure	148	242
498	Total Expenditure	148	242
FUNDED BY:			
64	Charges for Services	64	60
64	Total Revenue	64	60
100	UAGC	(61)	(60)
285	Transfer from Depreciation Reserves	148	242
8	Other Funding	-	-
457	Total Funding	151	242

Democracy

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
809	Operating Expenditure	782	774
-	Revenue	-	-
809	Net Cost of Service	782	774
EXPENDITURE			
	Operating Costs		
399	Allocated Overheads	358	371
410		424	402
809	Total Operating Expenditure	782	774
FUNDED BY:			
-	Charges for Services	-	-
-	Revenue	-	-
775	UAGC	765	756
18	Other Funding	1	18
793	Total Funding	766	774



Economic Development

1.1 What We Do

Council has a leadership role in economic development. This activity supports the growth of the District by:

- Encouraging and assisting the establishment, retention and development of sustainable, new and existing businesses.
- Promoting business opportunities, events that benefit the local economy
- Promoting the district as a great place to live.
- Supporting the Stratford Business Association
- Working in partnership with Venture Taranaki Trust to support the economic growth of the District.

1.2 Why We Do It

Council provides this service to enable growth in population, increased employment opportunities, and promotion of the district as a destination for business and visitors.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

The Economic Development activity does not create any negative effects.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To support and promote the economic growth of the district.	Business mentoring and economic development support is available.	Venture Taranaki Quarterly reports	Achieved (2014/15 Achieved)	Report received
	Economic Development Strategy is reviewed.	Economic Development Strategy 2015 – 2018 completed	Not Achieved – Strategy in progress (2014/15 Not Applicable)	Strategy Complete
To support the business community.	Provide administration support to the Stratford Business Association meetings	Minutes and agendas completed	Achieved - 11 (2014/15 Achieved – 11)	11
The website is a valuable resource for the community to access Council information	The number of visitors accessing Council information and services via the internet is measured.	Website statistics	Achieved – 35,211 (2014/15 New Measure)	Not less than previous year
Opportunities for the community to participate in decision making is widely publicised	The community is satisfied with how Council keeps them informed.	Annual Residents Survey	Achieved – 85.5% (2014/15 Achieved – 94.3%)	>75%

1.5 Projects and Other Programmes

The Stratford Economic Development Strategy has been reviewed and an update report has been prepared. The update identifies what the priorities will be while a regional economic strategy and a new regional tourism strategy are prepared. The Stratford strategy will be reviewed again once the regional direction has been set.

1.6 Cost of Services Statement

The detailed financial summary for Economic Development's activities is shown below:

Economic Development

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
385	Operating Expenditure	279	324
-	Revenue	-	-
385	Net Cost of Service	279	324
EXPENDITURE			
326	Operating Costs	170	213
59	Allocated Overheads	110	112
385	Total Operating Expenditure	279	324
FUNDED BY:			
-	Charges for Services	-	-
-	Total Revenue	-	-
180	General Rates	152	150
180	UAGC	152	150
-	Operating Expenditure Funded from Reserve	-	20
3	Other Funding	1	3
363	Total Funding	304	322

Information Centre

1.1 What We Do

Council owns and manages the Stratford Visitor Information Centre (i-SITE). The i-SITE promotes local attractions and events and provides local knowledge, a booking service and souvenirs for tourists and residents. An AA service is also provided at the i-SITE.

1.2 Why We Do It

This activity contributes to the promotion of businesses in the district by providing information services for tourists to the District and provides local residents with an AA service that otherwise might not have been available.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

There are no negative effects associated with the Information Centre activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide an Information Centre for visitors, incorporating Automobile Association Agency services that meets the needs of and is being used by the community.	Number of people to the Information Centre service is measured.	Door Count	Achieved – 43,016 (2014/15 Not Achieved – 45,633, based on target of 50,000)	>40,000
	Number of users of AA Agency Service is measured.	AA customer count records	Achieved – 13,950 (2014/15 Achieved – 13,487)	>10,000
	Percentage customers are satisfied.	Annual Residents Survey	Achieved – 96.9% (2014/15 Achieved – 96.7%)	>75%

1.5 Projects and Other Programmes

There are no future projects associated with the Information Centre activity.

1.6 Cost of Services Statement

The detailed financial summary for the Information Centre's activities is shown below:

Information Centre

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
368	Operating Expenditure	360	384
121	Revenue	116	118
247	Net Cost of Service	244	266
EXPENDITURE			
264	Operating Costs	245	261
7	Depreciation	8	10
97	Allocated Overheads	107	113
368	Total Expenditure	360	384
FUNDED BY:			
121	Charges for Services	116	118
121	Total Revenue	116	118
274	General Rates	265	261
4	Other Funding	0	5
398	Total Funding	381	384

Rental & Investment Properties

1.1 What We Do

1. The Rental and Investment Properties activity manages properties council owns for strategic or commercial purposes.
2. Under this activity Council staff performs common landlord roles, such as the day-to-day maintenance of grounds and buildings as well as the long term planning for purchase, disposal, renewal, upgrades and redevelopment of properties.

This activity covers the following:

Farm - manage 160 hectares of land (132 hectares milkable) on a 50/50 share milking basis. This was increased from 106 hectares (96 hectares milkable) through the purchase of a neighbouring farm in the 2015/16 financial year.

Holiday Park - operate a formal lease for the land.

Rental Properties - Council manages urban and rural land and commercial properties under this activity.

- Land with a Council function that generally has limited potential for any other use or is strategically important to Council.
- Land that has commercial potential and its legal status permits its availability for sale.
- Land that is currently vacant or occupied informally by an adjoining owner and has limited options for sale.

1.2 Why We Do It

The prudent management of Council owned properties not used in the day-to-day functions of Council ensure these do not become a nuisance and maximises commercial return for Council.

Each property is held for specific reasons and the property portfolio is regularly reviewed to ensure any properties surplus to requirements are disposed of. The key properties and the reason for Council's ownership are described below.

Farm - Council keeps the farm for strategic reasons as it surrounds the aerodrome and may be required to expand its operations in future onto part of the farm. Returns are monitored monthly, and farm consultants provide quarterly reports. The farm property was left to Council firstly to support the aerodrome and secondly to contribute to general rates. The aim is to maximise returns to the ratepayer and consideration is given from time to time on leasing out the farm compared with directly sharing in its operations.

Council has purchased the adjoining 53.11 hectares farm adjacent to its existing farm on Flint Road. The purchase was funded by loan and by selling off existing land.

The Council purchased the additional land to increase the buffer zone around the aerodrome as well as creating a more economic unit. The expectation is that the farm will remain a significant asset for the future of Stratford and continue to provide a contribution to general rates.

Holiday Park - Council has now leased the land to an external party.

Rental Properties - most properties have been purchased for a strategic purpose because of their location, either for Council's future use or for on selling at a later date.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

1.3.1 Significant Negative Effects

There are no significant effects from any of these activities.

The most likely negative effect that could result from these activities is contamination of streams, that cross or border the council farm, from runoff from paddocks, effluent ponds or animals gaining access to the river. This is mitigated by good farming practices and significant investment made in fencing and riparian planting of stream edges as well as effluent management.

1.3.2 Risks Involved

The assumptions are based on a milk price of \$6.50 per kg and a production of 140,000kg of milk solids. The risk is that the milk price may not reach anticipated levels and the financing costs increase beyond assumptions. If the milk price or volume of milk solids produced reduced, the surplus would be affected and worst case would impact on rates. However, in these circumstances, Council has a range of options to reduce operational costs such as reduction in supplement feed and herd size. Equally, an increase in production and or milk solid payout would increase surplus which would be used to accelerate loan repayments.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Maximum profits from the farm are returned to Council.	Milk production is maximised	Milk Supplier's Statements issued by milk collector (currently Fonterra).	Achieved – 148,718kg (2014/15 Achieved – 115,128kg, based on target of 105,000kg)	>140,000kg
To ensure the holiday park is utilised.	Number of guest -nights.	Holiday Park records	Achieved – 5,138 (2014/15 Not Achieved – 2,634)	>3,500
Leased property is safe and fit for purpose.	Number of complaints from tenants.	Reporting against corporate CRM system.	Achieved - 0 (2014/15 Achieved – 0)	<5

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Farm				
Purchase of adjoining farm	Level of service	\$2,775,000	\$2,775,000	Complete.
Farm milk vat	Level of service	\$0	\$45,181	Complete.
Farm cowshed extension	Level of service	\$0	\$245,915	The extension will not be complete by 30 June 2016, and the remainder of the work will be done in July, as it has to be operational on 15 July 2016. The cowshed was identified in the farm business plan as being essential despite not being budgeted for.
Pensioner Housing				
Conservatories	Level of service	\$9,000	\$10,106	Complete.
Various renewals	Replacements	\$3,500	\$1,476	Complete.

1.6 Cost of Services Statement

The detailed financial summaries for the Farm, Holiday Park and Rental Properties activities are shown below:

Farm

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
220	Operating Expenditure	331	333
333	Revenue	322	486
(112)	Net Cost of Service	9	(153)
	EXPENDITURE		
172	Operating Costs	192	151
-	Interest	60	127
22	Depreciation	46	22
27	Allocated Overheads	32	33
220	Total Operating Expenditure	331	333
-	Principal Loan Repayments	-	-
57	Capital Expenditure	3,066	2,775
277	Total Expenditure	3,397	3,108
	FUNDED BY:		
333	Charges for Services	322	486
333	Total Revenue	322	486
(219)	General Rates	(157)	(155)
-	Loan Funding - Capital	2,500	2,775
-	Sale of Assets	341	-
57	Transfers from Reserves - Capital	-	-
-	Movement in Working Capital	409	-
1	Other Funding	-	1
172	Total Funding	3,416	3,108

Holiday Park

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
78	Operating Expenditure	77	88
20	Revenue	16	20
58	Net Cost of Service	62	68
	EXPENDITURE		
8	Operating Costs	12	15
40	Depreciation	34	41
30	Allocated Overheads	31	31
78	Total Expenditure	77	88
	FUNDED BY:		
20	Charges for Services	16	20
20	Total Revenue	16	20
22	General Rates	67	66
40	Depreciation Funded from Reserves	-	-
1	Other Funding	0	1
84	Total Funding	83	88

Rental Properties

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
68	Operating Expenditure	68	72
71	Revenue	58	64
(3)	Net Cost of Service	10	8
	EXPENDITURE		
13	Operating Costs	6	10
26	Depreciation	26	25
30	Allocated Overheads	36	37
68	Total Operating Expenditure	68	72
-	Capital Expenditure	-	6
68	Total Expenditure	68	78
	FUNDED BY:		
71	Charges for Services	58	64
71	Total Revenue	58	64
7	General Rates	7	7
15	Transfer from Depreciation Reserves	-	6
1	Other Funding	0	2
93	Total Funding	65	78



Environmental Services covers the following groups of activities:

- Building Services;
- Planning and Bylaws;
- Community Health and Safety; and
- Emergency Response.

Some of these activities can be broken down further:

- Community Health and Safety encompasses Council's responsibilities for food control, sale and supply of alcohol, animal control and bylaws relating to parking of motor vehicles and general nuisance in public places.
- Emergency Response covers Council's contribution to Civil Defence and rural fire in the region.

Building Control

1.1 What We Do

Council is registered as a building consent authority (BCA), as required by the Building Act 2004. The BCA receives and processes applications for building consents. It also involves monitoring and compliance, to ensure that all building, plumbing and drainage work in the District is undertaken in a safe, secure and proper manner.

Monitoring and auditing of known swimming pools in the District ensures that pools are adequately fenced to reduce the risk of drowning in accordance with the Fencing of Swimming Pools Act 1987.

1.2 Why We Do It

Council has a legal responsibility to ensure buildings are fit for purpose and comply with legislation. Council has a legal responsibility to promote the safety of young children around certain swimming pools.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

Council is mindful of the potential for regulations around the construction of buildings to have a time and cost impact on investment decisions. Performance indicators have been designed to strike a balance between legal requirements and efficiency from a customer service perspective.

The most significant negative effects are predicted to accrue if council gets it wrong. Maintenance of a quality management system and a structured approach to continual improvement are two measures to ensure the purpose of the Building Act and Fencing of Swimming Pools Act are upheld.

1.4 Statement of Service Provision

There are changes proposed to how the service is delivered and this relates to the move to digitising where possible the processing, issue and compliance of consents. This will not negatively affect the ability of council to process consents within statutory timeframes.

Although the earthquake prone building legislation amendments have been passed, it is still not yet known how these proposed changes will affect level of service until the regulations are drafted in 2017.

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	Council Records	Achieved - 100% - 182 building consents (2014/15 Achieved – 100%, 200 building consents)	100%
	Percentage of inspection requests completed within 24 hours of request	Council Records	Achieved - 100% (2014/15 Not Measured)	100%
	Percentage of code compliance certificate applications determined within 20 working days	Council Records	Achieved - 100% (2014/15 Not Measured)	100%
To monitor and enforce the requirements of the Fencing and Swimming Pool Act.	Percentage of pools to be inspected each year.	Council Records	Achieved - 27% - 24 of 89 (2014/15 Achieved – 24%, 22 of 90)	≥20%
	Percentage of registered pools inspected not requiring remedial work	Council Records	Achieved - 100% (2014/15 Not Measured)	≥95%
To retain registration as a Building Consent Authority.	Current registration.	Current IANZ Certification	Achieved (2014/15 Achieved)	Confirmed
	Strategic Management Review completed by the end of each financial year and business improvements implemented within two months of the proceeding new financial year.	Current IANZ Certification	Achieved (2014/15 Not Applicable)	Confirmed
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	Council Records	Achieved - 86% (2014/15 Not Measured)	>80%
	Increased number of building consent applications received in digital form instead of hardcopy	Council Records	Not Achieved – <5% (2014/15 Not Measured)	>60%
	Decreased number of building applications placed on hold for additional information	Council Records	Not Achieved – no decrease from the previous year (2014/15 Not Measured)	<30%

1.5 Projects and Other Programmes

Council maintained its registration as a Building Consent Authority, fully meeting its legislative responsibilities in this area. The most recent audit was completed in the 2014/15 Financial Year. The next audit is scheduled for 2017 (Year 2 of the LTP).

The processing of applications will move to a fully electronic system whereby applications can be lodged on-line. Significant progress is expected on this in the 2016/17 Financial Year, with the standardisation of forms and the scheduled purchase of new software and scanning hardware.

Funds have been allocated to cover any potential role of council in the assessment of earthquake prone buildings within the district. These funds may be revised upward or downward depending on the finalisation of the regulations in 2017.

1.6 Cost of Services Statement

The detailed financial summary for Building Control's activities is below:

Building Control

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
332	Operating Expenditure	360	393
143	Revenue	135	165
189	Net Cost of Service	224	228
	EXPENDITURE		
221	Operating Costs	244	278
111	Allocated Overheads	116	115
332	Total Operating Expenditure	360	393
	FUNDED BY:		
143	Charges for Services	135	165
143	Total Revenue	135	165
158	UAGC	226	223
4	Other Funding	1	5
305	Total Funding	361	393

Planning and Bylaws

1.1 What We Do

This activity covers:

- The development and administration of the Stratford District Plan
- Maintaining a set of bylaws that integrate with the District Plan provisions
- The processing of resource consents required under the District Plan.
- Monitoring of the district to ensure that the District Plan and bylaws are relevant and complied with.
- Leading the preparation of Land Information Memorandums (LIMs).

1.2 Why We Do It

All of the above functions are required by legislation.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

Council is mindful of the potential for regulations around land use and subdivision to have a time and cost impact on short and long term investment decisions. Performance indicators have been designed to strike a balance between legal requirements and efficiency from a customer service perspective.

There is greater significant risk if the district plan review is not completed and the district plan not updated to reflect best practice and community expectations. The same also applies to the suite of bylaws that sit alongside the district plan. Customers also rely on quality information in their LIMs so they can make good investment decisions. There is only a significant negative effect if Council gets it wrong. Council is working to make sure quality management systems are in place to make sure this never happens.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To promote the sustainable management and use of land and public spaces.	To undertake a comprehensive review of the district plan, with notification no later than 2017/18.	Reports to Council	Achieved (2014/15 Not Achieved)	Research and drafting.
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Reports to Council	Achieved – the drafting and research is complete, with the issues paper due for release in 2016/17 (2014/15 Not Applicable)	Signs and research/drafting complete for all non-asset focussed bylaws.
To process resource consents and LIMs within statutory timeframes.	% of non notified applications processed within 20 working days.	Council Records	Not Achieved - 95% - 39 of 41 applications (2014/15 Achieved – 100%, 22 applications)	100%
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	Council Records	Achieved – 0 applications were received (2014/15 Achieved – 100% - 1 application)	100%
	% of s223 and s224 (of the RMA) applications processed within 10 working days.	Council Records	Achieved - 100% (2014/15 Not Measured)	100%
	% of LIMs processed within timeframes.	Council Records	Achieved - 100% - 60 LIM reports (2014/15 Achieved – 100%, 40 LIM reports)	100%
Service meets customer expectations.	Percentage of customers using resource consent processes are satisfied with the service provided	Council Records	Achieved - 82% (2014/15 Not Measured)	>80%
	Increased number of resource consent applications received in digital form instead of hardcopy	Council Records	Not Achieved – the number received digitally is below 20% (2014/15 Not Measured)	>60%
	Decreased number of resource applications placed on hold for additional information or returned under s88 of the RMA.	Council Records	Not Achieved – no decrease from the previous year (2014/15 Not Measured)	<30%

1.5 Projects and Other Programmes

The District Plan review has been integrated with the review of the review of the Economic Development Strategy and the Future of Broadway masterplan. An issues paper has been prepared and scheduled for release in October along with the other documents mentioned above.

Project	Category	Budget 2015/16	Actual 2015/16	Notes
District Plan review	Operating expenditure	\$100,000	\$59,183	This year focussed on setting the foundations and developing the issues paper in conjunction with significant time investments in the Future of Broadway and Economic Development Strategy review.

