

STRATFORD DISTRICT COUNCIL ANNUAL REPORT 2019/20

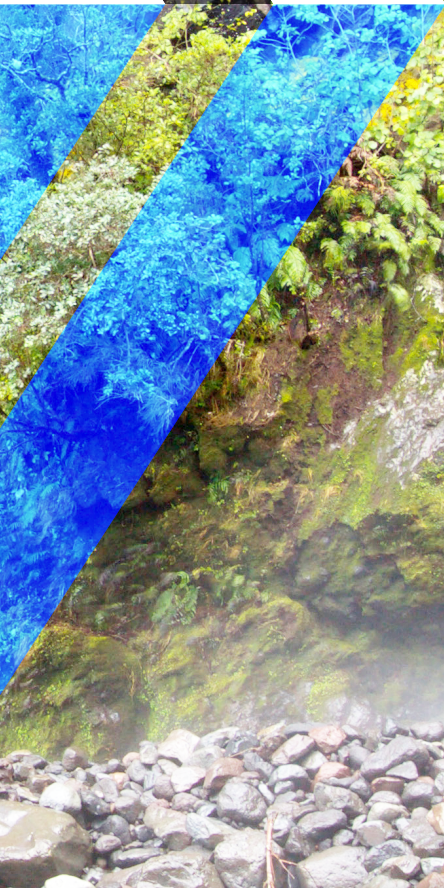


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OVERVIEW

Message from the Mayor and Chief Executive

Our Council

Highlights

Variations from Long Term Plan

Statement of Compliance

Message from the Mayor and Chief Executive

Tēnā koutou katoa

Welcome to Stratford District Council's Annual Report for 2019/20.

When we wrote the plan for 2019/20, no-one knew that our community would spend four months, a third of the financial year covered by this report, in the shadow of the coronavirus pandemic. This interrupted everyone's lives in different ways and equally impacted some of Council's delivery of services and the progress of our capital projects.

Despite the disruption caused by the pandemic, we are pleased to report the following achievements for the 2019/20 financial year:

- Pandemic response – Regardless of the restrictions imposed by the pandemic, Council continued to deliver all core services (Water Supply, Wastewater, Stormwater, Roding and Solid Waste) as well as a number of activities that enabled businesses and residents to retain at least some elements of normality throughout Covid-19 Alert Levels. This included:
 - Our Customer Service Centre, who did everything in their power to support customers, whether the call was about council business, pandemic related information or just for a friendly chat.
 - Governance – with elected members unable to meet in person, a quick change in processes enabled meetings to be held online. As a result, council schedules could largely be retained and elected members were able to support the community throughout the pandemic.
 - Building control – the team managed to process consents throughout Alert Levels and while things slowed down a little bit, activity returned to strong levels once restrictions were lifted.
 - Our Library, who adjusted processes to enable click and collect as well as home delivery services of library items.
 - Civil Defence – Council staff were heavily involved in the regional Civil Defence response to the pandemic, be it in staffing the regional Emergency Coordination Centre or delivering essential supplies to the community.
- Sections on the Council led residential subdivision off Pembroke Road went on sale and are selling well, with 11 sections sold by the end of the financial year.
- Good progress has been made on the new swimming pool development, with procurement to start once the location of the new facility is confirmed. The location was approved by Council after the year end.
- The children's bike park is fully designed and was included in a funding application to Central Government. Funding was approved after year end.
- Central Government funding for the sealing of the currently unsealed section, as well as safety improvements along the length of State Highway 43, being \$23 million in total, has been confirmed.
- The resource consent renewal process for Stratford's wastewater treatment has been completed.
- Long-standing, historic residential boundary issues in Midhirst have been resolved.
- Drinking water compliance – once again, all three of our water schemes achieved provisional full compliance.
- Civil Defence readiness - Council completed the setup of its Emergency Operations Centre which can be fully operational within an hour and supported by a good number of staff and community volunteers that are trained and ready to take up responsibilities as required.

Operating Results

We finished the year with an operating surplus of \$8,022,000 (before gains on the revaluation of property, plant and equipment; and financial assets), compared to a budgeted surplus of \$4,822,000.

Financial Position

Council did achieve some significant cost savings during the year, however, as a number of council services were unable to operate, there was also a slight reduction in revenue.

The council-owned farm delivered a record production this season of 154,178 kg/milk solids from 370 cows. The net profit for the farm was \$197,000, of which \$50,000 went towards subsidising general rates, and the remainder repaying farm debt. With this, and the sale of a section at the farm, the farm debt reduced by \$811,000, to \$1,968,000 at year end. At year end, all the all riparian planting and fencing work required to be compliant with regulations was completed.

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 (95% agreed), Stratford being a safe place (96% agreed), and Stratford offering a healthy lifestyle (96% agreed).

Performance as measured by Council's Key Performance Indicators was strong, with 79.57% of targets being achieved (2018/19 was 76.67%). For many of the targets not achieved, work to remedy the underlying cause has been completed and further work to address shortcomings will be included in the upcoming annual plan. Overall, and despite the challenges faced, this has been a very successful year for Council as we continue to strive for excellent service standards. The year ahead looks both exciting and challenging with high community expectations that the council will deliver on all Long Term Plan commitments and an increased programme of works due to additional government funding.



Neil Volzke, JP
DISTRICT MAYOR

Sven Hanne
CHIEF EXECUTIVE

COVID-19 Impact Disclosure

The Covid-19 pandemic resulted in operational changes to several Council activities, including the closure of most non-essential facilities during Alert Levels 3 and 4 and reduced services during Alert Level 2.

Although Covid-19 resulted in a drop in revenue for our public facing revenue generating activities during Alert Levels 3 and 4 (from late March to late May), it did not have a significant impact on the operational financial results for the year. The activities that saw a reduction of more than 50% in revenue during this period included all sports facilities and halls, the Library, TSB Pool Complex, the Information Centre, and building control activity. Council also saw a slight decrease in operational costs to deliver these activities.

There was no effect on rates revenue collection, assets valuation and treasury management.

Of more significant impact was the effect on Capital Expenditure, and the effect on Non-Financial Performance Measures.

Capital Expenditure

In June 2020, Council decided to carry forward around \$2.3m of capital expenditure projects (31% of the annual capital expenditure budget). With only essential services able to be carried out in Alert Levels 3 and 4, many of these projects were unable to be completed within the intended timeframe. Some of the projects carried forward include the Council subdivision, roading and three waters renewals and improvements, and transfer station building renewals.

Non-Financial Performance Measures

Covid-19 impacted on the measures largely relating to visitor numbers, including visitors to the Pool, Library, Information Centre, War Memorial Centre and Percy Thomson Gallery. Had these facilities been open for the full year, it is assumed that most of the visitor performance measure numbers would have been achieved, excluding perhaps the Library.

The Solid Waste performance measure for the percentage (by weight) of the council controlled waste stream that is recycled was also not achieved. This was due to the regional materials recovery facility (MRF) being closed during Alert Levels 3 and 4, resulting in recyclables having to be landfilled.

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;
- Financial Strength; and
- Growth

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.
Growth	<ul style="list-style-type: none"> • We will grow a strong and prosperous local economy that attracts, welcomes and retains businesses and residents • We will actively promote the district and its lifestyle • We will support and participant in regional economic development initiatives for the benefit of the Stratford District and its residents • We will ensure the availability of suitable land for development for residential and commercial purposes

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	Growth
Community Services	✓	✓	✓	✓	✓	✓	✓
Democracy	✓	✓	✓	✓	✓	✓	✓
Economy	✓	✓	✓	✓	✓	✓	✓
Environmental Services	✓	✓	✓	✓	✓	✓	✓
Civil Defence & Emergency Management	✓	✓	✓	✓	✓	✓	
Roading		✓		✓	✓	✓	✓
Stormwater		✓	✓			✓	✓
Wastewater		✓	✓			✓	✓
Solid Waste		✓	✓			✓	✓
Water Supply		✓	✓			✓	✓

The above activities continue to deliver positively towards their intended outcomes as planned.

The group of activities meet the purpose of the Local Government four well-beings as follows:

Activities	Cultural	Social	Economic	Environmental
Aerodrome		✓	✓	
Civic Amenities		✓		
Community Development	✓	✓		
Library	✓	✓		
Parks, Reserves and Cemeteries		✓		✓
TSB Pool Complex	✓	✓	✓	
Democracy	✓	✓	✓	✓
Economic Development	✓		✓	
Information Centre	✓		✓	
Rental and Investment Properties			✓	
Building Services	✓			✓
Planning			✓	✓
Community Health and Safety			✓	
Civil Defence and Emergency Management		✓		✓
Roading		✓	✓	
Stormwater			✓	✓
Wastewater			✓	✓
Solid Waste			✓	✓
Water Supply			✓	✓

Opportunities for Māori Contribution to Decision-Making Process

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 Ngāti Ruanui, Ngāruahine, Ngāti Maru, Ngāti Mutunga, Ngā Rauru, Ngāti Tama 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 1991.

Schedule 10(8) of the Local Government Act 2002 further requires Council to 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.
- Facilitate 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
Mobile: 027 631 7418
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nvolzke@stratford.govt.nz

URBAN WARD

Deputy Mayor Alan Jamieson JP
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Councillor Peter Dalziel
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Councillor Jono Erwood
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Councillor John Sandford, JP
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RURAL WARD

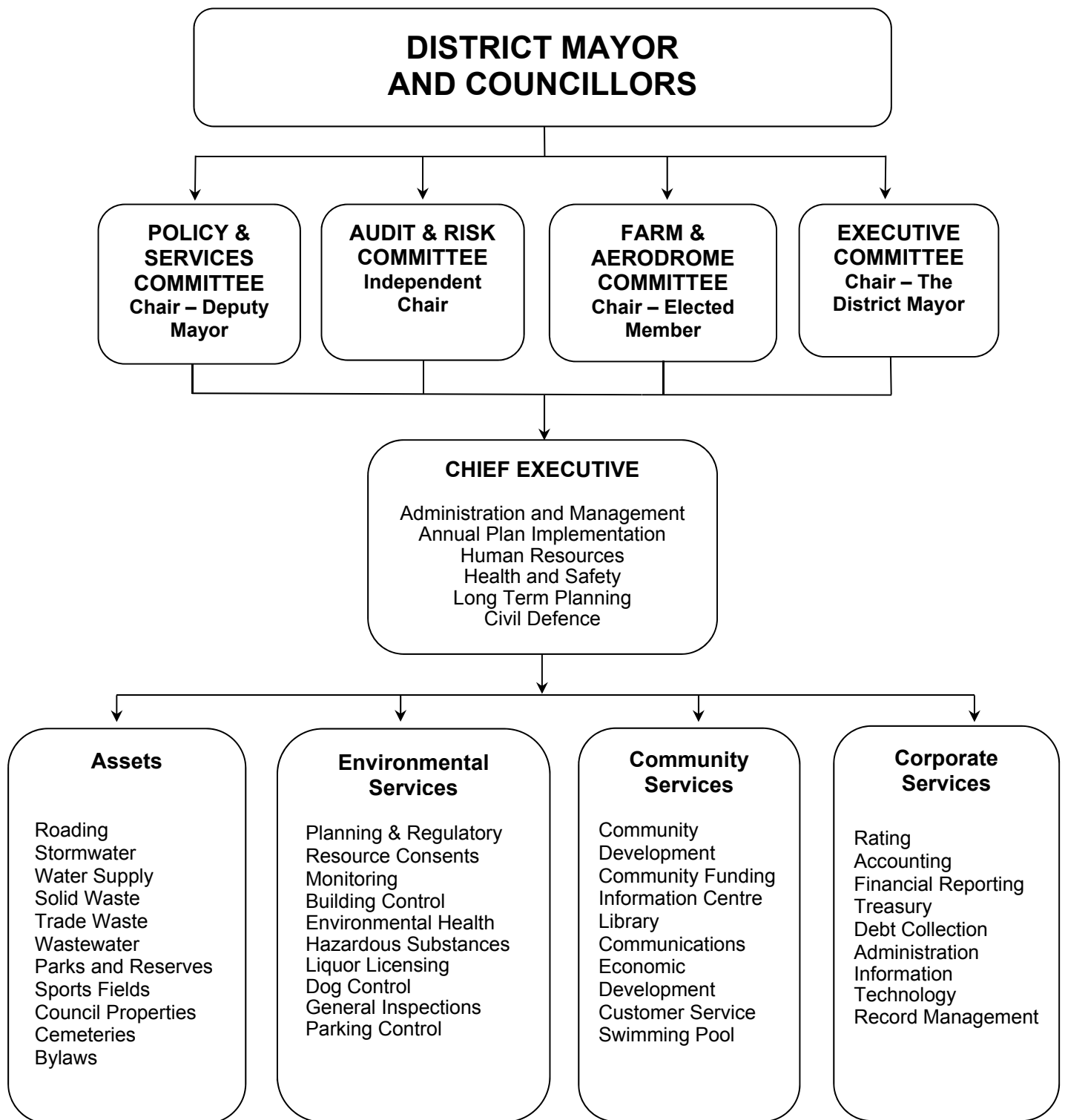
Councillor Grant Boyde, JP
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Councillor Rick Coplestone
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Councillor Amanda Harris
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Councillor Vaughan Jones
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Council Governance



Standing Committee Membership

	Council	Policy & Services Committee (Includes Hearings)	Executive Committee	Audit & Risk Committee	Farm & Aerodrome Committee	Sport New Zealand Rural Travel Fund
Frequency	Monthly	Monthly	As required	5x per year	Quarterly	2x per year
Elected Member						
District Mayor – N Volzke	*	●	*	●		
Deputy Mayor – A Jamieson	●	*	●	●		
Cr G Boyde	●	●			*	
Cr R Coplestone	●	●				
Cr P Dalziel	●	●	●	●	●	
Cr J Erwood	●	●	●	●		●
Cr A Harris	●	●				●
Cr V Jones	●	●			●	●
Cr M McKay	●	●		●		
Cr W Sandford	●	●	●			*
Cr G Webby	●	●				

* Chairperson

● Member of Committee

Highlights

The purpose of this Annual Report is to outline the financial performance for the 2019/20 year, identify any changes from the 2018-2028 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 FOR THE YEAR ENDED 30 JUNE 2020	
Rating Base Information	
Rating units within Stratford District Council at the end of the preceding financial year (30 June 2019)	
- Number of Rateable Assessments	4,737
- Total Number of Rating Units	5,087
Valuations of the district (including non rateable)	
- Land Value of Rating Units	\$2,014,989,500
- Improvements	\$1,247,135,800
- Total Capital Value of Rating Units	\$3,262,125,300
Statistical Information	30 June 2020
Land Area	2170 sq km
Population (as per 2018 census)	9,474
Public Debt / Term Liabilities	\$15,500,000
Debt per Head of Population	\$1,636
Debt per Rateable Assessment	\$3,272
Debt Servicing as a Percentage of Rate Revenue (max 20%)	3.21%
Full Time Equivalent Staff at 30 June 2020	55
Roads - Sealed	391.1 km
- Unsealed	206.7 km

The operating result for the year ended 30 June 2020 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

FINANCIAL			
For the years ended:	30-Jun-20	30-Jun-20	30-Jun-19
	Actual	Budget	Actual
Revenue	\$000	\$000	\$000
- Rates	12,750	12,807	12,256
- All Other Revenue	15,012	10,642	7,366
Total Revenue	27,762	23,449	19,622
Total Operating Expenditure	19,740	18,626	19,347
Net Surplus (Deficit)	8,022	4,822	275
Capital Expenditure	4,867	7,467	7,176
Working Capital (excludes current portion of debt repayment which will be refinanced immediately)	6,647		3,532
Current Ratio (Budget not to be less than 1:1)	1.53:1		1:1.09
Public Debt per Head of Population	\$1,636		\$1,613
Rates per Head of Population	\$1,346		\$1,364

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

Council's net worth has increased from \$312.1 million to \$321.2 million an increase of \$9.1 million primarily due to the revaluation of land and building as at 1 January 2020 and the vesting to Council of the TET Multi Sports Centre.

Financial Strategy

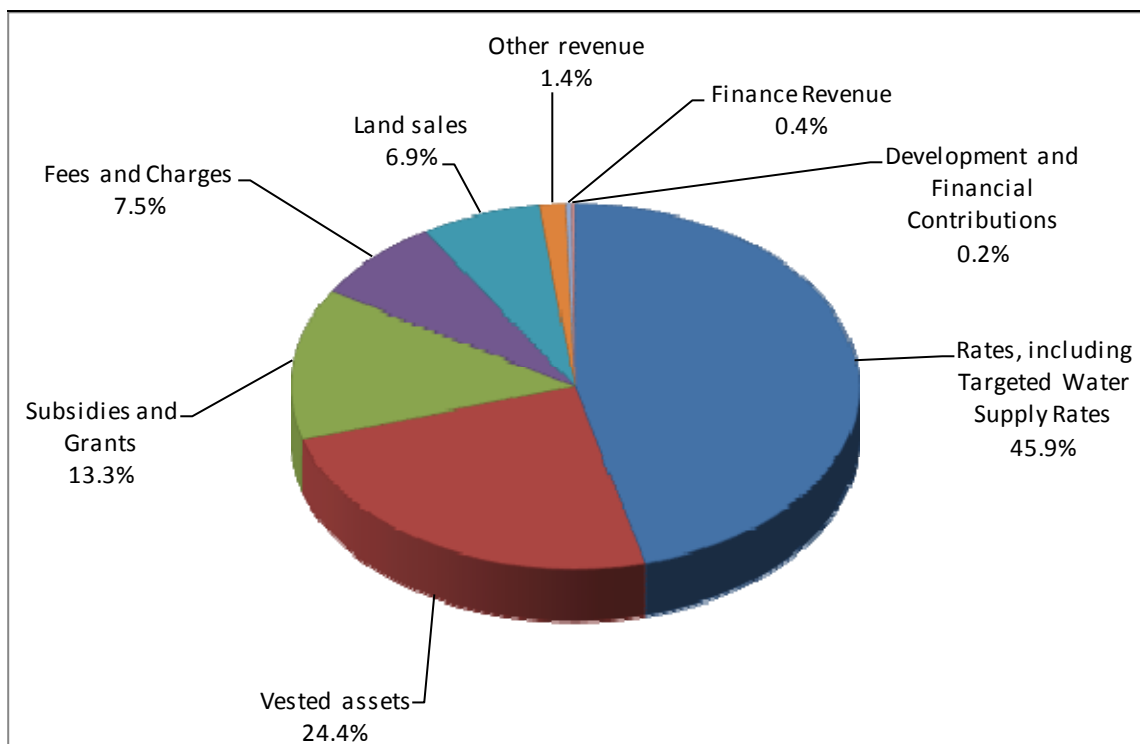
The Financial Strategy was updated by Council in 2018 and is within the LTP 2018-28 document. The objective of the Financial Strategy is to ensure that debt, revenue, and expenditure are managed in a way that ensures service levels are able to be maintained in a financially sustainable way. To achieve this, the Council has set limits on debt, rates increases, and the UAGC, as outlined below. In 2019/20, the rates measures were in compliance.

		Council's Target (limits)	LTP – 2019/20	Actual – 2019/20
Debt	Net debt as a % of total annual revenue	<100%	63%	49.76%
Income & Affordability	% Rates Increase	<4.45%	4.69%	4.04%
Fixed Rate	Uniform Annual General Charge (UAGC)	<30%	21.4%	24.5%

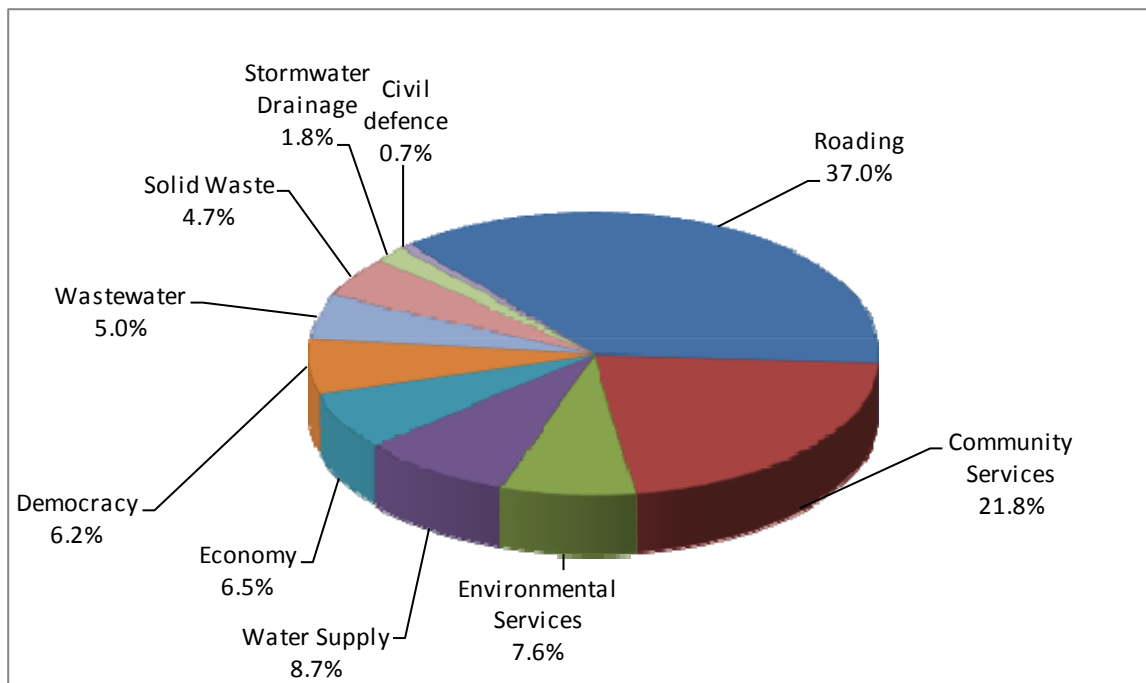
Net debt levels are within the targeted limits. Council has gross borrowings of \$15.5 million at interest rates ranging from 1.31% to 3.65%.