1.6 Cost of Services Statement

The detailed financial summary for Planning and Bylaw's activities is below:

District Plan & Bylaws

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
78	Operating Expenditure	138	171
-	Revenue	-	-
78	Net Cost of Service	138	171
EXPENDITURE			
47	Operating Costs	95	128
31	Allocated Overheads	43	44
78	Total Operating Expenditure	138	171
FUNDED BY:			
70	UAGC	171	169
1	Other Funding	0	2
71	Total Funding	171	171

Resource Consents

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
170	Operating Expenditure	150	163
52	Revenue	31	75
118	Net Cost of Service	119	88
EXPENDITURE			
94	Operating Costs	80	96
75	Allocated Overheads	70	68
170	Total Operating Expenditure	150	163
FUNDED BY:			
52	Charges for Services	31	75
52	Total Revenue	31	75
72	UAGC	86	85
3	Other Funding	0	3
127	Total Funding	118	163

Community Health & Safety

1.1 What We Do

The activities broadly cover the regulation and enforcement of various statutes and bylaws relating to health, food, alcohol, animal control, and general nuisance arising from inappropriate parking of motor vehicles and/or use of public places.

Health Act and Food Act

Council:

- provides a uniform system of control to ensure the sale of food is fit for consumption and safe
- carries out premises registration, education, monitoring and enforcement activities, including complaint resolution, to avoid and mitigate actual and potential adverse effects on public health.

From time to time this activity also has to review and respond to legislative changes. Overall its main role is licensing, compliance and enforcement.

Sale and Supply of Alcohol Act

Council carries out licensing, monitoring and enforcement activities, to ensure that a reasonable system of control is in place over the sale and supply of liquor to the public, with the aim of contributing to the reduction of liquor abuse in the community.

Parking and other Bylaw compliance

Bylaws provide an enforcement tool where specific local regulation is required. In some instances bylaws are required to give a specific local interpretation of national legislation. Others, such as the Public Places Bylaw, are passed under the Local Government Act but simply reflect a set of local expectations.

Council receives an average of 300 complaints concerning infringements of the various bylaws each year. In addition approximately 200 to 300 parking infringement notices are issued each year, with almost all being in respect of time limits. Council has, since 2010, also issued infringement notices for other stationary vehicle offences related to warrants of fitness and vehicle registration.

Animal Control

Council exercises its responsibilities under the Dog Control Act 1996 and Council's Dog Control Bylaw. Council controls dogs as required by legislation to avoid nuisance and minimise risk to the community.

This covers:

- registration of dogs
- timely response to all complaints concerning dogs, particularly in regard to instances involving aggressive behaviour by dogs
- Enforcing obligations on dog owners designed to ensure that dogs do not cause a nuisance to any person, and do not injure, endanger or cause distress to any person or cause distress to any stock, poultry, domestic animal or protected wildlife.

Council operates a dog pound which has a capacity for six dogs. The demand for services is relatively consistent.

Under the general bylaw this activity also manages wandering stock on road reserves.

1.2 Why We Do It

These services are either required by statute or bylaws produced by the Council in response to either public expectations or legal requirements.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

These activities are in place to avoid or offset significant negative effects of an environmental, or community health and safety nature.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To fulfil obligations to improve, promote and protect public health.	Percentage of registered premises to be inspected for compliance.	Council Records	Achieved - 100% (2014/15 Achieved – 100%)	100%
	Health nuisance and premise complaints are responded to within 1 working day.	Council Records	Achieved - 100% - 9 complaints (2014/15 Achieved – 100%, 19 complaints)	100%
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	Council Records	Achieved - 100% (2014/15 Achieved – 100%)	100%
	Percentage of applications processed within 25 working days (excluding hearings).	Council Records	Achieved - 100% (2014/15 – Achieved – previously it was 20 working days under the old legislation)	100%
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	Council Records	Achieved - 100% - 313 complaints (2014/15 Achieved – 100%, 274 complaints)	100%
To ensure dogs are controlled.	Percentage of known dogs registered.	Council Records	Not Achieved – 98.5%, 2,110 out of 2,142 dogs (2014/15 Achieved – 99%, based on target of 98%, 2,026 of 2,055 dogs)	100%
	Percentage of complaints responded to within an hour.	Council Records	Achieved - 100% - 274 complaints (2014/15 Achieved – 100%, 307complaints)	100%

1.5 Projects and Other Programmes

There were no major future projects identified for this activity. The first years of the LTP are focussed on effectively administrating the new Food Act and regulations, which took effect in mid 2016.

The first years of the LTP will also see many bylaws reach their review threshold. This may affect levels of service depending on the outcomes of the review, but nothing that can be predicted or forecast at this early stage.

1.6 Cost of Services Statement

The detailed financial summaries for Food and Health, Alcohol Licensing, Parking and other Bylaws and Animal Control activities are below:

Food and Health

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
116	Operating Expenditure	121	136
22	Revenue	22	30
94	Net Cost of Service	99	106
	EXPENDITURE		
60	Operating Costs	43	57
56	Allocated Overheads	78	79
116	Total Operating Expenditure	121	136
	FUNDED BY:		
22	Charges for Services	22	30
22	Total Revenue	22	30
82	UAGC	104	103
2	Other Funding	0	4
106	Total Funding	126	136

Alcohol Licensing

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
103	Operating Expenditure	148	144
37	Revenue	40	34
67	Net Cost of Service	108	110
	EXPENDITURE		
31	Operating Costs (see note below)	52	47
72	Allocated Overheads	97	97
103	Total Operating Expenditure	148	144
	FUNDED BY:		
37	Charges for Services (see note below)	40	34
37	Total Revenue	40	34
75	UAGC	107	105
3	Other Funding	0	4
115	Total Funding	147	144

Parking and other Bylaws

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
137	Operating Expenditure	143	131
13	Revenue	25	44
125	Net Cost of Service	118	87
EXPENDITURE			
49	Operating Costs	73	61
88	Allocated Overheads	70	70
137	Total Operating Expenditure	143	131
FUNDED BY:			
13	Charges for Services	25	44
13	Total Revenue	25	44
100	UAGC	85	84
4	Other Funding	0	3
117	Total Funding	111	131

Animal Control

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
211	Operating Expenditure	208	208
102	Revenue	124	141
109	Net Cost of Service	84	67
EXPENDITURE			
100	Operating Costs	105	105
1	Depreciation	2	1
110	Allocated Overheads	101	101
211	Total Operating Expenditure	208	208
-	Capital Expenditure	-	-
211	Total Expenditure	208	208
FUNDED BY:			
102	Charges for Services	124	141
102	Total Revenue	124	141
71	UAGC	63	62
-	Transfers from Reserves - Capital	-	-
4	Other Funding	0	5
178	Total Funding	187	208

Emergency Response

1.1 What We Do

Council provides for both rural fire prevention/response and civil defence emergency management to meet its statutory responsibilities under the Forest and Rural Fires Act 1977 and the Civil Defence Emergency Management Act 2002.

Rural Fire - Council has a statutory role to have in place sufficient resources, and a proper plan, for reducing the risk of rural fires occurring and responding to any fire that may occur in the rural part of the District.

Civil Defence Emergency Management - Council is a member of the Civil Defence Emergency Management (CDEM) Group, which essentially co-ordinates planning for, management of and recovery from civil defence emergencies throughout Taranaki in accordance with the CDEM Group Plan for Taranaki.

1.2 Why We Do It

Council has legal requirements to play a direct role in the prevention and management of natural hazards.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

This activity does not create any negative effects.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To protect life and property from rural fires.	Operative Rural Fire Response Plan.	Revised annually	Achieved (2014/15 Achieved)	Achieved
To be responsive to requests for fire permits.	Applications processed within one working day.	Council Records	Not applicable - this function was transferred to the Taranaki Rural Fire Authority. (2014/15 New Measure)	100%
To maintain effective emergency capability	Operative Taranaki Civil Defence and Emergency Management Plan.	Annual CDEMG Report	Achieved - 100% (2014/15 Achieved)	Achieved

1.5 Projects and Other Programmes

There are no major projects for this activity.

1.6 Cost of Services Statement

The detailed financial summaries for Rural Fire Control and Civil Defence Emergency Management's activities are below:

Rural Fire Control

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
68	Operating Expenditure	78	65
-	Revenue	-	-
68	Net Cost of Service	78	65
	EXPENDITURE		
45	Operating Costs	57	43
1	Depreciation	1	2
22	Allocated Overheads	20	20
68	Total Operating Expenditure	78	65
-	Capital Expenditure	-	-
68	Total Expenditure	78	65
	FUNDED BY:		
63	UAGC	65	64
1	Other Funding	-	1
64	Total Funding	65	65

Civil Defence Emergency Management

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
48	Operating Expenditure	46	46
-	Revenue	-	-
48	Net Cost of Service	46	46
	EXPENDITURE		
21	Operating Costs	23	24
28	Allocated Overheads	23	23
49	Total Operating Expenditure	46	46
	FUNDED BY:		
-	Subsidies	-	-
-	Total Revenue	-	-
48	UAGC	46	45
1	Other Funding	0	1
50	Total Funding	46	46



1.1 What We Do

The Roding activity encompasses the management, construction, maintenance and renewal of rural and urban roads, footpaths, kerb and channel, street lighting and associated infrastructure for the District excluding State Highways. The Roding network managed by the Stratford District Council totals 597.8km, made up of 556.1km of rural roads and 41.6km of urban streets. State Highways 3 and 43 are maintained by the New Zealand Transport Agency (NZTA). In addition there are over 700km of unformed legal road and a number of bridges ‘beyond the maintenance peg’ that are not maintained by Council.

The Roding asset includes all pavements from the sub base to, and including, the top sealed or metal surface, traffic services (lighting, street and safety signage, footpaths, kerb & channel), bridges, culverts and side drains.

	Rural	Urban	Total
Sealed km	349.4	41.6	391.1
Unsealed km	<u>206.7</u>	<u>0.01</u>	<u>206.7</u>
	556.1	41.6	597.8

The physical works carried out on the District roads are undertaken by private contractors. Most of the work, including all routine maintenance and most renewals and planned work such as reseals and unsealed roads metal replacement, is carried out under the Roding Facilities Management Contract.

1.2 Why We Do It

Council is the road controlling authority under the Local Government Act 1974 with responsibility for all local roads in the area. It provides an integrated, safe, responsive and sustainable local land transport system for the District. This is a fundamental requirement for every District.

The main users of the network are residents, industries (particularly dairy, forestry and oil), a small commercial sector, and visitors.

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

1.3 Significant Negative Effects

Negative Effects

The Roothing activity can have negative effects on the social, economic, environmental and cultural wellbeing of the District. The potential significant negative effects of the Roothing network, and the ways in which Council tries to mitigate these effects are:

Traffic Hazards/Accidents - Council is actively involved in regional road safety strategies such as 'Roadsafe Taranaki', and the 'Community Road Safety Programme'. Its minor safety improvements include regionally co-ordinated activities such as road safety education, and improvements in signage, pavement marking, safety structures and speed limiting. It investigates injury accidents with the Police to address any roading issues that may be involved.

Dust - The District has a large proportion of unsealed roads. Council is working with the rural community, and has a seal extension programme to mitigate the effects of dust.

Noise - The State Highways are subject to the largest traffic volumes and a high percentage of heavy vehicles, particularly in Central Broadway where the impact of noise is most obvious. The rural roads also carry a high percentage of heavy traffic, but generally the noise impact is not significant because of the low traffic volumes.

Road Closures - Unscheduled road closures, usually as the result of flood damage, can be of concern, particularly for isolated rural communities. When this happens, every effort is made to have the road or alternative routes open as soon as possible.

Planned closures are always well notified to affected parties and usually these are not a significant problem, except for some organised motor sports that tended to target the same sections of roads on a regular basis. Council has discussed this with event organisers and it no longer appears to be such an issue.

Environment - All major project works are carried out under resource consents. General works are undertaken to avoid major impacts on stormwater run-off and drainage management.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
To provide a safe roading network.	Road safety - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Police CAS Database	Not Achieved – Increase from 6 in 2014/15 to 7 in 2015/16 (provisional result that has potential to change). (2014/15 – New Measure)	0
To provide a well maintained roading network.	Road Condition – The average quality of ride on sealed road network, measured by smooth travel exposure.	RAMM Rating Report	Not Achieved - Urban 95% - Rural 91% (2014/15 Not Applicable)	Urban – ≥87% Rural – ≥95%
	Road maintenance – The percentage of the sealed road network that is resurfaced.	RAMM Rating Report	Not Achieved – 7% (2014/15 – Not Achieved – 9%)	≥10%
	Road maintenance – The percentage of the unsealed road network that has been metal dressed.	RAMM Report	Achieved – 28% (2014/15 – Achieved – 46%)	≥1%
	Footpaths - The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority’s relevant document (annual plan, activity management plan, asset management plan, annual works programme or long term plan)	RAMM Report	Achieved – 80.4% (2014/15 – New Measure)	>80%
	Response to service requests - The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan (note: this information is actually held in the asset management plan not the long term plan).	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests	Not Measured – Existing roading contract had no time requirements in place. New Contract commenced since contains time frames and measures. (2014/15 – New Measure)	>80%
	Percentage of residents who are satisfied with:			
• Roding Networks	Annual Customer Survey	Achieved – 75.3% (2014/15 – Achieved – 85.8%)	>70%	
• Footpaths	Annual Customer Survey	Achieved – 78.0% (2014/15 – Achieved – 78.3%)	>60%	

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Unsealed Road metalling	Replacements	\$805,900	\$367,768	Forests are currently being harvested at Puniwhakau and Tauwharenikau Roads. The metalling programme has been completed for the year. The remaining funds will be used to pay Council's share of the June 2015 storm event.
Sealed Road resurfacing	Replacements	\$1,339,500	\$720,382	The remaining funds will be used to fund the June 2015 storm event, and pavement rehabilitation.
Pavement rehabilitation	Replacements	\$250,100	\$749,037	Two projects were completed this year. The additional funds, for a redesign of the foundation of the road, have been taken from the reseals budget.
Bridge renewal	Replacements	\$198,200	\$0	This work, for the Ahuroa Road culvert replacement, has been included under the Minor Improvements work category for NZTA.
Kerb and channel improvements	Level of service	\$105,000	\$0	The Ajax Street kerb and channel project has been postponed until 2016/17. The budget has been used to fund the June 2015 storm event.
Footpath improvements	Level of service	\$45,900	\$0	The Achilles Street footpath improvements project has been postponed until 2016/17. The budget has been used to fund the June 2015 storm event.

1.6 Cost of Services Statement

The detailed financial summary for Roothing activities is below:

Roothing

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
5,503	Operating Expenditure	10,360	5,451
3,282	Revenue	6,512	3,398
2,221	Net Cost of Service	3,847	2,053
	EXPENDITURE		
2,820	Operating Costs	7,643	2,724
-	Interest	-	20
2,550	Depreciation	2,564	2,550
133	Allocated Overheads	152	158
5,503	Total Operating Expenditure	10,360	5,451
-	Principal Loan Repayments	-	15
3,636	Capital Expenditure	2,357	3,723
9,139	Total Expenditure	12,717	9,189
	FUNDED BY:		
184	Charges for Services	135	140
3,099	NZTA Financial Assistance	6,377	3,259
3,282	Total Revenue	6,512	3,398
3,324	Targeted Rates	2,838	2,823
326	Transfer from Reserves	1,281	1,273
2,675	Transfers from Reserves - Capital	1,071	1,561
-	Loan Funding - Capital	-	89
(475)	Transfer from (to) Capital	1,015	38
6	Other Funding	1	7
9,139	Total Funding	12,717	9,189

Business Unit

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
205	Operating Expenditure	225	231
220	Revenue	235	235
(15)	Net Cost of Service	(10)	(4)
	EXPENDITURE		
149	Operating Costs	160	170
4	Depreciation	6	4
53	Allocated Overheads	59	58
205	Total Operating Expenditure	225	231
	FUNDED BY:		
220	In-house Services - NZTA Assisted	235	235
220	Total Revenue	235	235
(7)	General Rates	(6)	(6)
2	Other Funding	0	3
215	Total Funding	229	231



1.1 What We Do

Stormwater reticulation and collection services are provided and managed by Stratford District Council:

- To collect and disperse any excess water from a major rainfall event.
- To provide a system for the normal drainage of stormwater and groundwater, thereby enhancing the life of other infrastructure e.g. roads and protecting private property (to the defined level of service).

The Stormwater reticulation system is a network of pipes and open drains that collects stormwater from developed urban areas. Collection from roads and public areas is usually via sumps and directed to reticulation. Collection from commercial and industrial properties is via reticulation manholes. Residential area stormwater is discharged to ground mainly by soak holes, although if soil or other conditions are not suitable for soak holes, discharge is carried out via runoff through sumps and reticulation.

There are 6.7km of stormwater pipes, and 14km of open drains in the Stratford urban area. Council is also responsible for approximately 70 metres of 450mm culvert in Midhirst.

1.2 Why We Do It

Stormwater assets are critical for the protection of properties and infrastructure

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

1.3 Significant Negative Effects

Health - The stormwater system has the potential to affect community health if it is inadequate and results in flooded houses and properties, and causes sewerage system overflows.

Council is aware of the areas where surface flooding occurs and is progressively working towards eliminating these events. However, there will always be localised storm events that will exceed the capacity of any system and some surface flooding will occur. Council recognises this potential and endeavours to take all steps to ensure the risk is minimised.

Environment - Council operates under its resource consent requirements for stormwater discharge.

Monitoring of discharge points will continue to ensure that there are no negative effects on rivers or streams at these locations.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Stormwater system protects property from impacts of flooding.	System adequacy	Reporting against corporate CRM system. Note: specific category to be set up for flooding – to separate residential & commercial buildings and include count of habitable floors flooded (residential only).	Achieved – 0 – No flooding events meeting the measure criteria in 2015/16. (2014/15 Achieved – 0)	0
	<ul style="list-style-type: none"> The number of flooding events that occur in a territorial authority district. <i>“Flooding” in this context means stormwater entering a habitable floor</i> 		Achieved – 0 - No flooding events meeting the measure criteria in 2015/16. (2014/15 Achieved – 0)	0
	<ul style="list-style-type: none"> For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority’s stormwater system.) For each flooding event, the number of buildings in the central business zone affected by flooding. 		Achieved – 0 - No flooding events meeting the measure criteria in 2015/16. (2014/15 Achieved – 0)	0
Discharge Compliance	Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders, and Convictions received by the territorial authority in relation to those resource consents.	Council does not hold discharge consents for discharge from its stormwater system.	Not Applicable (2014/15 Not Measured)	N/A
Response Times	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Work order tracking/reporting through Council’s Infrastructure asset management system.	Achieved – 0 – No flooding events meeting the measure criteria in 2015/16. (2014/15 Not Measured)	1 hour
Customer Satisfaction	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority’s stormwater system.	Reporting against corporate CRM system.	Achieved – Overall only 1 complaint was received, however unable to express per 1000 connections as Council holds no records of private stormwater connections and does not rate for stormwater as a separate service/targeted rate. (2014/15 Not Measured)	<8 per 1,000

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Reticulation Capacity Increase	Level of service	\$50,000	\$251,715	The over expenditure is due to the Miranda Street project being brought forward onto the current programme due to a tunnel collapse. Complete.
Manhole Lid Safety Screens	Level of service	\$15,000	\$19,714	
Reticulation Inlet Safety Screens	Level of service	\$25,000	\$14,925	
Silt Ponds Works	Level of service	\$60,000	\$49,930	
Reticulation Renewals	Replacements	\$100,000	\$114,034	
				Complete. This project was done in conjunction with the reticulation capacity increase and the silt pond works.

1.6 Cost of Services Statement

The detailed financial summary for the Stormwater activity is shown below.

Stormwater

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
224	Operating Expenditure	255	250
-	Revenue	-	-
224	Net Cost of Service	255	250
	EXPENDITURE		
75	Operating Costs	77	83
-	Interest	6	3
66	Depreciation	71	72
83	Allocated Overheads	101	93
224	Total Operating Expenditure	255	250
-	Principal Loan Repayments	-	2
112	Capital Expenditure	450	250
336	Total Expenditure	706	502
	FUNDED BY:		
219	General Rates	-	-
-	UAGC	309	306
112	Transfers from Reserves - Capital	-	-
-	Transfer from Depreciation Reserves	114	102
-	Loan Funding - Capital	286	90
3	Other Funding	0	4
334	Total Funding	710	502



WASTEWATER (SEWERAGE)

1.1 What We Do

The Wastewater activity encompasses the planning, provision, operation, maintenance and renewal of wastewater, reticulation and treatment and disposal, and associated infrastructure for the Stratford urban area.

1.2 Why We Do It

Council has obligations under the Local Government Act 2002, the Health Act 1956 and the Building Act 2004 that outline general duties of a local authority to improve, promote and protect public health through the sanitary and responsible treatment and disposal of wastewater.

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

1.3 Significant Negative Effects

Climate Change

The projected effects of climate change would have direct impacts on the Wastewater activity. It is predicted that western areas of New Zealand are likely to experience an increasing number of high intensity rain events. The sewer network could be affected by infiltration from increased ground water levels and this could result in a greater number of wastewater overflows.

The direct effects of climate change on the Wastewater activity have not been assessed in detail in this Plan because it was felt that the effects of climate change were unlikely to become significant during the 2015/25 planning period.

Negative Effects

The potential significant negative effects of the Wastewater activity on the social, environmental and cultural well-being of the District, and the ways in which Council tries to mitigate these effects are:

Health - The Wastewater system has the potential to affect community health if it fails to operate according to the required performance standards. As standards are improved, the system is upgraded to suit.

Periodic failures in the system, such as discharge overflows in domestic reticulation systems and through street manholes, are of concern and are being addressed as a priority by Council.

Currently there are no indications that community health has been or could be significantly affected by the performance of the wastewater system.

Odour - Odour is managed through the resource consent process. The upgrade of the oxidation pond treatment system through increased aeration and screening will further minimise the possibility of odour problems.

Environment - Council is working with the Regional Council on a review of its resource consent requirements. This has resulted in planned improvements to the treatment system, the quality of discharge from the ponds and the method of discharge to the receiving waters. Continued efforts will be made to ensure that environmental effects are minimised.

Culture - The treatment and disposal of wastewater into the Patea River highlighted some cultural issues. Council dealt with these issues as part of the consent consultation process. One such issue was the direct disposal of the discharge from the treatment plant. Council modified the outlet structure to meet cultural and environmental concerns.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Wastewater is managed without risk to public health	System and adequacy - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Reporting against corporate CRM system.	Achieved – 0 (2014/15 Not Measured)	<5 per 1,000
	Discharge compliance - Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders; and • Convictions, Received by the territorial authority in relation to those resource consents.	Consent & compliance documentation.	Achieved – 0 (2014/15 Not Measured)	0
Fault response times	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:			
	<ul style="list-style-type: none"> • Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 38 minutes (2014/15 Not Measured)	1 hour
	<ul style="list-style-type: none"> • Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 4 hours 59 minutes (2014/15 Not Measured)	8 hours
Customer satisfaction	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> • Sewage odour • Sewerage system faults • Sewerage system blockages, and • The territorial authority's response to issues with its sewerage system, Expressed per 1000 connections to the territorial authority's sewerage system.	Reporting against corporate CRM system.	Achieved – 1.6 (2014/15 Not Measured)	<5 per 1,000

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Infiltration reduction renewals	Replacements	\$150,000	\$196,119	Complete.
Manhole lid safety screens	Level of service	\$12,500	\$42,267	The over expenditure was due to the number of manholes requiring urgent replacement.
Oxidation upgrade	Ponds	\$500,000	\$15,867	Council is unable to commence the upgrade until the consent renewal process is completed, which will not be in the current financial year. Therefore the balance of the funds will be carried over to the following year.

1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

Wastewater (Sewerage)

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
404	Operating Expenditure	595	495
34	Revenue	28	40
370	Net Cost of Service	567	455
	EXPENDITURE		
228	Operating Costs	366	244
-	Interest	9	64
94	Depreciation	117	93
83	Allocated Overheads	104	94
404	Total Operating Expenditure	595	495
-	Principal Loan Repayments	4	48
237	Capital Expenditure	295	663
641	Total Expenditure	894	1,205
	FUNDED BY:		
34	Charges for Services	28	40
34	Total Revenue	28	40
472	Targeted Rates	453	450
(106)	Transfer from (to) Reserves	-	-
142	Transfers from Reserves - Capital	-	-
-	Transfer from Depreciation Reserves	201	61
95	Loan Funding - Capital	212	650
3	Other Funding	0	4
641	Total Funding	894	1,205



SOLID WASTE

1.1 What We Do

Council provides a domestic refuse and recycling service to the households in the urban areas of Stratford and Midhirst. In addition it operates a transfer station in Stratford which allows for the disposal of general waste, recycling and green waste. All services are provided by a contractor and all waste is taken to the regional landfill. With the closure of the regional landfill scheduled for 2019, Council is working with New Plymouth District Council and South Taranaki District Council on a future solution for waste in the Taranaki region.

1.2 Why We Do It

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

Through:

- the provision by Council of adequate public waste collection and disposal services for the District; and
- Council maintaining a general overview, to ensure that all solid waste in the District is disposed of in a safe and sanitary manner.

1.3 Significant Negative Effects

The Solid Waste activity, by its nature, has the potential to create a range of significant negative effects on the environment including the adverse effects of leachate from landfills, odour, litter and noxious materials. These effects are controlled by resource consents and management practices.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
The levels of waste generated are reducing.	Waste to landfill per household (municipal kerbside collection only)	Landfill invoices & transactions.	Achieved – 506kg (2014/15 Achieved – 632kg)	<700kg
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	Recycling facility invoices & transactions.	Not Achieved – 25.4% (2014/15 Not Measured)	>30%
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	Annual Residents Survey	Achieved - 92.3% (2014/15 Achieved – 97%)	>75%

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Transfer Station improvements	Level of service	\$65,000	\$237,765	The additional expenditure was to meet unplanned health and safety requirements. This also includes the expenditure for the dangerous goods shed.

1.6 Cost of Services Statement

The detailed financial summary for Waste Management's activities is shown below.

Solid Waste

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
792	Operating Expenditure	804	780
96	Revenue	85	60
697	Net Cost of Service	719	720
	EXPENDITURE		
577	Operating Costs	608	595
21	Depreciation	30	22
194	Allocated Overheads	166	162
792	Total Operating Expenditure	804	780
14	Landfill Aftercare Costs	3	17
37	Capital Expenditure	238	65
843	Total Expenditure	1,045	861
	FUNDED BY:		
96	Charges for Services	85	60
96	Total Revenue	85	60
789	Targeted Rates	723	714
18	UAGC	19	19
21	Transfer from Depreciation Reserves	238	65
(123)	Transfer from (to) Reserves	(20)	-
37	Transfers from Reserves - Capital	-	-
4	Other Funding	0	4
843	Total Funding	1,045	861



1.1 What We Do

The Water Supply activity encompasses the planning, provision, operation, maintenance and renewal of water treatment and reticulation systems, and all associated infrastructure.

Council operates three urban water supplies servicing the Stratford, Toko and Midhirst townships, with river fed sources for Stratford and Midhirst and a bore supply for Toko.

1.2 Why We Do It

Council has assumed the role of provider of Water Supply to provide all properties in the water supply zones with a constant, safe and sustainable water supply.

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

Through:

- the provision by the Council of public water supply systems that supply potable water and water for fire fighting for the urban areas of Stratford, Toko and Midhirst, to protect public health and property; and
- Council maintaining a general overview of the availability and quality of, and methods of provision of, water that is supplied by private means.

1.3 Significant Negative Effects

The water supplies have the potential to affect community health if they fail to be operated according to required standards of performance.

There are no indications that community health has been, or could be, significantly affected by the performance of the Water Supply system, but this will be an on-going monitored performance measure.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Water is safe to drink.	The extent to which the local authority's drinking water supply complies with:			
	<ul style="list-style-type: none"> Part 4 of the drinking water standards (bacterial compliance criteria), and 	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.	Stratford – Achieved Midhirst – Achieved Toko – Not Achieved (2014/15 - New Measure)	100% for all plants
	<ul style="list-style-type: none"> Part 5 of the drinking water standards (protozoal compliance criteria). 		Stratford – Achieved Midhirst – Achieved Toko – Not Achieved (2014/15 - New Measure)	100% Stratford but N/A for Toko and Midhirst
	Maintenance of the reticulation network - The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	Calculated annually as per NZWWA Water Loss Guidelines.	Achieved (2014/15 - New Measure)	<30%
A reliable water supply is provided.	Fault Response Times – Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:			
	<ul style="list-style-type: none"> Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 32 minutes (2014/15 - New Measure)	1 hour
	<ul style="list-style-type: none"> Resolution of urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 6 hours 14 minutes (2014/15 - New Measure)	8 hours
A reliable water supply is provided.	<ul style="list-style-type: none"> Attendance for non-urgent call-outs: from the time that council receives notification to the time that service 	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System	Achieved – 19 hours 52 minutes (2014/15 - New Measure)	2 working days
	<ul style="list-style-type: none"> Resolution of non-urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption 		Achieved – 43 hours 01 minutes (2014/15 - New Measure)	5 working days
	Number of unplanned disruptions:			
	<ul style="list-style-type: none"> Minor * (between 5 and 50 connections affected) 	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System	Achieved - 2 (2014/15 - New Measure)	<12
<ul style="list-style-type: none"> Major * (more than 50 connections affected) 		Achieved - 1 (2014/15 - New Measure)	<2	

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Water has a pleasant taste and odour.	<p>Customer Satisfaction - Total number of complaints received for:</p> <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • Council's response to any of these issues <p>expressed per 1000 connections to council's networked reticulation system.</p>	Reporting against corporate CRM system.	Achieved – 2.8 (2014/15- New Measure)	<32 per 1,000
	<i>Note: This is understood to be limited to supplied properties within the water supply zones.</i>			
	<p>Demand management - The average consumption of drinking water per day per resident within the district (in litres).</p>	Calculated from production records ex SCADA/Water Outlook, deducting commercial users as per water meter records as well as any other non-residential use and losses (as per benchloss), divided by number of residential connections and average number of residents per property.	<p>Achieved Stratford – 174m³/pp/year Midhirst – 181m³/pp/year Toko – 83m³/pp/year (2014/15 - New Measure)</p>	<275
Water flow and pressure is appropriate for its intended use.	Water pressure at 50 properties within the water supply zone, including any that have complained about pressure and or flow meets council specifications (flow>10l/min & pressure>350kpa)	Pressure and flow to be measured at a minimum of 50 properties per annum. Test results recorded by handheld device directly into asset management system against property's point of supply. Where test at tap inside property fails, test will be repeated at point of supply (toby/meter box) to isolate problems with private pipework from public network. Customer is advised if problem with internal plumbing.	Achieved (2014/15 – Achieved – 52 properties tested)	100%

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Water supply meets fire fighting requirements.	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.	Not Achieved – one hydrant failed the test (2014/15 – Achieved – 31 hydrants tested)	100%

1.5 Projects and Other Programmes

Project	Category	Budget 2015/16	Actual 2015/16	Notes
Reticulation renewal	Replacements	\$250,000	\$161,749	The proposed renewal of the Achilles Street water main has been delayed to the next financial year due to the roading programme being delayed.
Trunkmain distribution valves	Replacements/ Level of service	\$20,000	\$13,476	Due to a delay in consultants producing construction drawings, this project will not be completed this year.
Intake upgrades (Konini)	Replacements	\$100,000	\$13,573	The under expenditure is due to expected problems of working in the water course not eventuating.
Treatment Plant upgrades (Toko)	Level of service	\$50,000	\$224,906	This project had funds carried forward from 2014/15, however the over expenditure is due to major works required to remove recurring problems, and the land purchase for backwash facilities.
Water Meter Installation	Level of Service	\$50,000	\$58,995	Complete.
Laterals	Replacements	\$16,500	\$26,933	A greater than normal number of lateral renewals were required this year.
Hydrants	Replacements	\$8,000	\$28,826	A greater than normal number of hydrant renewals were required this year.

1.6 Cost of Services Statement

The detailed financial summary for the Water Supply activity is shown below.

Water Supply

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
1,733	Operating Expenditure	2,083	1,764
355	Revenue	305	453
1,379	Net Cost of Service	1,778	1,311
	EXPENDITURE		
845	Operating Costs	1,085	813
266	Interest	254	319
417	Depreciation	522	424
206	Allocated Overheads	222	207
1,733	Total Operating Expenditure	2,083	1,764
-	Principal Loan Repayments	235	262
1,156	Capital Expenditure	549	495
2,889	Total Expenditure	2,867	2,520
	FUNDED BY:		
355	Charges for Water Usage	305	453
355	Total Revenue	305	453
1,197	Targeted Rates	1,306	1,301
729	Transfer from Depreciation Reserves	588	406
223	Depreciation Funded From Reserves	-	-
(50)	Transfers (to) from Reserves	492	-
11	Cash for Capital	-	-
416	Loan Funding - Capital	175	350
8	Other Funding	1	9
2,889	Total Funding	2,867	2,520



COUNCIL CONTROLLED ORGANISATION

Percy Thomson Trust

1.1 Background

The Local Government Act 2002 defines entities in which Council has more than a 50% shareholding, or the ability to appoint more than 50% of the directors, as Council Controlled Organisations. The Stratford District Council has one organisation that meets these criteria and is therefore a Council Controlled Organisation; the Percy Thomson Trust.

The Trust was established to fulfil the wishes and bequest of the late Percy Thomson to provide an art gallery, arboretum and herbarium. There are to be a minimum of six trustees and a maximum of seven on the trust and less than 50% of the trustees can come from elected representatives.

1.2 Nature and Scope of Activities

The Percy Thomson Gallery is located in Prospero Place and provides a total display area of 178m². The arboretum has been established at Cloten Road, and the herbarium is a ‘virtual’ asset that can be found at www.taranakiplants.net.nz.

The Trust Deed sets out the objectives of the Trust and the key points are:

- to manage and promote the facilities.
- to establish exhibition programmes and education policies.
- encouraging public enjoyment and utilisation of Trust facilities and collections.
- to care for any art collections loaned.
- to look at ways of raising revenue.

Council provides administration services to the Trust and leases the Information Centre area from the Trust.

1.3 Why We Do It

The Percy Thomson Trust contributes to the community outcomes by providing for the cultural requirements of the District.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2015/16	Target 2015/16
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Art Gallery Records	<p>Achieved: <i>Art exhibitions were delivered throughout the year, which included the following:</i></p> <p>National</p> <ul style="list-style-type: none"> • <i>Edith Collier</i> • <i>Flight of Fancy</i> <p>Regional</p> <ul style="list-style-type: none"> • <i>Taranaki, Manawatu and Wanganui Embroidery</i> • <i>18th International Collage Exchange</i> • <i>Connections</i> <p>Local</p> <ul style="list-style-type: none"> • <i>Stratford Art Society</i> • <i>Stratford Village Quilters</i> • <i>Sue Morton & Viv Davy</i> <p>(2014/15 Achieved)</p>	Deliver proposed art exhibitions which will include local, regional and at least 1 National.
	Number of visitors to the Gallery to be not less than 20,000 per year	Door Count	<p>Not achieved: 19,297 <i>Temporary relocation of the Library resulted in less people going through Prospero Place.</i> (2014/15 Not Achieved – 19,523)</p>	>20,000
	To operate to a “break-even” balance	Annual Report	<p>Not Achieved: <i>The trust was over budget due to the remedial works required on the gallery's climate control system.</i> (2014/15 Not Achieved)</p>	Operate within “break-even” budget
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Council Records	<p>Achieved: <i>The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract.</i> (2014/15 Achieved)</p>	Develop and maintain the arboretum to the standards in the Facilities Management Contract.
Delivery of Herbarium	Deliver the herbarium via the internet.	Internet Detail Available	<p>Achieved: <i>The herbarium, via the website in conjunction with the Taranaki Regional Council, continues to be viewed, particularly by educational institutions.</i> (2014/15 Achieved)</p>	Deliver the herbarium via the internet.

1.5 Cost of Services Statement

The Council has agreed to provide an annual grant of no more than one percent of rates to the Trust.