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 2020.

	Actual \$000	Budget \$000	Variance \$000	Variance %
Net Operating Cost				
Community Services	3,583	3,378	(207)	(6.127%)
Democracy	1,068	1,074	6	0.58%
Economy	579	612	33	5.44%
Environmental Services	862	849	(13)	(1.59%)
Civil Defence and Emergency Management	124	136	12	8.61%
Roading	2,997	2,592	(405)	(15.62%)
Stormwater Drainage	336	354	18	5.09%
Wastewater	834	916	82	8.94%
Solid Waste	755	797	42	5.22%
Water Supply	1,261	1,479	218	14.72%
Total	12,399	12,186	(214)	(1.75%)
Capital Expenditure				
Roading	2,903	3,199	296	9.25%
Stormwater	498	285	(214)	(75.00%)
Water Supply	152	758	606	79.95%
Wastewater	209	1,530	1,321	86.32%
Solid waste	-	41	41	100.00%
Parks and Reserves and Cemeteries	96	201	105	52.18%
Property	275	379	104	27.51%
Council Projects	580	794	214	26.97%
Other	210	280	70	24.87%
Total	4,923	7,466	2,542	34.05%

Net Operating Costs

Community Services

- Civic Amenities is over budget due to the unbudgeted depreciation on the TET Multi Sports Centre that was vested in Council on 1 July 2019.
- Community Development expenditure is above budget as a result of external funding received. The increase in expenditure is matched by an increase in income.
- Net costs for the pool are higher than budget due to the reduced revenue from the COVID-19 closure.

Economy

- Information Centre expenditure was over budget due to a delay in the relocation of the iSITE to the Library complex.

Roading

- Depreciation was higher than budget as a result of the roading revaluation in 2018/19 year.

Water Supply

- Net costs are less than budget due to the saving in the operations of the plant.

Capital Expenditure

Parks and Reserves and Cemeteries

- Discovery Trail – this was not spent as a final decision is still to be made on branding.

Stormwater

- Expenditure was over budget as projects from 2018/19 were carried over to be undertaken as one larger project.

Water Supply

- Expenditure was under budget as various projects were reviewed, and will be carried forward to 2020/21 to be undertaken as one larger project.

Waste Water

- Expenditure was under budget as a consent has been received for a trial period of 3 years. At the end of this period the scope of the project will then be determined.

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
13 October 2020



Chief Executive
S Hanne
13 October 2020



COUNCIL SERVICES

Community Services

Democracy

Economy

Environmental Services

Roading

Stormwater

Wastewater (Sewerage)

Solid Waste

Water Supply

Council Controlled Organisations

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 Services	
	Planning And Bylaws	District Plan Resource Consents
	Community Health And Safety	Food and Health Alcohol Licensing Parking and other Bylaw compliance Animal Control
<i>Civil Defence and Emergency Management</i>		Civil Defence and Emergency Management
<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.

Performance Reporting

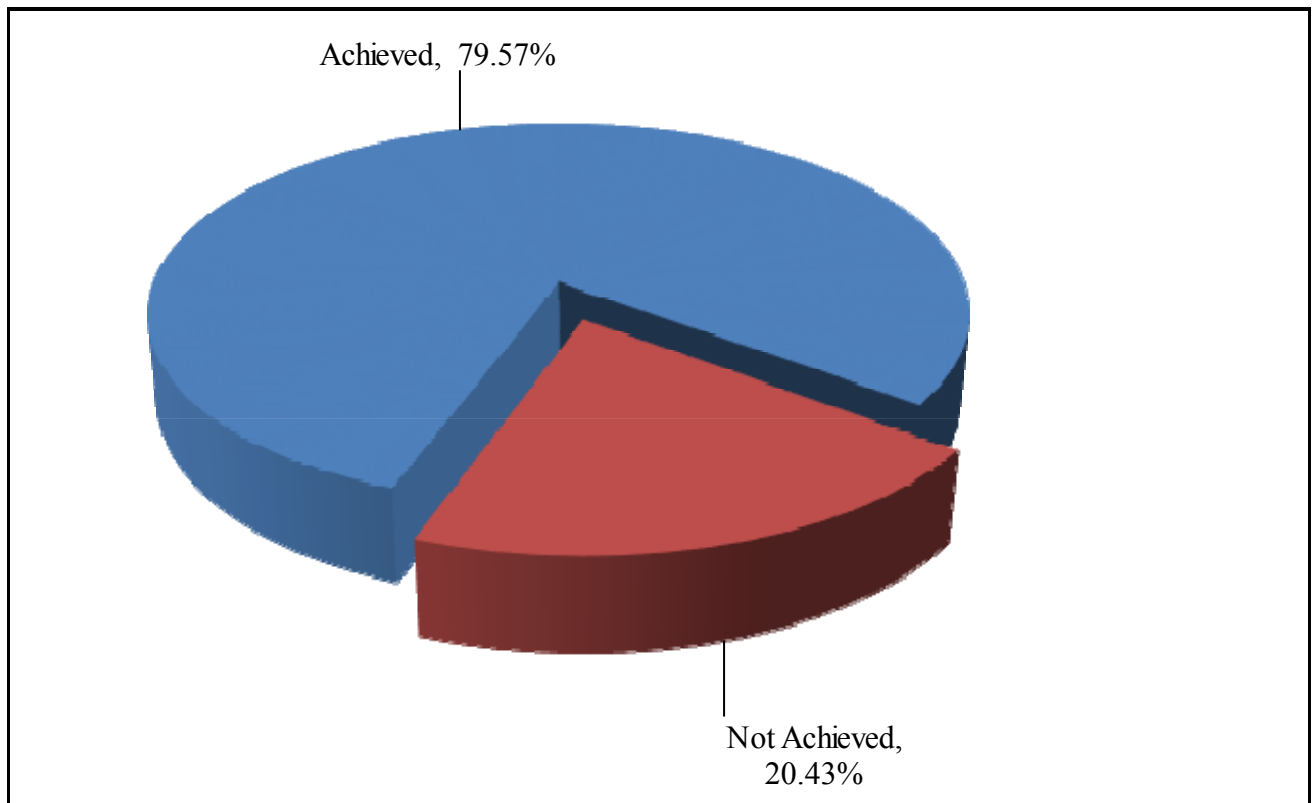
In the activities that follow, performance reporting against the **Targets** will be detailed as follows:

Achieved Required actions have been completed and the intended level of service has been achieved.

Not Achieved None of the required actions have been undertaken, or Where the performance measure was not met.

Not Applicable No action was required during the year.

Performance Measures Pie Chart



Performance Measures Not Achieved

Activity	Reason
Civic Amenities	
Annual Bookings of War Memorial Centre.	Due to COVID-19 lockdown, the War Memorial Centre was closed from 19 March 2020 to 31 May 2020. This measure would have been achieved as there were more than 100 bookings during this period that were cancelled due to COVID-19.
Library	
Number of people visiting the library is measured.	Partly due to Covid-19 lockdown, and also declining visitors numbers at the library over the years. This LTP 2018 performance measure has never been achieved.
The number of sessions accessing the people's network is measured.	Again, this performance measure has never been achieved and will be reviewed for the LTP 2021.
TSB Pool	
Number of pool admissions per annum.	Due to COVID-19 lockdown the pool closed from 23 March 2020 and reopened on 19 May 2020 at limited capacity. At the rate of 4,778 per month, it is likely that this measure would have been achieved if not for the COVID-19 lockdown.
Economic Development	
The Community is satisfied with how Council keeps them informed.	In the 2020 Customer Satisfaction Survey, residents expressed a concern about lack of consultation on significant projects.
Information Centre	
Number of people to the Information Centre is measured.	Partly due to Covid-19 lockdown and declining visitor numbers.
Number of users of AA Agency is measured.	Due to COVID-19 lockdown. At 8,842 actual visitors (target 10,000), it is unlikely that this measure would have been achieved.
Building Control	
% of LIMs processed within timeframes.	One LIM was not released within the timeframes as the electronic payment did not appear to have been received – the issue has now been resolved.
Planning	
To undertake a comprehensive review of the district plan, with notification no later than 2018/19.	Work on the review of the district plan has begun and a draft framework for a proposed district plan has been prepared.
To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Policies and bylaws for review have been identified and are currently under a systematic review. The Executive Administrator maintains a policy and bylaw register.
Community Health & Safety	
Percentage of licensed premises inspected.	Three premises are seasonal and were unable to be inspected during lockdown or at any other time during the year.
Percentage of known dogs registered.	This figure is very close to the target of 98%. The non-compliance is despite an extensive advertising campaign, reminder letters and the issue of infringement notices to the owners of known dogs that are not registered.

Roading	
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.	In 2019/20 there were 5 fatalities and serious injury crashes recorded. The previous year (2018/19) there were 4. Whilst this may indicate we have achieved our target i.e. a change of 1, it is thought the target should be -1 each year. This is captured through NZTA's Crash Analysis System database.
Road Condition – the average quality of ride on sealed road network, measured by smooth travel exposure.	Rural Roughness - This is a bi-annual survey undertaken by a third party consultant and the results entered into Rooding Asset Maintenance Management (RAMM). The increase in the roughness on the rural roads is a reflection of the number of Heavy Count Vehicles (HCV's) using our rural roading network.
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)	This is due to the footpath repair and replacement programme being on hold for two years whilst Ultrafast Fibre Broadband was installed in Stratford. The previous year we reported 42% of our footpaths meet our Level of Service. There has been a 20% increase in the Level of Service during the year as we intend to catch up over the next two to three years.
% of residents who are satisfied with:	
Rooding networks	General complaints are about the number of potholes and uneven surfaces. Also the safety of the roundabouts on Broadway, rush hour traffic, the state highways.
Footpaths	Footpath width is a recurring complaint. Overhanging private trees encroaching making footpaths unusable. Uneven and slippery surfaces.
Solid Waste	
% (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only)	Due to recycling being landfilled during COVID-19 lockdown. This also increased the waste to the landfill per household.
Water Supply	
Number of unplanned disruptions – minor	Rollout of Ultrafast Broadband throughout town resulted in contractors drilling through the ground hitting pipes as the accuracy of data on pipe location is within a range of 20cm.
Percy Thomson Trust	
Number of visitors to the Gallery to be not less than 20,000 per year	There were 19,262 visitors for the year, with the reduced numbers a direct result of the closure of the gallery due to COVID-19. Up to the COVID-19 lockdown, there was a total of 17,360 visitors, so the targeted number of visitors would have been achieved had the gallery not been forced to close.
Deliver proposed art exhibitions which will include local, regional and at least 1 National.	Exhibitions that were unable to be delivered due to COVID-19: <ul style="list-style-type: none"> • Taranaki Arts Trail • Stratford Art Society
Operate within “break-even” budget	The trust did not break even, as a result of the reduction in revenue due to COVID-19, when the gallery and leased premises were closed. “Break even” is defined by the Trust as a cash surplus only, excluding depreciation, and receiving external funding to make up any shortfall in cash and the gain on sale of investments.
Delivery of Herbarium	The trust still looking at an alternative arrangement to deliver the herbarium via a third party, and will be done in conjunction with a review of the arboretum, which will be completed during the 2020/21 year



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
- Growth

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	Year 2 – 2019/20		How Measured
		Target	Actual	
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	>70%	Achieved – 71.5% (2018/19 Achieved – 79.6%)	Annual Aerodrome user survey

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Level operational area	Level of Service	\$0	\$3,020	Required

1.6 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

Aerodrome

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
82	Operating Expenditure	96	95
23	Revenue	23	22
59	Net Cost of Service	73	74
	EXPENDITURE		
54	Operating Costs	70	67
6	Depreciation	6	7
23	Allocated Overheads	20	22
82	Total Operating Expenditure	96	95
-	Capital Expenditure	3	-
82	Total Expenditure	99	95
	FUNDED BY:		
23	Charges for Services	23	22
23	Total Revenue	23	22
72	General Rates	74	74
-	Transfer from Depreciation Reserve	3	-
-	Other Funding	-	-
95	Total Funding	99	95

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
- TET Multisports 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
- Growth

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	Year 2 – 2019/20		How Measured
		Target	Actual	
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	100%	Achieved – 100% (2018/19 Achieved - 100%)	Building WoF records
	Annual booking of War Memorial Centre.	>500	Not Achieved – 376 – see explanation on page 19 (2018/19 Achieved – 566)	Booking records
	Annual booking of Centennial Restrooms.	>200	Achieved - 205 (2018/19 Achieved – 283)	Booking records
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	>89%	Achieved – 92.8% (2018/19 Achieved – 100%)	Annual User Survey
	Annual Occupancy rate.	>95%	Achieved – 100% (2018/19 Achieved – 100%)	Tenancy records.
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	>75%	Achieved – 83% (2018/19 Achieved – 83.66%)	Annual Residents Survey

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Building demolitions	Level of Service	\$76,000	\$61,185	Complete
Broadway/Prospero Place upgrade	Level of Service	\$112,300	\$31,671	On-going as the design was dependent on the outcome of the neighbouring development, which was delayed.
LED sign at town entrance	Level of Service	\$0	\$35,902	Complete
Pensioner Housing				
Conservatories	Level of Service	\$12,500	\$5,970	Complete
Appliance replacements	Replacements	\$22,460	\$21,732	Complete

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 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
727	Operating Expenditure	924	854
47	Revenue	28	53
680	Net Cost of Service	896	801
	EXPENDITURE		
334	Operating Costs	365	429
7	Interest	8	12
270	Depreciation	442	296
116	Allocated Overheads	109	116
727	Total Operating Expenditure	924	854
10	Principal Loan Repayments	13	14
67	Capital Expenditure	131	191
804	Total Expenditure	1,068	1,059
	FUNDED BY:		
47	Charges for Services	28	53
47	Total Revenue	28	53
636	General Rates	740	736
16	Targeted Rates	16	14
39	Depreciation Funded from Reserves	41	49
13	Transfers from Depreciation Reserves	15	189
42	Grants - Capital	17	-
22	Loan Funding - Capital	114	16
-	Other Funding	-	-
815	Total Funding	970	1,059

Pensioner Housing

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
103	Operating Expenditure	103	113
66	Revenue	67	64
37	Net Cost of Service	36	50
	EXPENDITURE		
25	Operating Costs	26	34
-	Interest	1	1
28	Depreciation	30	31
49	Allocated Overheads	47	48
103	Total Operating Expenditure	103	113
-	Principal Loan Repayments	1	1
21	Capital Expenditure	28	35
124	Total Expenditure	132	149
	FUNDED BY:		
66	Charges for Services	67	64
66	Total Revenue	67	64
21	General Rates	24	24
-	Transfers from Depreciation Reserves	22	27
16	Balance From Reserves	13	22
21	Loan Funding - capital	6	12
-	Other Funding	-	-
124	Total Funding	132	149

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
- Growth

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	Year 2 2019/20		How Measured
		Target	Actual	
To provide a number of community events and provide support that encourages involvement of the community	Number of Community events organised.	2	Achieved – 7 Events included: - Chunuk Bair commemorations - Trade Graduation Celebration - Scarecrow Trail - Mayoral Gifts - Summer Nights Concert - Summer Nights Movies - Children’s Day (2018/19 Achieved – 15)	Number of events held are recorded
	Percentage of residents feeling a sense of community.	>75%	Achieved – 94 % (2018/19 Achieved – 94.54%)	Annual Residents Survey
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	4	Achieved - 4 (2018/19 Achieved – 4)	Number of projects developed are recorded
Council will provide, encourage and/or support events within the district	Events Council has provided or supported are measured	2	Achieved - 9 (2018/19 Achieved - 5)	Number of supported events are recorded

1.5 Projects and Other Programmes

There were no 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 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
373	Operating Expenditure	467	379
22	Revenue	29	21
351	Net Cost of Service	438	358
EXPENDITURE			
296	Operating Costs	382	294
76	Allocated Overheads	85	84
373	Total Operating Expenditure	467	379
FUNDED BY:			
22	Grants	29	21
22	Total Revenue	29	21
308	UAGC	360	358
33	Grants	16	-
-	Other Funding	0	1
363	Total Funding	406	379

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	Year 2 – 2019/20		How Measured
		Target	Actual	
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.	>90,000	Not Achieved – 52,554 – <i>see explanation on page 19</i> (2018/19 Not Achieved – 63,224)	Door count
	% of library users satisfied with library services.	>80%	Achieved – 98% (2018/19 Achieved – 99.02%)	Annual Residents Survey
Library services will be accessible to the community	The number of visitors accessing the Wi-Fi service is measured.	>15,000	Achieved – 25,995 (2018/19 Achieved – 27,459)	Internal records
	The number of sessions accessing the People’s Network is measured.	>10,000	Not Achieved – 6,441 – <i>see explanation on page 19</i> (2018/19 Not Achieved – 9,624)	Internal records

1.5 Projects and Other Programmes

There were no projects associated with the Library activity.

1.6 Cost of Services Statement

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

Library

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
656	Operating Expenditure	649	682
20	Revenue	15	18
636	Net Cost of Service	634	664
	EXPENDITURE		
331	Operating Costs	325	338
25	Interest	22	28
94	Depreciation	82	97
206	Allocated Overheads	220	219
656	Total Operating Expenditure	649	682
34	Principal Loan Repayments	33	33
2	Capital Expenditure	-	-
692	Total Expenditure	682	715
	FUNDED BY:		
20	Charges for Services	15	18
20	Total Revenue	15	18
613	General Rates	625	622
43	Depreciation Funded from Reserves	40	41
-	Loan Funding - Capital	-	-
-	Grants and Donations	-	-
36	Transfer from Depreciation Reserves	36	33
-	Other Funding	-	1
712	Total Funding	716	715

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
 - 5.1 hectares in 2 operating cemeteries
 - 4.3 hectares in 5 closed cemeteries
- (iv) 14km of walkway including 9 foot bridges.
- (v) 5.4 hectares in 19 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)
 - Skate park at Victoria Park
- (vii) 34.3 hectares 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
- Growth

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	Year 2 2019/20		How Measured
		Target	Actual	
To provide parks, sports fields and other open spaces that meet community demand	Number of complaints and requests for service.	<40	Achieved – 21 (2018/19 Not Achieved – 106)	Reporting against corporate CRM system.
	Percentage of Stratford residents satisfied with:			Annual Residents Survey
	• Parks;	>80%	Achieved – 95% (2018/19 Achieved – 94.15%)	
	• Sports fields; and	>80%	Achieved – 94% (2018/19 Achieved – 95.96%)	
	• Cemeteries.	>80%	Achieved – 81% (2018/19 Not Achieved – 78.02%)	
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	100%	Achieved – 100% - the inspection was completed in 2018/19 (June 2018) (2018/19 Achieved – 100%)	Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor.
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	100%	Achieved – 100% (2018/19 Achieved – 100%)	Biennial bridge inspection Report

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Walkway Signage Development	Level of Service	\$25,000	\$18,636	Project on hold until a Council-wide template is designed.
Trail Development and Art Work	Level of Service	\$102,400	\$3,320	This project is 100% grant funded, however has been carried over to 2020/21 pending a decision on branding.
Park Development	Level of Service	\$15,300	\$15,299	Complete
King Edward Park – access path	Level of Service	\$46,500	\$45,640	Complete
Victoria Park – Children’s Bike Park	Level of Service	\$0	\$13,302	For design costs only

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 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
647	Operating Expenditure	642	668
8	Revenue	9	9
638	Net Cost of Service	633	659
	EXPENDITURE		
416	Operating Costs	429	426
3	Interest	4	13
88	Depreciation	89	97
140	Allocated Overheads	120	132
647	Total Operating Expenditure	642	668
4	Principal Loan Repayments	6	15
77	Capital Expenditure	96	201
728	Total Expenditure	745	885
	FUNDED BY:		
10	Charges for Services	9	9
8	Total Revenue	9	9
658	General Rates	673	669
6	Transfer (to) from Reserves	6	27
66	Loan Funding - Capital	80	87
(10)	Transfer (to) Turf Replacement Reserve	(10)	(10)
-	Grants and Donations	16	102
-	Other Funding	0	-
729	Total Funding	774	885

Cemeteries

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
193	Operating Expenditure	214	232
108	Revenue	89	122
85	Net Cost of Service	125	109
	EXPENDITURE		
99	Operating Costs	126	140
8	Depreciation	8	9
85	Allocated Overheads	80	83
193	Total Operating Expenditure	214	232
-	Capital Expenditure	-	-
193	Total Expenditure	214	232
	FUNDED BY:		
108	Charges for Services	89	122
108	Total Revenue	89	122
90	General Rates	110	109
-	Transfer from Depreciation Reserves	-	-
-	Other Funding	-	1
198	Total Funding	198	232

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
- Growth

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	Year 2 2019/20		How Measured
		Target	Actual	
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	<80	Achieved - 63 (2018/19 Achieved -61)	Accident register – also reported monthly to Council.
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	100%	Achieved – 100% (2018/19 Achieved – 100%)	Water quality register.
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	>80%	Achieved – 91% (2018/19 Achieved – 89.95%)	Annual customer survey.
	Number of pool admissions per annum.	>55,000	Not Achieved – 47,779 – see explanation on page 19 (2018/19 Achieved – 56,143)	Ticketing system – also reported monthly to council.

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Various items of equipment	Level of Service	\$44,000	\$14,848	Complete
Pool Development	Level of Service	\$0	\$16,409	Initial design work on the proposed development has commenced however, was not budgeted until the 2020/21 year in the LTP.

1.6 Cost of Services Statement

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

TSB Pool Complex

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
859	Operating Expenditure	936	896
224	Revenue	188	233
635	Net Cost of Service	748	663
	EXPENDITURE		
591	Operating Costs	650	620
92	Depreciation	108	102
175	Allocated Overheads	177	174
859	Total Operating Expenditure	936	896
22	Capital Expenditure	31	44
881	Total Expenditure	967	940
	FUNDED BY:		
224	Charges for Services	188	233
224	Total Revenue	188	233
645	General Rates	665	661
-	Loan funding - capital	16	-
-	Grants and Donations	-	22
22	Transfers from Depreciation Reserves	15	22
-	Other Funding	-	1
890	Total Funding	884	940



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
- Growth

1.3 Significant Negative Effects

No negative effects are generated by these activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 2 2019/20		How Measured
		Target	Actual	
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.	100%	Achieved – 100% (2018/19 Achieved – 100%)	Meeting Register.
	All Council meetings are publicly notified in accordance with statutory timeframes.	100%	Achieved – 100% (2018/19 Achieved – 100%)	Meeting Register.
To ensure that the Health and Safety manual is reviewed.	Complete an annual review of the Health and Safety Manual.	Achieved	Achieved – June 2020 (2018/19 Not Achieved)	Review Date.
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,	Achieved	Achieved (2018/19 Achieved)	Audit Opinion.

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Website redevelopment	Replacement	\$0	\$450	Funds were carried forward from 2017/18 and the project will be completed in 2020/21.
Computers and peripherals	Replacement	\$140,000	\$148,623	Complete
Telephone System	Replacement	\$50,000	\$0	This has been carried forward to 2020/21
Vehicle replacements	Replacement	\$54,500	\$55,125	Complete
Miscellaneous Equipment	Replacement	\$20,000	\$5,790	Complete

1.6 Cost of Services Statement

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

Corporate Support

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
-	Operating Expenditure	-	-
54	Revenue	86	60
(54)	Net Cost of Service	(86)	(60)
	EXPENDITURE		
	Operating Costs		
387	- Chief Executive's Department	430	351
1,015	- Corporate Services Department	932	869
(1,402)	Allocated Overheads	(1,362)	(1,220)
-	Total Operating Expenditure	-	-
158	Capital Expenditure	219	283
158	Total Expenditure	219	283
	FUNDED BY:		
54	Charges for Services	86	60
54	Total Revenue	86	60
(60)	UAGC	(60)	(60)
158	Transfer from Depreciation Reserves	219	283
-	Other Funding	-	-
152	Total Funding	246	283

Democracy

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
1,037	Operating Expenditure	1,154	1,134
-	Revenue	-	-
1,037	Net Cost of Service	1,154	1,134
	EXPENDITURE		
	Operating Costs		
427		474	503
611	Allocated Overheads	680	631
1,037	Total Operating Expenditure	1,154	1,134
	FUNDED BY:		
1,022	UAGC	1,128	1,130
-	Other Funding	-	4
1,022	Total Funding	1,128	1,134



ECONOMY

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
- Growth

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	Year 2 – 2019/20		How Measured
		Target	Actual	
To support and promote the economic growth of the district.	Business mentoring and economic development support is available.	Report received	Achieved – 4 reports (2018/19 Achieved)	Venture Taranaki Quarterly reports
To support the business community.	Provide administration support to the Stratford Business Association meetings	11	Achieved - 11 (2018/19 Not Achieved – 10)	Minutes and agendas completed
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.	Not less than previous year	Achieved – 50,411 (2018/19 Not Achieved – 40,978)	Website statistics
Opportunities for the community to participate in decision making is widely publicised	The community is satisfied with how Council keeps them informed.	>85%	Not Achieved – 79% – see explanation on page 19 (2018/19 Not Achieved – 81.07%)	Annual Residents Survey

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Further Development for Council-led subdivision at Pembroke Road.	Level of Service	\$794,000	\$579,607	To be completed in the 2020/21 year.

1.6 Cost of Services Statement

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

Economic Development

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
398	Operating Expenditure	368	402
-	Revenue	-	-
398	Net Cost of Service	368	402
EXPENDITURE			
300	Operating Costs	259	302
98	Allocated Overheads	108	100
398	Total Operating Expenditure	368	402
FUNDED BY:			
210	General Rates	205	201
-	Subsidies / Grants	105	-
210	UAGC	205	201
-	Other Funding	-	1
420	Total Funding	515	402

Council Projects

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
67	Operating Expenditure	89	118
-	Revenue	-	-
67	Net Cost of Service	89	118
EXPENDITURE			
-	Operating Costs	-	-
67	Interest	89	118
67	Total Operating Expenditure	89	118
-	Principal Loan Repayments	-	4,239
1,525	Capital Expenditure	580	794
1,592	Total Expenditure	669	5,150
FUNDED BY:			
42	General Rates	(3)	(3)
-	Sale of sections - capital	1,292	4,360
1,525	Loan Funding - Capital	-	794
1,567	Total Funding	1,289	5,150

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	Year 2 – 2019/20		How Measured
		Target	Actual	
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.	>40,000	Not Achieved – 33,008 – see explanation on page 19 (2018/19 Not Achieved – 38,216)	Door Count
	Number of users of AA Agency Service is measured.	>10,000	Not Achieved – 8,842 – see explanation on page 19 (2018/19 Achieved – 11,128)	AA customer count records
	Percentage customers are satisfied.	>80%	Achieved – 96% (2018/19 Achieved – 97.55%)	Annual Residents Survey

1.5 Projects and Other Programmes

There were no 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 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
353	Operating Expenditure	338	293
102	Revenue	74	112
251	Net Cost of Service	264	181
	EXPENDITURE		
251	Operating Costs	231	191
5	Depreciation	5	1
97	Allocated Overheads	103	101
353	Total Expenditure	338	293
	FUNDED BY:		
102	Charges for Services	74	112
102	Total Revenue	74	112
190	General Rates	182	181
-	Other Funding	-	1
291	Total Funding	256	293

Rental & Investment Properties

1.1 What We Do

The Rental and Investment Properties activity manages properties council owns for strategic or commercial purposes.

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 - The farm is considered to be an economic investment that was purchased for the purposes of providing a financial contribution to ease the burden of rates on the community. In 2015 the farm expanded by 54 hectares when the Council purchased the neighbouring farm for the purposes of increasing economies of scale, and returns to the ratepayer. The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers.

The farm surrounds the aerodrome, therefore providing a buffer zone to allow for smooth operations of the aerodrome.

Holiday Park - Council has traditionally adopted the role of provider of the holiday park as there has been no alternative provider in Stratford.

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

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.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 2 – 2019/20		How Measured
		Target	Actual	
Maximum profits from the farm are returned to Council.	Milk production is maximised	>150,000kg	Achieved – 154,177.7kgs (2018/19 Achieved – 151,464kgs)	Milk Supplier's Statements issued by milk collector (currently Fonterra).
Leased property is safe and fit for purpose.	Number of complaints from tenants.	<5	Achieved – 3 (2018/19 Achieved – 0)	Reporting against corporate CRM system.

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Farm				
House Components	Replacements	\$0	\$3,683	Complete
Landscaping & Riparian Planting	Level of Service	\$15,300	\$10,626	Complete
Water tank	Level of Service	\$0	\$2,911	Complete
Emergency Generator	Level of Service	\$30,000	\$0	Not required

1.6 Cost of Services Statement

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

Holiday Park

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
18	Operating Expenditure	17	16
3	Revenue	3	3
15	Net Cost of Service	14	13
EXPENDITURE			
-	Operating Costs	-	-
18	Allocated Overheads	17	16
18	Total Expenditure	17	16
FUNDED BY:			
3	Charges for Services	3	3
3	Total Revenue	3	3
15	General Rates	13	13
18	Total Funding	16	16

Farm

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
374	Operating Expenditure	322	366
479	Revenue	518	505
(104)	Net Cost of Service	(197)	(139)
	EXPENDITURE		
204	Operating Costs	188	183
78	Interest	63	88
54	Depreciation	38	57
38	Allocated Overheads	32	37
374	Total Operating Expenditure	322	366
65	Principal Loan Repayments	828	103
296	Capital Expenditure	17	45
735	Total Expenditure	1,167	514
	FUNDED BY:		
479	Charges for Services	518	505
479	Total Revenue	518	505
(41)	General Rates	(50)	(36)
296	Loan Funding - Capital	17	15
-	Sale of Assets	682	-
65	Transfer from Depreciation Reserve	-	30
(64)	Transfer (to) from Reserves	-	-
-	Other Funding	-	-
735	Total Funding	1,167	514

Rental Properties

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
85	Operating Expenditure	71	71
55	Revenue	31	34
30	Net Cost of Service	40	37
	EXPENDITURE		
8	Operating Costs	9	11
35	Depreciation	22	19
42	Allocated Overheads	40	41
85	Total Operating Expenditure	71	71
-	Capital Expenditure	-	-
85	Total Expenditure	71	71
	FUNDED BY:		
55	Charges for Services	31	34
55	Total Revenue	31	34
26	General Rates	37	36
81	Total Funding	68	71



ENVIRONMENTAL SERVICES

BUILDING SERVICES

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. The Building Control Team also leads the preparation of Land Information Memorandums.

1.2 Why We Do It

Council has a legal responsibility to ensure buildings are fit for purpose and comply with 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
- Growth

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 is upheld.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 2 – 2019/20		How Measured
		Target	Actual	
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	100%	Achieved – 100%, 242 out of 242 (2018/19 Not Achieved 99%, 242 out of 244 building consents)	Council Records
	Percentage of inspection requests completed within 24 hours of request	100%	Achieved – 100% (2018/19 Achieved – 100%)	Council Records
	Percentage of code compliance certificate applications determined within 20 working days	100%	Achieved – 100%, 213 out of 213 (2018/19 Achieved – 100% 238 out of 238)	Council Records
To retain registration as a Building Consent Authority.	Current registration.	Confirmed	Achieved – expires July 2020 (2018/19 Achieved – expires July 2020)	Current IANZ Certification
To process LIMs within statutory timeframes	% of LIMs processed within timeframes.	100%	Not Achieved – 98% 53 of 54 – see explanation on page 19 (2018/19 Not Achieved – 95%, 55 of 56)	Council Records
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	>80%	Achieved – 83% (2018/19 Not Achieved – 79%)	Council Records

1.5 Projects and Other Programmes

There were no future projects associated with the Building Services activity.

1.6 Cost of Services Statement

The detailed financial summary for Building Services' activities is below:

Building Control

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
443	Operating Expenditure	468	416
220	Revenue	284	262
223	Net Cost of Service	184	155
	EXPENDITURE		
277	Operating Costs	279	228
166	Allocated Overheads	189	189
443	Total Operating Expenditure	468	416
	FUNDED BY:		
220	Charges for Services	284	262
220	Total Revenue	284	262
275	UAGC	153	153
-	Other Funding	-	1
495	Total Funding	437	416

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.

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. There is only a significant negative effect if Council gets it wrong.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 2 – 2019/20		How Measured
		Target	Actual	
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 2018/19.	Notification hearings and settlement of appeals	Not Achieved — <i>see explanation on page 19</i> (2018/19 Not Achieved – process underway)	Reports to Council
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Drafting notification/hearings	Not Achieved – <i>see explanation on page 19</i> (2018/19 Achieved)	Reports to Council
To process resource consents within statutory timeframes.	% of non notified applications processed within 20 working days.	100%	Achieved – 100% 72 of 72 applications. (2018/19 Not Achieved – 98%, 51 of 52 applications)	Council records
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	100%	Achieved – 0 notified consent applications (2018/19 Achieved – 1 notified consent)	Council records
	% of s223 and s224 applications processed within 10 working days.	100%	Achieved – 100% 36 of 36 applications. (2018/19 Achieved – 100% 28 of 28 applications)	Council records
Service meets customer expectations.	Percentage of customers using resource consent processes are satisfied with the service provided	>80%	Achieved – 84% (2018/19 Achieved – 80.1%)	Council Records

1.5 Projects and Other Programmes

There were no projects associated with the Planning and Bylaw activity.

1.6 Cost of Services Statement

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

District Plan and Bylaws

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
106	Operating Expenditure	116	147
-	Revenue	-	-
106	Net Cost of Service	116	147
EXPENDITURE			
38	Operating Costs	44	75
67	Allocated Overheads	72	71
106	Total Operating Expenditure	116	147
FUNDED BY:			
163	UAGC	146	146
-	Other Funding	-	-
163	Total Funding	146	147

Resource Consents

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
149	Operating Expenditure	195	165
57	Revenue	59	32
92	Net Cost of Service	136	134
EXPENDITURE			
70	Operating Costs	102	74
80	Allocated Overheads	93	91
149	Total Operating Expenditure	195	165
FUNDED BY:			
57	Charges for Services	59	32
57	Total Revenue	59	32
135	UAGC	133	133
-	Other Funding	-	1
192	Total Funding	192	165

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	Year 2 – 2019/20		How Measured
		Target	Actual	
To fulfil obligations to improve, promote and protect public health.	Percentage of premises registered under the Food Act, Health Act, Beauty and Tattoo Bylaw, to be inspected for compliance.	100%	Achieved – 100% (2018/19 Achieved – 100%)	Council Records
	Health nuisance and premise complaints are responded to within 1 working day.	100%	Achieved – 100% 22 out of 22 complaints (2018/19 Achieved – 100%, 12 complaints)	Council Records
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	100%	Not Achieved – 91% 30 of 33 inspected – see explanation on page 19 (2018/19 Achieved – 100% 31 of 31 inspected)	Council Records
	Percentage of applications processed within 25 working days (excluding hearings).	100%	Achieved – 100% 81 of 81 applications (2018/19 – Achieved 100% 89 of 89 applications)	Council Records
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	100%	Achieved – 100% 322 of 322 complaints. (2018/19 Achieved – 100%, 293 of 293 complaints)	Council Records
To ensure dogs are controlled.	Percentage of known dogs registered.	98%	Not Achieved – 97% 2,072 of 2,132 dogs – see explanation on page 19 (2018/19 Not Achieved – 97.5%, 2,095 of 2,133 dogs)	Council Records
	Percentage of dog attack/wandering dog complaints responded to within an hour.	100%	Achieved – 100% 278 of 278 complaints. (2018/19 Achieved – 100%, 295 of 295 complaints)	Council Records

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Construct new Dog Pound	Level of Service	\$61,300	\$56,352	Complete

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:

Environmental Health

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
93	Operating Expenditure	125	87
32	Revenue	31	15
61	Net Cost of Service	94	73
EXPENDITURE			
52	Operating Costs	86	50
41	Allocated Overheads	38	37
93	Total Operating Expenditure	125	87
FUNDED BY:			
32	Charges for Services	31	15
32	Total Revenue	31	15
73	UAGC	73	73
-	Other Funding	-	-
105	Total Funding	104	87

Liquor Licensing

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
133	Operating Expenditure	149	157
34	Revenue	34	35
100	Net Cost of Service	115	122
EXPENDITURE			
47	Operating Costs (see note 30)	54	63
86	Allocated Overheads	95	94
133	Total Operating Expenditure	149	157
FUNDED BY:			
34	Charges for Services (see note 30)	34	35
34	Total Revenue	34	35
121	UAGC	121	122
-	Other Funding	-	1
154	Total Funding	155	157

Parking and other Bylaws

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
168	Operating Expenditure	164	187
(5)	Revenue	(0)	27
172	Net Cost of Service	165	160
EXPENDITURE			
65	Operating Costs	54	78
103	Allocated Overheads	111	108
168	Total Operating Expenditure	164	186
FUNDED BY:			
(5)	Charges for Services	(0)	27
(5)	Total Revenue	(0)	27
156	UAGC	159	160
-	Other Funding	-	1
151	Total Funding	159	186

Animal Control

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
204	Operating Expenditure	194	189
147	Revenue	141	128
57	Net Cost of Service	53	60
EXPENDITURE			
122	Operating Costs	112	110
-	Interest	1	-
7	Depreciation	7	8
75	Allocated Overheads	74	71
204	Total Operating Expenditure	194	189
-	Principal Loan Repayments	-	-
-	Capital Expenditure	56	61
204	Total Expenditure	250	250
FUNDED BY:			
147	Charges for Services	141	128
147	Total Revenue	141	128
58	UAGC	60	60
-	Loan funding	56	61
-	Other Funding	-	-
205	Total Funding	257	250

CIVIL DEFENCE AND EMERGENCY MANAGEMENT

1.1 What We Do

Council is involved in Civil Defence and Emergency Management to contribute to the social, economic, cultural, and environmental wellbeing of the District and to provide for the safety of the public and also the protection of property in Stratford.

The overriding principle for Civil Defence and Emergency Management delivery across the Taranaki Civil Defence and Emergency Management (CDEM) Group is that it is a regionally coordinated and locally delivered approach. The Taranaki Region operates a CDEM Group Office, called the Taranaki Emergency Management Office (TEMO). TEMO is a shared service between all four councils in Taranaki that delivers Civil Defence and Emergency Management coordination throughout Taranaki on behalf of the councils in the region. The Council is obligated to plan and provide for Civil Defence and Emergency Management within the Stratford District and to ensure that it can function at the fullest possible extent during an emergency.

To achieve this, the Council has established an Emergency Operations Centre and is responsible for local emergency management delivery during response, readiness activities to increase the resilience of the community, long term recovery and risk reduction to reduce exposure to hazards.”

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

There are no significant negative effects associated with the Civil Defence and Emergency Management activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 2 – 2019/20		How Measured
		Target	Actual	
To maintain effective emergency capability	Operative Taranaki Civil Defence and Emergency Management Plan.	Achieved	Achieved (2018/19 Achieved)	Annual CDEMG Report

1.5 Projects and Other Programmes

There were no projects associated with the Civil Defence and Emergency Management activity.

1.6 Cost of Services Statement

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

Civil Defence and Emergency Management

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
128	Operating Expenditure	124	136
-	Revenue	-	-
128	Net Cost of Service	124	136
	EXPENDITURE		
91	Operating Costs	86	100
37	Allocated Overheads	38	36
128	Total Operating Expenditure	124	136
	FUNDED BY:		
124	UAGC	135	136
-	Other Funding	-	-
124	Total Funding	135	136



ROADING

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
- Growth

1.3 Significant Negative Effects

The Roding activity can have negative effects on the social, economic, environmental and cultural wellbeing of the District. The potential significant negative effects of the Roding 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	Year 2 – 2019/20		How Measured
		Target	Actual	
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.	1	Not Achieved – Increase of 1 (5 Fatalities and serious injury crashes) – <i>see explanation on page 20</i> (2018/19 – Achieved, Change was -3 (0 Deaths, 4 Serious Injury))	Police Database CAS
To provide a well maintained roading network.	Road Condition – The average quality of ride on sealed road network, measured by smooth travel exposure.	Urban – ≥83% Rural – ≥91%	Achieved – Urban – 88% Not Achieved – Rural – 78% – <i>see explanation on page 20</i> (2018/19 – Achieved – Urban 89%, Rural 96%)	RAMM Rating Report
	Road maintenance – The percentage of the sealed road network that is resurfaced.	≥5%	Achieved – 5.4% (2018/19 Achieved – 5.7%)	RAMM Rating Report
	Road maintenance – The percentage of the unsealed road network that has been metal dressed.	≥7%	Achieved – 14.4% (2018/19 – Achieved – 25.2%)	RAMM Report
	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)	>83%	Not Achieved – 62% – <i>see explanation on page 20</i> (2018/19 Not Achieved – 41.70% - target was >82%)	RAMM Report
	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).	>87%	Achieved – 100% (2018/19 Achieved – 100%)	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests

Level of Service	Performance Measure	Year 2 – 2019/20		How Measured
		Target	Actual	
To provide a well maintained roading network.	Percentage of residents who are satisfied with:			Annual Customer Survey
	<ul style="list-style-type: none"> Roading Networks 	>77%	Not Achieved – 75% – see explanation on page 20 (2018/19 – Not Achieved – 72.03%)	
	<ul style="list-style-type: none"> Footpaths 	>78%	Not Achieved – 73% – see explanation on page 20 (2018/19 – Achieved – 71.40%)	

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Unsealed Road Metalling	Replacements	\$844,600	\$422,732	Complete
Sealed Road Resurfacing	Replacements	\$800,000	\$773,858	Complete
Drainage Renewals	Replacements	\$568,300	\$429,640	Complete
Pavement Rehabilitation	Replacements	\$762,100	\$871,484	Complete
Structure Component Replacement	Replacements	\$96,100	\$181,315	Complete
Traffic Services	Replacements	\$63,100	\$100,740	Complete
Sealed Road Resurfacing – Special Purpose Roads	Replacements	\$52,000	\$8,211	This has been carried forward to 2020/21
Provincial Growth Fund	Level of Service	\$0	\$18,066	
Underverandah Lighting	Replacements	\$12,300	\$161	Complete
Kerb and Chanel extension	Level of Service	\$0	\$25,408	Complete
LED Lighting Upgrade	Level of Service	\$0	\$44,461	Complete
Traffic counters	Replacements	\$0	\$26,459	Complete

1.6 Cost of Services Statement

The detailed financial summary for Roothing activities is below:

Roothing

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
7,319	Operating Expenditure	6,651	6,474
5,185	Revenue	3,660	3,875
2,133	Net Cost of Service	2,992	2,599
EXPENDITURE			
4,262	Operating Costs	3,546	3,493
2,801	Depreciation	2,804	2,700
256	Allocated Overheads	302	281
7,319	Total Operating Expenditure	6,651	6,474
3,644	Capital Expenditure	2,903	3,199
10,962	Total Expenditure	9,553	9,672
FUNDED BY:			
187	Charges for Services	195	134
4,999	NZTA Financial Assistance	3,465	3,741
5,185	Total Revenue	3,660	3,875
2,915	Targeted Rates	3,049	3,039
1,482	Depreciation funded from Reserves	1,482	1,398
2,059	Transfers from Reserves - Capital	1,289	1,360
-	Grants - Provincial Growth Fund - Capital	18	-
(679)	Transfer from (to) reserves	55	(1)
-	Other Funding	-	2
10,962	Total Funding	9,553	9,672

Business Unit

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
139	Operating Expenditure	204	190
151	Revenue	198	196
(12)	Net Cost of Service	6	(6)
EXPENDITURE			
98	Operating Costs	160	142
3	Depreciation	4	9
38	Allocated Overheads	39	39
139	Total Operating Expenditure	204	190
FUNDED BY:			
151	In-house Services - NZTA Assisted	196	196
-	Charges for Services	2	-
151	Total Revenue	198	196
(8)	General Rates	(6)	(6)
-	Other Funding	0	-
143	Total Funding	192	190



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
- Growth

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	Year 2 – 2019/20		How Measured
		Target	Actual	
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 between residential & commercial buildings and include count of habitable floors flooded (residential only).
	<ul style="list-style-type: none"> The number of flooding events that occur in a territorial authority district. “Flooding” in this context means stormwater entering a habitable floor 	0	Achieved – 0 – No flooding events meeting the criteria (2018/19 Achieved – 0 - No flooding events meeting the criteria)	
	<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.) 	0	Achieved – 0 – No flooding events meeting the criteria (2018/19 Achieved – 0 - No flooding events meeting the criteria)	
	<ul style="list-style-type: none"> For each flooding event, the number of buildings in the central business zone affected by flooding. 	0	Achieved – 0 – No flooding events meeting the criteria (2018/19 Achieved – 0 - No flooding events meeting the criteria)	
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.	N/A	Not Applicable (2018/19 Not Applicable)	Council does not hold discharge consents for discharge from its stormwater system.
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.	1 hour	Achieved – 0 – No flooding events meeting the criteria (2018/19 Achieved – 0 – No flooding events meeting the criteria)	Work order tracking/reporting through Council’s Infrastructure asset management system.
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.	<8	Achieved – 0 (2018/19 – Not Applicable – see note below)	Reporting against corporate CRM system.