Percy Thomson Trust

Actual 2014/15 \$000		Actual 2015/16 \$000	Budget 2015/16 \$000
344	Operating Expenditure	272	239
145	Revenue	90	59
199	Net Cost of Service	182	180
	EXPENDITURE		
278	Operating Costs	206	173
66	Depreciation	66	66
344	Total Operating Expenditure	272	239
	FUNDED BY:		
145	User Charges	90	59
145	Total Revenue	90	59
50	Council Grant	50	50
70	Investment Interest	63	64
79	Transfer from (to) Accumulated Surplus	69	66
344	Total Funding	272	239

FINANCIAL STATEMENTS

STRATFORD DISTRICT COUNCIL - Statement of Comprehensive Revenue and Expense for the year ended 30 June 2016

	Note	Council			Group	
		Actual 2015/16 \$000	Budget 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Revenue						
Rates	4	11,000	11,037	10,628	11,000	10,628
Subsidies and Grants	5	6,692	3,405	3,270	6,724	3,364
Development and Financial Contributions		59	-	37	59	37
Fees and Charges		1,856	2,179	1,968	1,869	1,974
Interest Revenue	9	94	193	142	157	212
Sundry Revenue	5	179	96	144	179	144
Total Revenue	5	19,881	16,910	16,188	19,989	16,358
Expenses	7					
Personnel Costs	7	3,003	3,005	2,816	3,092	2,899
Depreciation and Amortisation expense	15 & 16	4,330	4,108	4,150	4,396	4,216
Other Direct Operating Costs	8	13,367	8,165	8,171	13,388	8,271
Finance Costs	9	343	570	252	343	252
Total Operating Expenses		21,042	15,847	15,389	21,218	15,638
SURPLUS/(DEFICIT) BEFORE TAX		(1,160)	1,063	799	(1,229)	720
Income Tax Expense	10	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		(1,160)	1,063	799	(1,229)	720
Surplus/Deficit attributable to:						
Stratford District Council		(1,160)	1,063	799	(1,229)	720
Percy Thomson Trust		-	-	-	-	-
Other Comprehensive Revenue and Expense						
Loss on sale of financial assets at fair value through other comprehensive revenue and expense		-	-	-	-	-
Revaluation of financial assets at fair value through other comprehensive revenue and expense		76	-	(112)	76	(112)
Gains/(Losses) on Property Revaluation		-	-	-	-	-
Total Other Comprehensive Revenue and Expense		76	-	(112)	76	(112)
Total Comprehensive Revenue and Expense		(1,084)	1,063	687	(1,153)	608
Total Comprehensive Revenue and Expense attributable to:						
Stratford District Council		(1,084)	1,063	687	(1,084)	692
Percy Thomson Trust		-	-	-	(69)	(84)
		(1,084)	1,063	687	(1,153)	608

*The accompanying notes form part of these financial statements.
Explanations of significant variances against budget are provided in note 29.*

STRATFORD DISTRICT COUNCIL - Reconciliation between Cost of Service Statements and Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2016

	2015/16 \$000	2015/16 \$000	2014/15 \$000
Total Operating Revenue (Activity Cost of Service Statements)			
Community Services	461	468	433
Democracy	64	60	64
Economy	511	687	544
Environmental Management	378	489	368
Roading	6,747	3,633	3,502
Stormwater Drainage	0	0	0
Wastewater (Sewerage)	28	40	34
Solid Waste	85	60	96
Water Supply	305	453	355
Total Operating Revenue	8,579	5,891	5,396
Total Operating Revenue (Statement of Comprehensive Revenue and Expense)	19,881	16,910	16,188
VARIANCE	(11,303)	(11,019)	(10,792)
Reconciling Items			
Rates Revenue	10,696	10,584	10,273
Development and Financial Contributions	59	0	37
Sundry Revenue	288	96	162
Other Grants	165	0	171
Low Interest Loan Revenue	0	0	7
Interest Revenue	94	193	142
Total Reconciling Items	11,303	10,873	10,792
Total Operating Expenditure (Activity Cost of Service Statements)			
Community Services	3,112	3,445	2,984
Democracy	782	774	1,021
Economy	1,115	1,201	1,120
Environmental Management	1,391	1,457	1,262
Roading	10,584	5,683	5,708
Stormwater Drainage	255	250	224
Wastewater (Sewerage)	595	495	404
Solid Waste	804	780	792
Water Supply	2,083	1,764	1,733
Total Operating Expenditure	20,723	15,847	15,248
Total Operating Expenditure (Statement of Comprehensive Revenue and Expense)	21,042	15,847	15,389
VARIANCE	(319)	0	(141)
Reconciling Item			
Net Losses on Disposals and Other Sundry Expenses	314	0	139
Development Levies	0	0	0
Interest on Internal Loan	0	0	(91)
Other Expenditure	2	0	2
Interest on Loan Funds Unallocated	0	0	77
Landfill Aftercare Expenses	3	0	14
Total Reconciling Items	319	0	141
Net Surplus per Statement of Comprehensive Revenue and Expense	(1,160)	1,063	799

STRATFORD DISTRICT COUNCIL - Statement of Financial Position as at 30 June 2016

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2015/16 \$000	2015/16 \$000	2014/15 \$000	2015/16 \$000	2014/15 \$000
Assets						
Current Assets						
Cash and Cash Equivalents	11	2,006	1,084	1,846	2,124	2,130
Short Term Deposits	11	-	-	1,500	250	1,750
Receivables	12	3,387	936	1,319	3,394	1,347
Prepayments		31	-	411	31	411
Other Financial Assets	14	28	-	14	78	139
Total Current Assets		5,452	2,020	5,089	5,876	5,777
Non-Current Assets						
Receivables	12	52	-	41	52	41
Property, Plant and Equipment	15	309,214	309,833	305,576	310,832	307,258
Intangible Assets	16	849	-	975	849	975
Investment in Percy Thomson Trust (CCO)		0	0	0	-	-
Other Financial Assets	14	1,049	725	746	1,791	1,338
Total Non-Current Assets		311,164	310,558	307,337	313,524	309,612
Total Assets		316,616	312,578	312,426	319,400	315,389
Liabilities						
Current Liabilities						
Payables and deferred revenue	17	2,864	1,207	1,800	2,875	1,918
Provisions	18	16	17	16	16	16
Employee entitlements	19	132	112	134	134	138
Borrowings	20	-	201	-	-	-
Total Current Liabilities		3,012	1,537	1,950	3,025	2,072
Non-Current Liabilities						
Provisions	18	64	93	74	64	74
Employee entitlements	19	43	199	42	43	42
Borrowings	20	9,560	9,104	5,340	9,560	5,340
Total Non-Current Liabilities		9,667	9,396	5,456	9,667	5,456
Total Liabilities		12,678	10,933	7,406	12,691	7,528
Equity						
Accumulated Funds	21	175,053	173,626	175,034	177,078	177,128
Reserves	21	128,885	128,021	129,987	129,631	130,733
Total Equity Attributable to Stratford District Council		303,938	301,647	305,021	306,709	307,861
Total Liabilities & Equity		316,616	312,578	312,426	319,400	315,389
<i>The accompanying notes form part of these financial statements.</i>						
<i>Explanations of significant variances against budget are provided in note 29.</i>						

STRATFORD DISTRICT COUNCIL - Statement in Changes of Equity For the Year Ended 30 June 2016

	Council			Group	
	Actual 2015/16 \$000	Budget 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Balance at 1 July					
Accumulated Comprehensive Revenue and Expense	175,034	174,199	173,915	177,115	176,098
Fair Value through Comprehensive Revenue and Expense	(178)	-	(66)	(168)	(57)
Reserves / Special Funds	4,303	2,739	4,657	4,303	4,657
Asset Revaluation Reserves	125,863	123,647	125,863	126,609	126,609
Total Equity - Opening Balance	305,022	300,585	304,368	307,861	307,306
Changes in Equity					
Retained Earnings	19	(572)	1,119	(50)	1,017
Fair Value through Comprehensive Revenue and Expense	76	-	(112)	76	(112)
Reserves / Special Funds	(1,179)	1,635	(353)	(1,179)	(353)
Asset Revaluation Reserves	-	-	-	-	-
Total Comprehensive Revenue and Expense	(1,084)	1,063	654	(1,153)	552
Closing Balance					
Retained Earnings	175,053	173,627	175,034	177,065	177,115
Fair Value through Comprehensive Revenue and Expense	(102)	-	(178)	(92)	(168)
Reserves / Special Funds	3,124	4,374	4,303	3,124	4,303
Asset Revaluation Reserves	125,863	123,647	125,863	126,609	126,609
Total Equity - Closing Balance	303,938	301,647	305,021	306,709	307,861
<i>The accompanying notes form part of these financial statements.</i>					

STRATFORD DISTRICT COUNCIL - Statement of Cashflows
For the Year Ended 30 June 2016

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2015/16	2015/16	2014/15	2015/16	2014/15
		\$000	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities						
Receipts from Rates Revenue		10,667	10,584	10,274	10,667	10,274
Interest Received		101	193	148	171	217
Dividends Received		-	-	-	-	-
Development and Financial Contributions		59	-	37	59	37
Subsidies, Grants and Donations		5,591	3,405	3,432	5,623	3,526
Receipts from Other Revenue		1,549	2,728	2,130	1,599	2,161
Regional Council Rates		671	-	659	671	659
Payments to Suppliers and Employees		(14,686)	(11,187)	(11,010)	(14,906)	(11,123)
Interest Paid		(343)	(570)	(251)	(343)	(251)
Goods and Services Tax (net)		(215)	-	73	(238)	71
Regional Council Rates		(671)	-	(659)	(671)	(659)
Net Cash from Operating Activities		2,723	5,155	4,832	2,632	4,912
Cash Flows from Investing Activities						
Proceeds from Sale of Property, Plant and Equipment		480	-	-	480	-
Proceeds from Sale of Investments		1,500	1,520	1,500	2,125	2,200
Purchase of Property, Plant & Equipment		(8,523)	(9,273)	(5,848)	(8,523)	(5,848)
Acquisition of Investments		(240)	(1,500)	(1,500)	(940)	(2,100)
Net Cash from Investing Activities		(6,783)	(9,253)	(5,848)	(6,858)	(5,748)
Cash Flows from Financing Activities						
Proceeds from Borrowings		4,220	4,354	-	4,220	-
Repayment of Borrowings (Loans)		-	(201)	-	-	-
Net Cash from Financing Activities		4,220	4,153	-	4,220	-
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts						
		160	54	(1,016)	(6)	(836)
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		1,846	1,030	2,862	2,130	2,966
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	11	2,006	1,084	1,846	2,124	2,130
<p>The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.</p> <p><i>The accompanying notes form part of these financial statements.</i></p>						



NOTES TO FINANCIAL STATEMENTS

Note 1

Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 2016.

The Stratford District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002 (the Act) and is domiciled in New Zealand.

The primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, having regard to the criteria set out in the PBE IPSAS, as a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor-General and is classed as a Public Sector Benefit Entity (PBE) for financial reporting purposes. Council has designated itself as a Tier 2 entity.

The operations of Council have been divided into the following activities:

- Community Services.
- Democracy.
- Economy.
- Environmental Management.
- Roothing.
- Stormwater.
- Wastewater (Sewerage)
- Solid waste.
- Water Supply.

The group consists of the ultimate parent (Council) and its subsidiary Percy Thomson Trust. The Council has designated the group as public benefit entity for financial reporting purposes and the Percy Thomson Trust is also designated as a public benefit entity.

The financial statements of the Council and Group are for the year ended 30 June 2016 and were authorised for issue by Council on 25 October 2016.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Note 2 - Statement of Accounting Policies for the year ending 30 June 2016

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2016 unless otherwise stated.

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. Council is a tier 2 reporting entity using the public sector Public Benefit Entity Accounting Standards, as it has expenses between \$2.0m and \$30.00m, and is not publicly accountable.

In order to meet its obligations of public accountability, Council has also included a separate Cost of Services Statement for each significant activity.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars. The investment in subsidiary is at cost in the Council's parent entity financial statement.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation. The Council consolidates in the Group financial statement all entities being only the Percy Thomson Trust.

2.2 BUDGET FIGURES

The budget figures were those approved by the Council in the 2015-25 Long Term Plan.

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, using accounting policies that are consistent with those adopted in preparing these financial statements. Then as a tier 2 reporting entity Council uses the public sector Public Benefit Entity Accounting Standards.

2.3 REVENUE

Revenue is measured at fair value:

The specific accounting policies for significant revenue

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

Development and Financial Contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and Resource Consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance Fees

Entrance fees are fees charged to users of the Council's local facilities, such as the pool. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill Fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Sales of Goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Infringement Fees and Fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Vested or Donated Physical Assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Interest and Dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

2.4 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

2.5 GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

2.6 INCOME TAX

Income tax expense includes current tax and deferred tax.

Current tax is the amount of tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expenses or directly in equity.

In general, local authorities are only subject to income tax on income derived from a council-controlled organisation and income derived as a port operator.

2.7 LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held with banks and other short term investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a current liability in the statement of financial position.

2.9 DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

2.10 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as such if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

2.11 PROPERTY, PLANT AND EQUIPMENT

Items of a capital nature over \$2,000 are treated as property, plant and equipment. Property, plant and equipment are classified into two categories:

Unrestricted	Council is able to sell these assets without restrictions.
Restricted	The disposal of these assets is limited by legislation, or in the manner in which they were vested, or cannot be physically uplifted and sold.

In most instances, an item of property, plant or equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Property, plant and equipment classes of assets whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

If there is no market-based evidence of fair value because of the specialised nature of the item of property, plant or equipment, Council will carry those classes of assets at its cost less any accumulated depreciation and any accumulated impairment losses value.

Property, plant and equipment are valued as follows:

Class	Method of Valuation
Land	Fair Value
Buildings	Optimised Depreciated Replacement Cost
Roads, Bridges and Footpaths	Depreciated Replacement Cost
Water Supply reticulation	Depreciated Replacement Cost
Water Supply treatment	Depreciated Replacement Cost
Wastewater reticulation	Depreciated Replacement Cost
Wastewater treatment	Depreciated Replacement Cost
Stormwater system	Depreciated Replacement Cost

Valuation

Unless stated valuations are carried out or reviewed by independent qualified valuers and are carried out at least on three yearly cycles. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant or equipment within a class has a carrying value that is materially different from its fair value.

Council's land and building assets have been revalued by Telfer Young (Taranaki) Limited, independent valuers, as at 1 July 2013 at fair value as determined from market-based evidence.

As part of the valuation exercise, GHD Limited has undertaken a peer review on internal assessment work performed by Council staff on the stormwater, waste water and water supply infrastructure reticulation networks and confirmed that the processes followed the requirements of NZ IAS 16.

Roading assets have been revalued by the independent valuers, Opus International Consultants Ltd, as at 1 July 2013.

Public Benefit Entity Revaluation

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset. Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the Statement of Comprehensive Revenue and Expenses to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the Statement of Comprehensive Revenue and Expense. A net revaluation decrease for a class of assets is recognised in the Statement of Comprehensive Revenue and Expense, except to the extent that it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

Impairment

The carrying amount of Council's non-financial assets, other than investment property are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where Council, if deprived of the asset, replaces its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where Council accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where Council accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the Statement of Comprehensive Revenue and Expense, a reversal of that impairment loss is also recognised in the Statement of Comprehensive Revenue and Expense.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Security

Council do not have any Property, Plant and Equipment pledged as security.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

2.12 INTANGIBLE ASSETS

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis. The amortisation charge is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives of intangible assets have been estimated as follows:

- Software 3-10 years.

2.13 DEPRECIATION

Depreciation is calculated on a straight line basis on all property, plant and equipment, excluding land, at rates that will write off the value of the assets, less their estimated residual values, over their useful lives.

The useful lives of the classes of assets have been estimated as follows:

	<u>Years</u>
Buildings	10-100
Plant	5-10
Motor Vehicles	5
Fixtures and Fittings	5-10
Office Equipment	4-10
Roading Basecourse	15-80
Roading Seal	2-16
Roading Culverts	20-80
Roading Sumps	80
Signs	10
Bridges (including Tunnels)	60-100
Footpaths	20-80
Streetlights	30
Stormwater	20-80
Water Supply	50-80
Sewerage	40-80
Street Beautification	10-100

2.14 BUSINESS UNIT

Business Unit gains or losses are recorded in the equity of the Stratford District Council.

2.15 GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated as GST inclusive. When GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cashflow in the Statement of Cashflows.

Commitments and contingencies are disclosed exclusive of GST.

2.16 COST OF SERVICE STATEMENTS

The Cost of Service Statements report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Cost Allocation

The Cost of Service Statements reflect the full cost of significant activities, by including direct costs, internal transfers, depreciation and indirect costs (overheads) allocated on the 'step' method, based on hours of service supplied to each activity.

'Direct Costs' are those costs directly attributable to a significant activity.

'Indirect Costs' are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

2.17 EMPLOYEE ENTITLEMENTS

Provision is made in respect of Council's liability for annual leave, and retirement gratuities. Annual leave has been calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on an actuarial basis.

2.18 FINANCIAL INSTRUMENTS

Council is party to financial instruments as part of its normal operations.

2.19 OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group have transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

2.20 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other Comprehensive Revenue and Expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

2.21 **PAYABLES**

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave is classified as a current liability. Retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

2.22 PROVISIONS

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

2.23 EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- accumulated funds;
- restricted reserves;
- property revaluation reserve; and
- fair value through other comprehensive revenue and expense reserve.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other Comprehensive Revenue and Expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

2.24 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances.

As operator of the urban and rural landfills in the district, Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure.

To provide for the estimated cost of aftercare, a provision has been created, and a charge is made each year based on the estimated value of restoration works over the number of years Council is required to maintain these sites.

A number of assumptions and estimates are used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical condition of the asset. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of any asset.
- The remaining useful life over which the asset will be depreciated. These estimates can be impacted by local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the depreciation charge recognised in the Statement of

Comprehensive Revenue and Expense. To minimise this risk useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation guidelines published by the National Asset Management Steering Group. Asset inspections and condition modelling are also carried out regularly as part of Council's asset management planning activities.

2.25 **ROUNDING ERRORS**

Some rounding errors may occur in the financial statements due to stating dollar amounts to the nearest \$1,000.

2.26 **CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2016:

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

2.27 **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies.