Note: The Department of Internal Affairs’ mandatory non-financial performance measure on customer satisfaction is a count of ALL complaints received by a territorial authority about the performance of its stormwater system. These are to be expressed per 1000 properties connected to the territorial authority’s stormwater system. While council set its target of less than 8 per thousand properties connected correctly, the recording of complaints was not undertaken in accordance with DIA guidance as only the first complaint for any one event was formally recorded, rather than every complaint. This is now being rectified for the future.

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Pipework Capacity Increase	Level of Service	\$108,000	\$357,616	Complete. This overspend was funded by the use of the safety improvements budget below, together with funds brought forward from 2018/19.
Safety Improvements	Level of Service	\$120,000	\$0	Combined with above
Reticulation Renewals	Replacements	\$54,300	\$138,145	Complete
Weather events emergency fund	Replacements	\$2,500	\$2,560	Complete

1.6 Cost of Services Statement

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

Stormwater

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
358	Operating Expenditure	336	354
-	Revenue	-	-
358	Net Cost of Service	336	354
	EXPENDITURE		
106	Operating Costs	51	105
10	Interest	14	25
138	Depreciation	141	116
104	Allocated Overheads	130	108
358	Total Operating Expenditure	336	354
14	Principal Loan Repayments	21	29
24	Capital Expenditure	498	285
396	Total Expenditure	856	669
	FUNDED BY:		
329	UAGC	353	354
23	Transfer from Depreciation Reserves	162	86
15	Loan Funding - Capital	357	229
-	Other Funding	-	1
367	Total Funding	872	669



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
- Growth

1.3 Significant Negative Effects

Impact on Water Quality:

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.

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 2018-28 planning period.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 2 - 2019/20		How Measured
		Target	Actual	
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.	<5	Achieved – 0 (2018/19 Achieved – 1.59)	Reporting against corporate CRM system.
	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.	0	Achieved – 0 (2018/19 Achieved – 0)	Consent & compliance documentation.
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:			Work order tracking/reporting through Council's Infrastructure asset management system.
	<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 	1 hour	Achieved – 42 minutes (2018/19 Achieved – 23 minutes)	
	<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. 	8 hours	Achieved – 4 hours 34 minutes (2018/19 Achieved – 2 hours 50 minutes)	

Level of Service	Performance Measure	Year 2 - 2019/20		How Measured
		Target	Actual	
Customer satisfaction	<p>The total number of complaints received by the territorial authority about any of the following:</p> <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, <p>Expressed per 1000 connections to the territorial authority's sewerage system.</p>	<5	Achieved – 0 (2018/19 – Not Applicable – see note below)	Reporting against corporate CRM system.

Note: The Department of Internal Affairs' mandatory non-financial performance measure on customer satisfaction is a count of ALL complaints received by the local authority about any of the following: sewage odour, sewerage system faults, sewerage system blockages, and the territorial authority's response to issues with its sewerage system. These are to be expressed per 1000 connections. While council set its target of less than 5 per thousand connections correctly, the recording of complaints was not undertaken in accordance with DIA guidance as only the first complaint for any one event was formally recorded, rather than every complaint. This is now being rectified for the future.

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Resource Consents	Level of Service	\$769,000	\$31,514	Expenditure was under budget as a consent has been received for a trial period of 3 years. At the end of this period the scope of the project will then be determined.
Safety Improvements	Level of Service	\$33,000	\$0	No longer required.
Pipework Capacity Increase	Level of Service	\$103,000	\$32,589	This has been carried forward to 2020/21
Bulk Discharge	Level of Service	\$51,300	\$0	This has been carried forward to 2020/21
Step/aerate treatment renewals	Replacements	\$30,700	\$10,666	Not required
Infiltration renewals	Replacements	\$410,000	\$143,080	This has been carried forward to 2020/21

1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

Wastewater (Sewerage)

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
840	Operating Expenditure	923	987
53	Revenue	89	71
787	Net Cost of Service	834	916
	EXPENDITURE		
357	Operating Costs	376	441
27	Interest	29	58
288	Depreciation	296	309
168	Allocated Overheads	221	180
840	Total Operating Expenditure	923	987
38	Principal Loan Repayments	43	67
499	Capital Expenditure	209	1,530
1,377	Total Expenditure	1,175	2,584
	FUNDED BY:		
53	Charges for Services	89	71
53	Total Revenue	89	71
730	Targeted Rates	878	878
-	Transfer from (to) Reserves	(52)	-
-	Transfers from Reserves - Capital	-	-
316	Transfer (to) from Depreciation Reserves	196	595
278	Loan Funding - Capital	64	1,038
-	Other Funding	0	1
1,377	Total Funding	1,175	2,584



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, the three Taranaki Councils have jointly entered agreements to facilitate the transport and disposal of the waste collected by the three Councils to a privately operated landfill outside the region.

1.2 Why We Do It

This activity contributes to the community outcomes of:

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

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	Year 2 - 2019/20		How Measured
		Target	Actual	
The levels of waste generated are reducing.	Waste to landfill per household (municipal kerbside collection only)	<700kg	Achieved – 634kg – see note below (2018/19 Achieved – 463kg)	Landfill invoices & transactions.
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	>25%	Not Achieved – 11% – see explanation on page 20 (2018/19 Not Achieved - 25%)	Recycling facility invoices & transactions.
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	>90%	Achieved – 96% (2018/19 Achieved – 96.28%)	Annual Residents Survey

Note: The level of service is that the waste generated is reducing, however the result is significantly greater than the previous year, although it still meets the target. The higher waste volume was due to COVID-19 as the sorting plant at the recycling centre was not operating so all recycling went to the landfill.

1.5 Projects and Other Programmes

Project	Category	Budget 2019/20	Actual 2019/20	Notes
Transfer Station building upgrade	Replacements	\$40,800	\$0	This has been carried forward to 2020/21- pending building report.

1.6 Cost of Services Statement

The detailed financial summary for the Solid Waste activity is shown below.

Solid Waste

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
870	Operating Expenditure	876	878
115	Revenue	121	81
755	Net Cost of Service	756	797
EXPENDITURE			
671	Operating Costs	657	668
29	Interest	26	34
27	Depreciation	28	30
143	Allocated Overheads	165	146
870	Total Operating Expenditure	876	878
-	Landfill Aftercare Costs	7	12
41	Principal Loan Repayments	39	39
-	Capital Expenditure	-	41
911	Total Expenditure	922	970
FUNDED BY:			
115	Charges for Services	121	81
115	Total Revenue	121	81
703	Targeted Rates	702	698
19	UAGC	19	19
73	Transfer (to) from Depreciation Reserves	39	171
-	Transfers from (to) Reserves	41	-
-	Other Funding	-	-
911	Total Funding	922	970



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
- Growth

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	Year 2 - 2019/20		How Measured
		Target	Actual	
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 	100% for all plants	Results are Provisional Only Stratford – Achieved -100% Midhurst – Achieved – 100% Toko –Achieved – 100% (2018/19 Stratford – Achieved Midhurst – Achieved Toko –Achieved)	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.
	<ul style="list-style-type: none"> Part 5 of the drinking water standards (protozoal compliance criteria). 	100%	Results are Provisional Only Stratford – Achieved – 100% Midhurst – Achieved – 100% Toko – Achieved – 100% (2018/19 Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100%)	
	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).	<25%	Achieved Stratford – 21.4% Midhurst – 10.1% Toko – 12.0% (2018/19 Stratford – Achieved 21.5% Midhurst – Not Achieved 39.1% Toko – Achieved 16.7%)	
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:				
A reliable water supply is provided.	<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. 	1 hour	Achieved – 33 minutes (2018/19 Achieved – 44 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	<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. 	8 hours	Achieved – 2 hours 41 minutes (2018/19 Achieved – 3 hours 26 minutes)	

Level of Service	Performance Measure	Year 2 - 2019/20		How Measured
		Target	Actual	
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 personnel confirm resolution of the fault or interruption 	2 working days	Achieved – 8 hours 1 minute (2018/19 Achieved – 5 hours 38 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
	<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 	5 working days	Achieved – 11 hours 29 minutes (2018/19 Achieved- 8 hours 52 minutes)	
	Number of unplanned disruptions:			
	<ul style="list-style-type: none"> Minor * (between 5 and 50 connections affected) Major * (more than 50 connections affected) 	<5	Not Achieved – 5 – see explanation on page 20 (2018/19 Not Achieved - 8)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
<ul style="list-style-type: none"> Major * (more than 50 connections affected) 	<2	Achieved - 0 (2018/19 Achieved – 1)		
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>	<32	Achieved: - 2.6 (2018/19 – Not Applicable – see note below)	Reporting against corporate CRM system.
<i>Note: This is understood to be limited to supplied properties within the water supply zones.</i>				
Water has a pleasant taste and odour.	<p>Demand management - The average consumption of drinking water per day per resident within the district (in litres).</p>	<275	<p>Achieved: Stratford - 248.1 Achieved: Midhurst - 262.1 Achieved: Toko - 157.8 (2018/19 Achieved Stratford – 239.8 litres Midhurst – 210.4 litres Toko – 115.2litres)</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 bench loss), divided by number of residential connections and average number of residents per property.

Note: The Department of Internal Affairs' mandatory non-financial performance measure on customer satisfaction is a count of ALL complaints received by the local authority about any of the following: drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, and the local authority's response to any of these issues. These are to be expressed per 1000 connections. While council set its target of less than 32 per thousand connections correctly, the recording of complaints was not undertaken in accordance with DIA guidance as only the first complaint for any one event was formally recorded, rather than every complaint. This is now being rectified for the future.

Level of Service	Performance Measure	Year 2 - 2019/20		How Measured
		Target	Actual	
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)	100%	Achieved – 52 properties tested for water pressure and flow - all passed – 100% (2018/19 51 properties tested for water pressure and flow - all passed – 100%)	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.
Water supply meets fire fighting requirements.	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	100%	Achieved – 31 hydrants were tested and all 31 passed the test – 100%. (2018.19 Achieved – 31 hydrants were tested and all 31 passed the test – 100%.)	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Toko Reservoir	Level of Service	\$51,200	\$2,782	This has been carried forward to 2020/21
Water Metering	Level of Service	\$30,700	\$31,299	This has been carried forward to 2020/21
Pressure Reducing and Zone Valves	Level of Service	\$307,500	\$19,508	This has been carried forward to 2020/21
Laterals	Replacements	\$31,300	\$4,259	Complete
Stratford Street work rider mains	Replacements	\$210,000	\$7,913	Complete and will be carried forward to 2020/21 for work to be done in conjunction with the Broadway upgrade led by NZTA.
Reticulation renewals	Replacements	\$0	\$17,929	Complete
Infrastructure general – Stratford	Replacements	\$25,600	\$0	Not commenced
Infrastructure general – Midhirst	Replacements	\$3,070	\$0	Not commenced
Infrastructure general – Toko	Replacements	\$1,600	\$0	Not commenced
Treatment plant	Replacements	\$0	\$30,127	This was funds carried over from 2017/18
Grit tank replacement	Replacements	\$0	\$6,505	This has been carried forward to 2020/21
Meter replacements	Replacements	\$51,260	\$7,646	This has been carried forward to 2020/21
Hydrants	Replacements	\$15,170	\$23,373	Complete.

1.6 Cost of Services Statement

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

Water Supply

Actual 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
1,860	Operating Expenditure	1,611	1,941
350	Revenue	350	462
1,510	Net Cost of Service	1,261	1,479
	EXPENDITURE		
984	Operating Costs	642	953
197	Interest	187	264
384	Depreciation	421	420
296	Allocated Overheads	360	304
1,860	Total Operating Expenditure	1,611	1,941
290	Principal Loan Repayments	301	328
862	Capital Expenditure	152	758
3,012	Total Expenditure	2,064	3,027
	FUNDED BY:		
350	Charges for Water Usage	350	462
350	Total Revenue	350	462
1,441	Targeted Rates	1,482	1,477
358	Transfer from Depreciation Reserves	301	328
-	Transfers (to) from Reserves	(221)	-
862	Loan Funding - Capital	152	758
-	Other Funding	-	2
3,012	Total Funding	2,064	3,027



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	Year 2 - 2019/20		How Measured
		Target	Actual	
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p>Not Achieved: Exhibitions that were unable to be delivered due to COVID-19:</p> <ul style="list-style-type: none"> • Taranaki Arts Trail • Stratford Art Society <p>Art exhibitions that were delivered throughout the year included the following:</p> <p>National</p> <ol style="list-style-type: none"> 1. Remembering Rodin 2. Angles of Perception – Woven Form 3. The Crescent Moon <p>Regional</p> <ol style="list-style-type: none"> 1. Taranaki Artocracy 2. Hidden Realms 3. Bellringer Bellringer Warehoka Smith 4. Regional Embroiders Exhibition <p>Local</p> <ol style="list-style-type: none"> 1. State of the Art – Hanging with Rodin 2. ENGRAM – Memory Trace 3. Tell it Again: repetitions from the Archive <p>(2018/19 Achieved – 3 national, 3 regional, 4 local)</p>	Art Gallery Records
	Number of visitors to the Gallery to be not less than 20,000 per year	>20,000	Not Achieved: 19,433 – see explanation on page 20 (2018/19 Achieved – 26,656)	Door Count
	To operate to a “break-even” balance	Operate within “break-even” budget	Not Achieved – see explanation on page 20 (2018/19 Achieved) Note: Break-even is defined by the Trust as a cash surplus only, excluding depreciation, and receiving external funding to make up any shortfall in cash, and the gain on sale of investments.	Annual Report
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Achieved (2018/19 Achieved) Note: 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. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.	Council Records
Delivery of Herbarium	Deliver the herbarium via the internet.	Deliver the herbarium via the internet.	Not Achieved: – see explanation on page 20 (2018/19 Not Achieved)	Internet Detail Available

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 2018/19 \$000		Actual 2019/20 \$000	Budget 2019/20 \$000
289	Operating Expenditure	281	286
111	Revenue	94	107
178	Net Cost of Service	187	179
	- EXPENDITURE		
217	Operating Costs	205	211
72	Depreciation	76	75
289	Total Operating Expenditure	281	286
	- FUNDED BY:		
111	User Charges	94	107
111	Total Revenue	94	107
50	Council Grant	50	50
53	Investment Interest	52	54
24	Gain on revaluation of bonds	-	-
-	Gain on revaluation of property, plant and equipment	190	-
51	Transfer from (to) Accumulated Surplus	(105)	75
289	Total Funding	281	286



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STRATFORD DISTRICT COUNCIL - Statement of Comprehensive Revenue and Expense for the year ended 30 June 2020

	Note	Council			Group	
		Actual 2019/20 \$000	Budget 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Revenue						
Rates	4	12,750	12,807	12,256	12,750	12,256
Subsidies and Grants	5	3,695	3,865	5,096	3,731	5,135
Development and Financial Contributions		47	-	62	47	62
Fees and Charges		2,086	2,249	2,007	2,107	2,039
Finance Revenue	9	97	126	109	149	162
Other revenue - residential sections sales		1,292	4,360	-	1,292	-
Other revenue - sale of property		615	-	-	615	-
Gains on property, plant and equipment	6	260	-	-	260	-
Vested Assets		6,786	-	-	6,786	-
Sundry Revenue	5	134	41	92	134	116
Total Revenue	5	27,762	23,449	19,622	27,870	19,771
Expenses						
Personnel Costs	7	4,099	3,573	3,511	4,201	3,612
Depreciation and Amortisation	15 & 16	4,784	4,594	4,588	4,860	4,659
Other expenses	8	10,436	9,818	10,257	10,451	10,284
Landfill impairment	31	23	-	536	23	536
Finance Costs	9	398	640	456	398	456
Total Expenses		19,740	18,626	19,347	19,933	19,547
SURPLUS/(DEFICIT) BEFORE TAX		8,022	4,822	275	7,937	224
Income Tax Expense	10	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		8,022	4,822	275	7,937	224
Other Comprehensive Revenue and Expense						
Revaluation of financial assets at fair value through other comprehensive revenue and expense	21	(61)	-	(249)	(61)	(249)
Gains/(Losses) on Property, Plant and Equipment Revaluation	21	1,154	19,588	(5,304)	1,344	(5,304)
Total Other Comprehensive Revenue and Expense		1,093	19,588	(5,553)	1,283	(5,553)
Total Comprehensive Revenue and Expense		9,115	24,410	(5,277)	9,220	(5,329)
<p>Note: The net surplus of \$8,022,000 is primarily due to the vesting of the TET Multisports Centre, and the sale of 11 residential sections in the Pembroke Road development.</p> <p><i>The accompanying notes form part of these financial statements.</i></p> <p><i>Explanations of significant variances against budget are provided in note 29.</i></p>						

STRATFORD DISTRICT COUNCIL - Reconciliation between Cost of Service Statements and Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2020

	Council		
	Actual	Budget	Actual
	2019/20	2019/20	2018/19
	\$000	\$000	\$000
Total Operating Revenue (Activity Cost of Service Statements)			
Community Services	448	556	520
Democracy	86	60	54
Economy	626	654	638
Environmental Services	549	499	485
Roading	3,858	4,071	5336
Stormwater Drainage	0	0	0
Wastewater (Sewerage)	89	71	53.3
Solid Waste	121	81	115
Water Supply	350	462	350.3
Total Operating Revenue	6,127	6,454	7,552
Total Operating Revenue (Statement of Comprehensive Revenue and Expense)	27,762	23449	19622
VARIANCE	(21,635)	(16,996)	(12,070)
Reconciling Items			
Rates Revenue	12,416	12,345	11,905
Development and Financial Contributions	47	0	62
Sundry Revenue	134	41	55
Sales of land	1292	4,360	0
Gains on asset disposals	260	0	0
Vested assets	6786	0	0
Less Internal Revenue from the Business Unit	(196)	0	(151)
Other Grants	231	124	98
Low Interest Loan Revenue	2	0	5
Finance Revenue	97	126	109
Total Reconciling Items	21,070	16,996	12,083
Total Operating Expenditure (Activity Cost of Service Statements)			
Community Services	4,031	3,919	3,639
Democracy	1,154	1,134	1,037
Economy	1,205	1,266	1,296
Environmental Services	1,411	1,348	1,423
Civil Defence and Emergency Management	124	136	128
Roading	6,855	6,664	7,458
Stormwater Drainage	336	354	358
Wastewater (Sewerage)	923	987	840
Solid Waste	876	878	870
Water Supply	1,611	1,941	1,860
Total Operating Expenditure	18,526	18,626	18,908
Total Operating Expenditure (Statement of Comprehensive Revenue and Expense)	19,740	18,626	19,347
VARIANCE	(1,213)	0	(439)
Reconciling Item			
Net Losses on Disposals and Other Sundry Expenses	524	0	214
Less Internal Expenditure from the Business Unit	(196)	0	(151)
Other Expenditure	(45)	0	(45)
Interest on Loan Funds Unallocated	(30)	0	(30)
Landfill Aftercare Expenses	7	0	-
Total Reconciling Items	261	0	(13)
Net Surplus (Deficit) per Statement of Comprehensive Revenue and Expense	8,022	4,822	275

STRATFORD DISTRICT COUNCIL - Statement of Financial Position as at 30 June 2020

	Note	Council			Group	
		Actual 2019/20 \$000	Budget 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Assets						
Current Assets						
Cash and Cash Equivalents	11	5,082	4,862	2,822	5,123	3,017
Short Term Deposits	11	3,000	-	-	3,250	250
Receivables	12	904	2,137	999	907	1,008
Inventory - assets held for sale	13	610	-	1,328	610	1,328
Prepayments	32	11	-	511	11	511
Other Financial Assets	14	56	-	67	106	67
Total Current Assets		9,664	6,999	5,727	10,008	6,181
Non-Current Assets						
Receivables	12	23	-	47	23	47
Property, Plant and Equipment	15	328,722	352,664	321,621	330,694	323,432
Intangible Assets	16	565	-	581	565	581
Investment in Percy Thomson Trust (CCO)		0	0	0	-	-
Other Financial Assets	14	865	1,090	921	1,542	1,576
Total Non-Current Assets		330,175	353,754	323,170	332,825	325,635
Total Assets		339,838	360,753	328,897	342,832	331,816
Liabilities						
Current Liabilities						
Payables and deferred revenue	17	2,823	2,462	2,067	2,843	2,120
Provisions	18	11	11	11	11	11
Employee entitlements	19	183	167	117	190	124
Borrowings	20	3,500	5,500	4,000	3,500	4,000
Total Current Liabilities		6,517	8,140	6,194	6,544	6,254
Non-Current Liabilities						
Provisions	18	45	40	44	45	44
Employee entitlements	19	49	46	47	49	47
Borrowings	20	12,000	11,209	10,500	12,000	10,500
Total Non-Current Liabilities		12,094	11,294	10,591	12,094	10,591
Total Liabilities		18,611	19,434	16,785	18,638	16,846
Equity						
Accumulated Funds	21	181,353	183,589	174,920	183,109	176,761
Reserves	21	139,878	157,729	137,194	141,084	138,211
Total Equity Attributable to Stratford District Council		321,230	341,318	312,114	324,193	314,972
Total Liabilities & Equity		339,838	360,753	328,897	342,832	331,816
<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 2020

	Council			Group	
	Actual 2019/20 \$000	Budget 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Balance at 1 July					
Accumulated Funds	174,920	174,262	175,497	176,761	177,377
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(349)	-	(100)	(349)	(90)
Reserves / Special Funds	4,706	4,505	3,853	4,706	3,853
Asset Revaluation Reserves	132,837	138,141	138,141	133,854	139,158
Total Equity - Opening Balance	312,114	316,908	317,391	314,972	320,302
Changes in Equity					
Accumulated Funds	6,346	3,982	(577)	6,261	(629)
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(61)	-	(249)	(61)	(249)
Reserves / Special Funds	1,677	840	853	1,677	853
Revaluation reversal of buildings disposed of during year	-	-	-	-	-
Asset Revaluation Reserves	1,154	19,588	(5,304)	1,344	(5,304)
Total Comprehensive Revenue and Expense	9,115	24,410	(5,277)	9,221	(5,329)
Closing Balance					
Accumulated Funds	181,353	178,244	174,920	183,109	176,748
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(410)	-	(349)	(410)	(339)
Reserves / Special Funds	6,383	5,345	4,706	6,383	4,706
Asset Revaluation Reserves	133,904	157,729	132,837	135,111	133,854
Total Equity - Closing Balance	321,230	341,318	312,114	324,193	314,972

The accompanying notes form part of these financial statements.

STRATFORD DISTRICT COUNCIL - Statement of Cashflows For the Year Ended 30 June 2020

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2019/20	2019/20	2018/19	2019/20	2018/19
		\$000	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities						
Rates Revenue		12,767	12,807	12,285	12,767	12,285
Interest Received		97	126	109	152	163
Dividends Received		54	-	-	54	-
Development and Financial Contributions		47	-	62	47	62
Subsidies, Grants and Donations		4,472	3,865	5,283	4,507	5,322
Residential section sales and sale of house		1,913	-	-	1,913	-
User Charges and Sundry Revenue		2,198	2,291	2,358	2,228	2,389
Regional Council Rates		923	-	681	923	681
Payments to Suppliers and Employees		(13,011)	(13,403)	(14,154)	(13,166)	(14,286)
Interest Paid		(398)	(640)	(456)	(398)	(456)
Goods and Services Tax (net)		314	-	(183)	315	(178)
Regional Council Rates		(923)	-	(681)	(923)	(681)
Net Cash from Operating Activities		8,453	5,046	5,304	8,419	5,301
Cash Flows from Investing Activities						
Proceeds from Sale of Property, Plant and Equipment		638	4,380	-	638	-
Proceeds from Sale of Investments		-	-	53	-	757
Purchase of Property, Plant & Equipment		(4,831)	(7,467)	(6,919)	(4,879)	(6,934)
Prepayment for Joint landfill		-	-	(19)	-	(19)
Acquisition of Investments		(3,000)	-	(144)	(3,072)	(769)
Net Cash from Investing Activities		(7,193)	(3,087)	(7,029)	(7,313)	(6,965)
Cash Flows from Financing Activities						
Proceeds from Borrowings		4,000	3,198	13,000	4,000	13,000
Repayment of Borrowings (Loans)		(3,000)	(4,789)	(12,560)	(3,000)	(12,560)
Net Cash from Financing Activities		1,000	(1,591)	440	1,000	440
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts						
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		2,822	4,495	4,107	3,017	4,241
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	11	5,082	4,862	2,822	5,123	3,017

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.

The accompanying notes form part of these financial statements.



NOTES TO FINANCIAL STATEMENTS

Note 1

Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 2020.

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 Services.
- Civil Defence and Emergency 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 group has been designated a 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 2020 and were authorised for issue by Council on 13 October 2020.

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 2020

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2020 unless otherwise stated.

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 generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime. 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.

The Council and group has adopted the new group financial standards, PBE IPSAS 34 to PBE IPSAS 38. The adoption of these standards has not had a significant impact on the financial statements and there are no changes to accounting policies or comparative information.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Notes 25 and 26. The remuneration and severance payment disclosures are rounded to the nearest dollar.

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.

Budget Figures

The budget figures were those approved by the Council in the 2019/20 Annual 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.

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.

The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location.

Critical Judgement

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2020:

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.

New Accounting Standards and Interpretations Not Yet Adopted

PBE Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the group for the annual reporting period ending 30 June 2020, are outlined below:

<u>New Pronouncement</u>	<u>Effective for annual reporting periods beginning on or after:</u>	<u>Expected to be initially applied in the financial year ending:</u>
PBE FRS 48 Service Performance Reporting	1 January 2021	30 June 2022
PBE IPSAS 40 PBE Combinations	1 January 2021	30 June 2022
PBE IFRS 9 Financial Instruments	1 January 2022	30 June 2023
PBE IFRS 17 Insurance Contracts	1 January 2022	30 June 2023
PBE IPSAS 41 Financial Instruments	1 January 2022	30 June 2023

Changes in Accounting Policies

There have been no changes in accounting policies from the previous year.

Note 3 Summary of Cost of Services

Accounting Policy

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.

FUNCTION	Revenue		Expenditure		Actual	Budget	Actual
	Actual \$000	Budget \$000	Actual \$000	Budget \$000	2019/20 \$000	2019/20 \$000	2018/19 \$000
Community Services							
Aerodrome	23	22	96	95	73	73	59
Civic Amenities	28	53	924	854	896	801	680
Pensioner Housing	67	64	103	113	36	48	37
Community Development	29	21	467	379	438	360	351
Library	15	18	649	682	634	664	636
Parks and Reserves	9	9	642	668	633	659	638
Cemeteries	89	122	214	232	125	110	85
TSB Pool Complex	188	233	936	896	748	663	635
Sub-Total	448	542	4,031	3,919	3,583	3,378	3,120
Democracy							
Democracy	-	-	1,154	1,134	1,154	1,134	1,037
Corporate Support	86	60	-	-	(86)	(60)	(54)
Sub-Total	86	60	1,154	1,134	1,068	1,074	983
Economy							
Economic Development	-	-	368	402	368	402	398
Council Projects	-	-	89	118	89	118	67
Information Centre	74	112	338	293	264	181	251
Farm Investment	518	505	322	366	(196)	(139)	(104)
Holiday Park	3	3	17	16	14	13	15
Rental Properties	31	34	71	71	40	37	30
Sub-Total	626	654	1,205	1,266	579	612	658
Environmental Services							
Building Control	284	262	468	416	184	154	223
Dog Control	141	128	194	189	53	61	57
District Plan	-	-	116	147	116	147	106
Resource Consents	59	32	195	165	136	133	92
Bylaws	(0)	27	164	187	165	160	172
Environmental Health	31	15	125	87	94	72	61
Liquor Licensing	34	35	149	157	115	122	100
Sub-Total	549	499	1,411	1,348	862	849	810
Civil Defence and Emergency Management							
Civil defence and emergency management	-	-	124	136	124	136	128
Sub-Total	-	-	124	136	124	136	128
Roading							
Roading	3,660	3,875	6,651	6,474	2,991	2,598	2,134
Business Unit	198	196	204	190	6	(6)	(12)
Sub-Total	3,858	4,071	6,855	6,664	2,997	2,592	2,122
Stormwater							
Stormwater	-	-	336	354	336	354	358
Sub-Total	-	-	336	354	336	354	358
Wastewater (Sewerage)							
Wastewater (Sewerage)	89	71	923	987	834	916	787
Sub-Total	89	71	923	987	834	916	787
Solid Waste							
Solid Waste	121	81	876	878	755	797	754
Sub-Total	121	81	876	878	755	797	754
Water Supply							
Water Supply	350	462	1,611	1,941	1,261	1,479	1,510
Sub-Total	350	462	1,611	1,941	1,261	1,479	1,510
Total Activity Revenue & Expenditure	6,127	6,440	18,526	18,624	12,399	12,186	11,230
Plus: General Rates & UAGC	6,274	6,253	-	-	(6,274)	(6,253)	(6,101)
Plus: Targeted Rates	6,126	6,092	-	-	(6,126)	(6,092)	(5,789)
Total Revenue and Operating Expenditure	18,527	18,785	18,526	18,624	(1)	(159)	(660)

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.

Operating Expenditure	18,436.3	18,509.0
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Note 4 Rates Revenue

Accounting Policy

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.

	Council Actual 2019/20 \$000	Council Actual 2018/19 \$000
Total Rates	12,787	12,337
<i>Add penalties</i>	86	54
<i>Less rates remissions</i>		
Community, Sporting and Other Organisations	(40)	(43)
Council Owned Properties	(57)	(61)
Economic Development	(2)	(2)
Maori Free-hold Land	(26)	(29)
Total remissions and penalties	(37)	(81)
Total revenue from rates after remissions and penalties	12,750	12,256
Comprising the following:		
General Rates & UAGC	6,274	6,101
Targeted Rates Attributable to Activities		
- Roading	3,049	2,915
-Wastewater - uniform annual charge	877	730
-Solid Waste - uniform annual charge	702	703
-Water Supply - uniform annual charge	1,482	1,441
-Water Supply - targeted metered rates	350	350
-Community Halls	16	16
Rates revenue	12,750	12,256

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by Council for which those other local authorities rate. Annual rates revenue by this definition is as disclosed in the table above.

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.

Note 5 Other Revenue

Accounting Policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

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

Sale of Land

Revenue from the Sale of Land is recognised in full when the sale and purchase agreement becomes legally enforceable, as at the date the contract becomes unconditional.

Subsidies and Grants	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Grants - TSB Community Trust	16	33	26	57
Grants - Taranaki Electricity Trust	195	64	198	79
Wages subsidies	1	-	24	-
Provincial Growth Fund	18	-	18	-
NZ Transport Agency Roading Subsidies	3,465	4,999	3,465	4,999
Total Subsidies and Grants	3,695	5,096	3,731	5,135
There are no unfulfilled conditions and other contingences attached to New Zealand Transport Agency				
Sundry Revenue	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Petrol Tax	77	87	77	87
Low Interest Loan Revenue	2	5	2	5
Dividends received	55	-	55	-
Gain from sale of investments	-	-	-	24
Total Revenue	134	92	134	116
Revenue from Exchange and Non-Exchange Transactions	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Exchange transactions	3,253	1,053	3,305	1,106
Non-exchange transactions	24,508	18,569	24,564	18,664
Total Revenue	27,762	19,622	27,870	19,771

Note 6 Other Gains

	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Gain on Disposal of Property, Plant and Equipment	260	-	260	-
Total Gains	260	-	260	-

Note 7 Personnel Costs

	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Salaries and Wages	4,031	3,560	4,133	3,660
Increase/(Decrease) in Employee Entitlements	68	(49)	68	(48)
Total Personnel Costs	4,099	3,511	4,201	3,612

The total paid for defined contribution plan employer contributions was \$149,637 (2018/19: \$117,001), and is included in note 8, under operating expenses.

Note 8 Other Expenses

Accounting Policy

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.

	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Net Losses on Disposal and other sundry expenses	524	214	524	214
Insurance premiums	135	121	142	129
Landfill Aftercare Expenses	7	-	7	-
Cost of sales - residential property	615	-	615	-
Cost of sales - subdivision	329	-	329	-
Operating Expenses	8,826	9,922	8,834	9,941
Total Other Expenses	10,436	10,257	10,451	10,284

Note 9 Interest Revenue and Finance Costs

Accounting Policy

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Interest Revenue				
Interest on term deposits	97	109	149	162
Total Finance Income	97	109	149	162
Finance costs				
Interest on bank borrowings	398	456	398	456
Total finance costs	398	456	398	456
Net finance costs	(300)	(347)	(248)	(294)

Note 10 Tax

Accounting Policy

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.

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.				
	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$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	8,022	275	7,937	224
Tax at 28%	2,246	77	2,222	63
Non-deductible Expenses	(2,246)	(77)	(2,222)	(63)
Non-taxable Revenue	-	-	-	-
Tax Expense	-	-	-	-

Note 11 Cash and Cash Equivalents and Short Term Deposits

Accounting Policy

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.

	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	4,082	822	4,123	1,017
Term Deposits Maturing Three Months or Less from Date of Acquisition	1,000	2,000	1,000	2,000
Sub-total Cash and Cash Equivalents	5,082	2,822	5,123	3,017
Term Deposits Maturing More than Three Months from Date of Acquisition	3,000	-	3,250	250
Total Cash and Cash Equivalents and Short Term Deposits	8,082	2,822	8,373	3,267

Refer to note 14 for weighted average effective interest rate for term deposits

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

	Council		Group	
	Actual	Actual	Actual	Actual
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	4,082	822	4,123	1,017
Term Deposits Maturing Three Months or Less from Date of Acquisition	1,000	2,000	1,000	2,000
Sub-total	5,082	2,822	5,123	3,017
Investments Maturing More that Three Months from Date of Acquisition	3,000	-	3,250	250
Total	8,082	2,822	8,373	3,267

Note 12 Receivables

Accounting Policy

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

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Current Portion				
Rates Receivables	236	240	236	240
Other Receivables	668	759	671	768
Receivable prior to impairment	904	999	907	1,008
Less Provision for Impairment	-	-	-	-
Total Current Portion of Receivables	904	999	907	1,008
Non-Current Portion				
Other Receivables	23	47	23	47
Total Non-Current Portion of Receivables	23	47	23	47
Total Receivables	927	1,046	930	1,055
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	827	894	830	903
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	100	152	100	152

Note 13 Inventories

Accounting Policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories held for commercial distribution, are measured at the lower of cost and net realisable value.

Council inventory is made up of land held for development and future resale.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Assets held for resale	610	1,328	610	1,328
Total Inventories	610	1,328	610	1,328

The write-down of inventory during the year was NIL (2018/19: NIL). There have been no reversals of write-downs (2019: NIL). No inventory is pledged as security for liabilities.

Note 14 Other Financial Assets

Accounting Policy

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.

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.

	Interest Rate	Council		Group	
		Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Current Portion					
<i>Loans and Receivables</i>					
Financial Assets Available for Sale		-	-	50	-
LGFA Borrowers Notes					
Maturity April 2020	2.01%	-	48	-	48
Maturity April 2021	0.91%	32	-	32	-
Maturity May 2021	2.22%	24	-	24	-
Community Loan - Stratford Health Trust		-	19	-	19
Total Current Portion		56	67	106	67
Non-current Portion					
Community Loan - Stratford Health Trust		-	19	-	19
Financial Assets Available for Sale		-	-	677	655
LGFA Borrowers Notes					
Maturity May 2021	2.22%	-	24	-	24
Maturity April 2022	2.41%	32	32	32	32
Maturity April 2023	1.15%	16	-	16	-
Maturity May 2023	3.06%	24	24	24	24
Maturity May 2024	2.13%	32	32	32	32
Maturity April 2025	2.98%	32	32	32	32
Maturity April 2026	1.62%	16	-	16	-
Maturity April 2027	3.25%	24	24	24	24
Maturity April 2027	0.98%	16	-	16	-
Listed Shares		673	733	673	733
Total Non-current Portion		865	920	1,542	1,575
Total Other Financial Assets		921	987	1,648	1,642

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 \$Nil (2019 \$37,993). 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, and has now been repaid in full.

The face value of the community loan is \$Nil (2019 - \$40,000).

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:

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Short Term Deposits				
Short term deposits with maturities of 3 months or less	1,000	2,000	1,000	2,000
<i>Average maturity</i>	66 days	90 days	66 days	90 days
<i>Weighted average Effective Interest Rate</i>	1.52%	2.93%	1.52%	2.93%
Short term deposits with maturities of more than 3 months but less than 12 months	3,000	-	3,250	250
<i>Average maturity</i>	116 days		132 days	180 days
<i>Weighted average Effective Interest Rate</i>	1.81%	-	1.81%	2.60%
Total	4,000	2,000	4,250	2,250

Note 15 Property, Plant and Equipment

Accounting Policy

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 (except land under roads), 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	Optimised Depreciated Replacement Cost
Water Supply treatment	Optimised Depreciated Replacement Cost
Wastewater reticulation	Optimised Depreciated Replacement Cost
Wastewater treatment	Optimised Depreciated Replacement Cost
Stormwater system	Optimised 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 January 2020 at fair value as determined from market-based evidence. Telfer Young have advised that COVID-19 had no impact on these valuations.

Council's infrastructure assets consisting of Stormwater, Waste Water and Water Supply were revalued by Infrastructure Associates Ltd, independent valuers, as at 1 July 2018 in accordance with Financial Reporting Standard (PBE IPSAS 17) and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines.

Roading assets (except land under roads) have been revalued by the independent valuers, Calibre Consultants Ltd, as at 1 July 2018.

Roading Corridor Land is valued on the fair value of adjacent land. This assumes land in its bare state without the benefit of roading, water supply, sewer etc. The valuation takes into consideration the sale of vacant land in the area which is suitably adjusted to reflect an unimproved state.

Land under roads was valued based on fair value provided by previous valuations in 2016 of the Roothing Network. This valuation was carried out by Calibre Consultants Ltd. Council elected to use the fair value of Land under Roads as at 1 July 2016 as the deemed cost. Land under roads is no longer revalued.

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.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

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

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 Base course	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 Treatment	20-120
Water Supply Reticulation	20-120
Wastewater Treatment	40-80
Wastewater Reticulation	40-80
Street Beautification	10-100

Insurance of Assets

The following information relates to the insurance of Council assets as at 30 June:		
	2020	2019
	\$000	\$000
The total book value of all Council assets covered by insurance contracts	21,156	16,438
The maximum amount to which insured assets are insured	51,317	40,086
The total book value of all Council assets covered by financial risk-sharing arrangements	32,320	31,357
The total replacement cost of all Council assets covered by financial risk-sharing arrangements	55,249	51,647
Maximum amount available to the Council under financial risk-sharing arrangements	22,100	20,659
Total value of assets that are self-insured	-	-
Value of funds maintained for self-insurance	-	-

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and wastewater assets, and provide a subsidy towards the restoration of roads.

	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount	Assets constructed by Council	Assets transferred to Council	Disposals / Impairment	Transfers	Depreciation	Depreciation Reversed on Revaluation	Depreciation Reversed on Disposal	Revaluation Surplus (incl of depreciation reversed on revaluation)	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount
	1 July 2019			Current Year								30 June 2020		
2020	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets														
Land	8,742	-	8,742	18	-	(95)	-	-	-	-	333	8,998	-	8,998
Buildings	10,823	1,283	9,540	94	-	(675)	-	416	(1,132)	(177)	(173)	8,937	390	8,547
Surplus Properties	119	-	119	-	-	-	-	-	-	-	49	168	-	168
Plant	540	274	266	68	-	(8)	-	40	-	(8)	-	601	306	295
Motor Vehicles	312	160	152	55	-	(25)	-	19	-	(20)	-	342	159	183
Furniture/Fittings	491	267	224	11	-	-	-	19	-	-	-	502	286	216
Office Equipment	1,200	772	429	78	-	(61)	-	73	-	(61)	-	1,217	784	433
Library Books	662	320	342	40	-	-	-	40	-	-	-	702	360	342
Work In Progress - Buildings	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Work in progress - plant and equipment	22	-	22	-	-	-	(22)	-	-	-	-	-	-	-
Work In Progress - Land	378	-	378	-	-	-	(361)	-	-	-	-	17	-	17
Total Operational Assets	23,289	3,076	20,214	365	-	(864)	(383)	607	(1,132)	(266)	208	21,484	2,285	19,200
Council Restricted Assets														
Land	7,235	-	7,235	16	-	(77)	-	-	-	-	1,738	8,912	-	8,912
Buildings	5,134	692	4,442	94	6,786	-	-	416	(693)	-	(878)	10,443	415	10,028
Street Beautification	1,604	219	1,385	90	-	-	-	20	-	-	-	1,694	239	1,455
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	90	-	90	-	-	-	(22)	-	-	-	-	68	-	68
Work In Progress - Buildings	15	-	15	34	-	-	(15)	-	-	-	-	34	-	34
Total Restricted Assets	14,281	911	13,370	233	6,786	(77)	(37)	436	(693)	-	860	21,353	654	20,699
Council Infrastructure Assets														
Water Supply														
- Reticulation and other assets	11,625	226	11,401	370	-	(191)	-	243	-	(8)	-	11,808	458	11,350
- Treatment plants and facilities	4,044	158	3,886	30	-	(3)	-	170	-	(1)	-	4,065	327	3,738
Wastewater System														
- Reticulation and other assets	6,990	244	6,746	546	-	(8)	-	250	-	-	-	7,528	494	7,033
- Treatment plants and facilities	1,496	44	1,452	601	-	-	-	46	-	-	-	2,097	90	2,007
Stormwater System	8,009	138	7,872	496	-	(36)	-	141	-	(2)	-	8,469	278	8,192
Roading Network	190,979	2,449	188,531	4,044	-	-	-	2,452	-	-	-	195,023	4,901	190,123
Land Under Roads	53,639	-	53,639	745	-	-	-	-	-	-	-	54,384	-	54,384
Bridges	12,348	352	11,996	181	-	-	-	352	-	-	-	12,529	704	11,826
Work In Progress - Roading	-	-	-	18	-	-	-	-	-	-	-	18	-	18
Work In Progress - Subdivision - Land under roads	745	-	745	-	-	-	(745)	-	-	-	-	-	-	-
Work in Progress - Subdivision - 3 waters	1,090	-	1,090	-	-	-	(1,090)	-	-	-	-	-	-	-
Work In Progress - Wastewater Treatment	564	-	564	-	-	-	(564)	-	-	-	-	-	-	-
Work In Progress - Water Reticulation	116	-	116	37	-	-	-	-	-	-	-	153	-	153
Total Infrastructure Assets	291,646	3,610	288,038	7,068	-	(238)	(2,399)	3,655	-	(11)	-	296,074	7,252	288,823
Total Council	329,215	7,598	321,621	7,666	6,786	(1,179)	(2,819)	4,697	(1,825)	(277)	1,067	338,911	10,191	328,722
Subsidiaries														
Buildings	1,649	197	1,452	94	-	-	-	69	(197)	-	141	1,687	70	1,618
Land	193	-	193	-	-	-	-	-	-	-	42	235	-	235
Furniture & Fittings	104	35	71	-	-	-	-	5	-	-	-	104	40	66
Office Equipment	7	5	2	4	-	-	-	1	-	-	-	11	6	5
Work In Progress - buildings	50	-	50	-	-	-	(50)	-	-	-	-	-	-	-
Arboretum	45	3	42	-	-	-	-	1	(4)	-	8	49	0	48
Total Subsidiaries	2,049	240	1,810	98	-	-	(50)	76	(200)	-	190	2,088	116	1,972
Total Group	331,264	7,839	323,432	7,764	6,786	(1,179)	(2,869)	4,773	(2,025)	(277)	1,257	340,998	10,307	330,694

The figures included under assets constructed by council for work in progress is the net of new work in progress additions and those capitalised during the year.