Note 3 Summary of Cost of Services

FUNCTION	Revenue		Expenditure		Actual	Budget	Actual
	Actual	Budget	Actual	Budget	2015/16	2015/16	2014/15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Community Services							
Aerodrome	21	19	68	65	47	46	44
Civic Amenities	46	49	632	745	585	696	551
Pensioner Housing	54	51	96	97	42	46	64
Community Development	22	21	324	353	302	333	294
Library	15	18	571	681	556	663	466
Parks and Reserves	8	8	534	536	526	528	501
Cemeteries	125	114	179	220	54	106	89
TSB Pool Complex	170	175	755	749	585	574	540
Sub-Total	461	454	3,159	3,445	2,697	2,991	2,550
Democracy							
Democracy	-	-	782	774	782	774	809
Corporate Support	64	60	0	-	(63)	(60)	149
Sub-Total	64	60	782	774	719	714	957
Economy							
Economic Development	-	-	279	324	279	324	385
Information Centre	116	118	360	384	244	266	247
Farm Investment	322	486	331	333	9	(153)	(112)
Holiday Park	16	20	77	88	62	68	58
Rental Properties	58	64	68	72	10	8	(3)
Sub-Total	511	687	1,115	1,201	604	513	575
Environmental Management							
Building Control	135	165	360	393	224	228	189
Dog Control	124	141	208	208	84	67	109
Rural Fire	-	-	78	65	78	65	68
Emergency Management	-	-	46	46	46	46	48
District Plan	-	-	138	171	138	171	78
Resource Consents	31	75	150	163	119	88	118
Bylaws	25	44	143	131	118	87	125
Environmental Health	22	30	121	136	99	106	94
Liquor Licensing	40	34	148	144	108	110	67
Sub-Total	378	489	1,391	1,457	1,014	968	895
Roading							
Roading	6,512	3,398	10,360	5,451	3,847	2,053	2,221
Business Unit	235	235	225	231	(10)	(4)	(15)
Sub-Total	6,747	3,633	10,584	5,683	3,837	2,049	2,206
Stormwater							
Stormwater	-	-	255	250	255	250	224
Sub-Total	-	-	255	250	255	250	224
Wastewater (Sewerage)							
Wastewater (Sewerage)	28	40	595	495	567	455	370
Sub-Total	28	40	595	495	567	455	370
Solid Waste							
Solid Waste	85	60	804	780	719	720	697
Sub-Total	85	60	804	780	719	720	697
Water Supply							
Water Supply	305	453	2,083	1,764	1,778	1,311	1,379
Sub-Total	305	453	2,083	1,764	1,778	1,311	1,379
Total Activity Revenue & Expenditure	8,579	5,877	20,770	15,848	12,191	9,970	9,852
Plus: General Rates & UAGC	5,361	5,296	-	-	(5,361)	(5,296)	(4,477)
Plus: Targeted Rates	5,320	5,288	-	-	(5,320)	(5,288)	(5,783)
Total Revenue and Operating Expenditure	19,260	16,461	20,770	15,848	1,510	(614)	(407)

Each significant activity is stated gross of internal costs and revenues and excludes general and targeted rates attributable to activities (refer to note 4).

In order to fairly reflect the total external operations for the Council in the Statement of Comprehensive Revenue and Expense, these transactions are eliminated as shown above.

4. RATES REVENUE

	Council Actual 2015/16 \$000	Group Actual 2014/15 \$000
General Rates & UAGC	5,361	4,477
Targeted Rates Attributable to Activities		
- Roading	2,838	3,324
-Wastewater - uniform annual charge	453	472
-Solid Waste - uniform annual charge	723	789
-Water Supply - uniform annual charge	1,306	1,197
-Water Supply - targeted metered rates	305	355
-Community Halls	14	14
Total Rates	11,000	10,628
Rates Remissions		
Rates revenue is shown net of rates remissions and non-rateable land. Stratford District Council's rates remission policy provides for rates to be remitted for various purposes. Council committed itself at the start of the year to certain remissions which are listed below:		
	Council Actual 2015/16 \$000	Group Actual 2014/15 \$000
Rates Remissions		
Community, Sporting and Other Organisations	41	36
Council Owned Properties and Land Subject to an Open Space Covenant	39	40
Maori Free-hold Land	27	25
Total Rate Remissions (including GST)	107	101
Non-Rateable Land		
Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water and refuse. Non-rateable land does not constitute a remission under Stratford District Council's rates remission policy.		

5. OTHER REVENUE

Subsidies and Grants				
	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Grants - TSB Community Trust	165	15	197	55
Grants - Taranaki Electricity Trust	-	-	-	54
Other Grants	150	-	150	-
Ministry of Health drinking water related subsidies	-	156	-	156
NZ Transport Agency Roading Subsidies	6,377	3,099	6,377	3,099
Total Subsidies and Grants	6,692	3,270	6,724	3,364
There are no unfulfilled conditions and other contingences attached to New Zealand Transport Agency				
Other Revenue				
	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Vested Assets	-	55	-	55
Petrol Tax	74	82	74	82
Low Interest Loan Revenue	-	7	-	7
Less Interest received on internal loan	-	-	-	-
Gains on disposal of Property, Plant and Equipment	105	-	105	-
Total Other Revenue	179	144	179	144
Revenue from Exchange and Non-Exchange Transactions				
	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Exchange transactions	806	926	876	926
Non-exchange transactions	19,076	15,262	19,113	15,432
Total Other Revenue	19,881	16,188	19,989	16,358

6. OTHER GAINS/(LOSSES)

	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Gain (Loss) on Disposal of Property, Plant and Equipment (included in note 5 sundry revenue)	105	-	105	-
Total Gains/(Losses)	105	-	105	-

7. PERSONNEL COSTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Salaries and Wages	3,004	2,859	3,095	2,940
Increase/(Decrease) in Employee Entitlements	(2)	(43)	(4)	(41)
Total Personnel Costs	3,003	2,816	3,092	2,899

8. OTHER EXPENSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Net Losses on Disposals and Other Sundry Expenses	314	139	314	139
Insurance premiums	99	99	106	106
Landfill Aftercare Expenses	3	14	3	14
Storm event repairs	5,248	406	5,248	406
Operating Expenses	7,703	7,513	7,717	7,606
Total Other Expenses	13,367	8,171	13,388	8,271

9. INTEREST REVENUE AND FINANCE COSTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Interest Revenue				
Interest on Term Deposits	94	142	157	212
Total Finance Income	94	142	157	212
Finance Costs				
Interest on Bank Borrowings	343	252	343	252
Total Finance Costs	343	252	343	252
Net Finance Costs	(248)	(110)	(185)	(40)

10. TAX

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.				
	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Components of Tax Expense				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
Tax Expense	-	-	-	-
Relationship Between Tax Expense and Accounting Surplus				
Surplus/(Deficit) Before Tax	(1,160)	799	(1,229)	720
Tax at 28%	(325)	224	(344)	202
Non-deductible Expenses	325	(224)	344	(202)
Non-taxable Revenue	-	-	-	-
Tax Expense	-	-	-	-

11. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	2,006	1,846	2,124	2,130
Term Deposits Maturing Three Months or Less from Date of Acquisition	-	-	-	-
Sub-total Cash and Cash Equivalents	2,006	1,846	2,124	2,130
Term Deposits Maturing More than Three Months from Date of Acquisition	-	1,500	250	1,750
Total Cash and Cash Equivalents and Short Term Deposits	2,006	3,346	2,374	3,880
Refer to note 14 for weighted average effective interest rate for cash and cash equivalents.				
Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:				
	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	2,006	1,846	2,124	2,130
Term Deposits Maturing Three Months or Less from Date of Acquisition	-	-	-	-
Sub-total	2,006	1,846	2,124	2,130
Investments Maturing More than Three Months from Date of Acquisition	-	1,500	250	1,750
Total	2,006	3,346	2,374	3,880

12. RECEIVABLES

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Current Portion				
Rates Receivables	277	286	277	286
Other Receivables	3,110	1,033	3,117	1,061
Receivable prior to impairment	3,387	1,319	3,394	1,347
Less Provision for Impairment	-	-	-	-
Total Current Portion of Receivables	3,387	1,319	3,394	1,347
Non-Current Portion				
Other Receivables	52	41	52	41
Total Non-Current Portion of Receivables	52	41	52	41
Total Receivables	3,439	1,360	3,446	1,388
Total Receivables Comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	2,988	1,043	2,988	1,043
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	451	317	458	345
There has been no impairment of receivables during the year.				

13. INVENTORIES

Council was not carrying any inventories at year end (2015 - Nil).

14. OTHER FINANCIAL ASSETS

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Current Portion				
Loans and Receivables				
Financial Assets Available for Sale	-	-	50	125
Community Loan - Stratford Health Trust	28	14	28	14
Total Current Portion	28	14	78	139
Non-current Portion				
Community Loan - Stratford Health Trust	69	83	69	83
Financial Assets Available for Sale	-	-	742	592
Listed Shares	980	663	980	663
Total Non-current Portion	1,049	746	1,791	1,338
Total Other Financial Assets	1,077	760	1,869	1,477

Impairment

There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

Community Loan

The fair value of the community loan is \$96,858 (2015 \$96,858). Fair value has been determined using cash flows based on Council's assumed cost of borrowing of 6.6% and 5.5% (2015 6.6% and 5.5%). The purpose of the loan was to assist the Stratford Health Trust construct new premises in the town. The loan was for a term of 10 years. The face value of the community loan is \$120,000 (2015 \$120,000).

Listed Shares

Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market.

Maturity Analysis and Effective Interest Rates

The maturity dates for all other financial assets with the exception of equity investments and advances to subsidiaries and associates are as follows:

OTHER FINANCIAL ASSETS (CONT)

2016	Short-term Deposits Council \$000	Short-term Deposits Group \$000
Short term deposits with maturities of 3 months or less	-	-
<i>Average maturity 90 days</i>		
<i>Weighted average Effective Interest Rate</i>	-	-
Short term deposits with maturities of more than 3 months but less than 12 months	-	250
<i>Average maturity 180 days</i>		
<i>Weighted average Effective Interest Rate</i>	-	3.20%
Investments maturing after 1 year but not more than 5 years	-	-
<i>Weighted average Effective Interest Rate</i>	-	
Investments maturing after more than 5 years	-	-
<i>Weighted average Effective Interest Rate</i>	-	
Total	-	250
2015	Short-term Deposits Council \$000	Short-term Deposits Group \$000
Short term deposits with maturities of 3 months or less	-	-
<i>Average maturity 90 days</i>		
<i>Weighted average Effective Interest Rate</i>	-	-
Short term deposits with maturities of more than 3 months but less than 12 months	1,500	1,750
<i>Average maturity 157 days</i>		
<i>Weighted average Effective Interest Rate</i>	4.22%	4.19%
Investments maturing after 1 year but not more than 5 years		
<i>Weighted average Effective Interest Rate</i>		
Investments maturing after more than 5 years	-	-
<i>Weighted average Effective Interest Rate</i>		
Investments maturing after more than 5 years	-	-
<i>Weighted average Effective Interest Rate</i>	-	-
Total	1,500	1,750

15. PROPERTY, PLANT AND EQUIPMENT

	Cost /	Accumulated	Carrying	Assets	Assets	Disposals	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation	Amount	constructed	transferred			Reversed on	Reversed on	Surplus	Valuation	Depreciation and	Amount
		and Impairment		by Council	to Council			Revaluation	Disposal			Impairment	
	1 July 2015			Current Year							30 June 2016		
2016	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets													
Land	5,047	-	5,047	2,357	-	(236)	-	-	-	-	7,168	-	7,168
Buildings	7,940	805	7,135	774	-	(368)	478	-	103	-	8,346	1,180	7,166
Surplus Properties	114	-	114	-	-	-	-	-	-	-	114	-	114
Plant	382	185	197	84	-	(41)	37	-	37	-	425	185	240
Motor Vehicles	267	115	152	39	-	(39)	36	-	27	-	267	124	143
Furniture/Fittings	401	333	68	163	-	(133)	13	-	124	-	431	222	209
Office Equipment	1,232	937	295	21	-	(40)	27	-	28	-	1,213	936	277
Library Books	481	139	342	49	-	-	49	-	-	-	530	188	342
Work In Progress - Buildings	-	-	-	245	-	-	-	-	-	-	245	-	245
Work In Progress - Land	256	-	256	6	-	-	-	-	-	-	262	-	262
Total Operational Assets	16,121	2,513	13,608	3,737	-	(857)	640	-	319	-	19,000	2,835	16,166
Council Restricted Assets													
Land	7,296	-	7,296	4	-	-	-	-	-	-	7,300	-	7,300
Buildings	3,769	414	3,355	533	-	(28)	241	-	11	-	4,274	644	3,631
Street Beautification	1,568	126	1,442	1	-	-	23	-	-	-	1,569	149	1,420
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	203	-	203
Work In Progress - Buildings	185	-	185	529	-	-	-	-	-	-	714	-	714
Total Restricted Assets	13,021	540	12,481	1,067	-	(28)	264	-	11	-	14,060	793	13,267
Council Infrastructure Assets													
Water Supply													
- Reticulation and other assets	5,343	340	5,003	185	-	(35)	205	-	-	-	5,493	545	4,950
- Treatment plants and facilities	7,409	257	7,153	320	-	(12)	276	-	-	-	7,717	533	7,183
Wastewater System													
- Reticulation and other assets	1,604	120	1,484	238	-	(39)	83	-	-	-	1,803	203	1,600
- Treatment plants and facilities	2,091	65	2,025	-	-	-	34	-	-	-	2,091	99	1,992
Stormwater System	2,667	116	2,552	452	-	(43)	71	-	-	-	3,076	187	2,890
Roading Network	197,496	4,446	193,051	2,041	-	-	2,237	-	-	-	199,537	6,683	192,854
Land Under Roads	55,950	-	55,950	-	-	-	-	-	-	-	55,950	-	55,950
Bridges	12,823	651	12,172	119	-	-	327	-	-	-	12,942	978	11,964
Work In Progress - Roading Network	-	-	-	197	-	-	-	-	-	-	197	-	197
Work In Progress - Wastewater Trea	25	-	25	57	-	-	-	-	-	-	82	-	82
Work In Progress - Water Reticulatio	-	-	-	108	-	-	-	-	-	-	108	-	108
Work In Progress - Water Treatment	71	-	71	(61)	-	-	-	-	-	-	10	-	10
Total Infrastructure Assets	285,481	5,995	279,486	3,655	-	(129)	3,233	-	-	-	289,005	9,227	279,781
Total Council	314,623	9,048	305,576	8,460	-	(1,014)	4,137	-	330	-	322,066	12,855	309,214
Subsidiaries													
Buildings	1,587	128	1,460	-	-	-	64	-	-	-	1,587	192	1,396
Land	178	-	178	-	-	-	-	-	-	-	178	-	178
Furniture & Fittings	26	23	4	-	-	-	1	-	-	-	26	24	3
Office Equipment	3	3	1	-	-	-	0	-	-	-	3	3	1
Arboretum	44	2	42	-	-	-	1	-	-	-	44	3	40
Total Subsidiaries	1,839	156	1,683	-	-	-	66	-	-	-	1,839	222	1,618
Total Group	316,462	9,204	307,258	8,460	-	(1,014)	4,203	-	330	-	323,905	13,077	310,832

	Cost /	Accumulated	Carrying	Assets	Assets	Disposals	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation	Amount	constructed	transferred			Reversed on	Reversed on	Surplus	Valuation	Depreciation and	Amount
		and Impairment		by Council	to Council			Revaluation	Disposal			Impairment	
	1 July 2014			Current Year							30 June 2015		
2015	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets													
Land	5,047	-	5,047	-	-	-	-	-	-	-	5,047	-	5,047
Buildings	7,708	397	7,311	232	-	-	407	-	-	-	7,940	805	7,135
Surplus Properties	114	-	114	-	-	-	-	-	-	-	114	-	114
Plant	355	162	193	27	-	-	23	-	-	-	382	185	197
Motor Vehicles	212	83	129	56	-	-	29	-	3	-	267	115	152
Furniture/Fittings	401	320	81	-	-	-	13	-	-	-	401	333	68
Office Equipment	1,208	831	377	28	-	(4)	106	-	-	-	1,232	937	295
Library Books	481	139	342	51	-	-	51	-	-	-	481	139	342
Work In Progress - Land	260	-	260	(4)	-	-	-	-	-	-	256	-	256
Total Operational Assets	15,786	1,932	13,854	390	-	(4)	628	-	3	-	16,121	2,513	13,608
Council Restricted Assets													
Land	7,326	-	7,326	-	-	(14)	-	-	(16)	-	7,296	-	7,296
Buildings	3,569	204	3,365	200	-	-	210	-	-	-	3,769	414	3,355
Street Beautification	1,562	105	1,458	6	-	-	21	-	-	-	1,568	126	1,442
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	203	-	203
Work In Progress - Buildings	28	-	28	157	-	-	-	-	-	-	185	-	185
Total Restricted Assets	12,688	309	12,380	363	-	(14)	231	-	(16)	-	13,021	540	12,481
Council Infrastructure Assets													
Water Supply													
- Reticulation and other assets	5,162	146	5,016	221	-	(39)	194	-	-	-	5,343	340	5,003
- Treatment plants and facilities	6,400	33	6,367	1,049	-	(39)	223	-	-	-	7,409	257	7,153
Wastewater System													
- Reticulation and other assets	1,430	60	1,370	212	-	(38)	60	-	-	-	1,604	120	1,484
- Treatment plants and facilities	2,091	32	2,059	-	-	-	33	-	-	-	2,091	65	2,025
Stormwater System	2,521	50	2,472	113	55	(21)	66	-	-	-	2,668	116	2,552
Roading Network	194,066	2,222	191,844	3,431	-	-	2,224	-	-	-	197,496	4,446	193,051
Land Under Roads	55,950	-	55,950	-	-	-	-	-	-	-	55,950	-	55,950
Bridges	12,618	326	12,292	205	-	-	326	-	-	-	12,823	651	12,172
Work In Progress - Wastewater Tr	-	-	-	25	-	-	-	-	-	-	25	-	25
Work In Progress - Water Treatment	184	-	184	(113)	-	-	-	-	-	-	71	-	71
Total Infrastructure Assets	280,422	2,868	277,554	5,141	55	(137)	3,126	-	-	-	285,481	5,995	279,487
Total Council	308,896	5,109	303,788	5,894	55	(155)	3,986	-	(13)	-	314,623	9,048	305,576
Subsidiaries													
Buildings	1,587	64	1,523	-	-	-	64	-	-	-	1,587	128	1,460
Land	178	-	178	-	-	-	-	-	-	-	178	-	178
Furniture & Fittings	26	22	4	-	-	-	0	-	-	-	26	23	4
Office Equipment	3	3	1	-	-	-	0	-	-	-	3	3	1
Arboretum	44	1	43	-	-	-	1	-	-	-	44	2	42
Total Subsidiaries Assets	1,839	90	1,748	-	-	-	66	-	-	-	1,839	156	1,683
Total Group	310,736	5,199	305,537	5,894	55	(155)	4,052	-	(13)	-	316,462	9,203	307,258