	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount	Assets constructed by Council	Assets transferred to Council	Disposals / Impairment	Transfers	Depreciation	Depreciation Reversed on Revaluation	Depreciation Reversed on Disposal	Revaluation Surplus (incl of depreciation reversed on revaluation)	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount
	1 July 2018			Current Year								30 June 2019		
2019	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets														
Land	8,742	-	8,742	-	-	-	-	-	-	-	-	8,742	-	8,742
Buildings	10,535	862	9,673	348	-	(60)	-	432	-	(11)	-	10,823	1,283	9,540
Surplus Properties	119	-	119	-	-	-	-	-	-	-	-	119	-	119
Plant	537	238	299	3	-	-	-	36	-	-	-	540	274	266
Motor Vehicles	275	145	130	37	-	-	-	15	-	-	-	312	160	152
Furniture/Fittings	449	251	198	42	-	-	-	16	-	-	-	491	267	224
Office Equipment	1,409	978	431	53	-	(262)	-	55	-	(261)	-	1,200	772	429
Library Books	619	277	342	43	-	-	-	43	-	-	-	662	320	342
Work In Progress - Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress - plant and equipment	-	-	-	22	-	-	-	-	-	-	-	22	-	22
Work In Progress - Share of joint land	477	-	477	-	-	(477)	-	-	-	-	-	-	-	-
Work In Progress - Land	1,933	-	1,933	68	-	-	(1,623)	-	-	-	-	378	-	378
Total Operational Assets	25,094	2,751	22,344	616	-	(799)	(1,623)	597	-	(272)	-	23,289	3,076	20,214
Council Restricted Assets														
Land	7,224	-	7,224	11	-	-	-	-	-	-	-	7,235	-	7,235
Buildings	5,012	452	4,560	122	-	-	-	240	-	-	-	5,134	692	4,442
Street Beautification	1,604	202	1,402	-	-	-	-	17	-	-	-	1,604	219	1,385
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	109	-	109	(19)	-	-	-	-	-	-	-	90	-	90
Work In Progress - Buildings	-	-	-	15	-	-	-	-	-	-	-	15	-	15
Total Restricted Assets	14,153	653	13,499	129	-	-	-	257	-	-	-	14,281	911	13,370
Council Infrastructure Assets														
Water Supply														
- Reticulation and other assets	9,861	409	9,453	1,224	-	(115)	-	226	(409)	-	1,065	11,625	226	11,401
- Treatment plants and facilities	5,409	318	5,091	27	-	(3)	-	158	(318)	-	(1,071)	4,044	158	3,885
Wastewater System														
- Reticulation and other assets	6,779	471	6,308	247	-	(15)	232	244	(471)	-	219	6,990	244	6,746
- Treatment plants and facilities	1,731	82	1,649	48	-	-	(232)	44	(82)	-	30	1,496	44	1,452
Stormwater System	6,385	203	6,184	34	-	(26)	-	138	(203)	-	1,820	8,009	138	7,872
Roading Network	200,341	4,581	195,760	3,411	-	-	-	2,449	(4,581)	-	(8,191)	190,979	2,449	188,530
Land Under Roads	53,639	-	53,639	-	-	-	-	-	-	-	-	53,639	-	53,639
Bridges	11,936	651	11,285	233	-	-	-	352	(651)	-	829	12,348	352	11,996
Work In Progress - Subdivision - Land under roads	-	-	-	313	-	-	432	-	-	-	-	745	-	745
Work in Progress - Subdivision - 3 waters	-	-	-	1,090	-	-	-	-	-	-	-	1,090	-	1,090
Work In Progress - Wastewater Treatment	360	-	360	204	-	-	-	-	-	-	-	564	-	564
Work In Progress - Stormwater	10	-	10	(10)	-	-	-	-	-	-	-	-	-	-
Work In Progress - Water Reticulation	505	-	505	(389)	-	-	-	-	-	-	-	116	-	116
Work In Progress - Water Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructure Assets	296,956	6,715	290,245	6,432	-	(159)	432	3,611	(6,715)	-	(5,300)	291,646	3,610	288,038
Total Council	336,203	10,117	326,089	7,176	-	(958)	(1,191)	4,465	(6,715)	(272)	(5,300)	329,215	7,598	321,621
Subsidiaries														
Buildings	1,647	132	1,515	2	-	-	-	65	-	-	-	1,649	197	1,452
Land	193	-	193	-	-	-	-	-	-	-	-	193	-	193
Furniture & Fittings	102	30	74	2	-	-	-	5	-	-	-	104	35	72
Office Equipment	7	4	3	-	-	-	-	1	-	-	-	7	5	2
Work in Progress - buildings	-	-	-	50	-	-	-	-	-	-	-	50	-	50
Arboretum	45	2	43	-	-	-	-	1	-	-	-	45	3	42
Total Subsidiaries Assets	1,994	167	1,828	54	-	-	-	72	-	-	-	2,049	240	1,810
Total Group	338,197	10,285	327,917	7,230	-	(958)	(1,191)	4,536	(6,715)	(272)	(5,300)	331,264	7,839	323,432

The figures included under assets constructed by council for work in progress is the net of new work in progress additions and those capitalised during the year.

Estimate of Replacement Cost

	Council	
	Most recent estimate of replacement cost 2019/20	Date of Estimate
2020		
Water Supply		
- Reticulation and other assets	19,774	30 June 2020
- Treatment plants and facilities	5,889	30 June 2020
Wastewater System		
- Reticulation and other assets	22,961	30 June 2020
- Treatment plants and facilities	3,339	30 June 2020
Stormwater System	14,616	30 June 2020
Roads and Footpaths	345,970	30 June 2020
2019		
Water Supply		
- Reticulation and other assets	19,307	30 June 2019
- Treatment plants and facilities	5,830	30 June 2019
Wastewater System		
- Reticulation and other assets	22,304	30 June 2019
- Treatment plants and facilities	2,725	30 June 2019
Stormwater System	14,050	30 June 2019
Roads and Footpaths	339,286	30 June 2019

Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2019/20 \$000	Actual 2018/19 \$000
Directly attributable depreciation and amortisation by group of activity		
Community Services	758	581
Democracy	-	-
Economy	65	95
Environmental Services	7	7
Roading	2,804	2,801
Stormwater Drainage	141	138
Wastewater (Sewerage)	296	288
Solid Waste	28	27
Water Supply	421	384
Total directly attributable depreciation and amortisation by group of activity	4,521	4,320
Depreciation and amortisation not directly related to group of activities	263	268
Total depreciation and amortisation for the whole of Council	4,784	4,588

Note 16 Intangible Assets – Council and Group

Accounting Policy

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.

2020	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
	1/07/2019			Current Year					30 June 2020		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Work in Progress	5	-	5	-	-	-	-	-	5	-	5
Computer Software	1,436	860	576	71	(3)	-	(3)	87	1,504	944	560
Total	1,441	860	581	71	(3)	-	(3)	87	1,509	944	565

2019	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	
	1/07/2018		Current Year					30 June 2019			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Work in progress	2	0	2	3	-	0	-	0	5	-	5
Computer Software	1420	737	683	16	-	0	-	123	1436	860	576
Total	1422	737	685	19	-	0	-	123	1441	860	581

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.

Note 17 Payables and Deferred Revenue

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

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Current Portion				
<i>Payables and deferred revenue under exchange transactions</i>				
Trade Payables and Accrued Expenses	1,191	1,528	1,201	1,581
Deposits and Bonds	118	85	118	85
Revenue Received in Advance	83	125	93	125
Total	1,392	1,738	1,412	1,791
<i>Payables and deferred revenue under non-exchange transactions</i>				
Other Taxes Payable (GST)	401	63	401	63
Revenue received in advance - PGF funding	752	-	752	-
Rates in Advance	278	265	278	265
Total	1,431	328	1,431	328
Total Current Portion	2,823	2,067	2,843	2,120

Note 18 Provisions

Accounting Policy

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.

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Current Portion				
Landfill Aftercare Provision	11	11	11	11
Total Current Portion	11	11	11	11
Non-current Portion				
Landfill Aftercare Provision	45	44	45	44
Total Non-Current Portion	45	44	45	44
Total Provisions	56	55	56	55
Movements for the Landfill Aftercare provision are as follows:				
	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Opening Balance	55	62	55	62
Additional Provision Made	-	-	-	-
Amounts used	1	(7)	1	(7)
Closing Balance 30 June	56	55	56	55

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 5.0% (2019:7.5%).

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

Note 19 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.

Accounting Policy

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.

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Current Portion				
Annual Leave	183	117	190	124
Total Current Portion	183	117	190	124
Non-Current Portion				
Retirement Gratuities	49	47	49	47
Total Non-Current Portion	49	47	49	47
Total Employee Entitlements	232	164	239	171

Note 20 Borrowings

Accounting Policy

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.

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Current Portion				
Committed cash advance facility	-	-	-	-
Secured Loans	3,500	4,000	3,500	4,000
Total Current Portion	3,500	4,000	3,500	4,000
Non-Current Portion				
Secured Loans	12,000	10,500	12,000	10,500
Total Non-Current Portion	12,000	10,500	12,000	10,500
Total Borrowings	15,500	14,500	15,500	14,500

Security

The Council has entered into a Debenture Trust Deed with Trustees Executors Limited.

Under the debenture trust deed the Council has granted security over its rates and rates revenue. Trustees Executors Limited hold this security for the benefit of any holders of Stock (as that term is defined in the Council's debenture trust deed).

The Council has granted security stock (with a floating nominal amount) to each of TSB Bank Ltd and New Zealand Local Government Funding Agency (to secure all of Council's borrowings with those entities).

Committed cash advance facility

Stratford District Council has a CCAF (Committed Cash Advance Facility) of \$1.0m that has not been included in the financial statements.

Maturity Analysis and Effective Interest Rates

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Less than one year	3,500	4,000	3,500	4,000
Later than one year but not more than five years	6,500	7,000	6,500	7,000
Later than five years	5,500	3,500	5,500	3,500
Total Borrowings	15,500	14,500	15,500	14,500

The weighted average effective interest rate for 2019/20 is 2.55% (2018/19 2.83%).

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 at 1 July 2019 of \$1,510,795 at the weighted average interest rate as at 31 December 2019 of 2.66%. The Water Supply activity has been charged the cost of \$40,187. The sum of \$80,000 was repaid at the end of the year. The balance as at 30 June 2020 is \$1,430,795.

Local Government Funding Agency					
	Maturity date	Interest rate 2019/20	Interest rate 2018/19	Actual 2019/20 \$000	Actual 2018/19 \$000
Current					
LGFA Bond issue	April 2020	-	2.33%	\$0	\$3,000
LGFA Bond issue	May 2020	-	1.99%	\$0	\$1,000
LGFA Bond issue	April 2021	1.31%	-	\$2,000	\$0
LGFA Bond issue	May 2021	2.62%	-	\$1,500	\$0
Total Current borrowings				\$3,500	\$4,000
Non-current					
LGFA Bond issue	May 2021		2.62%	\$0	\$1,500
LGFA Bond issue	April 2022	2.81%	2.81%	\$2,000	\$2,000
LGFA Bond issue	April 2023	1.55%	-	\$1,000	\$0
LGFA Bond issue	May 2023	3.47%	3.47%	\$1,500	\$1,500
LGFA Bond issue	May 2024	2.53%	2.53%	\$2,000	\$2,000
LGFA Bond issue	April 2025	3.38%	3.38%	\$2,000	\$2,000
LGFA Bond issue	April 2026	2.02%	-	\$1,000	\$0
LGFA Bond issue	April 2027	1.38%	-	\$1,000	\$0
LGFA Bond issue	April 2027	3.65%	3.65%	\$1,500	\$1,500
Total non-current borrowings				\$12,000	\$10,500
Total Borrowings				\$15,500	\$14,500

Note 21 Equity

Accounting Policy

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.

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Accumulated Funds - 1 July	174,920	175,497	176,761	177,390
Transfers to:				
Restricted Reserves	(97)	(106)	(97)	(106)
Council Created Reserves	(5,567)	(5,513)	(5,567)	(5,513)
Transfers from:				
Council Created Reserves	3,953	4,750	3,953	4,750
Restricted Reserves	35	16	35	16
Revaluation reserve disposal of building	87	-	87	-
Profit / (Loss) for the year	8,022	275	7,937	224
Balance at 30 June	181,353	174,920	183,109	176,761
Restricted Reserves - 1 July	587	497	587	497
Transfers to:				
Accumulated Funds	(35)	(16)	(35)	(16)
Transfers from:				
Accumulated Funds	97	106	97	106
Balance at 30 June	650	587	650	587
Fair Value through other comprehensive revenue and expense - 1 July	(349)	(100)	(349)	(100)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments Carried at Fair Value	(61)	(249)	(61)	(249)
Balance at 30 June	(410)	(349)	(410)	(349)
Council Created Reserves - 1 July	4,120	3,356	4,120	3,357
Transfers to:				
Accumulated Funds	(3,953)	(4,750)	(3,953)	(4,750)
Transfers from:				
Accumulated Funds	5,567	5,513	5,567	5,513
Balance at 30 June	5,734	4,120	5,734	4,120
Asset Revaluation Reserves - 1 July	132,837	138,141	133,854	139,158
Revaluation reserve disposal of buildings	(87)	-	(87)	-
Revaluation Gains/(Losses)	1,154	(5,304)	1,344	(5,304)
Balance at 30 June	133,904	132,837	135,111	133,854
Total Other Reserves - 30 June	139,878	137,194	141,084	138,211
Asset Revaluation Reserves consist of:				
Operational Assets				
Land	6,577	6,195	6,687	6,263
Buildings	5,150	5,324	6,247	6,273
Restricted Assets				
Wastewater System	5,451	5,451	5,451	5,451
Water System	3,983	3,983	3,983	3,983
Stormwater System	6,081	6,081	6,081	6,081
Roading Network	101,894	101,894	101,894	101,894
Land	3,875	2,137	3,875	2,137
Buildings	895	1,773	895	1,773
Total	133,904	132,837	135,111	133,854

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.

Roading Renewals Reserve

This reserve has been created for the accumulation of depreciation on roads, bridges and street services assets. 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.

Turf Replacement Reserve

This reserve was created to accumulate funds annually to contribute towards the replacement of the hockey turf, when required.

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

2020		Balance	Transfers	Transfers	Balance
Activities to which the reserve relates		1 July 2019	into fund	out of fund	30 June 2020
		\$000	\$000	\$000	\$000
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	69	32	(35)	66
Financial Contributions Reserve	All activities	518	65	-	583
Total		587	97	(35)	649
2020					
Activities to which the reserve relates		Balance	Transfers	Transfers	Balance
		1 July 2019	into fund	out of fund	30 June 2020
		\$000	\$000	\$000	\$000
Council Created/Targeted Rate Reserves					
Asset Renewal Reserve		2,493	1,135	(372)	3,256
Contingency Reserve	All activities	505	14	(14)	505
Asset Sale Proceeds Reserve	All activities	623	401	-	1,024
Staff Gratuities Reserve	All activities	144	4	(1)	147
Mayor's Relief Fund Reserve	Community	4	1	(1)	4
Turf Replacement Reserve	Community	10	10	-	20
Stormwater Reserve	Stormwater	271	149	(162)	258
Roading Renewals Reserve	Roading	746	2,825	(2,826)	745
Water Supply Reserve	Water Supply	(1,049)	642	(301)	(708)
Solid Waste Reserve	Waste Management	193	34	(80)	146
Wastewater Reserve	Wastewater	181	353	(196)	338
Total		4,120	5,567	(3,953)	5,735
2019					
Activities to which the reserve relates		Balance	Transfers	Transfers	Balance
		1 July 2018	into fund	out of fund	30 June 2019
		\$000	\$000	\$000	\$000
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	55	30	(16)	69
Financial Contributions Reserve	All activities	442	76	-	518
Total		497	106	(16)	587
2019					
Activities to which the reserve relates		Balance	Transfers	Transfers	Balance
		1 July 2018	into fund	out of fund	30 June 2019
		\$000	\$000	\$000	\$000
Council Created and Targeted Rate Reserves					
Asset Renewal Reserve	All activities	1,785	1,088	(381)	2,493
Contingency Reserve	All activities	505	15	(15)	505
Asset Sale Proceeds Reserve	All activities	624	39	(40)	623
Staff Gratuities Reserve	All activities	144	4	(4)	144
Mayor's Relief Fund Reserve	Community	5	-	(1)	4
Turf Replacement Reserve	Community	-	10	-	10
Stormwater Reserve	Stormwater	152	142	(23)	271
Roading Renewals Reserve	Roading	782	3,503	(3,539)	746
Water Supply Reserve	Water Supply	(1,075)	384	(358)	(1,049)
Waste Management Reserve	Waste Management	232	34	(73)	193
Wastewater Reserve	Wastewater	203	294	(316)	181
Total		3,356	5,513	(4,750)	4,120

Note 22 Commitments

	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
Financial Commitments				
Not later than one year	6,891	7,278	6,891	7,358
Later than one year and not later than five years	8,009	13,783	8,009	13,783
Later than five years	-	197	-	197
Total	14,900	21,258	14,900	21,338
Operating Leases as a Lessor				
Not later than one year	3	3	18	18
Later than one year and not later than five years	12	12	26	39
Later than five years	72	75	72	75
Total	87	90	116	132
Capital Commitments				
Roading network	5,242	8,112	5,242	8,112
Buildings	-	-	-	38
Roading network - council subdivision (The amount for the council subdivision relates mainly to the roading network with some other incidental costs related to wastewater, water and stormwater assets)	159	878	159	878
Total	5,401	8,990	5,401	9,028
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 33 years with perpetual rights of renewal in two cases.				
* Council is committed to a number of leases on reserves to various sports and other community bodies for varying terms.				
* Council is committed to ground leases for the aerodrome club buildings, and private hangars for terms of up to 20 years.				
* Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2026.				
* AA Drivers Licensing have given Council an agency relationship to 30 September 2020.				
* The Information Centre has various commission agreements with tourism providers.				

Note 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 2020 there are 7 properties, having an approximate value of \$1.01 million (2019 - 8 properties - \$5.03 million). The estimate has been based on rating valuations.

Contingent Liabilities

Local Government Funding Agency (LGFA)

The Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2020, the Council is one of 30 local authority shareholders and 22 local authority guarantors with NZ LGFA. Together with the other shareholders and guarantors, the Council is a guarantor of all NZ LGFA's borrowings. As at 30 June 2020, NZ LGFA had borrowings totalling \$11.9 billion.

PBE Accounting Standards require the council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The council consider the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- the council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of these financial statements, one matter under that Act indicating a potential liability has been brought to the Council's attention.

Note 24 Related Party Transactions

Related Party Transactions with Subsidiaries, Associates or Joint Ventures

Council is the ultimate parent of the group and controls one entity, being Percy Thomson Trust and has no significant influence over any other entities. The Percy Thomson Trust building is on council-owned land, and there is no charge to the Trust.

Related Party Transactions with Subsidiaries, Associates or Joint Ventures

	Actual 2019/20 \$000	Actual 2018/19 \$000
Percy Thomson Trust		
Grant received from the Council	50	50
Rent received from Council for the Information Centre	18	18
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).

Gloria Webby (Councillor) is a Trustee of Percy Thomson Trust. Keryn Walsh (Councillor to October 2019) is also a Trustee of Percy Thomson Trust.

Payments Made to Related Parties

There were no transactions with related parties at non-arms length.