Estimate of Replacement Cost

	Council	
	Most recent estimate of replacement cost \$000	Date of Estimate
2016		
Water Supply		
- Reticulation and other assets	14,646	30 June 2016
- Treatment plants and facilities	14,292	30 June 2016
Wastewater System		
- Reticulation and other assets	5,660	30 June 2016
- Treatment plants and facilities	2,893	30 June 2016
Stormwater System	6,603	30 June 2016
Roads and Footpaths	346,128	30 June 2016
2015		
Water Supply		
- Reticulation and other assets	13,909	30 June 2016
- Treatment plants and facilities	13,714	30 June 2016
Wastewater System		
- Reticulation and other assets	5,215	30 June 2016
- Treatment plants and facilities	2,728	30 June 2016
Stormwater System	5,898	30 June 2016
Roads and Footpaths	340,196	30 June 2016

Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2015/16 \$000	Actual 2014/15 \$000
Directly attributable depreciation and amortisation by group of activity		
Community Services	570	525
Democracy	-	-
Economy	114	94
Environmental Services	3	2
Roading	2,570	2,554
Stormwater Drainage	71	66
Wastewater (Sewerage)	117	94
Solid Waste	30	21
Water Supply	522	417
Total directly attributable depreciation and amortisation by group of activity	3,996	3,774
Depreciation and amortisation not directly related to group of activities	334	376
Total depreciation and amortisation for the whole of Council	4,330	4,150

16. INTANGIBLE ASSETS

	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
2016	1 July 2015			Current Year					30 June 2016		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Computer Software	1,627	653	975	81	(348)	-	(335)	193	1,360	511	849
Total	1,627	653	975	81	(348)	-	(335)	193	1,360	511	849
	1 July 2014			Current Year					30 June 2015		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Computer Software	1499	489	1010	128	0	0	0	164	1627	653	975
Total	1499	489	1010	128	0	0	0	164	1627	653	975
<p>All intangible assets referring to above are computer software. There are no restrictions over intangible assets. No intangible assets have been pledged as security for liabilities.</p>											

17. PAYABLES AND DEFERRED REVENUE

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Current Portion				
<i>Payables and deferred revenue under exchange transactions</i>				
Trade Payables and Accrued Expenses	2,509	1,392	2,520	1,510
Deposits and Bonds	19	22	19	22
Revenue Received in Advance	105	92	105	92
Total	2,632	1,506	2,643	1,624
<i>Payables and deferred revenue under non-exchange transactions</i>				
Other Taxes Payable (GST)	35	91	35	91
Rates in Advance	197	203	197	203
Total	232	294	232	294
Total Current Portion	2,864	1,800	2,875	1,918

18. PROVISIONS

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Current Portion				
Landfill Aftercare Provision	16	16	16	16
Total Current Portion	16	16	16	16
Non-current Portion				
Landfill Aftercare Provision	64	74	64	74
Total Non-Current Portion	64	74	64	74
Total Provisions	79	89	79	89
Movements for the Landfill Aftercare provision are as follows:				
	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Opening Balance	89	99	89	99
Additional Provision Made	-	-	-	-
Amounts used	(10)	(10)	(10)	(10)
Closing Balance 30 June	79	89	79	89

Rural Landfills

In February 1998 Stratford District Council renewed its aftercare consents for the Pukengahu and Huiroa landfills which were closed in 1990 and 1991 respectively.

New consents have been granted by Taranaki Regional Council for the management of Council's closed landfills. These consents are valid until 2034 and set monitoring parameters with requirements for remedial action depending on the outcomes of the monitoring.

Stratford Landfill

In March 1999 Stratford District Council renewed its consent for the Swansea Road landfill. While the consent required the site to be closed by June 2005 it was actually closed on 18 March 2002.

Council has an ongoing liability to ensure the site continues to be managed in a manner that least affects the environment and the work is expected to include the following major components:

- Environmental Monitoring (surface and groundwater)
- Surface groundwater controls (drainage maintenance)
- Earthworks (in the initial years the land is expected to sink due to the refuse decomposition and filling will be required to avoid ponding).

These liabilities are expected to continue to the 2025 year following the closure of the landfill however the financial impact is expected to be greatest for the first five years.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking in to account existing technology and is discounted using a discount rate of 7.5%.

The management of the landfill will influence the timing of recognition of some liabilities.

19. EMPLOYEE ENTITLEMENTS

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Current Portion				
Annual Leave	132	134	134	138
Total Current Portion	132	134	134	138
Non-Current Portion				
Retirement Gratuities	43	42	43	42
Total Non-Current Portion	43	42	43	42
Total Employee Entitlements	175	176	177	180

20. BORROWINGS

	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Current Portion				
Secured Loans	-	-	-	-
Total Current Portion	-	-	-	-
Non-Current Portion				
Secured Loans	9,560	5,340	9,560	5,340
Total Non-Current Portion	9,560	5,340	9,560	5,340
Total Borrowings	9,560	5,340	9,560	5,340
Security				
Council's loans are secured over the rates of the Council.				
Maturity Analysis and Effective Interest Rates				
	Council		Group	
	Actual	Actual	Actual	Actual
	2015/16	2014/15	2015/16	2014/15
	\$000	\$000	\$000	\$000
Less than one year	-	-	-	-
Later than one year but not more than five years	2,500	-	2,500	-
Later than five years	7,060	5,340	7,060	5,340
Total Borrowings	9,560	5,340	9,560	5,340
The weighted average effective interest rate for 2015/16 is 4.39% (2014/15 4.72%).				
Local Government Funding Agency				
Council has no funds invested in the Local Government Funding Agency (LGFA) nor has it borrowed any funds from LGFA.				

Internal Borrowings

During the 2012/13 year Council made an internal loan to the Water Supply activity, towards the capital costs of the new Stratford Water Treatment Plant. The loan was for \$2,000,000. Interest has been calculated on the balance outstanding as 1 July 2015 of \$1,830,795 at the current bank lending rate of 4.72%. The Water Supply activity has been charged the costs of \$86,413. The sum of \$70,032 was repaid at the end of the year.

21. EQUITY

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Retained Earnings - 1 July	175,034	173,915	177,120	176,080
Transfers to:				
Restricted Reserves	(89)	(71)	(89)	(71)
Council Created Reserves	(5,013)	(5,246)	(5,013)	(5,246)
Transfers from:				
Council Created Reserves	6,230	5,575	6,230	5,575
Restricted Reserves	51	62	51	62
Profit / (Loss) for the year	(1,160)	799	(1,229)	720
Balance at 30 June	175,053	175,034	177,078	177,120
Restricted Reserves - 1 July	446	437	446	437
Transfers to:				
Retained Earnings	(51)	(62)	(51)	(62)
Transfers from:				
Retained Earnings	89	71	89	71
Balance at 30 June	484	446	484	446
Fair Value through other comprehensive income - 1 July	(178)	(66)	(178)	(66)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments	76	(112)	76	(112)
Balance at 30 June	(102)	(178)	(102)	(178)
Council Created Reserves - 1 July	3,857	4,219	3,857	4,219
Transfers to:				
Retained Earnings	(6,230)	(5,575)	(6,230)	(5,575)
Transfers from:				
Retained Earnings	5,013	5,213	5,013	5,213
Balance at 30 June	2,640	3,857	2,640	3,857
Asset Revaluation Reserves - 1 July	125,863	125,863	126,609	126,609
Revaluation Gains/(Losses)	-	-	-	-
Balance at 30 June	125,863	125,863	126,609	126,609
Total Other Reserves - 30 June	128,885	129,987	129,631	130,733
Asset Revaluation Reserves consist of:				
Operational Assets				
Land	4,616	4,616	4,669	4,669
Buildings	3,741	3,741	4,434	4,434
Restricted Assets				
Wastewater System	524	524	524	524
Water System	2,032	2,032	2,032	2,032
Stormwater System	840	840	840	840
Roothing Network	111,132	111,132	111,132	111,132
Land	2,096	2,096	2,096	2,096
Buildings	881	881	881	881
Total	125,863	125,863	126,609	126,609

EQUITY (CONT)

Purpose of Each Reserve Fund

Council's reserve funds are classified in to three categories:

- Council Created Reserves
- Restricted Reserves
- Targeted Rate Reserves

The purposes of the reserves are as follows:

Council Created Reserves

General Renewals Reserve

This reserve has been created for the accumulation of depreciation on buildings, plant, vehicles, office equipment and furniture and fittings. The funds are set aside to provide for the ongoing replacement of operational assets in these categories, and also to maintain and enhance existing Council assets. Funds are also provided for new projects where necessary.

Contingency Reserve

This reserve has been created to assist in the event of an emergency. Purposes for which funds are currently set aside are such things as natural disasters e.g. floods, earthquakes, volcanic eruptions etc.

Asset Sales Proceeds Reserve

The purpose of this reserve is to accumulate the net proceeds from the sale of Council assets that have not been specifically tagged for a particular purpose. These funds can then be used to acquire new capital assets.

Staff Gratuities Reserve

These funds are for the payment of gratuities, redundancies, and farewells/recognition of long service of staff or elected members, however there are no other specific restrictions on this reserve.

Mayor's Relief Fund

This fund has been in existence since at least 1934 and was originally set up to provide funds for the 'relief of distress' in the Stratford District. In recent years the reserve has been funded by donations and distributions of these monies has been at the Mayor's discretion.

Restricted Reserves

Elsie Fraser Bequest Reserve

These funds came from a bequest from Elsie Fraser in 1985 for the provision of a 'home for the less affluent old people within the Stratford community'. All surpluses from operations of these units are credited to the reserve.

RMA/Financial Contributions Reserve

Financial contributions are required by the Stratford District Plan. Council has received these funds from the subdivision of land and various land use activities. The reserve is used to fund growth related capital works and services.

Targeted Rate Reserves

Water Supply, Solid Waste and Wastewater Reserves

These reserves represent the balance of funds collected from various targeted rates which have not yet been spent. The funds can only be used for the purpose for which they were originally levied. The reserves include depreciation on infrastructural assets, costs of any capital/renewal expenditure and any surplus/deficit from operations for the year.

RESERVE FUND MOVEMENTS

2016		Balance 1 July 2015 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2016 \$000
Activities to which the reserve relates					
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	83	19	(29)	73
Financial Contributions Reserve	All activities	363	70	(22)	411
Total		446	89	(51)	484
2015					
Activities to which the reserve relates		Balance 1 July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2015 \$000
Council Created and Targeted Rate Reserves					
General Renewal Reserve	All activities	678	1,218	(869)	1,027
Contingency Reserve	All activities	505	15	(15)	505
Asset Sale Proceeds Reserve	All activities	358	381	(253)	486
Staff Gratuities Reserve	All activities	144	4	(2)	146
Mayor's Relief Fund Reserve	Community	6	0	-	6
Stormwater Reserve	Stormwater	141	75	(114)	102
Roading Renewals Reserve	Roading	1,688	2,615	(3,351)	952
Water Supply Reserve	Water Supply	(170)	523	(1,100)	(747)
Solid Waste Reserve	Waste Management	296	58	(238)	117
Wastewater Reserve	Wastewater	212	123	(288)	47
Total		3,857	5,013	(6,230)	2,641
2015					
Activities to which the reserve relates		Balance 1 July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2015 \$000
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	124	22	(62)	83
Financial Contributions Reserve	All activities	313	50	-	363
Total		437	72	(62)	446
2015					
Activities to which the reserve relates		Balance 1 July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2015 \$000
Council Created and Targeted Rate Reserves					
General Renewal Reserve	All activities	795	1,165	(1,282)	678
Contingency Reserve	All activities	505	18	(18)	505
Asset Sale Proceeds Reserve	All activities	333	32	(7)	358
Staff Gratuities Reserve	All activities	141	5	(2)	144
Mayor's Relief Fund Reserve	Community	1	5	-	6
Stormwater Reserve	Stormwater	180	73	(112)	141
Roading Renewals Reserve	Roading	1,608	3,081	(3,001)	1,688
Water Supply Reserve	Water Supply	304	479	(953)	(170)
Waste Management Reserve	Waste Management	203	152	(59)	296
Wastewater Reserve	Wastewater	150	204	(142)	212
Total		4,219	5,213	(5,575)	3,857

22. COMMITMENTS

	Council		Group	
	Actual 2015/16 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Actual 2014/15 \$000
Financial Commitments				
* Downer NZ Ltd will provide facilities management services to the Council for the period to 30 June 2017, with two further rights of renewal for one year each, for Utility Services.	295	582	295	582
* Downer NZ Ltd will provide facilities management services to the Council for the period to 30 June 2017, with two further rights of renewal for one year each, for Open Space Maintenance.	371	734	371	734
* Downer NZ Ltd have accepted a three month extension to the existing contract to provide facilities management services to the Council for the period to 30 September 2016. This will assist Council through a transition period until a new Roading maintenance contract is awarded from 1 October 2016.	196	4,268	196	4,268
* Fulton Hogan Ltd will provide facilities management services to the Council for the period to 30 June 2017, with two further rights of renewal for one year each, for Building Maintenance and Internal Cleaning.	181	358	181	358
* Council are committed to a ground lease for the Holiday Park to 1 May 2049. The value of the commitment varies as it is calculated on an agreed valuation between both parties at the time of each rent review. Initial rent payments were set on 2 May 2016.	99	20	99	20
* Percy Thomson Trust will provide building space in the Complex for the Information centre to operate, for the period to 1 June 2017, with one further right of renewal for three years.	25	52	25	52
* Envirowaste Services Ltd will provide refuse collection services to the Council for the period to 30 September 2022.	1,801	2,018	1,801	2,018
* Waste Management NZ Ltd will provide refuse collection services to the Council for the period to 30 September 2015.	-	95	-	95
Total	2,968	8,127	2,968	8,127
Financial Commitments				
Not later than one year	1,331	5,416	1,331	5,416
Later than one year and not later than five years	1,153	1,990	1,153	1,990
Later than five years	360	648	360	648
Total	2,844	8,054	2,844	8,054
Operating Leases as a Lessor				
Not later than one year	3	20	3	20
Later than one year and not later than five years	12	-	12	-
Later than five years	84	-	84	-
Total	99	20	99	20
Operating Leases as a Lessee				
Not later than one year	25	27	25	27
Later than one year and not later than five years	-	25	-	25
Later than five years	-	-	-	-
Total	25	52	25	52
Non-financial Commitments				
* Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2021.				
* Council is committed to various leases of rental properties for terms ranging up to 21 years with a perpetual right of renewal.				
* Council is committed to a number of leases of sports fields to various sports bodies for varying terms.				
* Council is committed to a ground lease for the aerodrome club buildings, and private hangars.				
* Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2018.				
* AA Drivers Licensing have given Council an agency relationship to 30 April 2018.				
* The Information Centre has various commission agreements with tourism providers.				

23. CONTINGENCIES

Contingent Assets

The Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The clubs control the use of these facilities and the Council will gain control of the asset only if the club vacates the facility. Until this event occurs, the assets are not recognised as assets in the statement of financial position. As at 30 June 2016 there are 10 facilities having an approximate value of \$5.26 million (2015 10 facilities - \$5.26 million). The estimate has been based on rating valuations for the area.

Building Compliance Investigation

Council has resolved to contribute to remediation of a historical subsidence issue involving a building consent issued in 2004.

24. RELATED PARTY TRANSACTIONS

Related Party Transactions with Subsidiaries, Associates or Joint Ventures

	Actual 2015/16 \$000	Actual 2014/15 \$000
Percy Thomson Trust		
Grant received from the Council	50	50
Rent received from Council for the Information Centre	25	25
Fees paid to Council for administration services	21	21

Transactions with Key Management Personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, etc).

Roger Hignett and Viv Milner, Councillors, are Trustees of Percy Thomson Trust.

Payments Made to Related Parties

Interest Declared	Nature of Transaction	Actual 2015/16 \$000	Actual 2014/15 \$000	
Robin Vickers - Farm Consultant				
- Robin Vickers, Councillor	Self-employed	Services provided	5	5
John Campbell				
- John Campbell, Councillor	Self-employed	Goods Purchased	13	9
Neil Volzke				
- Neil Volzke, District Mayor	Member, Stratford District Licensing Committee	Services provided	0	1

All transactions above were at arms length and on normal commercial terms, however were procured without going through a tender process.

Key Management Personnel Compensation

	Actual 2015/16 \$000	Actual 2014/15 \$000
Salaries and other short term employee benefits	963	903
<i>(This includes the salaries and superannuation for Senior Management; and remuneration for Elected Representatives)</i>		

25. REMUNERATION

The former Chief Executive of Stratford District Council, who was appointed under section 42 of the Local Government Act 2002 and resigned from the position on 13 November 2014, received the following remuneration for the period 1 July to 13 November 2014:

	Actual 2015/16 \$	Actual 2014/15 \$
Salary	0	81,883
Superannuation Subsidy	0	2,456
Vehicle (market value plus FBT)	0	4,835
Total	0	89,174

The current Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 16 March 2015 and received the following remuneration for the period 16 March to 30 June 2015, and the year ended 30 June 2016:

	Actual 2015/16 \$	Actual 2014/15 \$
Salary	180,960	55,680
Superannuation Subsidy (Kiwisaver)	5,429	1,670
Vehicle (market value plus FBT)	13,542	3,974
Total	199,931	61,324

As at 30 June 2016 the annual remuneration package that was being received by the current Chief Executive was calculated at \$190,000. This remuneration excludes Kiwisaver and FBT on the vehicle).

	Total remuneration Council	
	2015/16 \$	2014/15 \$
Elected Representatives		
Mayor - N Volzke	67,300	65,400
<u>Councillors</u>		
R Hignett	16,400	15,500
R Vickers	16,400	15,500
J Sandford	17,210	16,265
K Squire	16,400	1,550
V Milner	16,400	15,500
A Jamieson	22,960	21,700
R Thomson	16,400	15,500
J Campbell	18,450	19,375
J Erwood	16,400	15,500
G Kelly	16,400	15,500
Full Time Equivalentents *	11	11

* Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

* In addition to the honorarium a total of \$11,550 was paid to the Councillors as a communications allowance for the year.

No elected representative received any remuneration from Council's CCO, the Percy Thomson Trust.