	Interest Declared	Transaction	\$000	\$000
Jamieson Motors Limited				
- Alan Jamieson, Councillor	Director and Shareholder	Services provided	1	-

Key Management Personnel Compensation

	Actual 2019/20 \$000	Actual 2018/19 \$000
Salaries and other short term employee benefits <i>(This includes the salaries and superannuation for Senior Management, and is five full time equivalents. Elected Representatives honorariums are included in Note 25)</i>	744	710

Note 25 Remuneration

	Actual 2019/20 \$	Actual 2018/19 \$
Chief Executive		
The Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017 and received the following remuneration for the year ended 30 June 2020:		
Salary	190,000	190,000
Superannuation Subsidy (Kiwisaver)	5,700	5,700
<i>As at 30 June 2020 the annual remuneration package that was being received by the Chief Executive was calculated at \$190,000. This remuneration excludes Kiwisaver contributions.</i>		
Total Chief Executive Remuneration	195,700	195,700
Elected Representatives		
Mayor - N Volzke	83,501	73,498
Councillors		
J Sandford	24,307	19,209
K Squire (to October 2019)	6,532	18,393
A Jamieson	32,094	25,749
J Erwood	23,414	18,393
G Kelly (to October 2019)	6,532	18,393
G Boyde	26,657	21,115
K Walsh (to October 2019)	6,532	18,393
R Coplestone	23,414	18,393
G Webby	23,414	18,393
P Dalziel	23,414	18,393
A Harris (from October 2019)	17,545	0
M McKay (from October 2019)	17,545	0
V Jones (from October 2019)	17,545	0
Full Time Equivalents *	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 \$11,015 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.		
Council employees	30 June 2020	30 June 2019
Total annual remuneration by band		
Less than \$60,000	40	44
\$60,000 - \$79,999	15	13
\$80,000 - \$99,999	6	6
\$100,000 - \$159,999	6	4
\$160,000 - \$200,000	1	1
Total Council employee remuneration	68	68
Council Employee Numbers		
	30 June 2020	30 June 2019
Number of employees (at 30 June)		
Full-time employees	Actual	Actual
Full-time employees	39	40
Part-time employees (including casual employees)	29	28
Total employees	68	68
NB - A full-time employee works 40 hours per week		
Full-time equivalent employees		
Full-time employees	39	40
Part-time employees (in full-time equivalent)	16	15
Total full-time equivalent employees	55	55

Note 26 Severance Payments

For the year ended 30 June 2020, the Council made one severance payment to employees (2018/19 - one employee). The value of the severance payment was \$18,000 (2018/19 - \$20,000).

Note 27 Events After the Balance Date

There were no significant events after balance date.

Note 28 Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:				
	Council		Group	
	Actual 2019/20 \$000	Actual 2018/19 \$000	Actual 2019/20 \$000	Actual 2018/19 \$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents - Cash	5,082	2,822	5,123	3,017
Short Term Deposits	3,000	-	3,250	250
Receivables	904	999	907	1,008
Other financial assets:				
Community loans	-	38	-	38
Total	8,986	3,858	9,280	4,312
Held to maturity				
Other financial assets:				
LGFA Borrower Notes	248	216	248	216
Total	248	216	248	216
Fair value through other comprehensive revenue and expense				
Other financial assets:				
Local authority stock and Bonds	-	-	677	655
Listed shares	673	733	673	733
Total	673	733	1,350	1,388
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and deferred revenue	1,392	1,738	1,412	1,791
Borrowings:				
Secured loans	15,500	14,500	15,500	14,500
Total	16,892	16,238	16,912	16,291

Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2019/20 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

Income:

- Revenue received from the sale of land in the council led subdivision was less than budget, as only 11 sections were sold as at 30 June 2020.
- As at 1 July 2019 Council was vested the TET Multi Sports Centre, at a value of \$6,786,000. Council has assumed ownership of the Centre following expiry of the lease, however the Society is continuing to occupy the building on a month by month basis pending a Council decision on the future management of the facility.

Expenditure:

- As a result of the vesting of the TET Multi Sports Centre, the building was depreciated, thus increasing the depreciation expense.
- Finance costs were less than budget due to the lower interest rates obtained from LGFA on renewal of the loans that matured during the year.

Other comprehensive revenue and expenditure:

- The gain on the property, plant and equipment is less than budget as the infrastructure assets were revalued as at 1 July 2018 rather than the budgeted 1 July 2019. Therefore only land and buildings were revalued this year.

Statement of Financial Position

- Revaluation Reserves have increased as a result of the land and buildings being revalued as at 1 January 2020, rather than the budgeted date of 1 July 2019, as it was considered the values were materially different to the current book value.
- Inventory - assets held for sale - had no budget, as this was for the Council subdivision, that had not been completed by 30 June 2020, but only 12 of the 33 sections had been sold at that date.
- The budget for Intangible Assets was included in the Property, Plant and Equipment budget.
- There was no budget for Short Term Deposits, as these deposits are primarily dependent on interest rates at the time of the deposit.
- The Current portion of borrowings was higher than budget, as the maturity dates for borrowings are partly dependent on interest rates at the time of the borrowing.

Note 30 District Licensing Committee Disclosure

	2019/20	2018/19
<u>Income from Fees:</u>		
Licence Applications	\$32,085	\$31,370
Liquor Licencing Authority Levies	\$1,508	\$2,345
Total Income	\$33,593	\$33,715
<u>Expenditure:</u>		
Licencing Inspectors	\$47,767	\$40,255
District Licensing Committee Fees	\$3,009	\$2,144
Liquor Licencing Authority Levies	\$1,330	\$2,345
Other operating Costs Relating to Enforcement	\$1,415	\$2,158
Total Expenditure	\$53,520	\$46,902

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.

Note 31 Joint Committee – Central Landfill

During the 2017/18 year the Council agreed with South Taranaki District Council (STDC) and New Plymouth District Council (NPDC) tasked with developing a new landfill and operating it following the closure of the Colson Road Landfill. Each Council's share of capital contributions, distribution of any operating surplus or apportionment of any operating deficit has been agreed as follows: NPDC 66.4%, STDC 27.1% and SDC 6.5%. As at 30 June 2020, no additional capital contributions were made (2018/19: \$0 million)

In November 2018, the Joint Committee made the decision to suspend further development of the Central Landfill. Waste is now being disposed of at Bonny Glen, in the Rangitikei District, under a 35 year contract with Midwest Dipsosals Ltd who operate the landfill. As there was no alternative use for the proposed central landfill in Taranaki, all capital costs incurred have been written off to surplus or deficit, of which Council's share of capital costs for the year ended 30 June 2020 was \$23,346, after receiving a refund of a large portion of the original prepayment. As at 30 June 2020 an amount of \$1,950 has been retained by the central Landfill Joint Committee for Stratford District Council's share of future operational costs.

FUNDING IMPACT STATEMENTS

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Whole of Council)

	Annual Plan 2018/19	Actual 2018/19	Annual Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	6,031	6,101	6,253	6,274
Targeted rates	6,248	6,139	6,555	6,460
Subsidies and grants for operating purposes	1,821	1,864	1,902	2,049
Fees and Charges	2,165	1,871	2,249	1,906
Interest and dividends from investments	192	109	126	97
Local authorities fuel tax, fines, infringement fees, and other receipts	34	87	41	77
Total operating funding (A)	16,491	16,172	17,126	16,864
Applications of operating funding				
Payment to staff and suppliers	12,890	13,283	13,392	13,868
Finance costs	617	456	640	398
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	13,507	13,739	14,032	14,266
Surplus (deficit) of operating funding (A-B)	2,984	2,433	3,095	2,598
Sources of capital funding				
Subsidies and grants for capital expenditure	5,311	3,232	1,963	1,646
Development and financial contributions	-	62	-	47
Increase (decrease) in debt	857	440	(1,591)	1,000
Gross proceeds from sale of assets	3,234	-	4,360	1,907
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	18
Total sources of capital funding (C)	9,401	3,734	4,731	4,618
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	1,710	1,525	-	580
- To improve the level of service	5,562	1,159	2,240	902
- To replace existing assets	4,733	4,513	5,227	3,442
Increase (decrease) in reserves	380	(1,029)	358	2,292
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	12,385	6,167	7,825	7,216
Surplus (deficit) of capital funding (C-D)	(2,984)	(2,433)	(3,094)	(2,598)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement - Note

The funding impact statement is required under the Local Government Act 2002 Schedule and conforms to the Local Government (Financial Reporting) Regulations 2014.

Generally accepted accounting practice does not apply to the preparation of the funding impact statement as stated in Section 111(2) of the Local Government Act.

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Community Services)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,003	3,043	3,221	3,271
Targeted rates	14	16	14	16
Subsidies and grants for operating purposes	-	36	-	74
Fees and Charges	522	497	527	418
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	6	-	12	0
Total operating funding (A)	3,545	3,591	3,774	3,779
Applications of operating funding				
Payment to staff and suppliers	2,140	2,147	2,255	2,373
Finance costs	59	35	70	35
Internal charges & overheads applied	862	870	885	859
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,061	3,052	3,210	3,267
Surplus (deficit) of operating funding (A-B)	484	539	564	512
Sources of capital funding				
Subsidies and grants for capital expenditure	72	-	124	33
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	269	(34)	245	(33)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	341	(34)	369	(0)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	430	87	469	265
- To replace existing assets	8	32	3	70
Increase (decrease) in reserves	387	386	462	176
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	825	505	933	512
Surplus (deficit) of capital funding (C-D)	(484)	(539)	(564)	(512)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Roading)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties *	(6)	(8)	(7)	(6)
Targeted rates	2,907	2,915	2,990	3,049
Subsidies and grants for operating purposes	1,821	1,829	1,795	1,870
Fees and Charges	283	250	288	316
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	88	5	77
Total operating funding (A)	5,006	5,073	5,071	5,305
Applications of operating funding				
Payment to staff and suppliers - see note below	3,521	4,360	3,483	3,706
Finance costs	19	-	32	-
Internal charges & overheads applied	303	293	311	341
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,843	4,653	3,827	4,047
Surplus (deficit) of operating funding (A-B)	1,163	420	1,245	1,258
Sources of capital funding				
Subsidies and grants for capital expenditure	5,239	3,170	1,839	1,613
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	582	-	(29)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	18
Total sources of capital funding (C)	5,821	3,170	1,810	1,631
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	4,000	240	-	88
- To replace existing assets	3,348	3,405	3,353	2,815
Increase (decrease) in reserves	(364)	(55)	(299)	(13)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	6,984	3,590	3,055	2,890
Surplus (deficit) of capital funding (C-D)	(1,163)	(420)	(1,245)	(1,258)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Water Supply)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,917	1,792	2,064	1,832
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	-	5	-
Total operating funding (A)	1,919	1,792	2,068	1,832
Applications of operating funding				
Payment to staff and suppliers	985	984	1,032	642
Finance costs	303	197	337	187
Internal charges & overheads applied	267	296	274	360
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,555	1,477	1,643	1,190
Surplus (deficit) of operating funding (A-B)	364	315	425	642
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	921	573	625	(149)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	921	573	625	(149)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	330	144	420	62
- To replace existing assets	889	690	538	52
Increase (decrease) in reserves	66	53	92	379
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,285	888	1,050	493
Surplus (deficit) of capital funding (C-D)	(364)	(315)	(425)	(642)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Waste Water)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	725	730	873	877
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	70	53	71	89
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	3	0
Total operating funding (A)	796	783	947	966
Applications of operating funding				
Payment to staff and suppliers	365	357	442	376
Finance costs	41	27	70	29
Internal charges & overheads applied	148	168	152	221
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	554	552	664	627
Surplus (deficit) of operating funding (A-B)	242	231	283	340
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	349	240	972	21
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	349	240	972	21
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	387	278	1,038	56
- To replace existing assets	183	221	492	154
Increase (decrease) in reserves	21	(28)	(274)	151
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	592	471	1,255	360
Surplus (deficit) of capital funding (C-D)	(242)	(231)	(283)	(339)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Storm Water)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	327	329	355	353
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	1	-	2	-
Total operating funding (A)	328	329	357	353
Applications of operating funding				
Payment to staff and suppliers	113	106	115	51
Finance costs	20	10	28	14
Internal charges & overheads applied	92	104	95	130
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	225	220	238	195
Surplus (deficit) of operating funding (A-B)	103	108	119	158
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	204	-	151	336
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	204	-	151	336
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	223	15	228	358
- To replace existing assets	56	9	57	138
Increase (decrease) in reserves	29	85	(15)	(2)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	308	109	270	494
Surplus (deficit) of capital funding (C-D)	(103)	(108)	(119)	(158)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Solid Waste)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19	19	19	19
Targeted rates	698	703	709	702
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	80	115	81	121
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1	-
Total operating funding (A)	797	838	810	841
Applications of operating funding				
Payment to staff and suppliers	641	671	630	657
Finance costs	48	29	47	26
Internal charges & overheads applied	139	143	142	165
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	828	843	819	848
Surplus (deficit) of operating funding (A-B)	(31)	(6)	(9)	(8)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(45)	(41)	(43)	(39)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(45)	(41)	(43)	(39)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	12	-	52	-
Increase (decrease) in reserves	(87)	(47)	(104)	(47)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	(76)	(47)	(52)	(47)
Surplus (deficit) of capital funding (C-D)	31	6	9	8
Funding balance ((A-B) + (C-D))	0	0	0	(0)

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Democracy)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	957	962	1,003	1,069
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	60	54	60	86
Internal charges and overheads recovered	1,316	1,402	1,343	1,362
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	11	-
Total operating funding (A)	2,337	2,418	2,417	2,516
Applications of operating funding				
Payment to staff and suppliers	1,722	1,828	1,784	1,836
Finance costs	-	-	-	-
Internal charges & overheads applied	615	611	633	680
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,337	2,439	2,417	2,516
Surplus (deficit) of operating funding (A-B)	-	(21)	-	0
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	271	158	288	219
Increase (decrease) in reserves	(271)	(179)	(288)	(219)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	(21)	-	0
Surplus (deficit) of capital funding (C-D)	-	21	-	(0)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Economy)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	644	610	586	591
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	105
Fees and Charges	681	638	663	626
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	-	5	-
Total operating funding (A)	1,327	1,248	1,254	1,322
Applications of operating funding				
Payment to staff and suppliers	686	763	636	687
Finance costs	175	78	108	63
Internal charges & overheads applied	296	292	303	300
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,157	1,134	1,048	1,050
Surplus (deficit) of operating funding (A-B)	169	115	206	273
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(1,503)	1,755	(101)	(1,421)
Gross proceeds from sale of assets	3,234	-	-	1,907
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,731	1,755	(101)	486
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	1,710	1,525	-	580
- To improve the level of service	-	296	-	17
- To replace existing assets	171	-	15	-
Increase (decrease) in reserves	20	49	90	162
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,900	1,869	105	759
Surplus (deficit) of capital funding (C-D)	(169)	(114)	(206)	(273)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2020 (Environmental Services)

	Long Term Plan 2018/19	Actual 2018/19	Long Term Plan 2019/20	Actual 2019/20
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,099	1,105	1,082	981
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	455	451	464	515
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	11	-
Total operating funding (A)	1,559	1,556	1,558	1,495
Applications of operating funding				
Payment to staff and suppliers	912	715	891	765
Finance costs	-	-	1	-
Internal charges & overheads applied	640	655	657	709
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,552	1,370	1,549	1,475
Surplus (deficit) of operating funding (A-B)	7	186	8	20
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	60	56
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	60	56
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	61	56
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	7	186	7	20
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	7	186	68	76
Surplus (deficit) of capital funding (C-D)	(7)	(186)	(8)	(20)
Funding balance ((A-B) + (C-D))	0	0	0	0

ANNUAL REPORT DISCLOSURE STATEMENT

Annual report disclosure statement for year ending 30 June 2020.

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.

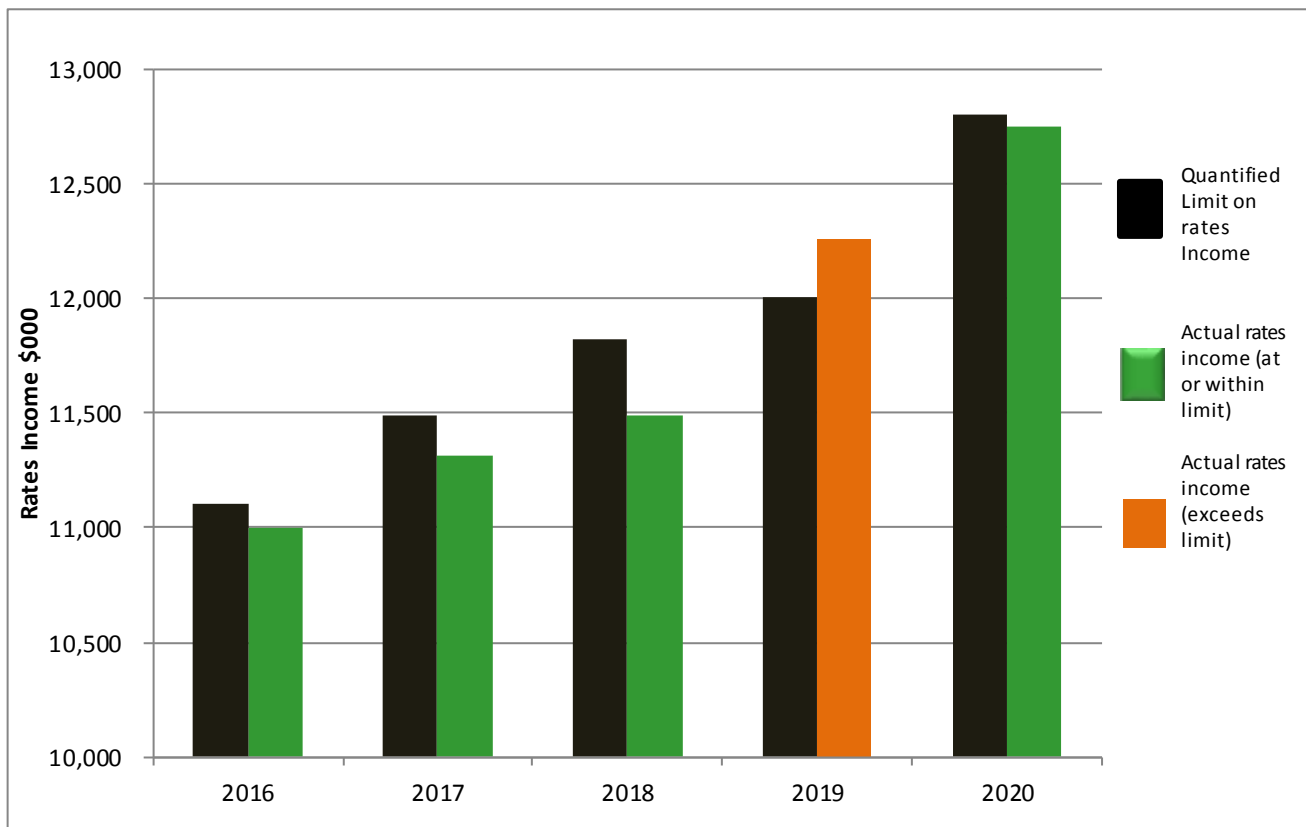
Rates affordability benchmark

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.

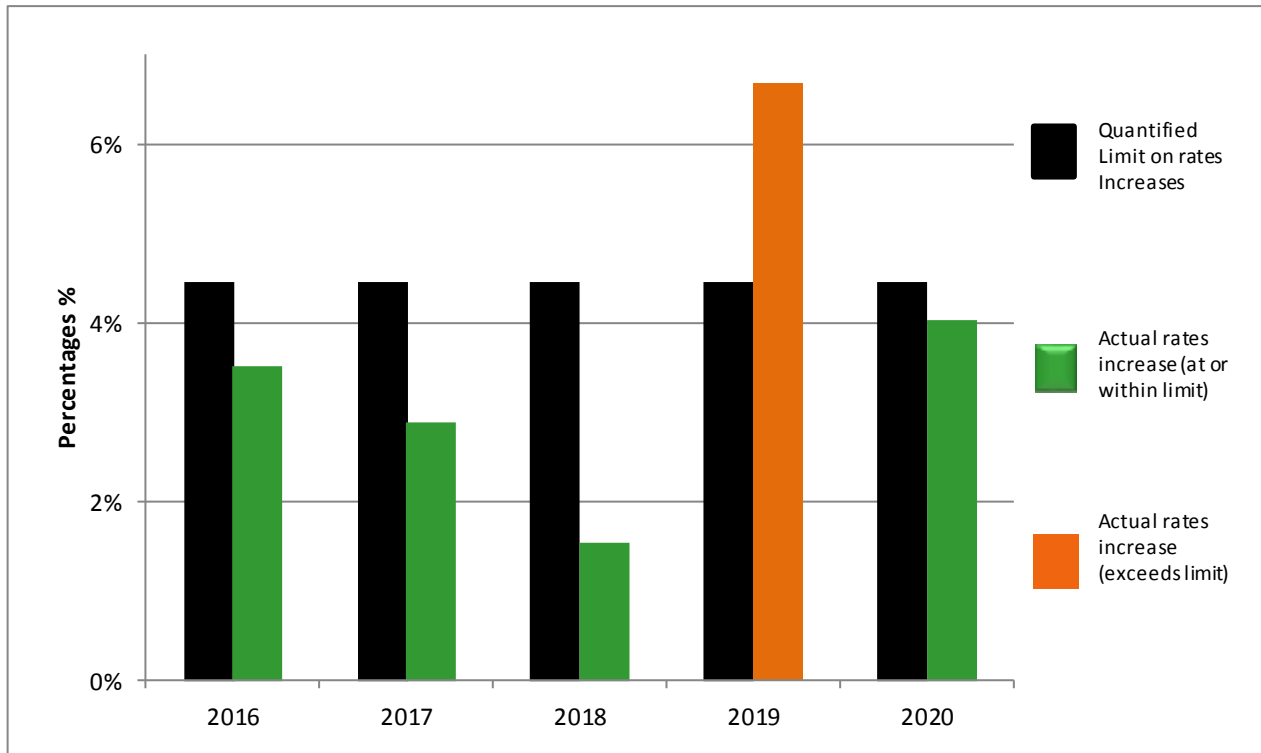
Rates (income) affordability

The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2018 which is the previous year's rates plus 4.45%.



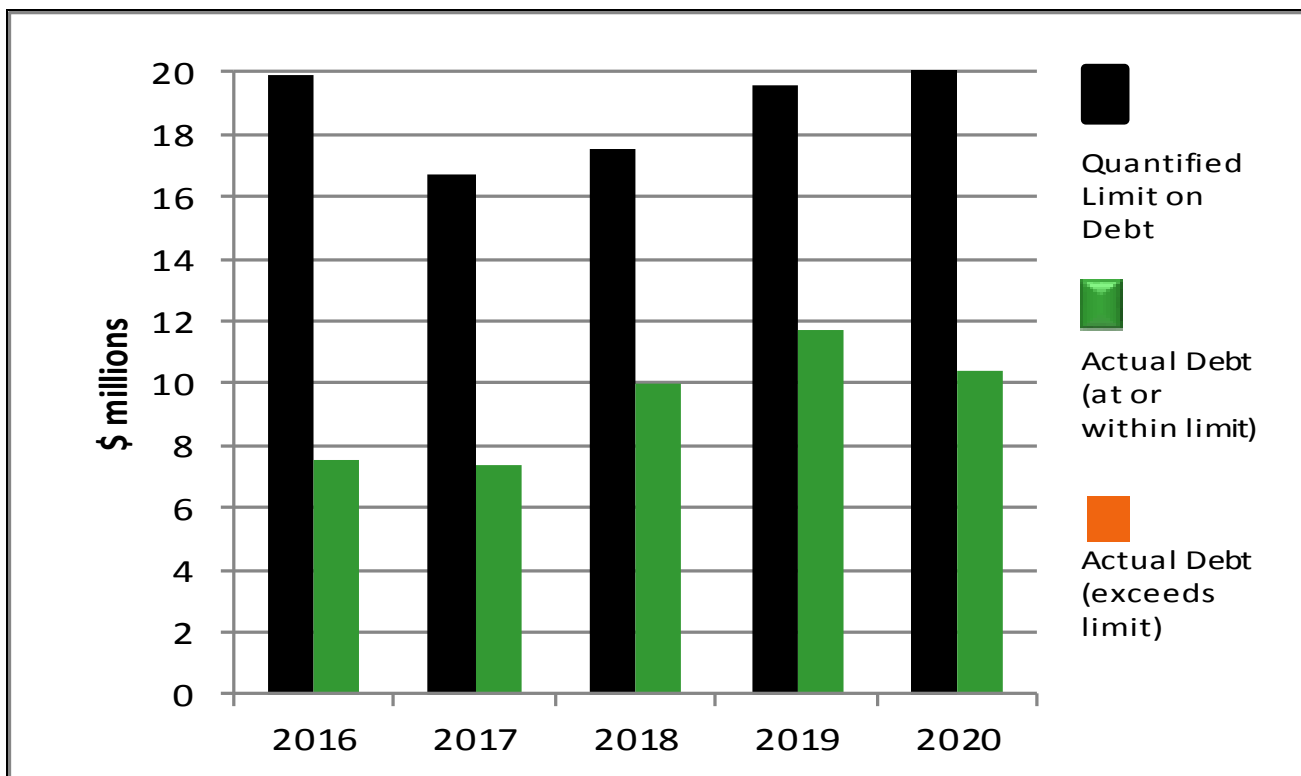
Rates (increases) affordability

The following graph compares the year-on-year actual, and the LTP limit (4.45%), percentage increase in the Council’s total rates income. The percentage increase limit is calculated using the increase in income from the previous year.



Debt affordability benchmark

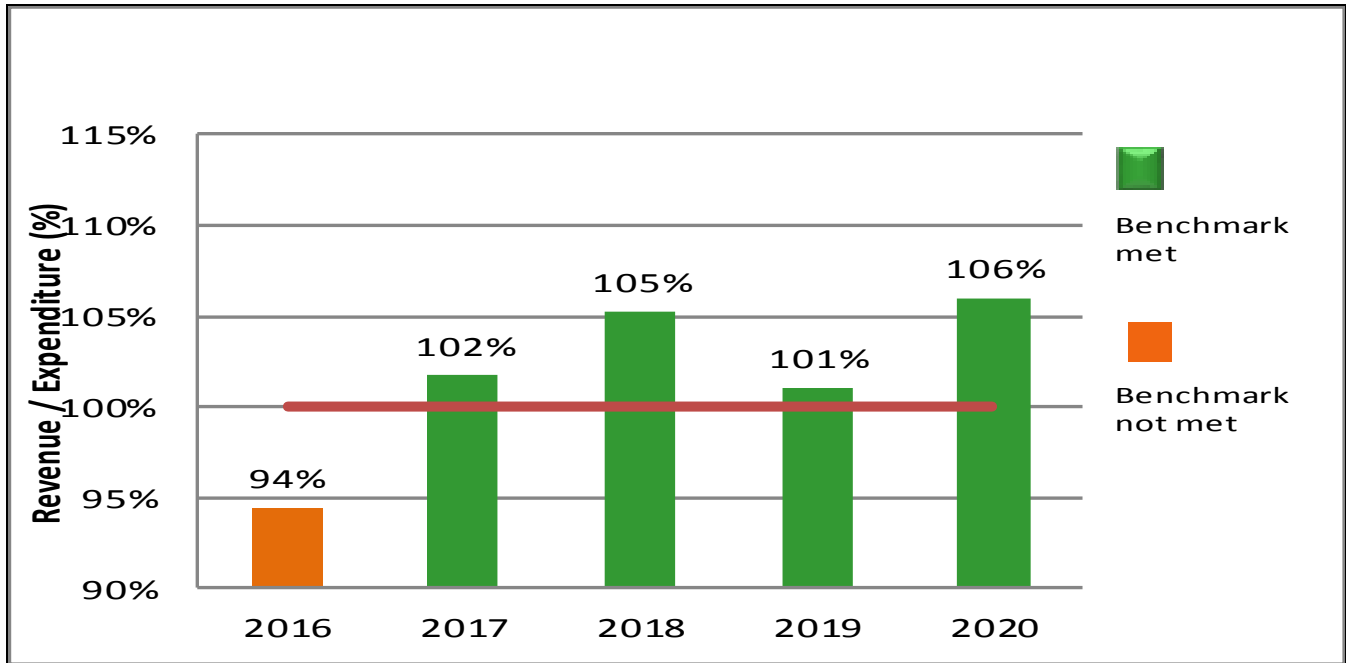
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit is net debt (total borrowings minus cash holdings) to operating revenue (excludes vested assets) will be less than 100%, expressed in \$ terms.



Balanced budget benchmark

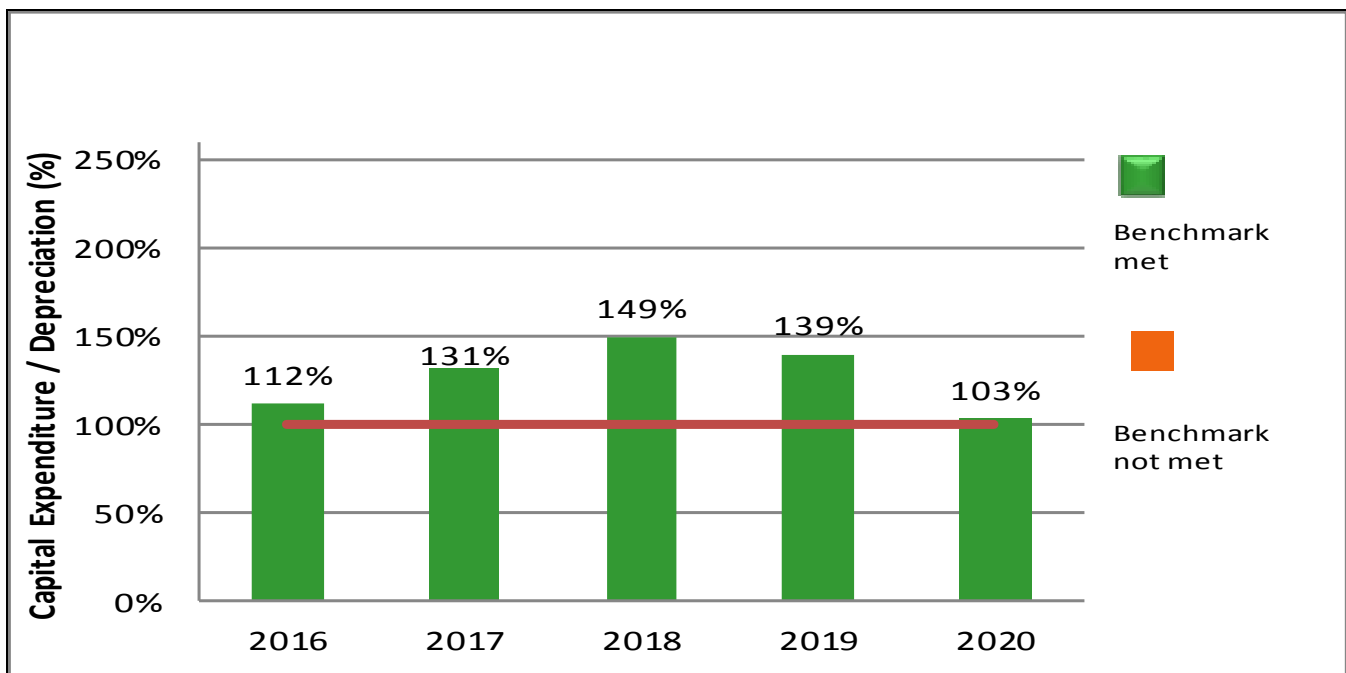
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

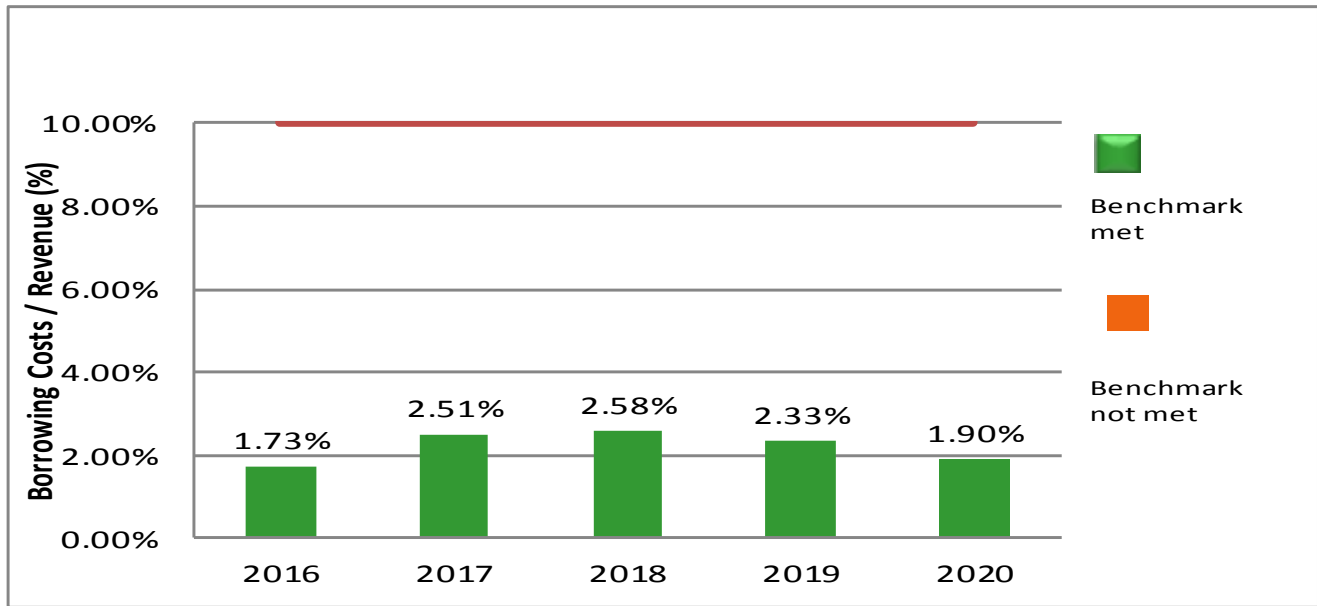
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

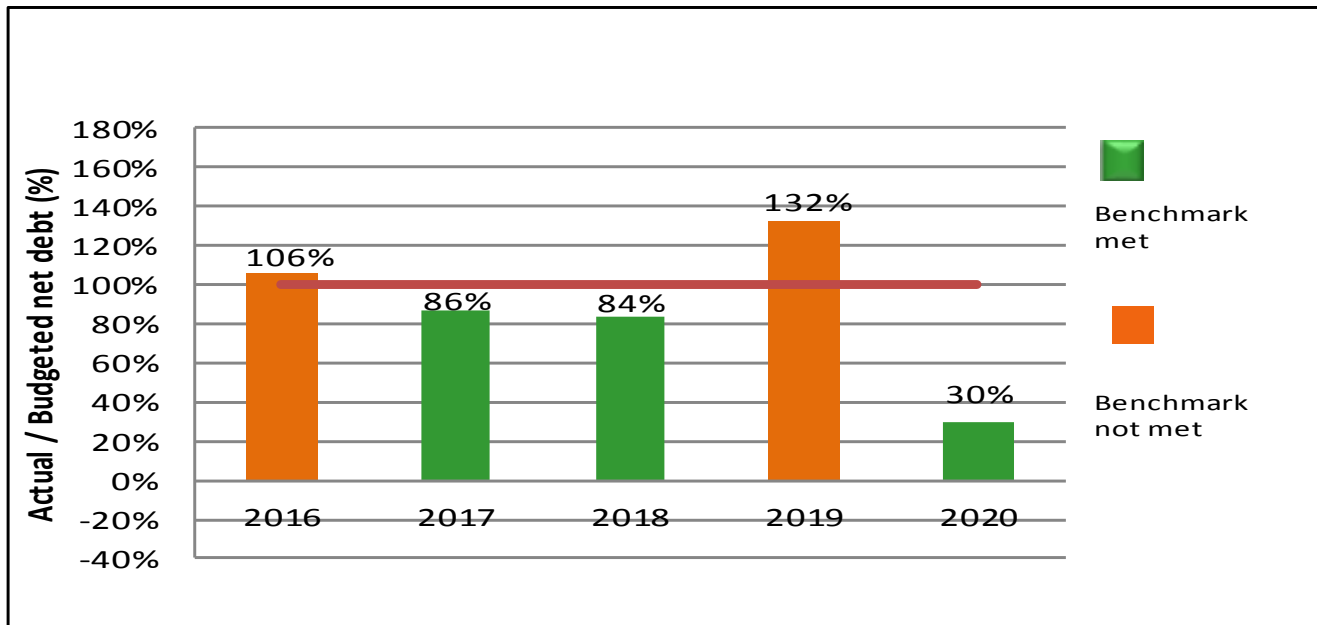
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



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.

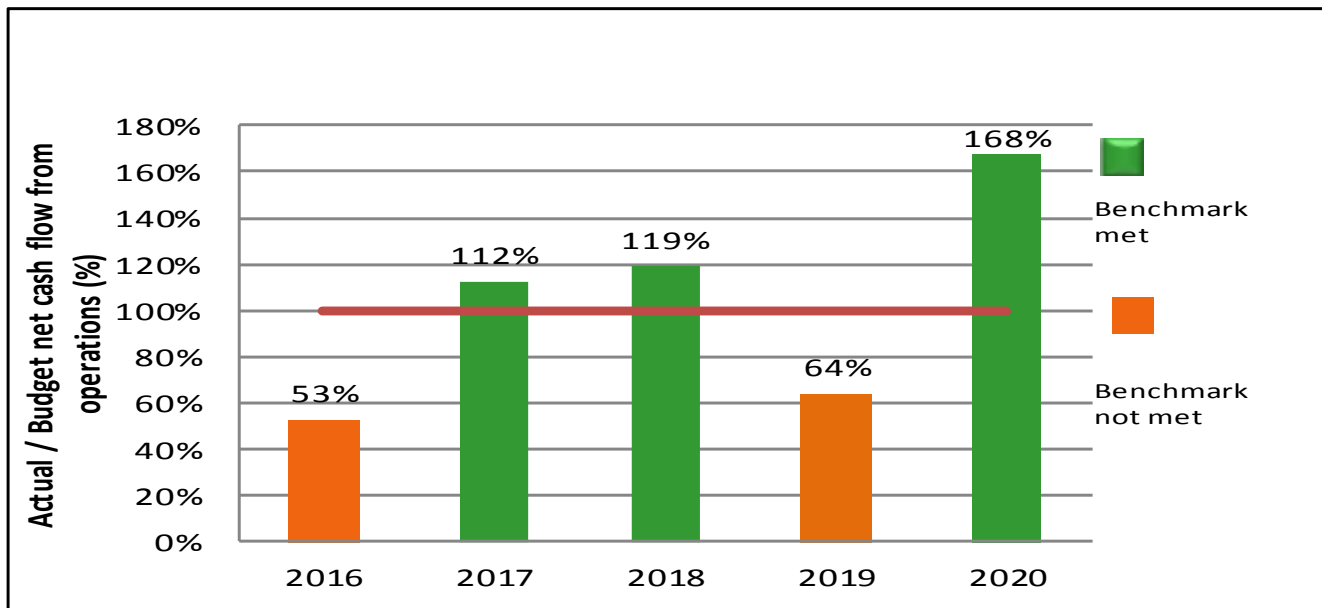
The net debt for 2016 was affected by Council Debt Reserves being used to fund excess Rooding costs associated with the 2015 storm event. In 2018/19, property asset sales, including subdivision sales, were expected to come through but due to delays, the sales receipts are in 2019/20 where it is expected the debt will be repaid.



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* as per the Statement of Cash Flows. The council meets the operations control benchmark if its actual *net cash flow from operations* **equals or is greater** than its planned *net cash flow from operations*.

In 2019 the Council did not achieve the benchmark due to grants revenue of \$4m relating to a capital expenditure project not materialising. This contributed significantly to net cash from operating activities being \$8.4m for the year, instead of the \$5.0m planned.





AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Stratford District Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of Stratford District Council (the District Council) and its subsidiary and controlled entities (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 13 October 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 3, 81 to 123:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime;
- the funding impact statement on page 124, 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's Annual plan;

- the statement of service provision on pages 17 to 80:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - 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; and
- the statement about capital expenditure for each group of activities on pages 125 to 133, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council 's Long-term plan; and
- the funding impact statement for each group of activities on pages 125 to 133, 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 's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 134 to 138, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council 's long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Stratford District Council as set out in the Covid-19 Impact Disclosure on page 3 of the financial statements and pages 19 to 20 of the statement of service provision.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our

responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 2, 4 to 16, and 78 to 80 but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

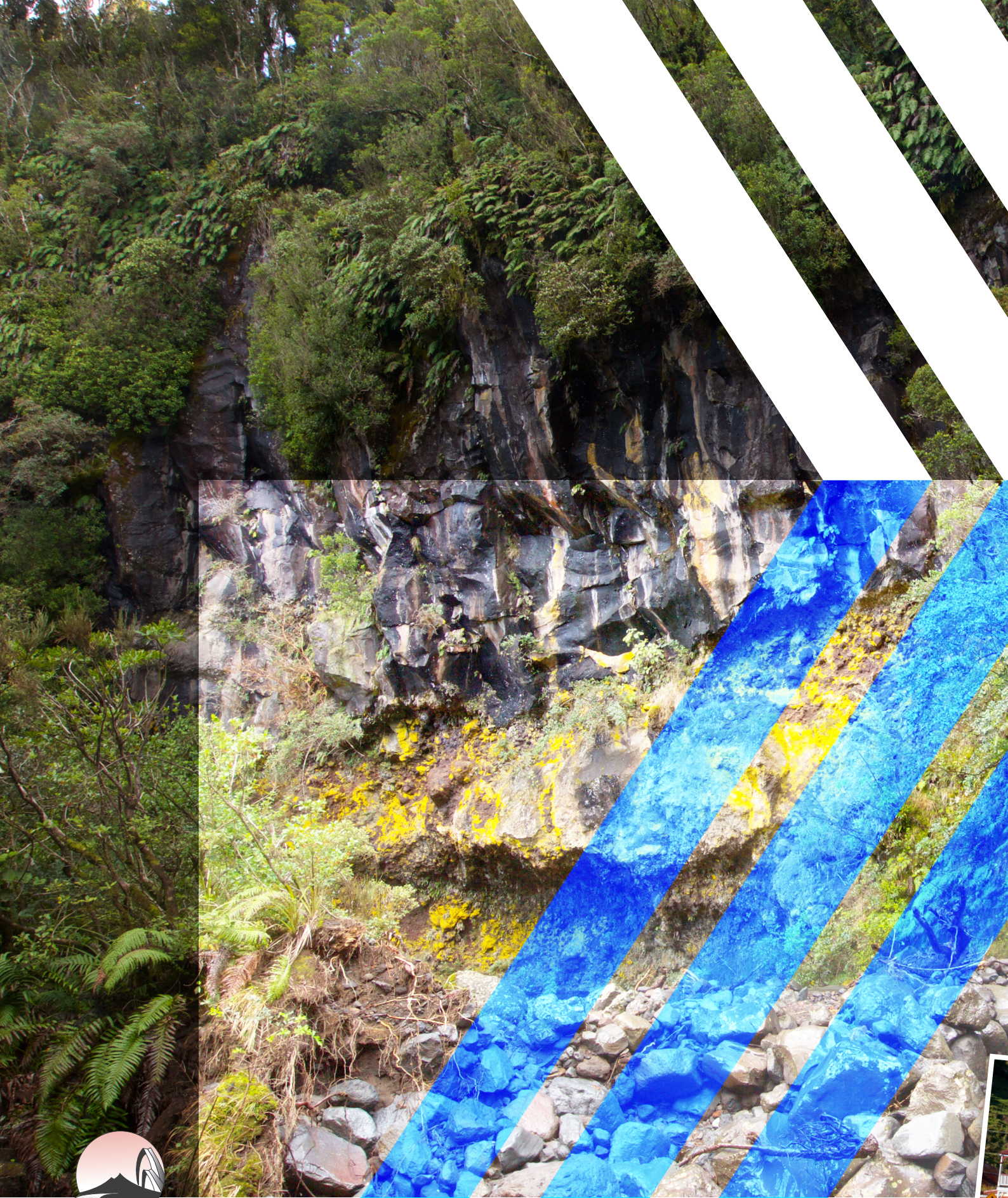
Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
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DISTRICT COUNCIL

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