Employee Staffing Levels and Remuneration	30 June 2016	30 June 2015
Total Employees	55	53
Full Time Employees	37	34
Full Time Equivalentents - 18 staff (2014/15 - 19 staff)	18	11
<i>Stratford District Council's definition of a Full Time Equivalent (FTE) is 40 hours per week.</i>		
<i>Senior Management Team, including the Chief Executive</i>		
Full-time equivalent members	5	5
Number of Employees within Remuneration Bands		
Less than \$60,000 per annum	36	36
\$60,000 - \$79,999 per annum	7	8
\$80,000 - \$159,999 per annum	11	8
\$160,000 - \$200,000 per annum	1	1

26. SEVERANCE PAYMENTS

No severance payments have been made to any employee of Council during the 2015/16 year (2014/15 \$Nil).

27. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after balance date.

28. FINANCIAL INSTRUMENT CATEGORIES

The accounting policies for financial instruments have been applied to the line items below:				
	Council		Group	
	Actual 2015/16	Actual 2014/15	Actual 2015/16	Actual 2014/15
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents - Cash	2,006	1,846	2,624	2,380
Short Term Deposits	-	1,500	250	1,750
Receivables	3,387	1,319	3,394	1,347
Other financial assets:				
Community loans	97	97	97	97
Total	5,491	4,761	6,366	5,573
Fair value through other comprehensive revenue and expense				
Other financial assets:				
Local authority stock and Bonds	-	-	742	592
Listed shares	980	663	980	663
Total	980	663	1,722	1,255
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and deferred revenue	2,632	1,506	2,643	1,624
Borrowings:				
Secured loans	9,560	5,340	9,560	5,340
Total	12,192	6,846	12,203	6,964

29. EXPLANATION OF SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

Explanations for major variations from Council's estimated figures in the 2015-25 Long Term Plan are as follows:

Statement of Comprehensive Revenue and Expense

Income is higher than anticipated due to the following:

- Financial contributions of \$59,000 received that were not budgeted for, due to the sporadic nature of resource consents and commercial building consent volumes.
- Additional financial assistance of \$3,741,000 in the form of subsidies from NZTA, towards the cost of the June 2015 storm event
- Subsidies from the Lottery Grants Board and TSB Community Trust of \$150,000 each towards the cost of the library upgrade
- Expenditure is over budget primarily due to the emergency reinstatement work in Roding as a result of the June storm event, totalling \$5.2m

Statement of Financial Position

- Current assets are less than last year as the cash balance has reduced due to the additional funds required to pay for Council's share of the June 2015 storm event.
- Receivables are higher than last year due to the balance of funds to be received from NZTA towards the storm event, following approval of the increased subsidy.
- Current liabilities are considerably higher than last year as there were large invoices outstanding at year end for various items of expenditure, particularly in respect of the storm event.

30. DISTRICT LICENSING COMMITTEE DISCLOSURE

<u>Income from Fees:</u>	
Licence Applications	\$37,529
Liquor Licencing Authority Levies	\$2,589
Total Income	\$40,118
<u>Expenditure:</u>	
Licencing Inspectors	\$30,168
District Licensing Committee Fees	\$3,681
Liquor Licencing Authority Levies	\$2,589
Other operating Costs Relating to Enforcement	\$15,110
Total Expenditure	\$51,548
<i>This information is provided in accordance with Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. This regulation requires Territorial Authorities to prepare a report detailing income from fees, and licencing costs under the Act. This information must be publicly available.</i>	

31. INSURANCE OF ASSETS

The Local Government Act 2002 requires that from 2014 details of insurance of assets be included. This information is included in the following table.

STRATFORD DISTRICT COUNCIL INSURANCE OF ASSETS AS AT 30 JUNE 2016

	Carrying value as at 30 June 2016 \$000
ASSETS FROM STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	309,100
Investment property	114
	309,214
Less	
Land component of operational assets	7,168
Land under roads	55,950
Land – restricted assets	7,300
	70,418
NET NON-FINANCIAL ASSETS (EXCLUDING LAND)	238,796

	Insured value as at 30 June 2016 \$000	
INSURANCE ARRANGEMENTS		
Material damage cover for buildings, plant, contents	41,478	Subject to various deductibles including \$5k for most claims except for earthquake or volcanic eruption where deductible is 5% of sum insured or 10% for pre 1935 buildings. Insured for market value – carrying value assumed for this purpose.
Motor vehicle insurance cover (including leased vehicles)	142	
RISK SHARING ARRANGEMENTS		
Cover for infrastructure assets as a member of LAPP	14,020	Sum equates 40% of the ORV value of scheduled assets. A deductible of \$150,000 applied. It is anticipated (though cannot be guaranteed) that under the terms contained in the Guide to Civil Defence Emergency Management Plan central government may fund 60% of the qualifying cost of reinstating essential infrastructure with a deductible of \$150,000
Central Government assistance		
Council arrangements for covering deductibles and/or uninsured assets	55,640	
Sum not specially insured	\$183,156	Note the 60% of the ORV of infrastructure assets which may be funded by central government equates \$21.03m.

The Council has no insurances relating to financial or intangible assets. The uninsured assets consist of the Roding Network, \$205m, which NZTA may assist with in the event of an emergency.

FUNDING IMPACT STATEMENTS

Funding Impact Statements

	Annual Plan 2014/15 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	4,435	4,477	5,296	5,361
Targeted rates	6,239	6,138	5,741	5,625
Subsidies and grants for operating purposes	1,591	1,411	1,468	4,989
Fees and Charges	1,984	1,981	2,179	1,870
Interest and dividends from investments	154	142	193	94
Local authorities fuel tax, fines, infringement fees, and other receipts	98	82	96	82
Total operating funding (A)	14,501	14,230	14,974	18,022
Applications of operating funding				
Payment to staff and suppliers - see note below	10,680	10,744	11,170	15,962
Finance costs	351	252	570	343
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,030	10,996	11,739	16,305
Surplus (deficit) of operating funding (A-B)	3,471	3,234	3,234	1,717
Sources of capital funding				
Subsidies and grants for capital expenditure	1,490	1,859	1,937	1,703
Development and financial contributions	-	37	-	59
Increase (decrease) in debt	(201)	-	4,153	4,220
Gross proceeds from sale of assets	-	-	-	341
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,289	1,896	6,090	6,324
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	2,263	2,602	4,384	4,512
- To replace existing assets	4,160	3,398	4,889	3,965
Increase (decrease) in reserves	(300)	146	51	904
Increase (decrease) in investments	(1,363)	(1,016)	-	(1,340)
Total applications of capital funding (D)	4,760	5,130	9,324	8,040
Surplus (deficit) of capital funding (C-D)	(3,471)	(3,234)	(3,234)	(1,717)
Funding balance ((A-B) + (C-D))	0	0	0	0
<i>Note - expenditure for 2015/16 was higher than budget due to the 2015 storm event that occurred in the district.</i>				

Funding Impact Statement for the year ended 30 June 2016 - Community Services

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,132	2,189	2,862	2,897
Targeted rates	13	14	14	14
Subsidies and grants for operating purposes	-	-	146	315
Fees and Charges	370	412	454	440
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	26	17	28	1
Total operating funding (A)	2,541	2,631	3,504	3,667
Applications of operating funding				
Payment to staff and suppliers	1,947	1,902	2,058	1,819
Finance costs	-	-	37	11
Internal charges & overheads applied	494	523	780	758
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,441	2,425	2,875	2,588
Surplus (deficit) of operating funding (A-B)	100	207	629	1,079
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	372	318
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	372	318
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	185	403	672	747
- To replace existing assets	86	77	384	647
Increase (decrease) in reserves	(171)	(181)	(55)	96
Increase (decrease) in investments	-	(92)	-	(92)
Total applications of capital funding (D)	100	206	1,001	1,397
Surplus (deficit) of capital funding (C-D)	(100)	(206)	(629)	(1,079)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Roading

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties *	(23)	(7)	(6)	(6)
Targeted rates	3,635	3,324	2,823	2,838
Subsidies and grants for operating purposes	1,252	1,396	1,322	4,674
Fees and Charges	455	404	375	370
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	8	10	75
Total operating funding (A)	5,330	5,125	4,523	7,951
Applications of operating funding				
Payment to staff and suppliers - see note below	2,881	2,969	2,894	7,803
Finance costs	51	-	20	-
Internal charges & overheads applied	180	186	215	211
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,112	3,155	3,128	8,014
Surplus (deficit) of operating funding (A-B)	2,218	1,970	1,394	(63)
Sources of capital funding				
Subsidies and grants for capital expenditure	1,814	1,703	1,937	1,703
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(35)	-	74	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,778	1,703	2,011	1,703
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	154	1,028	151	-
- To replace existing assets	3,659	2,608	3,572	2,357
Increase (decrease) in reserves	183	37	(318)	(717)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3,997	3,673	3,405	1,640
Surplus (deficit) of capital funding (C-D)	(2,218)	(1,970)	(1,394)	63
Funding balance ((A-B) + (C-D))	0	0	0	0

Note - expenditure for 2015/16 was higher than budget due to the 2015 storm event that occurred in the district.

Funding Impact Statement for the year ended 30 June 2016 - Water Supply

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,802	1,552	1,754	1,611
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	12	8	9	1
Total operating funding (A)	1,814	1,560	1,764	1,612
Applications of operating funding				
Payment to staff and suppliers	732	845	813	1,085
Finance costs	416	266	319	254
Internal charges & overheads applied	183	206	207	222
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,331	1,316	1,340	1,561
Surplus (deficit) of operating funding (A-B)	483	244	424	50
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(281)	-	88	(60)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(281)	-	88	(60)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	
- To improve the level of service	197	966	125	304
- To replace existing assets	95	190	370	245
Increase (decrease) in reserves	(88)	(901)	18	(558)
Increase (decrease) in investments	-	(11)	-	-
Total applications of capital funding (D)	202	244	512	(9)
Surplus (deficit) of capital funding (C-D)	(483)	(244)	(424)	(50)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Wastewater

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	468	472	450	453
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	20	34	40	28
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	3	4	0
Total operating funding (A)	493	510	494	481
Applications of operating funding				
Payment to staff and suppliers	227	228	244	366
Finance costs	34	-	64	9
Internal charges & overheads applied	73	83	94	104
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	334	311	402	478
Surplus (deficit) of operating funding (A-B)	159	199	93	2
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	540	-	602	208
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	540	-	602	208
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	563	147	513	58
- To replace existing assets	62	90	150	237
Increase (decrease) in reserves	73	57	32	(85)
Increase (decrease) in investments	-	(95)	-	-
Total applications of capital funding (D)	699	199	695	210
Surplus (deficit) of capital funding (C-D)	(159)	(199)	(93)	(2)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Stormwater

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	231	219	306	309
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	3	4	0
Total operating funding (A)	235	222	310	309
Applications of operating funding				
Payment to staff and suppliers	93	75	83	77
Finance costs	-	-	3	-
Internal charges & overheads applied	73	83	93	101
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	166	158	178	178
Surplus (deficit) of operating funding (A-B)	69	64	132	131
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	88	286
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	88	286
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	50	58	150	336
- To replace existing assets	-	54	100	114
Increase (decrease) in reserves	20	(48)	(30)	(33)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	69	64	220	417
Surplus (deficit) of capital funding (C-D)	(69)	(64)	(132)	(131)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Solid Waste

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19	18	19	19
Targeted rates	809	789	714	723
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	60	96	60	85
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	4	4	0
Total operating funding (A)	894	907	796	827
Applications of operating funding				
Payment to staff and suppliers	708	577	595	608
Finance costs	-	-	-	-
Internal charges & overheads applied	168	194	162	166
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	876	771	757	774
Surplus (deficit) of operating funding (A-B)	18	136	39	53
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	18	37	82	238
Increase (decrease) in reserves	-	99	(43)	(185)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	18	136	39	53
Surplus (deficit) of capital funding (C-D)	(18)	(136)	(39)	(53)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Democracy

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	844	875	696	705
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	43	64	60	64
Internal charges and overheads recovered	1,052	1,078	883	868
Local authorities fuel tax, fines, infringement fees, and other receipts	35	26	18	1
Total operating funding (A)	1,974	2,043	1,657	1,637
Applications of operating funding				
Payment to staff and suppliers	1,575	1,689	1,254	1,227
Finance costs	-	-	-	-
Internal charges & overheads applied	394	410	402	424
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,969	2,099	1,656	1,650
Surplus (deficit) of operating funding (A-B)	5	(56)	-	(13)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	161	285	242	148
Increase (decrease) in reserves	(156)	(342)	(242)	(161)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	5	(57)	-	(13)
Surplus (deficit) of capital funding (C-D)	(5)	57	-	13
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Economy				
	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	515	444	479	485
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	469	544	687	511
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14	10	14	1
Total operating funding (A)	998	998	1,181	997
Applications of operating funding				
Payment to staff and suppliers	746	782	650	625
Finance costs	-	-	127	60
Internal charges & overheads applied	221	243	325	317
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	967	1,025	1,103	1,001
Surplus (deficit) of operating funding (A-B)	31	(27)	78	(4)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	2,775	2,500
Gross proceeds from sale of assets	-	-	-	341
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	2,775	2,841
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	2,775	3,066
- To replace existing assets	-	57	6	-
Increase (decrease) in reserves	31	(84)	72	180
Increase (decrease) in investments	-	-	-	(409)
Total applications of capital funding (D)	31	(27)	2,853	2,837
Surplus (deficit) of capital funding (C-D)	(31)	27	(78)	4
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2016 - Environmental Services

	2014/15 Long Term Plan 2012-22 (\$000)	Actual 2014/15 (\$000)	Long Term Plan 2015/16 (\$000)	Actual 2015/16 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	699	739	941	953
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	379	331	489	337
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	31	23	27	2
Total operating funding (A)	1,108	1,094	1,458	1,292
Applications of operating funding				
Payment to staff and suppliers	618	637	838	720
Finance costs	-	-	-	-
Internal charges & overheads applied	489	592	616	617
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,105	1,229	1,455	1,337
Surplus (deficit) of operating funding (A-B)	3	(136)	3	(45)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	3	(136)	3	(45)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3	(136)	3	(45)
Surplus (deficit) of capital funding (C-D)	(3)	136	(3)	45
Funding balance ((A-B) + (C-D))	0	0	0	0

ANNUAL REPORT DISCLOSURE STATEMENT

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 and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

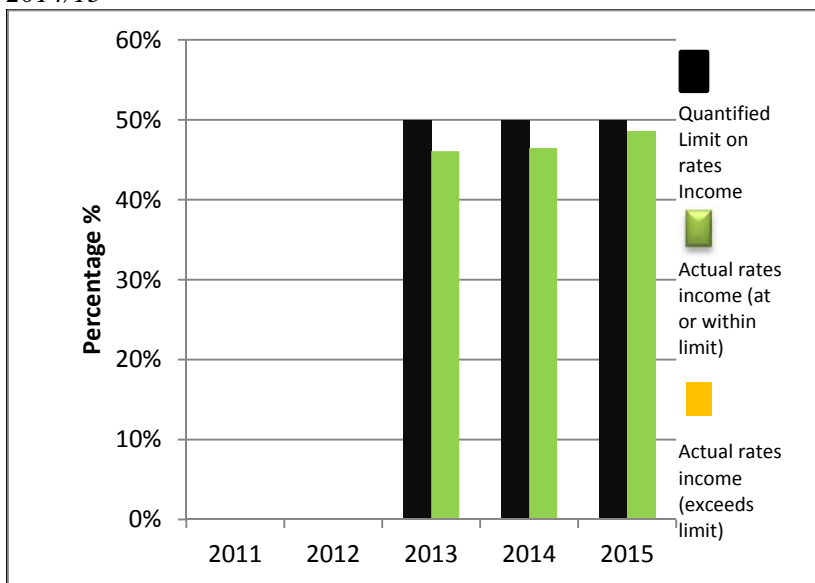
The council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

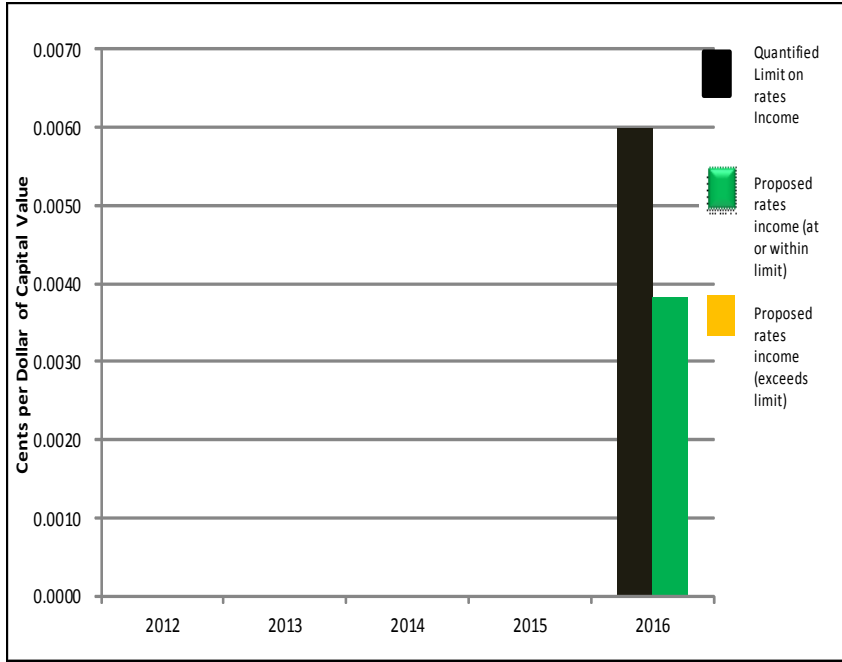
Rates (income) affordability

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 for 2015/16 is less than 0.006cents in the dollar of Capital Value for the District.

2014/15



2015/16

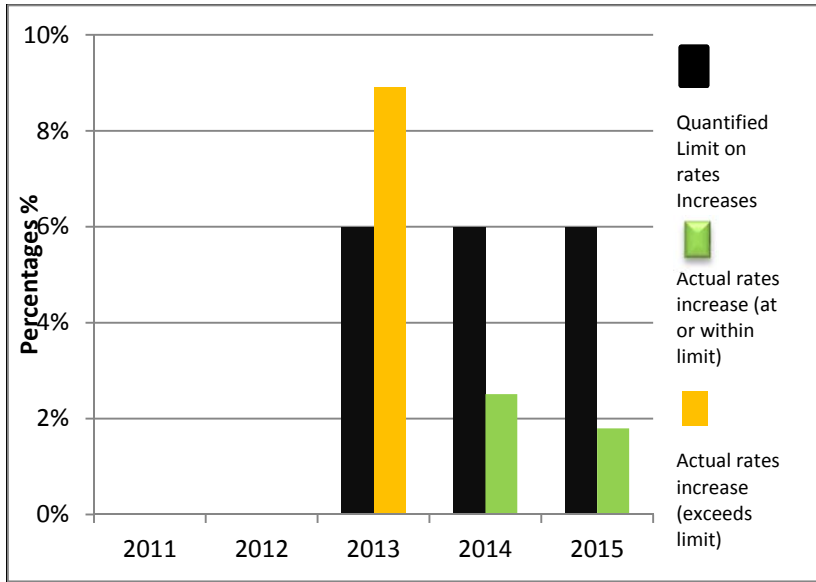


As this benchmark is new for the 2015/16 Annual Report as a result of the 2015-2025 Long Term Plan, there are no comparative numbers in the graph.

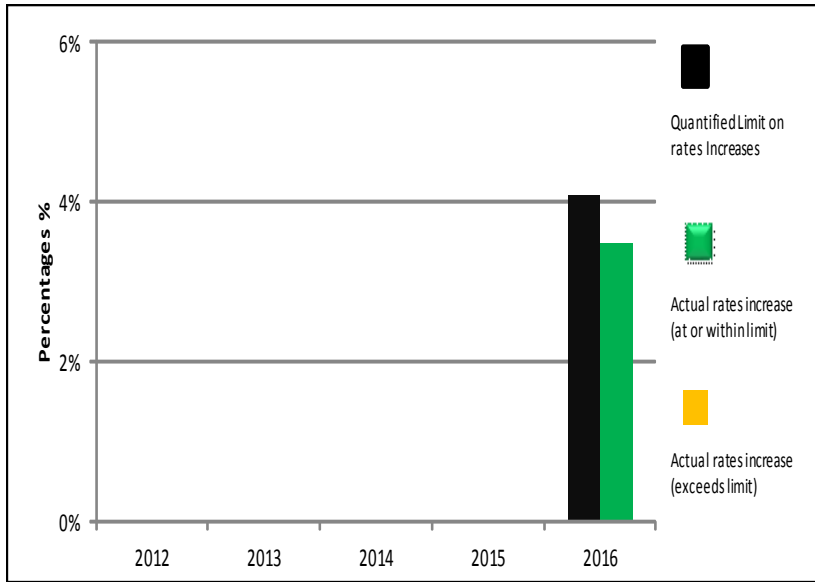
Rates (increases) affordability

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 for 2015/16 is 4.10%, which represents the maximum rates increase of \$450,600 for 2015/16 as identified in the 2015-2025 Long Term Plan.

2014/15



2015/16



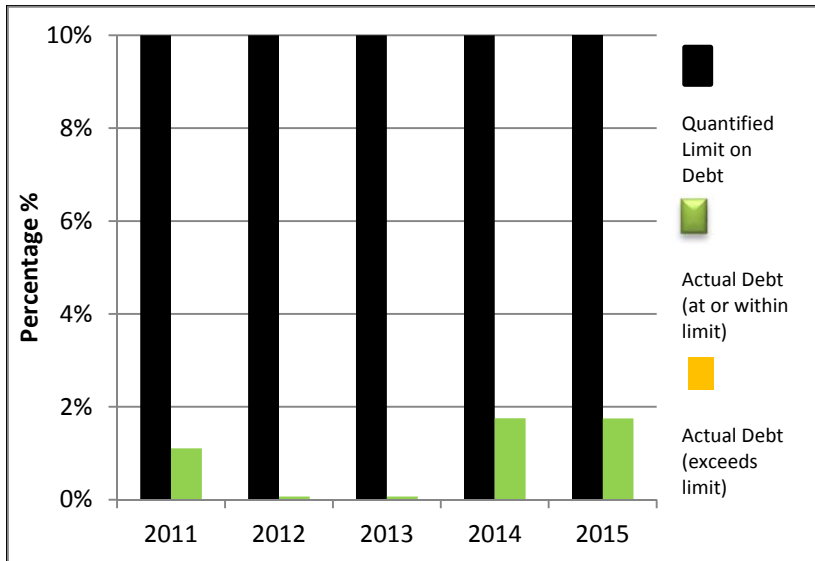
As this benchmark is new for the 2015/16 Annual Report as a result of the 2015-2025 Long Term Plan, there are no comparative numbers in the graph.

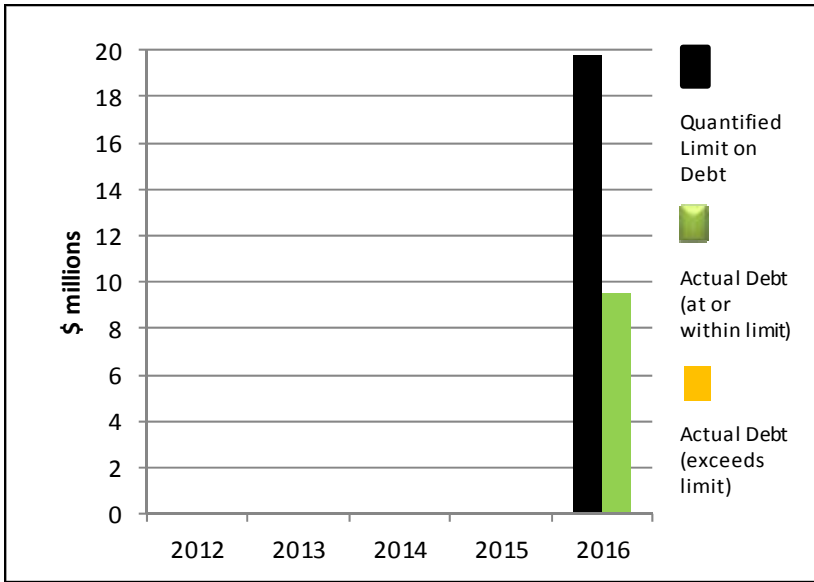
Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

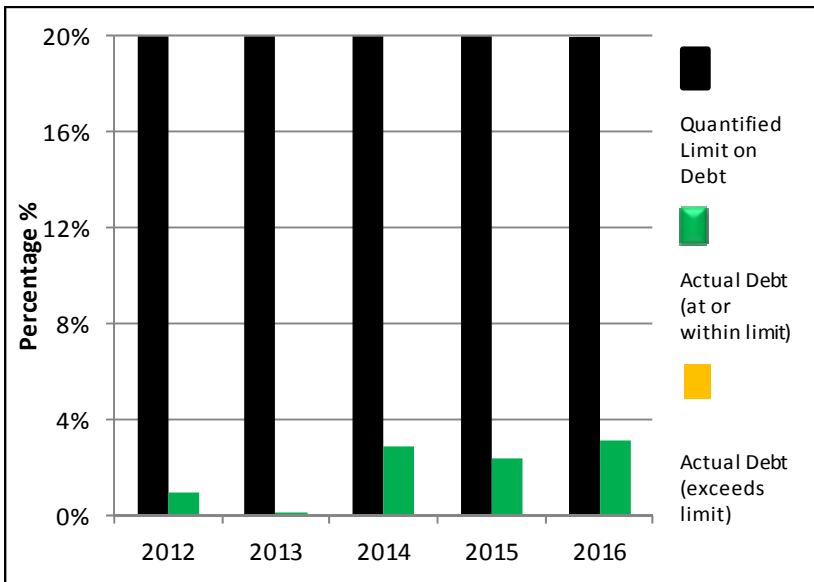
The following graph compares the council's debt to equity ratio. The financial strategy caps debt at 100% of operating revenue in the 2015-2025 Long Term Plan.

2014/15

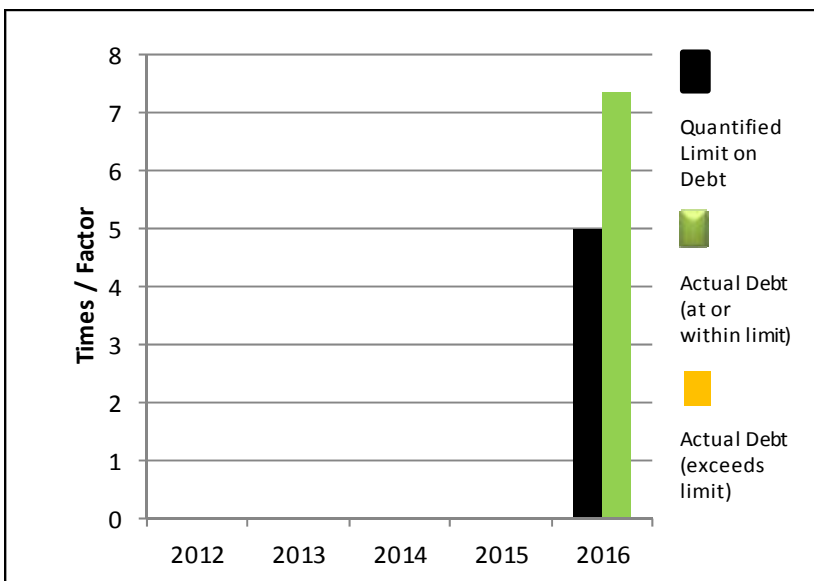




Debt affordability is also measured by the ratio of debt servicing to rates. The 2015-2025 Long Term Plan limits debt servicing to 20% of rates.



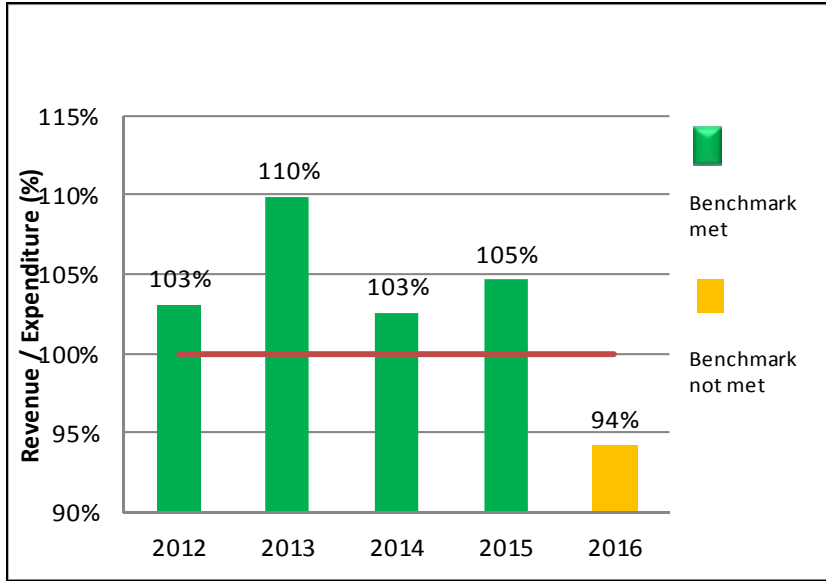
The quantified limit is that the net cash flow from operations exceeds interest cost by more than five times.



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.

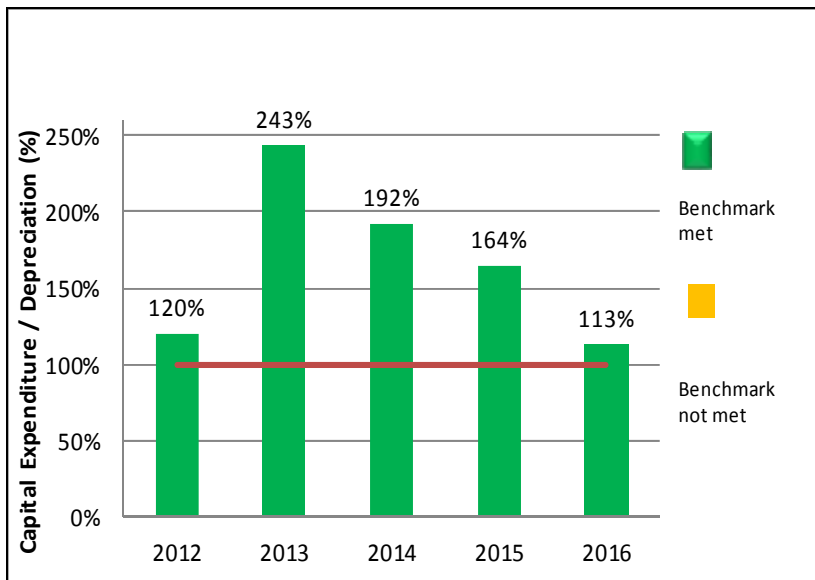


For 2016 the expenditure exceeded income largely as a result of the costs associated with the June 2015 storm event in Roding.

Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

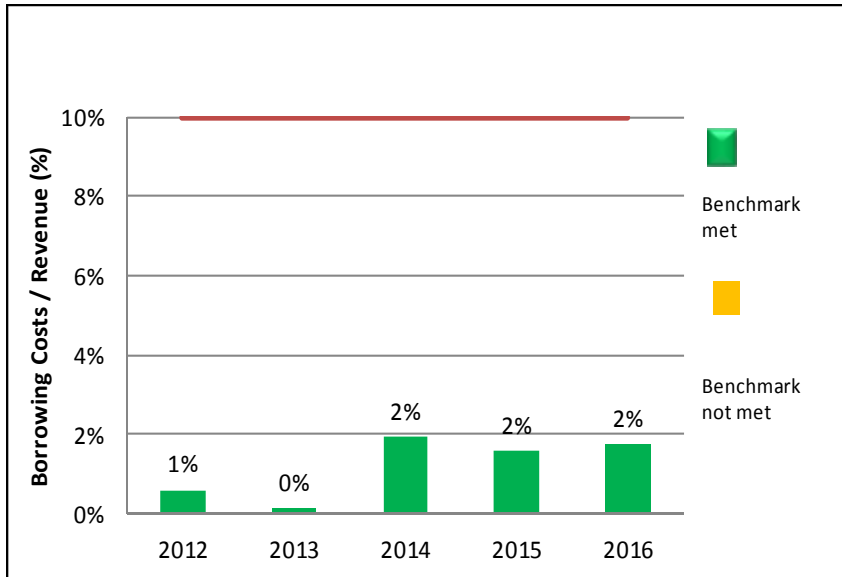
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



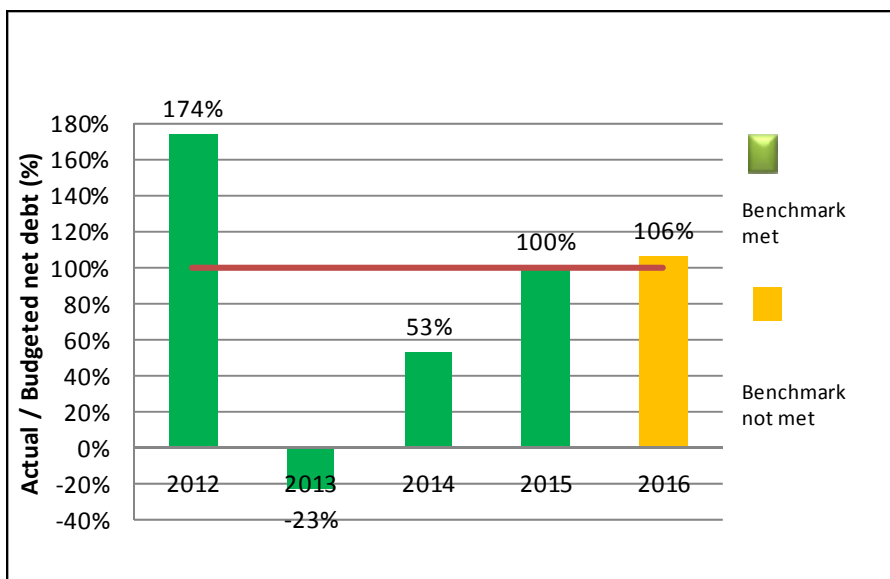
Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

For 2012 the budgeted net debt was negative. As a result the percentage is in excess of 100% and has met the benchmark. The 2013 financial year has a forecast net debt but the actual net debt was negative. The debt control benchmark compares the actual net debt with the budgeted net debt. For the 2015 annual report the budgeted net debt is derived from the Long Term Plan, in the 2014 annual report net debt was obtained from the respective Annual Plans.

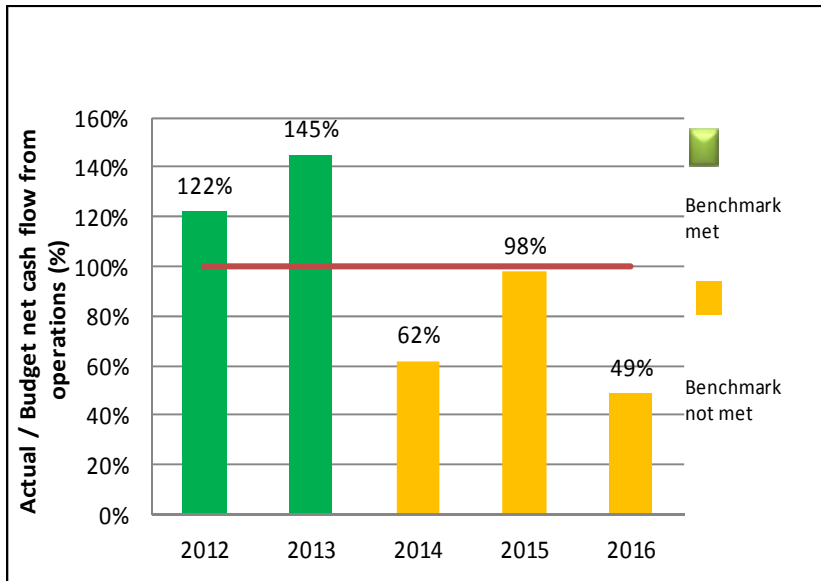
The net debt for 2016 has been affected by Council Debt Reserves being used to fund excess Rooding costs associated with the 2015 storm event.



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.





AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

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

The Auditor-General is the auditor of Stratford District Council (the District Council) and group. The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information); and
- report on whether the District Council and group have complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- The financial statements on pages 77 to 116:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2016; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The funding impact statement on page 118, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council and group's Long-term plan.
- The Statement of Service Provision on pages 18 to 76:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.
- The statement about capital expenditure for each group of activities on page 12, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council and group's Long-term plan.
- The funding impact statement for each group of activities on pages 119 to 127, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council and group's Long-term plan.

Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 77 to 134 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 25 October 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;

- determining the appropriateness of the reported statement of service provision within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than the audit of the District Council and group, we have no relationship with or interests in the District Council or its subsidiary.



Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand