

Stratford District Council

# Annual Report

2014/15



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# MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We are pleased to present this Annual Report that is Council's summary of how it has performed compared to what we told you we had planned in our Long Term Plan 2012 to 2022 and 2014/15 Annual Plan.

The Taranaki Region and the Stratford District have economically punched well above their weight over the past few years. The lull in oil and gas activities, as well as the reduced Fonterra dairy payout, has impacted on residents and businesses throughout the district.

The development of the new multimillion dollar Countdown Stratford store which opened in June provided 75 new jobs in Stratford. Along with providing employment this also offers residents a wider choice as well as attracting shoppers from outside the district. A range of other new businesses have also been established during the year, others have expanded or moved to bigger premises.

The affordability of Stratford remains a strong draw card reflected in an increase in buyers from outside the district. Council facilities have shown a matching trend with facilities, such as the TSB Pool Complex, experiencing a significant increase in visitors over the 2014/15 year.

The June storm event caused widespread damage and flooding across the region. The storm led to the declaration of a Civil Defence Emergency throughout Taranaki. Significant damage occurred to Stratford's rural roading network with the Eastern Hill Country seeing most of the damage. While the event has passed the repair effort will continue for many months to come.

Council achieved a strong performance on delivery of its projects and programmes. During the 2014/15 year a number of projects were completed. These projects included replacement of key infrastructure such as the new Midhirst water treatment plant and strengthening of forestry roads in preparation for future harvesting. Other projects completed included installation of new public toilets in Whangamomona, the cleaning of the Stratford Reservoir as well as the Broadway beautification project involving hanging flower baskets and painted power boxes.

Stratford District Council has continued its focus on ensuring value for money through the provision of shared services and the effective use of technology. Completion of the new shared services rubbish contract will see the frequency of recycling more than doubled due to changing from monthly to fortnightly collections and the range of accepted materials for recycling broadened. The new contract includes transfer station changes involving a better disposal methodology and acceptance of hazardous materials, removing them from the waste stream.

New web based services have been introduced allowing residents to make online payments for a number of Council services including rates, water billing and the ability to track building and resource consents.

Additional highlights include the adoption of the Long Term Plan (LTP) 2015-2025 which outlines the community's priorities over the medium to long term. The Council achieved its building consent authority re-accreditation. Council ran a number of successful events including the ANZAC Day civic service and Youth Week involving a number of events celebrating youth.

## Operating Results

There was an Operating Surplus of \$799,000 compared to a budget surplus of \$977,000. This surplus is higher than 2013/14 which was \$496,000. The cost of roading maintenance was higher than budgeted which was offset by additional NZTA subsidies.

## General Performance

Responses from our annual customer survey showed a high level of satisfaction. Council replaced the Broadway public toilets last year and is now planning for improvements to other toilets where the survey has identified a low satisfaction score. Once again good responses were received on Stratford being an attractive place to live (94% agreed), Stratford being a safe place (97% agreed), and Stratford offering a healthy lifestyle (97% agreed). We also asked our community to provide us with issues we should be addressing for the upcoming Long Term Plan.

Performance around Targets was generally met with 81.25% of targets being achieved (2013/14 72.5%).

Council developed and adopted the Infrastructure Strategy and the Financial Strategy, which were key strategies for the Long Term Plan.

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



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

Matt O'Mara  
**CHIEF EXECUTIVE**



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

Neil Volzke, JP  
**DISTRICT MAYOR**

# OUR COUNCIL

## Mission Statement

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

## Our Vision

A prosperous growing district, where communities count.

## 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

The purpose of Council is to deliver good quality local infrastructure, local public services, and performance of regulatory functions.

These community outcomes are detailed below:

COMMUNITY OUTCOME	WHAT COUNCIL'S ROLE IS
Affordable quality services and facilities	<ul style="list-style-type: none"> <li>• Effective, efficient, safe and reliable infrastructure is provided and maintained.</li> <li>• High quality communication systems, information technologies', and distribution networks are advocated for.</li> <li>• Provision of a roading network and system that is safe and responsive.</li> <li>• Advocate for a public transport system that is reliable, safe and accessible to all who need it.</li> <li>• Provide social, recreational and cultural facilities.</li> </ul>
Prosperous urban and rural business environment	<ul style="list-style-type: none"> <li>• Ensure Stratford is an attractive place to work, do business and visit.</li> <li>• Ensure Stratford's strengths are recognised and diversification of business and industry is valued and encouraged.</li> <li>• Support information centres for the provision of tourist information.</li> <li>• Encourage development and population growth.</li> </ul>
Sustainable use and enjoyment of the natural environment	<ul style="list-style-type: none"> <li>• Sustainable use, development and protection of resources is encouraged.</li> <li>• Provide water, sewerage and refuse systems that minimise the Negative Effects of their activity.</li> </ul>
Attractive and safe built environment	<ul style="list-style-type: none"> <li>• Ensure the built environment and environmental amenities are of a high standard and contribute to the well-being of the communities.</li> <li>• Take an integrated approach to settlement.</li> </ul>
A district with a clear identity where people of all cultures experience a sense of inclusive community	<ul style="list-style-type: none"> <li>• Ensure Stratford's heritage is identified, recognised and protected.</li> <li>• Ensure the place of Māori is recognised and respected.</li> <li>• Ensure people feel valued and supported and have a sense of belonging.</li> <li>• Ensure people have access to and are encouraged to participate in a wide range of recreational, sport, leisure, art and cultural activities.</li> </ul>

# Council Structure

## ELECTED MEMBERS

Council consists of a District Mayor and ten Councillors.

### DISTRICT MAYOR

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

### URBAN WARD

Deputy Mayor Alan Jamieson  
Phone: (06) 765 4220  
Mobile: 027 445 5196  
Email: a.t.jamieson@xtra.co.nz

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

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

Councillor Kelvin Squire  
Phone: (06) 765 8226  
Mobile: 027 458 3777  
Email: squirekc@xtra.co.nz

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

Councillor Jonathan (Jono) Erwood  
Mobile: 027 640 4008  
Email: jono.julie@xtra.co.nz or  
Jonathan.erwood@police.govt.nz

### RURAL WARD

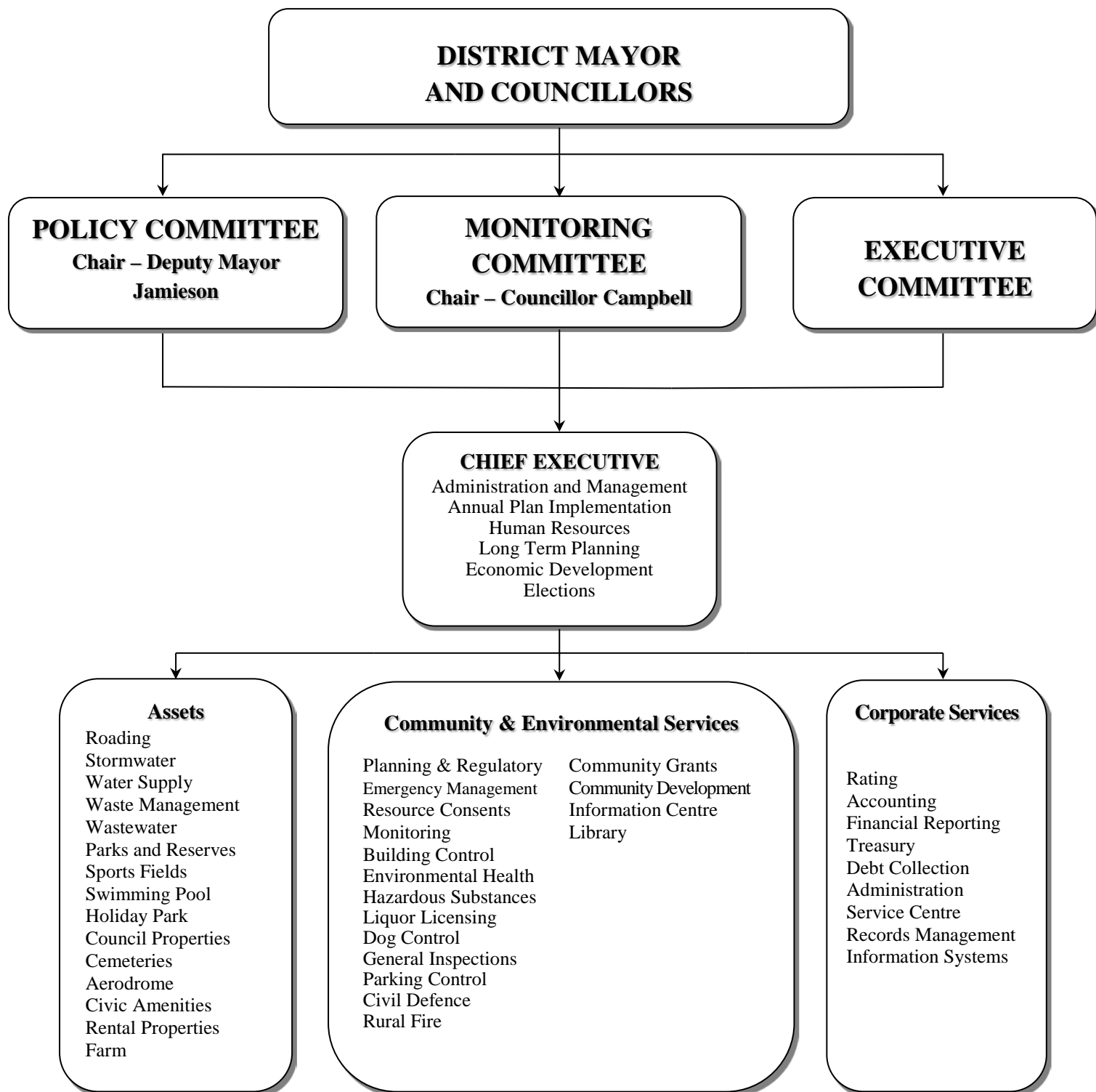
Councillor John Campbell  
Phone: (06) 765 5428  
Email: campbellsjag@xtra.co.nz

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

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

Councillor Graham Kelly  
Phone: (06) 765 8003 (Home)  
Phone: (06) 765 7676 (Bus)  
Email: Kelly.rg@vodafone.co.nz

# Council Governance





# HIGHLIGHTS

The purpose of this Annual Report is to outline the financial performance for the 2014/15 year, identify any changes from the 2012-2022 Long Term Plan (LTP), and 2014/15 Annual Plan, contribute to the accountability of the Council to its community, and extend opportunities for participation by the public in decision-making processes.

<b>RATING BASE and STATISTICAL INFORMATION</b>	
<b>Rating Base Information</b>	
<b>Rating units within Stratford District Council at the end of the preceding financial year (30 June 2014)</b>	
- Number of Rateable Assessments	4,939
- Total Number of Rating Units	5,269
<b>Valuations of the district (including non rateable)</b>	
- Land Value of Rating Units	\$1,811,000,000
- Improvements	\$1,025,300,000
<b>- Total Capital Value of Rating Units</b>	<b>\$2,836,300,000</b>
<b>Statistical Information</b>	
	<b>30 June 2015</b>
<b>Land Area</b>	2170 sq km
<b>Population (as per 2013 census)</b>	8,988
<b>Public Debt / Term Liabilities</b>	\$5,340,000
<b>Debt per Head of Population</b>	\$594
<b>Debt per Rateable Assessment</b>	\$1,081.19
<b>Debt Servicing as a Percentage of Rate Revenue (max 20%)</b>	3.20%
<b>Full Time Permanent Staff at 30 June 2015</b>	34
<b>Roads</b> - Sealed	391.1 km
- Unsealed	206.7 km

The operating result for the year ended 30 June 2015 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

<b>FINANCIAL</b>			
<b>For the years ended:</b>	<b>30-Jun-15</b>	<b>30-Jun-15</b>	<b>30-Jun-14</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Revenue</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
- Rates	10,273	10,207	10,079
- All Other Revenue	5,915	5,692	5,544
<b>Total Revenue</b>	<b>16,188</b>	<b>15,899</b>	<b>15,623</b>
<b>Total Operating Expenditure</b>	<b>15,389</b>	<b>14,922</b>	<b>15,128</b>
<b>Net Surplus (Deficit)</b>	<b>799</b>	<b>977</b>	<b>496</b>
<b>Capital Expenditure</b>	6,000	6,423	6,705
<b>Working Capital</b>	3,139	448	4,125
Current Ratio (Budget not to be less than 1:1)	2.63:1		3.36:1
<b>Public Debt per Head of Population</b>	\$594.13		\$594.13
<b>Rates per Head of Population</b>	\$1,143.01		\$1,121.37

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 \$304.4 million to \$305.0 million, an increase of \$0.6 million. This correlates to the surplus before tax.

### Financial Strategy

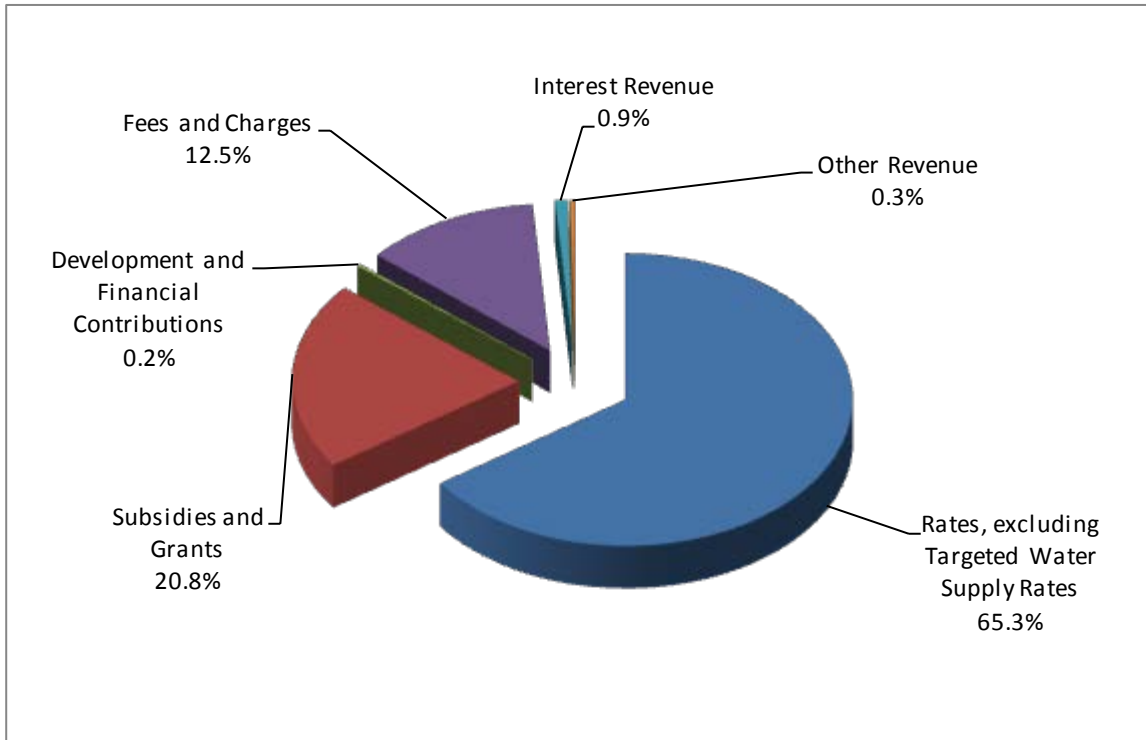
Council sets its financial strategy to what is seen as affordable for Council and the ratepayers. This involves a balancing act of delivering services while keeping the income required affordable. To achieve this goal Council sets some key targets in its Long Term Plan to measure the financial strategy.

		<b>Council's Target (limits)</b>	<b>LTP – 2014/15</b>	<b>Actual – 2014/15</b>
<b>Debt Levels</b>	Debt Servicing as a % of rates	<20%	3.86%	3.32%
	Debt/Equity Ratio	<10%	2.06%	1.75%
<b>Income &amp; Affordability</b>	% Rates Increase	<6%	4.63%	1.92%
	Uniform Annual General Charge (UAGC)	Between 24-26%	26.68%	24.58%
	% of Funding Other than Rates	>50%	50.58%	52.93%

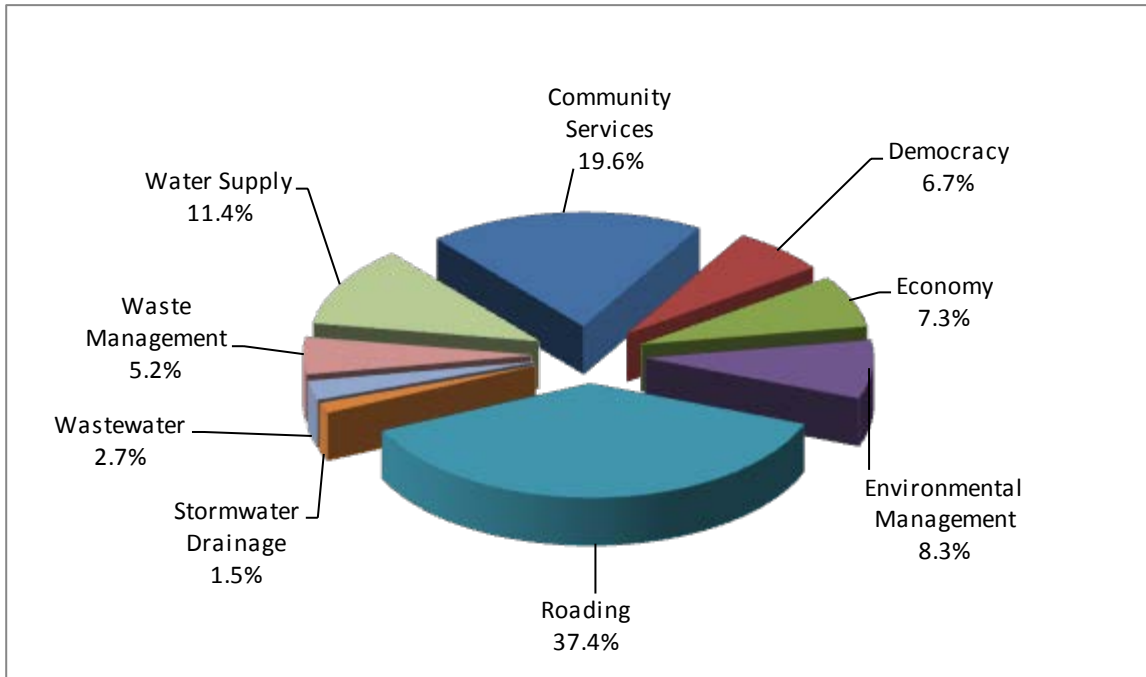
Net debt levels are within the targeted limits. Council has borrowing of \$5.34 million at an interest rate of 4.72%. This borrowing was in excess of the amount required, and the unallocated amount of \$0.46 million has been invested until required.

# Financial Overview

## SOURCE OF REVENUE – COUNCIL ONLY



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



# VARIATIONS TO THE ANNUAL PLAN

The following table shows the variances to the Annual Plan for the year ended 30 June 2015.

	Actual \$000	Budget \$000	Variance \$000	Variance %
<b>Net Operating Cost</b>				
Community Services	2,550	2,628	78	2.95%
Democracy	957	910	(47)	-5.14%
Economy	575	523	(53)	-10.04%
Environmental Management	895	776	(119)	-15.34%
Roading	2,206	2,441	235	9.62%
Stormwater Drainage	224	225	2	0.67%
Wastewater	370	377	7	1.86%
Waste Management	697	801	105	13.07%
Water Supply	1,379	1,112	(267)	-23.97%
<b>Total</b>	<b>9,852</b>	<b>9,793</b>	<b>(59)</b>	<b>-0.61%</b>
<b>Capital Expenditure</b>				
Roading	3,636	3,184	(452)	(14.19%)
Stormwater	112	50	(63)	(126.41%)
Water Supply	1,156	775	(381)	(49.21%)
Waste Management	37	-	(37)	(100.00%)
Wastewater	237	745	509	68.24%
Parks and Reserves and Cemeteries	213	299	86	28.87%
Property	408	1,199	790	65.93%
Other	200	171	(29)	(17.09%)
<b>Total</b>	<b>6,000</b>	<b>6,423</b>	<b>423</b>	<b>6.58%</b>

## Operating Costs

### Community Services

Net operating costs were less than budget primarily due to the increase in pool revenue of \$47,000.

Civic amenities expenditure was also less than budget as not all building maintenance that was budgeted was actually required.

### Democracy

Net operating costs were over budget due to the costs associated with the recruitment of a new Chief Executive.

### Economy

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

### Environmental Management

Net operating costs are down partly due to the reduced activity in the building and resource consent areas, generating less revenue than budget.

### Roading

Net operating costs are less than budget as NZTA financial assistance was received on capital expenditure that was carried over from 2013/14.

### Waste Management

A contribution of lower than expected landfill charges due to the extension of the life of Colson Road landfill, as well as associated carbon credits being available at a cheaper rate than anticipated, this activity came in below budget.

### Water Supply

Commissioning of the new plants continues and caused operational costs to exceed budgets. These are expected to return to within budget once initial commissioning teething issues are resolved.

# VARIATIONS TO THE ANNUAL PLAN

## Capital Expenditure

### Roading

The capital expenditure is over budget as there were funds carried forward from 2013/14 which were utilised during 2014/15.

### Stormwater

Additional stormwater upgrades were undertaken during the year, funded by unspent monies from 2013/14.

### Water

Additional expenditure was for costs relating to the new Stratford Water Treatment plant that was constructed in 2013/14.

### Waste Management

This expenditure was for an unplanned replacement of a five metre high sliding door that failed.

### Wastewater

The discharge consent for the effluent upgrade was delayed so that the project will now be completed in 2015/16.

### Parks and Reserves

This is under budget as it was determined that the new Sports Ground development was not needed at present.

### Property

This was under budget as the Library Upgrade Project was delayed to 2015/16 due to additional funds being required.

# 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 2015



Chief Executive  
M O'Mara  
13 October 2015



# 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 Management</i>	Building Control	
	Dog Control	
	Emergency Management	Rural Fire Civil Defence Emergency Management
	Environmental Planning	District Plan Resource Consents
	Environmental Services	Bylaws Health Liquor Licensing
<i>Roading</i>		
<i>Stormwater</i>		
<i>Wastewater (Sewerage)</i>		
<i>Waste Management</i>		
<i>Water Supply</i>		

The group of activities contribute predominantly to the following outcomes:

<b>Group of Activities</b>	<i>Affordable quality services and facilities</i>	<i>Prosperous urban and rural business environment</i>	<i>Sustainable use and enjoyment of the natural environment</i>	<i>Attractive and safe built environment</i>	<i>A district with a clear identity where people of all cultures experience a sense of inclusive community</i>
Community Services	✓			✓	✓
Democracy	✓	✓	✓	✓	✓
Economy	✓	✓	✓	✓	✓
Environmental Management		✓	✓	✓	✓
Roading	✓	✓	✓	✓	
Stormwater	✓	✓	✓		
Wastewater (Sewerage)	✓	✓	✓		
Waste Management	✓	✓	✓		
Water Supply	✓	✓	✓		

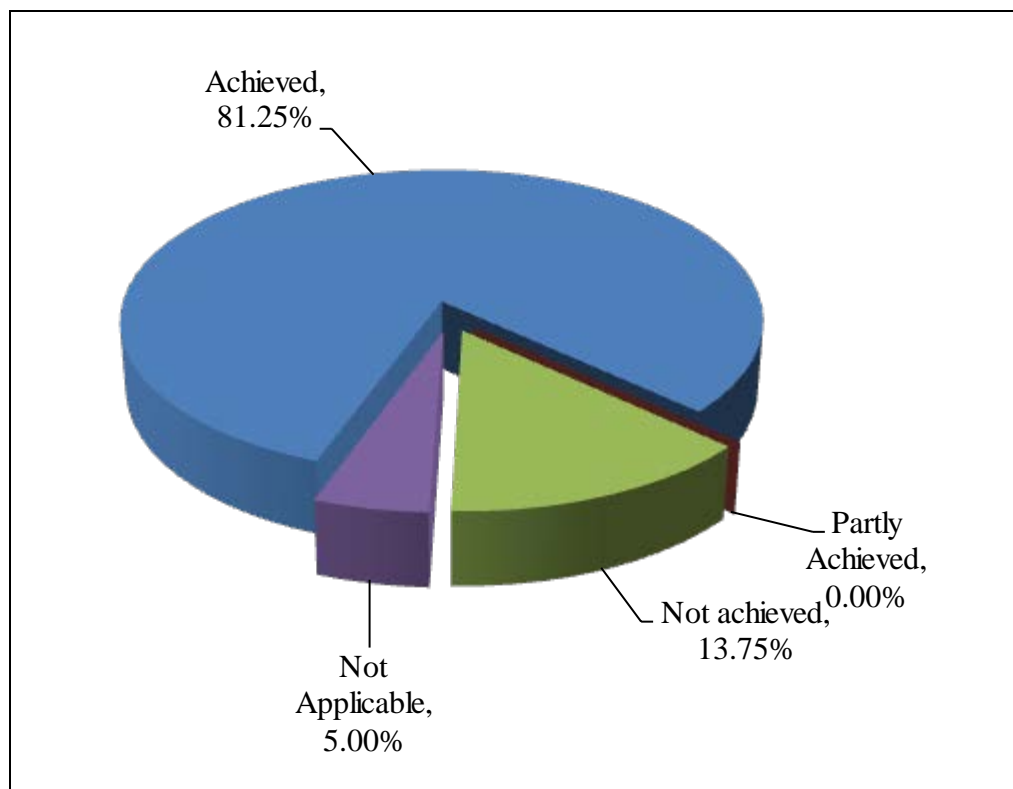


## Performance Reporting

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.  
Or where a long-term level of service is targeted, the results for the year are in keeping with the required trend to achieve the intended level of service.
- Partly Achieved** Some outputs contributing to the intended level of service have been achieved (eg. three workshops held of the four initially proposed).  
Or the result for the year is between 50% and 75% of the intended level of service.
- Not Achieved** None of the required actions have been undertaken.  
Or the result for the year is less than half of the intended level of service.  
Or where a long-term level of service is targeted, the results for the year are contrary to the required trend to achieve the intended level of service.
- Not Applicable** No action was required during the year.

### Performance Measures Pie Chart



## Performance Measures Not Achieved

Activity	Reason
Civic Amenities	The bookings of the War Memorial Centre have not reached expected levels.
Rental and Investment Properties	The patronage at the Holiday Park has not reached the target. The lease for this facility is coming to an end and Council is looking to make improvements to this facility.
Roading	<p>Road roughness surveys are only undertaken every two years. The result of the most recent survey (2013/14) met the Council benchmarks for the roughness of urban and rural roads. Early indicators are that due to reduced funding the roughness of urban roads may now exceed targets. This will be confirmed in the next roughness survey scheduled for 2015/16.</p> <p>The annual metalling programme got disrupted by the two storm events towards the end of the year as contractors were diverted to clean-up tasks. The shortfall of metalling is being addressed by the flood recovery works.</p> <p>Permanent rehabilitation was undertaken to a similar level as the previous year but remained well short of Council's targets. This shortfall is due to a lack of budget availability.</p> <p>The focus of the water tabling programme shifted from general water table clearing to the restoration of specific deep water tables, hence less distance was covered. This shift had been discussed with Council.</p>
Water Supply	The number of unplanned disruption was more than the target. Council has increased renewal funding to accelerate the rate of renewals and bring performance back within acceptable margins.
TSB Pool	The number of reported accidents and incidents is predominantly due to slipping. A new non-slip surface has been budgeted for and will be installed alongside a number of other repairs and improvements in early 2015/16. Pool admissions increased in comparison to the previous year, but have yet to meet the target. The pool runs a number of events and activities in an attempt to increase admission numbers.
Environmental Planning	Rolling review of District Plan. Not achieved because it was considered more efficient and effective to do a comprehensive review and address all issues at once.
Library	Use of the Library is changing and the use of internet facilities is more popular than taking out a book.
Information Centre	The decline in usage remains due to static tourism activity and tourists using the internet for key information.

## Community Services

### Aerodrome

#### 1.1 Nature and Scope of Activity

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 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Aerodrome development	Replacement	\$26,500	\$0	This budget will be used in 2015/16 as a contribution to the Stratford Aero Club for works associated with a new fuel facility. The balance was used to fund urgent improvements on the Council farm.
Aerodrome – Access Rd	Level of Service	\$0	\$18,965	This had a budget of \$50,000 carried over from 2013/14; however this was used to fund urgent improvements on the Council farm.
Upgrade land drainage/fuel area	Replacement	\$0	\$0	This had a budget of \$25,000 carried over from 2013/14, and will be used in 2015/16 as a contribution to the Stratford Aero Club for works associate with a new fuel facility.

#### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
Results of user or 'customer satisfaction' surveys	A high level of satisfaction.	<b>Achieved - 92.5%</b> (2013/14 Achieved 72%)	>70%

#### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

##### Positive Effects / Community Outcomes

This activity contributes to the district's cultural and social well-being and the community outcomes of:

- affordable quality services and facilities;
- attractive and safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

### 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.

### 1.5 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

### Aerodrome

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
68	<b>Operating Expenditure</b>	65	69
59	<b>Revenue</b>	21	19
<b>9</b>	<b>Net Cost of Service</b>	<b>44</b>	<b>51</b>
	<b>EXPENDITURE</b>		
46	Operating Costs	42	48
-	Depreciation	1	-
21	Allocated Overheads	22	21
<b>68</b>	<b>Total Operating Expenditure</b>	<b>65</b>	<b>69</b>
11	Capital Expenditure	19	27
<b>79</b>	<b>Total Expenditure</b>	<b>84</b>	<b>96</b>
	<b>FUNDED BY:</b>		
59	Charges for Services	21	19
<b>59</b>	<b>Total Revenue</b>	<b>21</b>	<b>19</b>
-	General Rates	49	50
11	Transfers from Reserves - Capital	19	27
-	Other Funding	-	1
<b>70</b>	<b>Total Funding</b>	<b>89</b>	<b>96</b>

## Civic Amenities

### 1.1 Nature and Scope of Activity

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

### 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Bus Shelters	Level of Service	\$40,000	\$0	This project will be done in conjunction with the Library and Prospero Place upgrade
War Memorial Centre – Flooring	Replacement	\$31,800	\$43,677	This was over budget; however the replacement of the blinds and curtains was deferred so that reassigned budget could be used to cover the shortfall.
War Memorial Centre – Replace blinds /curtains	Replacement	\$11,100	\$0	This budget was used for the War Memorial Centre flooring
Pensioner Housing – New conservatories	Level of Service	\$0	\$12,877	Two further conservatories were added to the units to enhance the use of these units
Whangamomona Upgrade	Level of Service	\$100,000	\$92,729	This project has been substantially completed with the installation of new exeloes and other minor items to enhance the town. The balance of the project will be completed in 2015/16

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To provide facilities that are well maintained and utilised.	Leased buildings Comply with building WoF.	<b>Achieved</b> (2013/14 Achieved)	Achieved
	Annual bookings of War Memorial Centre.	<b>Not Achieved</b> – 561 (2013/14 Not Achieved 535)	>600
	Annual bookings of Centennial Restrooms.	<b>Achieved</b> – 242 (2013/14 Achieved 244)	>200
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	<b>Achieved</b> 100% (2013/14 Achieved 100%)	>90%
	Annual Occupancy rate.	<b>Achieved</b> – 97% (2013/14 Achieved 100%)	>95%
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	<b>Achieved</b> – 90.8% (2013/14 Not Achieved 78%)	>90%
	Number of requests for service and complaints for toilets.	<b>Achieved</b> - 2 (2013/14 Achieved 6)	<10 complaints

1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

Positive Effects

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

This activity contributes to the achievement of the District’s social and cultural well-being through the provision by the Council of public amenities to meet the community’s civic, congregational and leisure needs.

The appearance of Council facilities should enhance their neighbourhood.

This activity supports the following Council outcomes:

affordable quality services and facilities;

attractive and safe built environment; and

a district with a clear identity where people of all cultures experience a sense of inclusive community.

Negative Effects

There are no significant Negative Effects associated with the Civic Amenities activity.

1.5 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 2013/14 \$000		Actual 2014/15 \$000	Budget 2014/15 \$000
571	<b>Operating Expenditure</b>	602	660
47	<b>Revenue</b>	50	50
<b>524</b>	<b>Net Cost of Service</b>	<b>551</b>	<b>610</b>
	<b>EXPENDITURE</b>		
205	Operating Costs	219	303
258	Depreciation	269	251
108	Allocated Overheads	114	107
<b>571</b>	<b>Total Operating Expenditure</b>	<b>602</b>	<b>660</b>
549	Capital Expenditure	136	183
<b>1,121</b>	<b>Total Expenditure</b>	<b>738</b>	<b>843</b>
	<b>FUNDED BY:</b>		
47	Charges for Services	50	50
<b>47</b>	<b>Total Revenue</b>	<b>50</b>	<b>50</b>
305	General Rates	404	409
13	Targeted Rates	14	12
246	Depreciation Funded from Reserves	248	237
549	Transfers from Reserves - Capital	136	132
3	Other Funding	3	3
<b>1,163</b>	<b>Total Funding</b>	<b>855</b>	<b>843</b>

## Pensioner Housing

Actual 2013/14 \$000		Actual 2014/15 \$000	Budget 2014/15 \$000
93	<b>Operating Expenditure</b>	114	100
52	<b>Revenue</b>	50	49
<b>41</b>	<b>Net Cost of Service</b>	<b>64</b>	<b>51</b>
<b>EXPENDITURE</b>			
26	Operating Costs	45	32
28	Depreciation	27	28
40	Allocated Overheads	42	39
<b>93</b>	<b>Total Operating Expenditure</b>	<b>114</b>	<b>100</b>
12	Principal Loan Repayments	-	-
9	Capital Expenditure	13	-
<b>115</b>	<b>Total Expenditure</b>	<b>127</b>	<b>100</b>
<b>FUNDED BY:</b>			
52	Charges for Services	50	49
<b>52</b>	<b>Total Revenue</b>	<b>50</b>	<b>49</b>
22	General Rates	13	14
11	Depreciation Funded from Reserves	10	11
20	Balance From Reserves	40	25
9	Transfers from Reserves - Capital	13	-
1	Other Funding	1	1
<b>115</b>	<b>Total Funding</b>	<b>127</b>	<b>100</b>

## Community Development

### 1.1 Nature and Scope of Activity

Community development activities include:

- Youth development, particularly through the Youth Council.
- Administration services for a number of community agencies including the Central Taranaki Safe Community Trust and the Stratford Positive Ageing Group.
- Organising of community and civic functions.
- Administration of community grants.

Council provides the community with information, advice and support, networking, facilitation, advocacy and events facilitation and management.

### 1.2 Projects and Other Programmes

The Community Development Strategy was adopted in 2014/15.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To encourage participation of youth in development programmes.	To hold a minimum number of youth events.	<b>Achieved – 7</b> (2013/14 Achieved 5)	5
To provide a number of community events and provide support that encourages involvement of the community.	Number of Community events organised.	<b>Achieved – 11 functions</b> (2013/14 Achieved 6)	2
	Attendance at civic and community functions.	<b>Achieved – 13 functions</b> <ul style="list-style-type: none"> <li>• Understanding the Brain – 280</li> <li>• Citizens’ Awards – 100</li> <li>• Chunuk Bair – 7</li> <li>• Meet The Candidates – 80</li> <li>• Summer Nights – Movie – 300</li> <li>• Summer nights – Concert – 400</li> <li>• Children’s Day – 200</li> <li>• Fit for Funding Expo - 50</li> <li>• Wreath Making – 55</li> <li>• ANZAC Dawn Service – 1800</li> <li>• ANZAC Civic Service – 800</li> <li>• Mayoral Reception - 350</li> <li>• Citizenship Ceremonies - 75</li> </ul> (2013/14 Achieved 12)	12
	Percentage of residents feeling a sense of community.	<b>Achieved – 97.2%</b> (2013/14 Achieved 96%)	>72%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.



### Positive Effects

Council provides this community service as no other agency would cover these services voluntarily.

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

It supports the Council's outcomes of:

- affordable quality services and facilities;
- attractive and safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

### Negative Effects

There are no Negative Effects associated with the Community Development activity.

## 1.5 Cost of Services Statement

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

### Community Development

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
326	<b>Operating Expenditure</b>	316	330
22	<b>Revenue</b>	22	21
<b>305</b>	<b>Net Cost of Service</b>	<b>294</b>	<b>309</b>
<b>EXPENDITURE</b>			
274	Operating Costs	260	277
52	Allocated Overheads	55	53
<b>326</b>	<b>Total Operating Expenditure</b>	<b>316</b>	<b>330</b>
<b>FUNDED BY:</b>			
22	Grants	22	21
<b>22</b>	<b>Total Revenue</b>	<b>22</b>	<b>21</b>
322	UAGC	302	306
3	Other Funding	2	3
<b>347</b>	<b>Total Funding</b>	<b>327</b>	<b>330</b>

## Library

### 1.1 Nature and Scope of Activity

The Stratford District and Centennial Library comprises a collection of approximately 29,500 books, 180 DVDs, four computers with free broadband access to the internet, and a range of reference materials.

Other than its main role of lending and reference reading materials, the Library offers a range of services and programmes.

### 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Library Building Upgrade	Level of Service	\$800,000	\$92,267	This project was delayed due to additional funds being required. Costs to date are design work only
Library – Electrical Fit-out	Replacement	\$0	\$0	This project was carried over from 2013/14 and will be done in conjunction with the Library and Prospero Place upgrade
Library – Public Toilet Fit-out	Replacement	\$0	\$0	This project was carried over from 2013/14 and will be done in conjunction with the Library and Prospero Place upgrade

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To provide a library service which meets the needs of, and is being used by Stratford District residents.	Not less than 60% of district usually resident population (census) are members.	<b>Achieved</b> – 72% (2013/14 Achieved – 70%)	>60%
	Not less than 10 issues per head of usually resident population (census).	<b>Not achieved</b> – 7.6 (2013/14 Not achieved – 8.2)	10
	% of library users satisfied with library services.	<b>Achieved</b> – 98.0% (2013/14 Achieved -99%)	80%
To keep Library resources up to date.	No less than 12.5% of the library operating expenditure shall be spent on new resources for members use (reading and listening material).	<b>Achieved</b> – 17.3% (2013/14 Achieved – 13%)	>12.5%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

### Positive Effects

Council provides this wide range of resources for the community that individuals are unlikely to be able to provide for themselves.

The library contributes to the district's social and cultural well-being by providing access to reading material, databases and internet services.

This activity supports the Council's outcomes of:

- affordable quality services and facilities;
- attractive and safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

### Negative Effects

There are no Negative Effects associated with the Library activity.

## 1.5 Cost of Services Statement

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

### Library

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
510	<b>Operating Expenditure</b>	484	517
18	<b>Revenue</b>	18	19
<b>492</b>	<b>Net Cost of Service</b>	<b>466</b>	<b>498</b>
327	Operating Costs	289	310
-	Interest	-	13
83	Depreciation	84	96
101	Allocated Overheads	111	99
<b>510</b>	<b>Total Operating Expenditure</b>	<b>484</b>	<b>517</b>
-	Principal Loan Repayments	-	10
-	Capital Expenditure	92	800
<b>510</b>	<b>Total Expenditure</b>	<b>576</b>	<b>1,327</b>
	<b>FUNDED BY:</b>		
18	Charges for Services	18	19
<b>18</b>	<b>Total Revenue</b>	<b>18</b>	<b>19</b>
420	General Rates	412	417
78	Depreciation Funded from Reserves	80	86
-	Loan Funding - Capital	92	500
-	Grants and Donations	-	300
5	Other Funding	4	5
<b>521</b>	<b>Total Funding</b>	<b>606</b>	<b>1,327</b>

## Parks, Reserves & Cemeteries

### 1.1 Nature and Scope of Activity

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

### 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Street Plantings	Levels of Service	\$5,100	\$4,540	Completed
Cycleways	Replacement	\$5,300	\$5,300	Completed
Park Development	Level of Service	\$21,200	\$21,040	This budget was used primarily for the planting of daffodil bulbs in King Edward Park.
Playground equipment	Level of Service	\$30,000	\$28,300	A new mouse house and safety matting installed at Victoria Park
Page Street demolition	Level of Service	\$52,900	\$57,009	This budget was used to demolish the old gym at Page Street, and reinstate the land to a parking area.
Skate Park extension	Level of Service	\$50,000	\$68,853	An extension to the skate park was installed, however it was over the existing pathway so a new path was required.
Cemetery – Lowering device	Level of Service	\$8,000	\$6,992	A new lowering device was purchased for use at the Kopuatama Cemetery
Cemetery – Memorial walls	Level of Service	\$15,000	\$15,000	Completed
New Sports Ground Development	Level of Service	\$105,900	\$0	This project was cancelled as Council determined that this project is not needed at present.
Heritage Trail Signs	Replacement	\$5,800	\$5,800	Completed.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To provide parks, sports fields and other open spaces that meet community demand	Number of complaints - parks and reserves, sports fields and cemeteries.	<b>Achieved</b> – 3 (2013/14 Not applicable Complaints were not recorded but there were 36 requests for service)	<10
	Maintenance of parks and facilities in accordance with facilities management response times. Pass rate to be no less than 70%	<b>Not applicable</b> – measure not contained in current maintenance contract (2013/14 Achieved 75%)	>75%
	Percentage of Stratford District residents satisfied with overall parks, sports fields and cemeteries.	<b>Achieved</b> – 90.3% (2013/14 Achieved - 92%)	>85%
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	<b>Achieved</b> (2013/14 Achieved)	Achieve
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	<b>Achieved</b> (2013/14 Achieved)	Achieve

1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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.

Council has traditionally assumed the role of provider of Parks for the District because there is no alternative provider.

The Parks and Reserves activity contributes to the District's social and cultural well-being where people experience a sense of belonging and pride, comprehensive social, recreational and cultural facilities accessible to all.

It supports the Councils community outcomes of:

- affordable quality services and facilities;
- attractive and safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

#### Negative Effects

There are no significant Negative Effects associated with the Parks activity.

### 1.5 Cost of Services Statement

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

## Parks and Reserves

2013/14 \$000		2014/15 \$000	2014/15 \$000
541	<b>Operating Expenditure</b>	510	518
6	<b>Revenue</b>	8	8
<b>535</b>	<b>Net Cost of Service</b>	<b>501</b>	<b>510</b>
	<b>EXPENDITURE</b>		
414	Operating Costs	374	392
47	Depreciation	51	46
81	Allocated Overheads	85	80
<b>541</b>	<b>Total Operating Expenditure</b>	<b>510</b>	<b>518</b>
44	Capital Expenditure	191	276
<b>585</b>	<b>Total Expenditure</b>	<b>701</b>	<b>794</b>
	<b>FUNDED BY:</b>		
6	Charges for Services	8	8
<b>6</b>	<b>Total Revenue</b>	<b>8</b>	<b>8</b>
448	General Rates	493	499
-	Transfers from (to) Reserves	-	-
45	Depreciation Funded from Reserves	51	46
29	Grants and Donations	-	-
-	Transfers from Reserves - Capital	154	239
2	Other Funding	2	2
<b>530</b>	<b>Total Funding</b>	<b>708</b>	<b>794</b>

## Cemeteries

Actual 2013/14 \$000		Actual 2014/15 \$000	Budget 2014/15 \$000
149	<b>Operating Expenditure</b>	164	179
108	<b>Revenue</b>	75	114
<b>41</b>	<b>Net Cost of Service</b>	<b>89</b>	<b>65</b>
	<b>EXPENDITURE</b>		
80	Operating Costs	91	110
5	Depreciation	5	5
65	Allocated Overheads	68	63
<b>149</b>	<b>Total Operating Expenditure</b>	<b>164</b>	<b>179</b>
-	Capital Expenditure	22	23
<b>149</b>	<b>Total Expenditure</b>	<b>186</b>	<b>202</b>
	<b>FUNDED BY:</b>		
108	Charges for Services	75	114
<b>108</b>	<b>Total Revenue</b>	<b>75</b>	<b>114</b>
45	General Rates	69	70
-	Transfers from Reserves - Capital	22	15
3	Other Funding	3	3
<b>156</b>	<b>Total Funding</b>	<b>168</b>	<b>202</b>

## TSB Pool Complex

### 1.1 Nature and Scope of Activity

The Stratford District Council owns and manages the TSB Pool Complex located on the corner of Page and Miranda Streets, within King Edward Park.

### 1.2 Projects and Other Programmes

Formal and informal feedback received shows the pool's popularity continuing to increase. A number of improvements have been made since management came back in-house two years ago and a significant repair and upgrade programme is planned for early 2015/16 to reduce accidents and incidents, improve the user experience and improve energy efficiency.

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Coffee machine	Level of Service	\$0	\$6,190	A new coffee machine was purchased to provide a service requested by the customers. This is self funding with coffee sales.
Swimming pool – Resurface floor	Replacement	\$120,000	\$0	This project will be done in conjunction with the pool shutdown in 2015/16.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	<b>Not Achieved</b> – 214 – see explanation below (2013/14 Not Achieved 59)	<10
	Pool water is clean and meets standards.	<b>Achieved</b> (2013/14 Achieved)	Complied
That the Stratford District provides pool facilities that meet demand.	Percentage of pool users are satisfied with the pool.	<b>Achieved – 94.3%</b> (2013/14 Achieved 95.8%)	70%
	Number of pool admissions per annum.	<b>Not Achieved</b> – 54,444 (2013/14 Not achieved – 50,988)	>61,200

The large number of slips experienced at the pool significantly contributes to the accidents and incidents reported in the Performance Measure above. Non-slip flooring will be installed in early 2015/16 to address this issue. This improvement had to be delayed from 2014/15 to 2015/16 as an investigation identified further work required before the new flooring could be installed.

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

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. It also contributes to the District's social and cultural well-being, providing safe, accessible facilities and social opportunities.

It supports the Council's outcomes of:

- affordable quality services and facilities;
- attractive and safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

#### 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.

### 1.5 Cost of Services Statement

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

#### TSB Pool Complex

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
704	<b>Operating Expenditure</b>	730	676
162	<b>Revenue</b>	189	142
<b>542</b>	<b>Net Cost of Service</b>	<b>540</b>	<b>534</b>
	<b>EXPENDITURE</b>		
561	Operating Costs	581	522
87	Depreciation	89	98
56	Allocated Overheads	59	55
<b>704</b>	<b>Total Operating Expenditure</b>	<b>730</b>	<b>676</b>
50	Capital Expenditure	6	120
<b>754</b>	<b>Total Expenditure</b>	<b>736</b>	<b>796</b>
	<b>FUNDED BY:</b>		
162	Charges for Services	189	142
<b>162</b>	<b>Total Revenue</b>	<b>189</b>	<b>142</b>
478	General Rates	447	453
85	Depreciation Funded from Reserves	88	78
50	Transfers from Reserves - Capital	6	120
3	Other Funding	2	3
<b>778</b>	<b>Total Funding</b>	<b>733</b>	<b>796</b>



## Democracy

### 1.1 Nature and Scope of Activity

#### 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.

#### 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 Project and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Council office – Replace windows	Replacement	\$45,000	\$50,633	This project was completed slightly over budget.
Council office – Bathroom fit-out	Replacement	\$5,300	\$6,385	This project was completed slightly over budget.
Miranda St Office Sound system	Level of Service	\$19,000	\$27,985	This project was over budget due to the addition of extra microphones
Computers and Peripherals	Replacement	\$120,000	\$122,345	This project was completed slightly over budget.
Vehicles	Replacement	\$31,000	\$65,927	An additional vehicle was purchased due to the appointment of a new Chief Executive; however this vehicle is self-funding through the remuneration package.
Miscellaneous	Replacement	\$20,000	\$11,959	These projects were completed under budget.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To ensure the public have the opportunity to have discussion with Council	To hold public forums before every Ordinary Meeting.	<b>Achieved</b> –Members of the public were invited, through advertisements placed in the local media, to public forums prior to each of the 11 meetings held during the year. Although 11 opportunities were available only seven public forums were held as a result (2013/14 Achieved – 11)	Hold 9 per annum
Ensure accountability documents are prepared and meet statutory requirements.	The Annual Report, Annual Plan, LTP meet statutory deadlines and receives an unqualified audit opinion where relevant.	<b>Achieved</b> (2013/14 Achieved)	Achieved

- 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

Positive Effects

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.

Negative Effects

No Negative Effects are generated by these activities.

1.5 Cost of Services Statement

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

**Corporate Support**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
167	<b>Operating Expenditure</b>	213	164
66	<b>Revenue</b>	64	60
<b>101</b>	<b>Net Cost of Service</b>	<b>149</b>	<b>104</b>
	<b>EXPENDITURE</b>		
	Operating Costs		
330	- Chief Executive's Department	303	332
938	- Corporate Services Department	988	911
(1,101)	Allocated Overheads	(1,078)	(1,079)
<b>167</b>	<b>Total Operating Expenditure</b>	<b>213</b>	<b>164</b>
348	Capital Expenditure	285	240
<b>515</b>	<b>Total Expenditure</b>	<b>498</b>	<b>404</b>
	<b>FUNDED BY:</b>		
66	Charges for Services	64	60
<b>66</b>	<b>Total Revenue</b>	<b>64</b>	<b>60</b>
116	UAGC	100	101
348	Transfers from Reserves - Capital	285	235
9	Other Funding	8	8
<b>540</b>	<b>Total Funding</b>	<b>457</b>	<b>404</b>

**Governance**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
754	<b>Operating Expenditure</b>	809	806
-	<b>Revenue</b>	-	-
<b>754</b>	<b>Net Cost of Service</b>	<b>809</b>	<b>806</b>
<b>EXPENDITURE</b>			
352	Operating Costs	399	399
402	Allocated Overheads	410	407
<b>754</b>	<b>Total Operating Expenditure</b>	<b>809</b>	<b>806</b>
<b>FUNDED BY:</b>			
-	Charges for Services	-	-
-	<b>Revenue</b>	-	-
785	UAGC	775	785
20	Other Funding	18	21
<b>805</b>	<b>Total Funding</b>	<b>793</b>	<b>806</b>

# Economy

## Economic Development

### 1.1 Nature and Scope of Activity

The Stratford District Council has a leadership role in economic development.

Encouraging and assisting the establishment, retention and development of sustainable, new and existing businesses.

- Promoting new investments.
- Developing viable employment opportunities.
- Marketing business opportunities.
- Promoting the district as a great place to live.

### 1.2 Projects and Other Programmes

The \$50,000 Broadway Upgrade Project was completed. This saw new hanging baskets, painted power boxes, new planter boxes and plantings in the roundabouts and surrounding gardens on Broadway. A Building Painting Grant was established however there was no uptake during 2014/15.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To promote the economic development of the district.	Business mentoring and economic development support occurs.	<b>Achieved</b> (2013/14 Achieved)	Report received
To support the business community.	Number of business association meetings attended.	<b>Achieved – 11</b> (2013/14 Achieved – 11)	>10pa
	Percentage customers are satisfied.	<b>Achieved – 94.3%</b> (2013/14 Achieved – 86.5%)	>75%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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 District's social, economic, environmental and cultural well-being and the community outcomes of:

- Affordable quality services and facilities;
- Prosperous urban and rural business environment;
- Sustainable use and enjoyment of the natural environment;
- Attractive and safe built environment; and
- A district with a clear identity where people of all cultures experience a sense of inclusive community.

#### Negative Effects

The Economic Development activity does not create any Negative Effects.

### 1.5 Cost of Services Statement

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

**Economic Development**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
263	<b>Operating Expenditure</b>	385	368
-	<b>Revenue</b>	-	-
<b>263</b>	<b>Net Cost of Service</b>	<b>385</b>	<b>368</b>
<b>EXPENDITURE</b>			
206	Operating Costs	326	310
57	Allocated Overheads	59	58
<b>263</b>	<b>Total Operating Expenditure</b>	<b>385</b>	<b>368</b>
<b>FUNDED BY:</b>			
-	Charges for Services	-	-
-	<b>Total Revenue</b>	-	-
147	General Rates	180	183
147	UAGC	180	183
-	Operating Expenditure Funded from Reserve	-	-
3	Other Funding	3	3
<b>296</b>	<b>Total Funding</b>	<b>363</b>	<b>368</b>

## Information Centre

### 1.1 Nature and Scope of Activity

The Stratford District Council owns and manages the Stratford Information Centre (i-SITE).

### 1.2 Projects and Other Programmes

Although the use of the Information Centre remains in decline, customer satisfaction survey results show a very high level of satisfaction. The decline in usage remains due to static tourism activity and tourists using the internet for key information.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To provide a Visitors Information Network Information Centre incorporating Automobile Association Agency services that meets the needs of and is being used by the community.	Number of people to the Information Centre to be not less than 50,000.	<b>Not achieved</b> – 45,633 (2013/14 Not achieved 45,239 people)	>50,000
	Number of users of AA Agency Service to be not less than 11,000.	<b>Achieved</b> – <b>13,487</b> (2013/14 Achieved 13,249 users)	>11,000
	Current Visitor Information Network membership retained.	<b>Achieved</b> (2013/14 Achieved)	Achieved
	Percentage customers are satisfied.	<b>Achieved</b> – 96.7% (2013/14 – Achieved 96.4%)	>75%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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

This activity contributes to the district's social, economic, environmental and cultural well-being and the community outcomes of:

- affordable quality services and facilities;
- prosperous urban and rural business environment;
- sustainable use and enjoyment of the natural environment;
- attractive safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

#### Negative Effects

This activity has no Negative Effects.

### 1.5 Cost of Services Statement

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

## Information Centre

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
355	<b>Operating Expenditure</b>	368	396
99	<b>Revenue</b>	121	114
<b>256</b>	<b>Net Cost of Service</b>	<b>247</b>	<b>282</b>
	<b>EXPENDITURE</b>		
261	Operating Costs	264	300
7	Depreciation	7	10
88	Allocated Overheads	97	86
<b>355</b>	<b>Total Operating Expenditure</b>	<b>368</b>	<b>396</b>
-	Principal Loan Repayments	-	-
68	Capital Expenditure	-	-
<b>424</b>	<b>Total Expenditure</b>	<b>368</b>	<b>396</b>
	<b>FUNDED BY:</b>		
99	Charges for Services	121	114
<b>99</b>	<b>Total Revenue</b>	<b>121</b>	<b>114</b>
288	General Rates	274	277
4	Other Funding	4	4
<b>392</b>	<b>Total Funding</b>	<b>398</b>	<b>396</b>

## Rental & Investment Properties

### 1.1 Nature and Scope of Activity

This covers:

**Farm** - manage 112 hectares of land (102 hectares milkable) on a 50/50 sharemilking basis.

**Holiday Park** - operate a formal lease for the land and building.

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

### 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Farm workers accommodation	Level of Service	\$0	\$56,679	There was no suitable accommodation for a farm worker so a unit was purchased. This was funded through savings in the aerodrome capital expenditure budget.

Holiday Park - the current lease commenced on 1 July 1996 and will terminate on 29 June 2016. An options report has been presented to Council to give early consideration to its future operation and management.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
Maximum profits from the farm are returned to Council.	Milk production is maximised	<b>Achieved</b> 115,128kg (2013/14 Not achieved 95,549kgs)	>105,000kg
To ensure the holiday park is utilised.	Annual patrons exceed 3,500	<b>Not Achieved</b> – 2,634 (2013/14 Not Achieved 2,814)	>3,500
Leased property is safe and fit for purpose.	Number of complaints less than 5	<b>Achieved</b> – 0 (2013/14 Achieved – 0)	<5

Patronage at the Holiday Park has been declining over the past years and has reached the point where it no longer meets Council's set target of 3500 patrons per annum. The loss of qualmark certification, withdrawal from the top ten holiday parks promotional and marketing group and deteriorating assets are seen as contributors to this situation. Council is looking to significantly upgrade the holiday park on expiry of the current lease in partnership with the future lessee.

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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

**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 of the property has been purchased for a strategic purpose because of its location, either for Council's future use or for on selling at a later date.

The activity contributes to the District's social, environmental, economic, and cultural well-being and the community outcomes of:

- affordable quality services and facilities;
- prosperous urban and rural business environment;
- sustainable use and enjoyment of the natural environment;
- attractive safe built environment; and
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

Negative Effects

There are no significant effects from any of these activities.

1.5 Cost of Services Statement

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

**Farm**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
248	<b>Operating Expenditure</b>	220	197
370	<b>Revenue</b>	333	418
<b>(122)</b>	<b>Net Cost of Service</b>	<b>(112)</b>	<b>(221)</b>
<b>EXPENDITURE</b>			
202	Operating Costs	172	152
21	Depreciation	22	20
26	Allocated Overheads	27	25
<b>248</b>	<b>Total Operating Expenditure</b>	<b>220</b>	<b>197</b>
12	Capital Expenditure	57	-
<b>260</b>	<b>Total Expenditure</b>	<b>277</b>	<b>197</b>
<b>FUNDED BY:</b>			
370	Charges for Services	333	418
<b>370</b>	<b>Total Revenue</b>	<b>333</b>	<b>418</b>
(60)	General Rates	(219)	(222)
12	Transfers from Reserves - Capital	57	-
1	Other Funding	1	1
<b>323</b>	<b>Total Funding</b>	<b>172</b>	<b>197</b>

## Holiday Park

Actual 2013/14 \$000		Actual 2014/15 \$000	Budget 2014/15 \$000
79	<b>Operating Expenditure</b>	78	82
20	<b>Revenue</b>	20	20
<b>59</b>	<b>Net Cost of Service</b>	<b>58</b>	<b>62</b>
<b>EXPENDITURE</b>			
11	Operating Costs	8	15
40	Depreciation	40	39
29	Allocated Overheads	30	29
<b>79</b>	<b>Total Expenditure</b>	<b>78</b>	<b>82</b>
<b>FUNDED BY:</b>			
20	Charges for Services	20	20
<b>20</b>	<b>Total Revenue</b>	<b>20</b>	<b>20</b>
31	General Rates	22	22
40	Depreciation Funded from Reserves	40	39
1	Other Funding	1	2
<b>92</b>	<b>Total Funding</b>	<b>84</b>	<b>82</b>

## Rental Properties

Actual 2013/14 \$000		Actual 2014/15 \$000	Budget 2014/15 \$000
65	<b>Operating Expenditure</b>	68	62
64	<b>Revenue</b>	71	31
<b>2</b>	<b>Net Cost of Service</b>	<b>(3)</b>	<b>31</b>
<b>EXPENDITURE</b>			
12	Operating Costs	13	14
25	Depreciation	26	20
29	Allocated Overheads	30	29
<b>65</b>	<b>Total Operating Expenditure</b>	<b>68</b>	<b>62</b>
-	Capital Expenditure	-	-
<b>65</b>	<b>Total Expenditure</b>	<b>68</b>	<b>62</b>
<b>FUNDED BY:</b>			
64	Charges for Services	71	31
<b>64</b>	<b>Total Revenue</b>	<b>71</b>	<b>31</b>
5	General Rates	7	10
25	Depreciation Funded from Reserves	15	20
-	Transfers from Reserves - Capital	-	-
1	Other Funding	1	2
<b>95</b>	<b>Total Funding</b>	<b>93</b>	<b>62</b>

# Environmental Management

## Building Control

### 1.1 Nature and Scope of Activity

Building Control receives and processes applications for building consents and issues consents.

It also involves monitoring and enforcing compliance, with the requirements of the Building Act 2004 and associated regulations, to ensure that all building, plumbing and drainage work that occurs in the District is undertaken in a safe, secure and proper manner.

Monitoring of the district and auditing of known swimming pools ensures that pools are adequately fenced to reduce the risk of drowning.

### 1.2 Projects and Other Programmes

The number of building consents processed (200) decreased from the previous year (253). All consents are processed well within the 20 working day statutory timeframe.

Council were assessed in April 2015 for their accreditation and registration status, with confirmation of continued registration given in July 2015 until June 2017.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	<b>Achieved</b> – 100% (200 building consents) (2013/14 Achieved – 100% (253 building consents) within 20 working days)	100%
	Percentage of LIMs processed within timeframes.	<b>Achieved</b> – 100% (40 LIM reports) (2013/14 Achieved 100%-(33) within timeframes)	100%
To monitor and enforce the requirements of the Fencing and Swimming Pool Act.	Percentage of pools to be inspected each year.	<b>Achieved</b> – 24% (22 of 90) (2013/14 – Achieved 33% (30 pools))	At least 20%
To retain registration as a Building Consent Authority.	Current registration	<b>Achieved</b> – Registration retained April 2015 (2013/14 – Achieved Building Consent Authority reaccreditation)	Confirmed
Service meets customer expectations.	Number of customer complaints.	<b>Achieved</b> – No complaints received (2013/14 – Achieved)	<5

1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

Positive Effects

Council is involved to ensure buildings are fit for purpose and comply with legislation.

This activity contributes to the District’s social, economic, environmental and cultural well-beings and the community outcomes of:

- prosperous urban and rural business environment.
- sustainable use and enjoyment of the natural environment.
- attractive and safe built environment.
- a district with a clear identity where people of all cultures experience a sense of inclusive community.

Negative Effects

There are no Negative Effects associated with the Building Control function.

1.5 Cost of Services Statement

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

**Building Control**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
299	<b>Operating Expenditure</b>	332	330
159	<b>Revenue</b>	143	165
<b>140</b>	<b>Net Cost of Service</b>	<b>189</b>	<b>165</b>
<b>EXPENDITURE</b>			
206	Operating Costs	221	230
93	Allocated Overheads	111	100
<b>299</b>	<b>Total Operating Expenditure</b>	<b>332</b>	<b>330</b>
<b>FUNDED BY:</b>			
159	Charges for Services	143	165
<b>159</b>	<b>Total Revenue</b>	<b>143</b>	<b>165</b>
158	UAGC	158	160
5	Other Funding	4	5
<b>322</b>	<b>Total Funding</b>	<b>305</b>	<b>330</b>

## Dog Control

### 1.1 Nature and Scope of Activity

This covers:

- i) registration of dogs;
- ii) timely response to all complaints concerning dogs, particularly in regard to instances involving aggressive behaviour by dogs; and
- iii) 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.

### 1.2 Projects and other Programmes

The number of dogs in the district remains at a similar level to previous years with 99% being registered. The number of dog complaints, however, has increased; and all 307 complaints were responded to within one hour.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To ensure dogs are controlled.	Percentage of known dogs registered.	<b>Achieved</b> – 99% (2026 of 2055) (2013/14 Achieved 98.6%)	98%
	Percentage of complaints responded to (attended site location) within an hour.	<b>Achieved</b> – 100% (307 complaints received) (2013/14 Achieved – 100% 270 complaints)	100%

1.4 Identified Effects that this activity has on the social, economic, environmental or cultural well-being of the community.

#### Positive Effects

Council carries out this function as required by legislation to avoid nuisance to the community from dogs.

This activity contributes to the District's social, economic, cultural and environmental well-being and the community:

- a district with a clear identity, where people of all cultures experience a sense of inclusive community.
- prosperous urban and rural business environment.
- attractive and safe built environment.
- sustainable use and enjoyment of the natural environment.

#### Negative Effects

The Dog Control activity does not create any Negative Effects.

### 1.5 Cost of Services Statement

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

**Dog Control**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
197	<b>Operating Expenditure</b>	211	202
141	<b>Revenue</b>	102	125
<b>56</b>	<b>Net Cost of Service</b>	<b>109</b>	<b>77</b>
<b>EXPENDITURE</b>			
105	Operating Costs	100	100
1	Depreciation	1	1
92	Allocated Overheads	110	101
<b>197</b>	<b>Total Operating Expenditure</b>	<b>211</b>	<b>202</b>
-	Capital Expenditure	-	-
<b>197</b>	<b>Total Expenditure</b>	<b>211</b>	<b>202</b>
<b>FUNDED BY:</b>			
141	Charges for Services	102	125
<b>141</b>	<b>Total Revenue</b>	<b>102</b>	<b>125</b>
67	UAGC	71	72
-	Transfers from Reserves - Capital	-	-
5	Other Funding	4	5
<b>213</b>	<b>Total Funding</b>	<b>178</b>	<b>202</b>

## Emergency Management

### 1.1 Nature and Scope of Activity

Council provides for both rural fire prevention/response and civil defence emergency management to meet its statutory responsibilities under the Forest and Rural Fires Act 1977 and the Civil Defence Emergency Management Act 2002. Emergency management covers administration and policy advice and planning around the identification of new hazards and new knowledge around existing hazards. It also covers maintaining equipment and facilities in a state of readiness.

### 1.2 Projects and other Programmes

The Rural Fire activity is now merged on a shared service basis through the Taranaki Rural Fire Authority. As a result of this, as from 1 July 2013, issuing of applications has increased to 5 days.

The Taranaki Civil Defence and Emergency Management Group has maintained its operative group plan. While there were no training exercises carried out, there was a significant flood event on 20 June 2015 toward the end of the reporting period. Minor damage was experienced in the Stratford urban area, but the impact to property and infrastructure (especially roads) was significant.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To protect life and property from rural fires.	Operative Rural Fire Response Plan.	<b>Achieved</b> (2013/14 – Achieved)	Achieved
To be responsive to requests for fire permits.	Applications processed within five working days.	<b>Achieved</b> – 8 applications (2013/14 – Achieved 100% - 20 applications)	100%
To maintain effective emergency capability	Operative Taranaki Civil Defence and Emergency Management Group Plan (CDEMG)	<b>Achieved</b> – (2013/14 –Achieved current CDEMG)	Achieved

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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

**Civil Defence Emergency Management** - Council is a member of the Civil Defence Emergency Management (CDEM) Group, which essentially co-ordinates planning for, management of and recovery from civil defence emergencies throughout Taranaki. Council also participates in the Co-ordinating Executive Group (CEG) for emergency management which provides specialist advice to the CDEM Group and administrates the CDEM Group Plan for Taranaki.

This means, in conjunction with the Taranaki Regional Council and others, ensuring that adequate resources and plans are in place to enable Council (or others on its behalf) to ensure that that there is an appropriate capability within the district and regional community in regard to emergency management.

This includes:

- Research, planning, communication and other activities to **reduce** the risk of emergencies occurring.
- Ensuring that the community has the appropriate response capability in the face of an emergency i.e. **readiness**.

- Having the required plans and structures in place to ensure that there is a clear and effective **response** to any emergency
- Having the required plans and structures in place to ensure that there is a planned and effective **recovery** from any emergency.

In carrying out these activities Council is also a member of various technical advisory groups under the CEG which provide specific technical advice and assist with operational planning for the CDEM Group.

Both aspects of this activity, rural fire and emergency management, are required to meet statutory obligations under the Forest and Rural Fires Act 1977 and the Civil Defence Emergency Management Act 2002.

This activity contributes to the District’s social, economic, environmental and cultural well-beings, and the community outcomes of:

- a district with a clear identity, where people of all cultures experience a sense of inclusive community.
- attractive and safe built environment.
- prosperous urban and rural business environment.
- sustainable use and enjoyment of the natural environment.

Negative Effects

This activity does not create any Negative Effects.

1.5 Cost of Services Statement

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

**Rural Fire Control**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
64	<b>Operating Expenditure</b>	68	65
-	<b>Revenue</b>	-	-
<b>64</b>	<b>Net Cost of Service</b>	<b>68</b>	<b>65</b>
<b>EXPENDITURE</b>			
44	Operating Costs	45	43
1	Depreciation	1	2
19	Allocated Overheads	22	20
<b>64</b>	<b>Total Operating Expenditure</b>	<b>68</b>	<b>65</b>
-	Capital Expenditure	-	-
<b>64</b>	<b>Total Expenditure</b>	<b>68</b>	<b>65</b>
<b>FUNDED BY:</b>			
58	UAGC	63	64
1	Other Funding	1	1
<b>59</b>	<b>Total Funding</b>	<b>64</b>	<b>65</b>



**Civil Defence Emergency Management**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
43	<b>Operating Expenditure</b>	48	49
-	<b>Revenue</b>	-	-
<b>43</b>	<b>Net Cost of Service</b>	<b>48</b>	<b>49</b>
<b>EXPENDITURE</b>			
20	Operating Costs	21	24
23	Allocated Overheads	28	25
<b>43</b>	<b>Total Operating Expenditure</b>	<b>48</b>	<b>49</b>
<b>FUNDED BY:</b>			
-	Subsidies	-	-
-	<b>Total Revenue</b>	-	-
42	UAGC	48	48
1	Other Funding	1	1
<b>43</b>	<b>Total Funding</b>	<b>50</b>	<b>49</b>

## Environmental Planning

### 1.1 Nature and Scope of Activity

This covers the development and administration of the Stratford District Plan, policy planning and the processing of resource consents, and includes the following:

- Maintaining a District Plan to guide the future development of the District.
- Monitoring of the district to ensure that the District Plan is both relevant and complied with.
- Requiring the obtaining of land use consents and subdivision consents to ensure that the District develops in an appropriate manner under the Resource Management Act 1991.
- Developing policies and strategies relating to the District's future development.

### 1.2 Projects and Other Programmes

The rolling review programme for the District Plan was not achieved, with the decision taken instead to move to a comprehensive review phase, with this to be the focus of Years 1-3 of the Long Term Plan 2015-25.

Council ensures that all subdivisions and development in the District takes place in accordance with the requirements of the District Plan.

#### Resource Consents

There was a decrease in the number of resource consents compared to previous years. No oil and gas consents were received, reflective of the decline in the international oil price.

100% of the 23 resource consent applications processed were within the statutory timeframe, one application was processed on a limited notified basis.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To promote the sustainable management and use of natural and physical resources through an operative Stratford District Plan pursuant to the Resource Management Act 1991.	Implement Rolling Review of District Plan.	<b>Not Achieved</b> – It was considered more efficient and effective to do a comprehensive review and address all issues at once (2013/14 - Partly Achieved)	Financial Contributions and Rural Land use
To process resource consents within statutory timeframes.	% of non notified applications processed within 20 working days.	<b>Achieved</b> – 100% - 22 applications (2013/14 – Achieved 100%, 33 applications)	100%
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	<b>Achieved</b> – 100% (1 application) (2013/14 100% – Achieved 4)	100%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

The Stratford District Plan and resource consent processes are required by legislation. The Council plan reflects the expectations of its community.

These activities contribute to the District’s community outcomes:

- a district with a clear identity, where people of all cultures experience a sense of inclusive community.
- prosperous urban and rural business environment.
- attractive and safe built environment.
- sustainable use and enjoyment of the natural environment.

Negative Effects

The Environmental Planning activity does not create any Negative Effects.

1.5 Cost of Services Statement

The detailed financial summary for the District Plan and Resource Consent’s activities are shown below.

**District Plan**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
112	<b>Operating Expenditure</b>	78	72
-	<b>Revenue</b>	-	-
<b>112</b>	<b>Net Cost of Service</b>	<b>78</b>	<b>72</b>
	<b>EXPENDITURE</b>		
87	Operating Costs	47	43
26	Allocated Overheads	31	29
<b>112</b>	<b>Total Operating Expenditure</b>	<b>78</b>	<b>72</b>
	<b>FUNDED BY:</b>		
70	UAGC	70	71
24	Operating Expenditure Not Funded	-	-
1	Other Funding	1	2
<b>95</b>	<b>Total Funding</b>	<b>71</b>	<b>72</b>

**Resource Consents**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
178	<b>Operating Expenditure</b>	170	167
91	<b>Revenue</b>	52	91
<b>87</b>	<b>Net Cost of Service</b>	<b>118</b>	<b>76</b>
	<b>EXPENDITURE</b>		
120	Operating Costs	94	98
58	Allocated Overheads	75	69
<b>178</b>	<b>Total Operating Expenditure</b>	<b>170</b>	<b>167</b>
	<b>FUNDED BY:</b>		
91	Charges for Services	52	91
<b>91</b>	<b>Total Revenue</b>	<b>52</b>	<b>91</b>
55	UAGC	72	73
3	Other Funding	3	4
<b>150</b>	<b>Total Funding</b>	<b>127</b>	<b>167</b>

## Environmental Services

### 1.1 Nature and Scope of Activity

The activities broadly cover the development, regulation and enforcement of various statutes and bylaws.

### 1.2 Projects and Other Programmes

#### Alcohol Licensing

During this financial year, New Plymouth and Stratford District Council adopted a joint Provisional Local Alcohol Policy (PLAP). This policy was notified for final public consultation on 22 October 2014. Four appeals have been lodged against the policy which is currently before the Alcohol Regulatory and Licensing Authority for their determination. A hearing to consider the appeals will be held in December 2015.

#### Food Act 2015

In May 2015, the new Food Act 2015 was passed into law after a long parliamentary legislative process. MPI is currently developing the Regulations. The majority of the Act comes into force on 1 March 2016.

#### Local Approved Products Policy

The Stratford District Council adopted the Local Approved Products Policy on Tuesday 26 August 2014. The joint policy with New Plymouth District Council creates one area across the two districts where approved psychoactive substances can be sold.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To fulfil obligation to improve, promote and protect public health.	Percentage of registered premises to be inspected for compliance.	<b>Achieved</b> - 100% (2013/14 Achieved 100%)	100%
	Health nuisance and premise complaints are responded to within 1 working day.	<b>Achieved</b> – 100% 19 complaints (2013/14 - Achieved - 100%) 15 complaints)	100%
To fulfil obligations as a District Licensing Agency	Percentage of licensed premises are inspected.	<b>Achieved</b> – 100% (2013/14 Achieved 100%)	100%
	Percentage of applications processed within 10 working days.	<b>Achieved</b> – 100% 90 applications (2013/14 - Achieved 100% 104 applications)	100%
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	<b>Achieved</b> – 100% 274 complaints (2013/14 - Achieved - 100% 248 complaints)	100%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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

#### **Environmental Health** - Council:

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

**Liquor Licensing** - 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.

**Bylaws** - Bylaws provide an enforcement tool where specific local regulation is required. Bylaws must be developed in consultation with the community to ensure that they mirror community expectations. In some instances bylaws are required to give a specific local interpretation of national legislation, such as with the Dog Control or Food Control bylaws. Others, such as the Public Places Bylaw, are passed under the Local Government Act but simply reflect a set of local expectations.

These functions contribute to the district’s social, economic, environmental and cultural well beings, and the community priorities of:

- a district with a clear identity, where people experience a sense of belonging and pride.
- prosperous urban and rural business environment.
- attractive and safe built environment.
- sustainable use and enjoyment of the natural environment.

Negative Effects

The Environmental Services activity does not create any Negative Effects.

1.5 Cost of Services Statement

The detailed financial summary for the Environment Health, Liquor Licensing and By-laws activities are shown below.

**Environmental Health**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
99	<b>Operating Expenditure</b>	116	101
22	<b>Revenue</b>	22	15
<b>77</b>	<b>Net Cost of Service</b>	<b>94</b>	<b>86</b>
<b>EXPENDITURE</b>			
52	Operating Costs	60	50
47	Allocated Overheads	56	51
<b>99</b>	<b>Total Operating Expenditure</b>	<b>116</b>	<b>101</b>
<b>FUNDED BY:</b>			
22	Charges for Services	22	15
<b>22</b>	<b>Total Revenue</b>	<b>22</b>	<b>15</b>
83	UAGC	82	84
2	Other Funding	2	3
<b>108</b>	<b>Total Funding</b>	<b>106</b>	<b>101</b>

## Liquor Licensing

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
94	<b>Operating Expenditure</b>	103	113
27	<b>Revenue</b>	37	34
<b>67</b>	<b>Net Cost of Service</b>	<b>67</b>	<b>79</b>
<b>EXPENDITURE</b>			
36	Operating Costs (see note below)	31	47
58	Allocated Overheads	72	66
<b>94</b>	<b>Total Operating Expenditure</b>	<b>103</b>	<b>113</b>
<b>FUNDED BY:</b>			
27	Charges for Services (see note below)	37	34
<b>27</b>	<b>Total Revenue</b>	<b>37</b>	<b>34</b>
65	UAGC	75	76
3	Other Funding	3	3
<b>95</b>	<b>Total Funding</b>	<b>115</b>	<b>113</b>

## Bylaws

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
134	<b>Operating Expenditure</b>	137	142
43	<b>Revenue</b>	13	36
<b>91</b>	<b>Net Cost of Service</b>	<b>125</b>	<b>106</b>
<b>EXPENDITURE</b>			
58	Operating Costs	49	61
76	Allocated Overheads	88	81
<b>134</b>	<b>Total Operating Expenditure</b>	<b>137</b>	<b>142</b>
<b>FUNDED BY:</b>			
43	Charges for Services	13	36
<b>43</b>	<b>Total Revenue</b>	<b>13</b>	<b>36</b>
100	UAGC	100	102
4	Other Funding	4	4
<b>147</b>	<b>Total Funding</b>	<b>117</b>	<b>142</b>

# Roading

## 1.1 Nature and Scope of Activity

The Roading activity encompasses the provision of management, maintenance and renewal of rural and urban roads, footpaths, kerb and channel, street lighting and associated infrastructure for the District excluding State Highway 43 (SH43) and State Highway 3 (SH3).

	Rural	Urban	Total
Sealed km	349.5	41.6	391.1
Unsealed km	<u>206.7</u>	<u>0.01</u>	<u>206.7</u>
	<b>556.2</b>	<b>41.6</b>	<b>597.8</b>

## 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Unsealed Road Metalling	Replacement	\$338,100	\$405,599	Complete
Sealed Road Resurfacing	Replacement	\$1,517,100	\$1,129,541	Complete. The balance of funding was used for forestry roads below.
Drainage Renewals	Replacement	\$145,800	\$255,575	Complete
Pavement Rehabilitation	Replacement	\$258,500	\$213,735	Complete
Structure Component Replacement	Replacement	\$105,900	\$205,197	Complete
Traffic Services Renewals	Replacement	\$58,800	\$64,119	Complete
Associated Improvements	Replacement	\$51,300	\$33,963	Complete
Sealed Road Resurfacing (special purpose roads)	Replacement	\$76,400	\$30,063	Complete
Seal Extension	Level of service	\$0	\$0	This funding was used for widening and strengthening of forestry roads
Kerb and Channel Extension	Level of service	\$112,800	\$66,335	This was a combined project for kerb and channel extension/renewal, and footpath extension/renewal.
Footpath extensions	Level of service	\$49,300	\$168,551	This was a combined project for kerb and channel extension/renewal, and footpath extension/renewal.
Footpath renewal	Replacement	\$138,900	\$239,393	This was a combined project for kerb and channel extension/renewal, and footpath extension/renewal.
Kerb and Channel Renewal	Replacement	\$82,200	\$31,159	This was a combined project for kerb and channel extension/renewal, and footpath extension/renewal.

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Under Veranda Lighting Renewal	Replacement	\$5,700	\$0	No lights needed replacing during the year, so the budget was not required.
Forestry Roads	Level of service	\$243,400	\$792,954	Complete. The additional funds were from the Sealed Road Resurfacing budget above.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
To provide a well maintained roading network.	Percentage of Request for service within target timeframes as specified in the Roding Facilities Management Contract (RFMC):	<b>Not Applicable</b> - RFMC does not have timeframes and Streetlights not included in RFMC (2013/14 - Not Applicable RFMC does not have timeframes and Streetlights not included in RFMC)	>80%
	<ul style="list-style-type: none"> <li>• Road service defects.</li> <li>• Streetlights.</li> </ul>		
	Road roughness (measured by NAASRA counts for sealed road) is within the average range Urban <120 Rural<110	<b>Not applicable</b> – 2013/14 result was 109.3. Early indicators are that the road roughness for urban roads may exceed the target. (2013/14 Achieved 97.5%)	<120
		<b>Not applicable</b> - 2013/14 result was 97.5. Early indicators are that the road roughness for rural roads will be achieved (2013/14 Achieved 97.5)	<110
	Progressive Renewals Reseals m <sup>2</sup> .	<b>Achieved</b> - 223,160m <sup>2</sup> (2013/14 - Achieved Reseals 246,635m <sup>2</sup> )	220,300m <sup>2</sup>
	Metal unsealed roads m <sup>3</sup> .	<b>Not Achieved</b> – 6,674m <sup>3</sup> (2013/14 – Not Achieved 7,102m <sup>3</sup> )	7,500m <sup>3</sup>
	Pavement rehabilitation km.	<b>Not Achieved</b> – 3.45km (2013/14 - Not Achieved 3.3 km)	5km
	Water tabling km.	<b>Not Achieved</b> – 163km (2013/14 - Not Achieved 117.6km)	290km
	Percentage of residents who are satisfied with the roading network.	<b>Achieved</b> – 85.8% (2013/14 - Achieved 85.5%)	70%
Percentage of residents who are satisfied with the footpaths.	<b>Achieved</b> – 83%. (2013/14 - Achieved 78.3 %)	60%	
To provide a safe roading network.	Number of vehicle crashes per year involving injury where contributing factor is road conditions.	<b>Achieved</b> – 0 (2013/14 Achieved 0)	0



#### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

##### Positive Effects

This activity contributes to the District's social, economic, cultural and environmental well-being and the achievement of the desired outcomes through Council's provision of an integrated, safe, responsive and sustainable local land transport system. This is a fundamental requirement for every District, and because Council is the road controlling authority under the Local Government Act 1974 with responsibility for all local roads in the area.

This activity contributes to the following community outcomes:

- affordable quality services and facilities;
- prosperous urban and rural business environment;
- attractive and safe built environment; and
- sustainable use and enjoyment of the natural environment.

##### Negative Effects

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

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

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

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

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

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

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

The detailed financial summary for the Roothing activity (including the Business Unit) is shown below.

Roothing is partly funded by a targeted rate on all rated properties. Roothing is Council's most significant activity in terms of expenditure.

## Roading

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
5,538	<b>Operating Expenditure</b>	5,503	5,362
2,868	<b>Revenue</b>	3,282	2,916
<b>2,671</b>	<b>Net Cost of Service</b>	<b>2,221</b>	<b>2,446</b>
	<b>EXPENDITURE</b>		
2,856	Operating Costs	2,820	2,657
-	Interest	-	16
2,547	Depreciation	2,550	2,550
136	Allocated Overheads	133	138
<b>5,538</b>	<b>Total Operating Expenditure</b>	<b>5,503</b>	<b>5,362</b>
144	Principal Loan Repayments	-	14
2,772	Capital Expenditure	3,636	3,184
<b>8,455</b>	<b>Total Expenditure</b>	<b>9,139</b>	<b>8,559</b>
	<b>FUNDED BY:</b>		
130	Charges for Services	184	135
2,737	NZTA Financial Assistance	3,099	2,781
<b>2,868</b>	<b>Total Revenue</b>	<b>3,282</b>	<b>2,916</b>
3,278	Targeted Rates	3,324	3,339
326	Transfer from Reserves	326	326
2,440	Transfers from Reserves - Capital	2,675	3,135
182	Loan Funding - Capital	-	-
(646)	Transfer from (to) Capital	(475)	(1,164)
7	Other Funding	6	7
<b>8,455</b>	<b>Total Funding</b>	<b>9,139</b>	<b>8,559</b>

## Business Unit

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
182	<b>Operating Expenditure</b>	205	215
219	<b>Revenue</b>	220	220
<b>(37)</b>	<b>Net Cost of Service</b>	<b>(15)</b>	<b>(5)</b>
	<b>EXPENDITURE</b>		
132	Operating Costs	149	162
4	Depreciation	4	4
47	Allocated Overheads	53	49
<b>182</b>	<b>Total Operating Expenditure</b>	<b>205</b>	<b>215</b>
	<b>FUNDED BY:</b>		
157	In-house Services - NZTA Assisted	220	220
62	Charges for Services	-	-
<b>219</b>	<b>Total Revenue</b>	<b>220</b>	<b>220</b>
(9)	General Rates	(7)	(7)
3	Other Funding	2	3
<b>213</b>	<b>Total Funding</b>	<b>215</b>	<b>215</b>

## Stormwater

### 1.1 Nature and Scope of Activity

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 and provide a system for the normal drainage of stormwater and groundwater, thereby enhancing the life of other infrastructure eg. roads and protecting private property (to the defined level of service).

### 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Reticulation Capacity Increase	Level of service	\$49,500	\$57,800	Three projects were completed during the year. A fourth project was delayed due to more investigation and design work required than anticipated. This will be completed in 2015/16.
Reticulation renewals	Replacements	\$0	\$54,274	Three projects were completed during the year. A fourth project was delayed due to more investigation and design work required than anticipated. This will be completed in 2015/16.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
Stormwater system protects property from impacts of flooding.	Proportion of residential customers with protection from a 1 in 5 year flood so that flood water does not overtop floor level.	<b>Achieved</b> – 100% There was one 1 in 5 year event (2013/14 not applicable)	100%
	Proportion of Central Business zone customers with protection from a 1 in 5 year flood so that water does not enter their premises.	<b>Achieved</b> – 100% There was one 1 in 5 year event (2013/14 – Not applicable)	100%
	No of incidents of water entering building in central business zone, or overtopping floor level in a residential building in 1 in 20 year storm is less than four.	<b>Achieved</b> – There was one 1 in 20 year event (2013/14 – Not applicable)	<4
	Reported incidents are managed per service levels.	<b>Achieved</b> - 100% (2013/14 – Achieved 100%)	100%

#### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

##### Positive Effects

Stormwater assets are critical for the protection of properties and infrastructure and contribute to the following community outcomes:

- affordable quality services and facilities;
- prosperous urban and rural environment; and
- sustainable use and enjoyment of the natural environment.

##### Negative Effects

###### **Climate Change**

The projected effects of climate change would have direct impacts on the Stormwater activity. Stratford has recorded more frequent heavy downpours over short periods in the last 20 years, and it is predicted that the '1 in 20 year return period' standard for Stormwater systems will not be sufficient to cope with changing weather patterns.

The decision as to the recurrence interval to be adopted in stormwater drainage design is essentially a problem of balancing average annual benefits against average annual costs, having regard to the standard of protection from flooding that the community demands. It is difficult to conduct this sort of investigation for every design, and it is common practice to specify a recurrence interval. The Stratford District Council has adopted a 20 year interval. This is a statistical interpretation of probability and is used in determining pipe capacities. With climate change the storm water drainage pipes will not necessarily be undersized but may reach the design 20 year storm capacity more frequently.

However this standard will be retained and reviewed over time, and it is assumed that, due to Stratford's geography, the situation will have to deteriorate substantially to have a significant effect on the District.

The direct effects of climate change on the Stormwater activity have not been assessed in detail because it was felt that the effects of climate change were unlikely to become significant during the 2012/22 planning period.

##### 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.

#### 1.5 Cost of Services Statement

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

**Stormwater**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
199	<b>Operating Expenditure</b>	224	225
-	<b>Revenue</b>	-	-
<b>199</b>	<b>Net Cost of Service</b>	<b>224</b>	<b>225</b>
	<b>EXPENDITURE</b>		
52	Operating Costs	75	84
65	Depreciation	66	66
82	Allocated Overheads	83	75
<b>199</b>	<b>Total Operating Expenditure</b>	<b>224</b>	<b>225</b>
4	Capital Expenditure	112	50
<b>203</b>	<b>Total Expenditure</b>	<b>336</b>	<b>275</b>
	<b>FUNDED BY:</b>		
223	General Rates	219	222
4	Transfers from Reserves - Capital	112	50
-	Depreciation Funded From Reserves	-	-
-	Transfer (to) from Reserves - Operating Exp	-	-
5	Other Funding	3	4
<b>231</b>	<b>Total Funding</b>	<b>334</b>	<b>275</b>

## Wastewater (Sewerage)

### 1.1 Nature and Scope of Activity

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

### 1.2 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Reticulation extension	Level of Service	\$0	\$52,000	This was the completion of a project carried over from the previous year.
Effluent Upgrade	Level of Service	\$509,200	\$10,754	This has been carried over to 2015/16 as the discharge consent was delayed. Costs to date are for design work only.
Reticulation renewals	Replacement	\$150,000	\$75,424	Part of this project had to be carried over to 2015/16 due to contractor delays.
Reticulation capacity increase	Level of Service	\$53,800	\$84,281	This project was completed during the year, using some funds carried over from 2013/14
Treatment pond renewals	Replacement	\$32,300	\$14,285	This has been carried over to 2015/16 as the discharge consent was delayed. Costs to date are for design work only.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
Wastewater is managed without risk to public health.	Fewer than 20 overflows per year.	<b>Achieved</b> - 14. (2013/14 - Achieved - 4)	<20
	Overflows cleaned up within 24 hours.	<b>Achieved</b> - (2013/14 - Achieved - 100%)	To Achieve

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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 District's economic, environmental and cultural well-being and the achievement of the community outcomes:

- affordable quality services and facilities;
- prosperous urban and rural business environment; and
- sustainable use and enjoyment of the natural environment.

#### Negative Effects

**Climate Change** - The projected effects of climate change would have direct impacts on the Wastewater activity. It is predicted that western areas of New Zealand are likely to experience an increasing number of high intensity rain events. The sewer network could be affected by infiltration from increased ground water levels and a greater number of sewerage overflows. Council is currently identifying those areas where ground water infiltration presents a problem. A programme will be developed to repair or line pipes, prioritised on a cost/benefit basis.

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 2012/22 planning period. The Emissions Trading Scheme will not affect the wastewater treatment plant.

#### Negative Effects

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

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

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

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

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

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

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

#### 1.5 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

**Wastewater (Sewerage)**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
412	<b>Operating Expenditure</b>	404	417
60	<b>Revenue</b>	34	40
<b>352</b>	<b>Net Cost of Service</b>	<b>370</b>	<b>377</b>
	<b>EXPENDITURE</b>		
237	Operating Costs	228	217
-	Interest	-	33
93	Depreciation	94	93
82	Allocated Overheads	83	75
<b>412</b>	<b>Total Operating Expenditure</b>	<b>404</b>	<b>417</b>
-	Principal Loan Repayments	-	27
366	Capital Expenditure	237	745
<b>777</b>	<b>Total Expenditure</b>	<b>641</b>	<b>1,189</b>
	<b>FUNDED BY:</b>		
60	Charges for Services	34	40
<b>60</b>	<b>Total Revenue</b>	<b>34</b>	<b>40</b>
469	Targeted Rates	472	470
-	Transfer from (to) Reserves	(106)	(70)
268	Transfers from Reserves - Capital	142	182
3	Depreciation Funded From Reserves	-	-
(125)	Transfer (to) from Reserves - Operating Exp	-	-
97	Loan Funding - Capital	95	563
5	Other Funding	3	4
<b>777</b>	<b>Total Funding</b>	<b>641</b>	<b>1,189</b>



## Waste Management

### 1.1 Nature and Scope of Activity

Council provides a domestic refuse and recycling collection service to the urban areas of Stratford and Midhurst as follows:

- Weekly kerbside refuse collection of one 120 litre wheelaway bin.
- Monthly kerbside recyclables collection of one 240 litre wheelaway bin.

It also owns a transfer station situated at Cordelia Street, Stratford, which is available for the disposal of domestic and limited quantities of commercial waste, and the disposal of recyclables including green waste.

### 1.2 Projects and other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Building Upgrade	Level of service	\$0	\$37,243	Failure of a five metre high sliding door forced unplanned replacement

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
The levels of waste generated are reducing. NB: current volumes exclude private contractors.	That Council controlled waste stream is an average of < 850kg per household.	<b>Achieved</b> – 632kgs (2013/14 – Achieved – 645kg)	<850kg
	Percentage of the urban domestic waste is recycled.	<b>Achieved</b> – 53% (2013/14 - Achieved - 51%)	>30%
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	<b>Achieved</b> - 97% (2013/14 - Achieved 96%)	>75%

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

Section 539 of the Local Government Act 1974 requires Council to adopt a Waste Management Plan, and that Plan must make provision for collection, reduction, reuse, recycling, recovery, treatment and disposal of waste.

This activity contributes to the District's economic and environmental well-beings and the achievement of the desired outcomes through:

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

It contributes to the follow community outcomes:

- affordable quality services and facilities;
- prosperous urban and rural business environment; and
- sustainable use and enjoyment of the natural environment.

#### Negative Effects

The Waste Management activity, by its nature, has the potential to create a range of significant Negative Effects on the environmental well-being of the District, including the adverse effects of leachate from landfills, odour, litter and noxious materials. These effects are controlled by resource consents and management practices.

1.5 Cost of Services Statement

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

**Waste Management**

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
782	<b>Operating Expenditure</b>	792	861
55	<b>Revenue</b>	96	60
<b>727</b>	<b>Net Cost of Service</b>	<b>697</b>	<b>801</b>
	<b>EXPENDITURE</b>		
580	Operating Costs	577	660
20	Depreciation	21	22
182	Allocated Overheads	194	179
<b>782</b>	<b>Total Operating Expenditure</b>	<b>792</b>	<b>861</b>
2	Landfill Aftercare Costs	14	18
12	Capital Expenditure	37	-
<b>796</b>	<b>Total Expenditure</b>	<b>843</b>	<b>879</b>
	<b>FUNDED BY:</b>		
55	Charges for Services	96	60
<b>55</b>	<b>Total Revenue</b>	<b>96</b>	<b>60</b>
708	Targeted Rates	789	773
19	UAGC	18	19
20	Depreciation Funded from Reserves	21	22
-	Transfer (to) from Reserves - Operating Exp	-	-
(23)	Transfer from (to) Reserves	(123)	-
12	Transfers from Reserves - Capital	37	-
5	Other Funding	4	5
<b>796</b>	<b>Total Funding</b>	<b>843</b>	<b>879</b>

# Water Supply

## 1.1 Nature and Scope of Activity

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 Projects and Other Programmes

Project	Category	Budget 2014/15	Actual 2014/15	Notes
Stratford Supply Treatment Upgrade	Level of service	\$0	\$416,021	This was for the final costs relating to the new Stratford water treatment plant that was constructed in 2013/14.
Treatment Major Upgrade	Level of service	\$32,300	\$197,000	This extra expenditure was to install the additional filters and a chemical recovery facility
Laterals	Replacement	\$16,300	\$34,343	This expenditure was over budget as more laterals were required than anticipated.
Water Meter Installation	Level of Service	\$50,000	\$34,059	New water meters were installed as required
Reticulation Renewals	Replacement	\$174,500	\$141,949	Complete
Reticulation Riders	Level of service	\$41,200	\$7,158	There were no rider mains required where water mains were replaced, and there was only one minor rider required to connect to the new meter.
Reservoir cleanout	Replacement	\$300,000	\$10,612	The cleaning, initial assessment and design works have been completed to avoid taking a reservoir out of service during peak demand. This project will be completed in 2015/16
Hydrants	Replacement	\$8,300	\$3,005	There were only two hydrants identified as requiring replacement as opposed to the normal five or six.
Toko Supply Plant Upgrade	Level of service	\$150,000	\$70,930	This project was not completed during the year due to the accountability of contractors and will be completed in 2015/16.
Midhirst Supply Plant Upgrade	Level of service	\$2,200	\$241,027	This extra expenditure provided for better automation and integration of the plants in to the regional SCADA network. This adds to the operational efficiency and resilience of the supply, along with additional health and safety requirements.

### 1.3 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
Water is safe to drink.	The water supply shall comply with NZDWS 2005.	<b>Achieved</b> (2013/14 – Partly achieved)	Achieved
Water has a pleasant taste and no odour.	Fewer than 10 complaints per year.	<b>Achieved</b> – 4 complaints (2013/14 – Not Achieved 18)	<10
Water pressure is appropriate for its intended use.	Water pressure at 50 properties (including any complaints) is sufficient to fill a 10 litre bucket in under a minute.	<b>Achieved</b> – 52 properties tested (2013/14 – Partly Achieved 41 properties tested)	Achieved
A reliable water supply is provided.	Number of unplanned disruptions shall be less than 5.	<b>Not Achieved</b> – 6 unplanned disruptions (2013/14 - Not Achieved – 12 unplanned disruptions)	<5
	Maximum duration of a disruption shall be less than 6 hours.	<b>Achieved</b> (2013/14 – Achieved)	<6hrs
Water supply meets fire fighting requirements.	Survey 30 hydrants per year for compliance with NZ Fire Service Fire Fighting Water Supplies code of Practice.	<b>Achieved</b> – 31 hydrants tested (2013/14 - Partly Achieved 24 hydrants tested)	Compliance Achieved

### 1.4 Identified Effects that this activity has on the social, economic, environmental, or cultural well-being of the community.

#### Positive Effects

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 District's economic and environmental well-being and the achievement of the desired outcomes through:

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

It contributes to the following community outcomes:

- affordable quality services and facilities;
- prosperous urban and rural environment; and
- sustainable use and enjoyment of the natural environment.

#### Negative Effects

Climate Change - The projected effects of climate change would have direct impacts on the Water Supply activity. It is predicted that western areas of New Zealand are likely to experience an increasing number of high intensity rain events. The quality of water from the Patea River is generally good, with spikes in turbidity and colour during heavy rain events. Water quality is likely to remain similar but with increased variability of the source water due to climate change. Warmer temperatures may increase algal growth in the source streams, which may adversely affect the taste and odour qualities of the water. Both of these factors are likely to increase treatment costs.

The direct effects of climate change on the Water Supply activity have not been assessed in detail because it was felt that the effects of climate change were unlikely to become significant during the 2012/22 planning period.

### 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.

### 1.5 Cost of Services Statement

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

#### Water Supply

<b>Actual 2013/14 \$000</b>		<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>
1,457	<b>Operating Expenditure</b>	1,733	1,568
361	<b>Revenue</b>	355	456
<b>1,096</b>	<b>Net Cost of Service</b>	<b>1,379</b>	<b>1,112</b>
	<b>EXPENDITURE</b>		
765	Operating Costs	845	723
281	Interest	266	290
207	Depreciation	417	370
203	Allocated Overheads	206	186
<b>1,457</b>	<b>Total Operating Expenditure</b>	<b>1,733</b>	<b>1,568</b>
216	Principal Loan Repayments	-	245
2,459	Capital Expenditure	1,156	775
<b>4,132</b>	<b>Total Expenditure</b>	<b>2,889</b>	<b>2,588</b>
	<b>FUNDED BY:</b>		
361	Charges for Water Usage	355	456
<b>361</b>	<b>Total Revenue</b>	<b>355</b>	<b>456</b>
1,182	Targeted Rates	1,197	1,189
302	Transfers from Reserves - Capital	729	475
200	Depreciation Funded From Reserves	223	178
-	Transfer (to) from Reserves - Operating Exp	-	-
-	Transfers (to) from Reserves	(50)	(19)
(1,326)	Cash for Capital	11	300
3,400	Loan Funding - Capital	416	-
13	Other Funding	8	10
<b>4,132</b>	<b>Total Funding</b>	<b>2,889</b>	<b>2,588</b>

# COUNCIL CONTROLLED ORGANISATIONS

## 1.1 Background

The Local Government Act 2002 defines entities in which the Council has more than a 50 percent shareholding, or the ability to appoint more than 50 percent 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.

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

## 1.2 Nature and Scope of Activities

The Percy Thomson Gallery is located in Prospero Place and provides a total display area of 178m<sup>2</sup>. The arboretum has been established at Cloten Road, and the herbarium is a ‘virtual’ asset that can be found at [www.taranakiplants.net.nz](http://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 the 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 Performance Measures

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<b>Achieved:</b> Art exhibitions were delivered throughout the year, which included the following: <ul style="list-style-type: none"> <li>• National <ul style="list-style-type: none"> <li>- Adam Portraiture Awards</li> <li>- Dambusters</li> </ul> </li> <li>• Regional <ul style="list-style-type: none"> <li>- Taranaki Arts Trail</li> <li>- Fibreworks 2014</li> <li>- Toni Carter – Another world</li> </ul> </li> <li>• Local <ul style="list-style-type: none"> <li>- Stratford Art Society</li> <li>- 100 year WW Centennial</li> <li>- The Outdoor Room (2013/14 Achieved)</li> </ul> </li> </ul>	Deliver proposed art exhibitions which will include local, regional and at least 1 National.
	Number of visitors to the Gallery to be not less than 20,000 per year.	<b>Not achieved:</b> 19,523 (2013/14 Not measured)	>20,000

Level of Service	Performance Measure	Actual 2014/15	Target 2014/15
	To operate to a “break-even” balance	<b>Not Achieved:</b> The trust was over budget due to the remedial works required on the complex roof. (2013/14 Not measured)	Operate within “break-even” budget
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the facilities management contract	<b>Achieved:</b> 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. (2013/14 Achieved)	Develop and maintain the arboretum to the standards in the Facilities Management Contract
Delivery of Herbarium	Deliver the herbarium via the internet	<b>Achieved:</b> The herbarium, via the website in conjunction with the Taranaki Regional Council, continues to be viewed, particularly by educational institutions (2013/14 Achieved)	Deliver the herbarium via the internet.

#### 1.4 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 2013/14 \$000		Actual 2014/15 \$000	Budget 2014/15 \$000
256	<b>Operating Expenditure</b>	344	243
103	<b>Revenue</b>	145	63
<b>154</b>	<b>Net Cost of Service</b>	<b>199</b>	<b>180</b>
<b>EXPENDITURE</b>			
191	Operating Costs	278	177
66	Depreciation	66	66
<b>256</b>	<b>Total Operating Expenditure</b>	<b>344</b>	<b>243</b>
<b>FUNDED BY:</b>			
103	User Charges	145	63
<b>103</b>	<b>Total Revenue</b>	<b>145</b>	<b>63</b>
50	Council Grant	50	50
68	Investment Interest	70	64
36	Transfer from (to) Accumulated Surplus	79	66
<b>256</b>	<b>Total Funding</b>	<b>344</b>	<b>243</b>

# MAORI PARTICIPATION IN DECISION-MAKING PROCESSES

## **Introduction**

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

## **Consultation**

Council currently has an on-going commitment to Maori consultation with respect to all of its planning processes, including those under the Resource Management Act, the Strategic Plan and its financial planning. Council has ensured that it has met its obligations under the Resource Management Act 1991 in terms of maintaining processes to provide opportunities for Maori to contribute to decisions.

Council was active in promoting meetings to discuss issues that were relevant to both parties between the following Iwi:

- Ngati Ruanui Tahua Iwi Authority.
- Ngaruahine Iwi Authority.
- Ngati Maru Tribal Council.

## **Other Involvement with Council**

This year Council completed the Midhirst Water Treatment Plant, and a site blessing was held prior to work commencing.

Council were welcomed into Whakaahurangi Marae for consultation relating to the 2015-25 Long Term Plan.

Council has actively been attending meetings with the Crown, Whanganui River Iwi and various Councils on the Treaty Settlement process with Whanganui River Iwi. This was recently settled with the Crown providing funding to remediate the health of the river.



# FINANCIAL STATEMENTS

## STRATFORD DISTRICT COUNCIL - Statement of Comprehensive Revenue and Expense for the year ended 30 June 2015

	Note	Council			Group	
		Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Revenue</b>						
Rates, excluding Targeted Water Supply Rates	4	10,273	10,207	10,079	10,273	10,079
Fees/Charges/Targeted Rates for Water Supply		355	456	361	355	361
Subsidies and Grants	5	3,270	3,081	2,771	3,364	2,812
Development and Financial Contributions		37	-	-	37	-
Fees and Charges		1,968	2,028	2,075	1,974	2,092
Interest Revenue	9	142	154	242	212	310
Other Revenue	5	144	(26)	95	144	95
<b>Total Revenue</b>	5	<b>16,188</b>	<b>15,899</b>	<b>15,623</b>	<b>16,358</b>	<b>15,749</b>
<b>Expenses</b>	7					
Personnel Costs	7	2,816	2,922	2,737	2,899	2,818
Depreciation and Amortisation	15 & 16	4,150	3,984	3,821	4,216	3,886
Other Expenses	8	8,171	7,665	8,273	8,271	8,286
Finance Costs	9	252	351	298	252	298
<b>Total Expenses</b>		<b>15,389</b>	<b>14,922</b>	<b>15,128</b>	<b>15,638</b>	<b>15,289</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>799</b>	<b>977</b>	<b>496</b>	<b>720</b>	<b>460</b>
Income Tax Expense	10	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>799</b>	<b>977</b>	<b>496</b>	<b>720</b>	<b>460</b>
<b>Surplus/Deficit attributable to:</b>						
Stratford District Council		799	977	496	720	460
Percy Thomson Trust		-	-	-	-	-
<b>Other Comprehensive Revenue and Expense</b>						
Loss on sale of financial assets at fair value through other comprehensive revenue and expense		-	-	-	-	-
Revaluation of financial assets at fair value through other comprehensive revenue and expense		(112)	-	(184)	(112)	(184)
Gains/(Losses) on Property Revaluation		-	-	12,321	-	12,380
<b>Total Other Comprehensive Revenue and Expense</b>		<b>(112)</b>	<b>-</b>	<b>12,138</b>	<b>(112)</b>	<b>12,196</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>687</b>	<b>977</b>	<b>12,634</b>	<b>608</b>	<b>12,656</b>
<b>Total Comprehensive Revenue and Expense attributable to:</b>						
Stratford District Council		687	977	12,634	692	12,692
Percy Thomson Trust		-	-	-	(84)	(36)
		<b>687</b>	<b>977</b>	<b>12,634</b>	<b>608</b>	<b>12,656</b>

*The accompanying notes form part of these financial statements.*

# FINANCIAL STATEMENTS

## STRATFORD DISTRICT COUNCIL - Reconciliation between Cost of Service Statements and Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2015

	Council		
	Actual	Budget	Actual
	2014/15 \$000	2014/15 \$000	2013/14 \$000
<b>Total Operating Revenue (Activity Cost of Service Statements)</b>			
Community Services	433	433	474
Democracy	64	60	66
Economy	544	583	554
Environmental Management	368	466	484
Roading	3,502	3,136	3,087
Wastewater (Sewerage)	34	40	60
Waste Management	96	60	55
Water Supply	355	456	361
<b>Total Operating Revenue</b>	<b>5,396</b>	<b>5,234</b>	<b>5,141</b>
<b>Total Operating Revenue (Statement of Comprehensive Revenue and Expense)</b>	<b>16,188</b>	<b>15,899</b>	<b>15,624</b>
<b>VARIANCE</b>	<b>(10,792)</b>	<b>(10,665)</b>	<b>(10,483)</b>
<b>Reconciling Items</b>			
Rates Revenue	10,273	10,207	10,079
Development and Financial Contributions	37	0	0
Other Revenue	162	4	120
Other Grants	171	300	34
Low Interest Loan Revenue	7	0	8
Finance Income	142	154	242
<b>Total Reconciling Items</b>	<b>10,792</b>	<b>10,665</b>	<b>10,483</b>
<b>Total Operating Expenditure (Activity Cost of Service Statements)</b>			
Community Services	2,984	3,048	2,963
Democracy	1,021	970	921
Economy	1,120	1,106	1,011
Environmental Management	1,262	1,241	1,220
Roading	5,708	5,577	5,720
Stormwater Drainage	224	225	199
Wastewater (Sewerage)	404	417	412
Waste Management	792	861	782
Water Supply	1,733	1,568	1,457
Less Interest on Internal Water Supply Loan	-	(92)	(94)
<b>Total Operating Expenditure</b>	<b>15,248</b>	<b>14,922</b>	<b>14,591</b>
<b>Total Operating Expenditure (Statement of Comprehensive Revenue and Expense)</b>	<b>15,389</b>	<b>14,922</b>	<b>15,128</b>
<b>VARIANCE</b>	<b>(141)</b>	<b>0</b>	<b>(537)</b>
<b>Reconciling Item</b>			
Net Losses on Disposals and Other Sundry Expenses	139	0	488
Development Levies	0	0	26
Interest on Internal Loan	(91)	0	0
Other Expenditure	2	0	5
Interest on Loan Funds Unallocated	77	0	16
Landfill Aftercare Expenses	14	0	2
<b>Total Reconciling Items</b>	<b>141</b>	<b>0</b>	<b>537</b>
<b>Net Surplus per Statement of Comprehensive Revenue and Expense</b>	<b>799</b>	<b>977</b>	<b>496</b>

**STRATFORD DISTRICT COUNCIL - Statement of Financial Position as at 30 June 2015**

	Note	Council			Group	
		Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	11	1,846	1,030	2,862	2,130	2,966
Short Term Deposits	11	1,500	-	1,500	1,750	1,750
Receivables	12	1,319	956	1,247	1,347	1,261
Prepayments		411	-	34	411	34
Other Financial Assets	14	14	-	13	139	167
<b>Total Current Assets</b>		<b>5,089</b>	<b>1,986</b>	<b>5,655</b>	<b>5,776</b>	<b>6,178</b>
<b>Non-Current Assets</b>						
Receivables	12	41	-	86	41	86
Property, Plant and Equipment	15	305,576	304,668	303,788	307,258	305,537
Intangible Assets	16	975	-	1,010	975	1,010
Investment in Percy Thomson Trust (CCO)		0	0	0	-	-
Other Financial Assets	14	746	725	872	1,338	1,549
<b>Total Non-Current Assets</b>		<b>307,337</b>	<b>305,393</b>	<b>305,756</b>	<b>309,612</b>	<b>308,182</b>
<b>Total Assets</b>		<b>312,426</b>	<b>307,380</b>	<b>311,411</b>	<b>315,388</b>	<b>314,360</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables and Deferred Revenue	17	1,800	1,207	1,386	1,918	1,394
Provision for Landfill Aftercare	18	16	18	15	16	15
Employee Entitlements	19	134	112	130	138	132
Borrowings	20	-	201	-	-	-
<b>Total Current Liabilities</b>		<b>1,950</b>	<b>1,538</b>	<b>1,530</b>	<b>2,072</b>	<b>1,541</b>
<b>Non-Current Liabilities</b>						
Provision for Landfill Aftercare	18	74	109	85	74	85
Employee Entitlements	19	42	199	88	42	88
Borrowings	20	5,340	4,951	5,340	5,340	5,340
<b>Total Non-Current Liabilities</b>		<b>5,456</b>	<b>5,259</b>	<b>5,513</b>	<b>5,456</b>	<b>5,513</b>
<b>Total Liabilities</b>		<b>7,406</b>	<b>6,797</b>	<b>7,043</b>	<b>7,528</b>	<b>7,054</b>
<b>Equity</b>						
Retained Earnings	21	175,034	174,199	173,915	177,128	176,098
Other Reserves	21	129,987	126,386	130,452	130,733	131,208
<b>Total Equity Attributable to Stratford District Council</b>		<b>305,022</b>	<b>300,584</b>	<b>304,368</b>	<b>307,861</b>	<b>307,306</b>
<b>Total Liabilities &amp; Equity</b>		<b>312,426</b>	<b>307,380</b>	<b>311,411</b>	<b>315,388</b>	<b>314,360</b>
<i>The accompanying notes form part of these financial statements.</i>						

# STRATFORD DISTRICT COUNCIL - Statement in Changes of Equity

For the Year Ended 30 June 2015

	Council			Group	
	Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Balance at 1 July</b>					
Retained Earnings	173,915	172,800	173,134	176,098	175,352
Fair Value through Comprehensive Revenue and Expense	(66)	-	117	(57)	136
Asset Renewal Reserve	2,401	1,605	2,335	2,401	2,335
Contingency Reserve	505	505	505	505	505
Other Council Created Reserves	477	294	242	477	242
Restricted Reserves	437	362	810	437	810
Targeted Rate Reserves	837	396	1,088	837	1,088
Asset Revaluation Reserves	125,863	123,647	113,542	126,609	114,228
<b>Total Equity - Opening Balance</b>	<b>304,368</b>	<b>299,607</b>	<b>291,773</b>	<b>307,306</b>	<b>294,697</b>
<b>Changes in Equity</b>					
Retained Earnings	1,119	1,399	781	1,017	746
Loss on sale of financial assets at fair value through other comprehensive revenue and expense	-	-	-	-	-
Fair Value through Comprehensive Revenue and Expense	(112)	-	(184)	(112)	(193)
Asset Renewal Reserve	(36)	(138)	66	(36)	66
Contingency Reserve	-	-	-	-	-
Other Council Created Reserves	32	52	235	32	235
Restricted Reserves	9	(94)	(373)	9	(373)
Targeted Rate Reserves	(358)	(242)	(252)	(358)	(252)
Asset Revaluation Reserves	-	-	12,321	-	12,380
<b>Total Comprehensive Revenue and Expense</b>	<b>654</b>	<b>977</b>	<b>12,595</b>	<b>552</b>	<b>12,609</b>
<b>Closing Balance</b>					
Retained Earnings	175,034	174,199	173,915	177,115	176,098
Fair Value through Comprehensive Revenue and Expense	(178)	-	(66)	(168)	(57)
Asset Renewal Reserve	2,365	1,467	2,401	2,365	2,401
Contingency Reserve	505	505	505	505	505
Other Council Created Reserves	508	346	477	508	477
Restricted Reserves	446	268	437	446	437
Targeted Rate Reserves	479	154	837	479	837
Asset Revaluation Reserves	125,863	123,647	125,863	126,609	126,609
<b>Total Equity - Closing Balance</b>	<b>305,022</b>	<b>300,584</b>	<b>304,368</b>	<b>307,861</b>	<b>307,306</b>
<i>The accompanying notes form part of these financial statements.</i>					

# STRATFORD DISTRICT COUNCIL - Statement of Cashflows

For the Year Ended 30 June 2015

	Note	Council			Group	
		Actual 2014/15 \$000	Budget 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Cash Flows from Operating Activities</b>						
Receipts from Rates Revenue		10,274	10,206	9,817	10,274	9,817
Interest Received		148	154	242	217	309
Dividends Received		-	-	-	-	-
Development and Financial Contributions		37	-	-	37	-
Subsidies, Grants and Donations		3,432	3,081	2,737	3,526	2,784
Receipts from Other Revenue		2,130	2,550	2,461	2,161	2,470
Regional Council Rates		659	-	667	659	667
Payments to Suppliers and Employees		(11,010)	(10,697)	(12,447)	(11,123)	(12,551)
Interest Paid		(251)	(351)	(298)	(251)	(298)
Goods and Services Tax (net)		73	-	102	71	100
Regional Council Rates		(659)	-	(667)	(659)	(667)
<b>Net Cash from Operating Activities</b>		<b>4,832</b>	<b>4,943</b>	<b>2,614</b>	<b>4,912</b>	<b>2,632</b>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale of Property, Plant and Equipment		-	-	-	-	-
Proceeds from Sale of Investments		1,500	1,520	-	2,200	250
Purchase of Property, Plant & Equipment		(5,848)	(6,423)	(6,358)	(5,848)	(6,362)
Acquisition of Investments		(1,500)	(1,500)	(1,500)	(2,100)	(1,800)
<b>Net Cash from Investing Activities</b>		<b>(5,848)</b>	<b>(6,403)</b>	<b>(7,858)</b>	<b>(5,748)</b>	<b>(7,912)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from Borrowings		-	-	5,139	-	5,139
Repayment of Borrowings (Loans)		-	(201)	-	-	-
<b>Net Cash from Financing Activities</b>		<b>-</b>	<b>(201)</b>	<b>5,139</b>	<b>-</b>	<b>5,139</b>
<b>Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts</b>						
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		(1,016)	(1,661)	(105)	(836)	(141)
<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	11	<b>1,846</b>	<b>1,030</b>	<b>2,862</b>	<b>2,130</b>	<b>2,966</b>
<p>The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.</p>						

## Notes to Financial Statements

### Note 1 Statement of Accounting Policies for the year ending 30 June 2015

#### **Reporting Entity**

Stratford District Council (“the Council”) is a territorial local authority established under the Local Government Act 2002 and is domiciled in New Zealand.

The activities of the Percy Thomson Trust, a non profit organisation controlled by Council, are included in these financial statements only to the extent of the grant to be paid to the Trust.

The primary objective of the Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and the group as public benefit entities (PBE’s) for financial reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2015 and were authorised for issue by Council on 13 October 2015.

#### **Measurement Base**

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

##### 1.1 Basis of reparation of the Financial Statements

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

##### 1.2 Statement of compliance

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

These financial statements have been prepared in accordance with tier 2 PBE accounting standards. Council has designed itself as a tier 2 reporting entity as it has expenses between \$2.0 million and \$30.0 million, and is not publicly accountable.

These financial statements comply with PBE standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 30.

#### **Presentation Currency and Rounding**

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

### Note 2 Summary of Significant Accounting Policies

#### 2.1 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.

## 2.2 Budget Figures

The budget figures are those approved by the Council in the 2014/15 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. Then as a tier 2 reporting entity Council uses the public sector Public Benefit Entity Accounting Standards.

Council has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that Council obtains distributions from, or further invest in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

## 2.3 Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

### **Rates Revenue**

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

### **Development and Financial Contributions**

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

### **New Zealand Transport Agency roading subsidies**

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

### **Other grants received**

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

### **Building and Resource Consent revenue**

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

**Entrance Fees**

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

**Landfill Fees**

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

**Sales of Goods**

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

**Infringement Fees and Fines**

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

**Vested or Donated Physical Assets**

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

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

**Interest and Dividends**

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

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

**2.4 Borrowing Costs**

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

**2.5 Grant Expenditure**

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

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

**2.6 Income Tax**

Income tax expense includes current tax and deferred tax.

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

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



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

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

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

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

## 2.7 Leases

### **Finance Leases**

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

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

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

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

### **Operating Leases**

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

## 2.8 Cash and Equivalents

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

## 2.9 Receivables

Receivables are recorded at their face value, less any provision for impairment.

## 2.10 Non-current Assets held for sale

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

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

## 2.11 Property, Plant and Equipment

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

**Unrestricted** Council is able to sell these assets without restrictions.

**Restricted** The disposal of these assets is limited by legislation, or in the manner in which they were vested, or cannot be physically uplifted and sold.

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

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

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

Property, plant and equipment are valued as follows:

<b>Class</b>	<b>Method of Valuation</b>
Land	Fair Value
Buildings	Optimised Depreciated Replacement Cost
Roads, Bridges and Footpaths	Depreciated Replacement Cost
Reticulation Systems	Depreciated Replacement Cost

### **Valuation**

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

Council's land and building assets have been revalued by Telfer Young (Taranaki) Limited, independent valuers as at 1 July 2013 at fair value as determined from market-based evidence. As part of the valuation exercise, GHD Limited has undertaken a peer review on internal assessment work performed by Council staff on the stormwater, waste water and water supply infrastructure reticulation networks and confirmed that the processes followed the requirements of NZ IAS 16.

Roading assets have been revalued by the independent valuers Opus International Consultants Ltd.

### **Public Benefit Entity Revaluation**

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

### **Impairment**

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

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

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

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

### **Disposals**

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

### **Subsequent Costs**

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

### **Security**

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

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

## 2.12 Intangible Assets

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

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

- Software 3-10 years.

### **Security**

No intangibles titles are restricted and no amounts are pledged for security.

## 2.13 Depreciation

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

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

	<b>Years</b>
Buildings	10-100
Plant	5-10
Motor Vehicles	5
Fixtures and Fittings	5-10
Office Equipment	4-10
Roading Basecourse	15-80
Roading Seal	2-16
Roading Culverts	20-80
Roading Sumps	80
Signs	10
Bridges (including Tunnels)	60-100
Footpaths	20-80

Streetlights	30
Stormwater	20-80
Water Supply	50-80
Sewerage	40-80
Street Beautification	10-100

## 2.14 Business Unit

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

## 2.15 Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## 2.16 Cost of Service Statements

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

## 2.17 Cost Allocation

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

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

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

## 2.18 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.

### **Short-Term Employment 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 an 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 for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

### **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 with 12 months of balance date are classified as a current liability and retirement gratuities expected to be settled after 12 months from balance date are classified as a non-current liability.

#### 2.19 Financial Instruments

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

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

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

**Fair value through other comprehensive revenue and expense**

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

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

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

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

## 2.21 Impairment of Financial Assets

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

### **Loans and receivables, and held-to-maturity investments**

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit.

When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

**Financial assets at fair value through other comprehensive revenue and expense**

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

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

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

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

surplus or deficit.

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

## 2.22 Payables

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

## 2.23 Borrowings

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

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

## 2.24 Provisions

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

## 2.25 Equity

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

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

### **Restricted reserves**

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

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

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

### **Property revaluation reserve**

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

### **Fair value through other comprehensive revenue and expense reserve**

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

## 2.26 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 (in accordance with NZIAS 37) to provide on-going maintenance and monitoring services at the landfill sites after closure.

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

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

- The physical condition of the asset. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of any asset.
- The remaining useful life over which the asset will be depreciated.

These estimates can be impacted by local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the depreciation charge recognised in the Statement of Comprehensive Revenue and Expense. To minimise this risk useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation guidelines published by the National Asset Management Steering Group. Asset inspections and condition modelling are also carried out regularly as part of Council's asset management planning activities.

## 2.27 Rounding Errors

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

## 2.28 Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2015:

### **Classification of property**

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

## 2.29 Changes in Accounting Policies

From the year beginning 1 July 2014 a new Accounting Standards Framework developed by the External Reporting Board is applicable to Public Benefit Entities, which replace the previously applied accounting standards. This framework incorporates a tier structure with Stratford District Council classified as a Tier 2 reporting entity. Council has applied the available reduced disclosure regime in reporting with the Public Benefit Entity Accounting Standards. Stratford District Council has adopted the new standards from 1 July 2014, which has not required any material adjustment within the financial statements.



# Notes to Financial Statements

## Note 3 Summary of Cost of Services

FUNCTION	Revenue		Expenditure		Actual	Budget	Actual
	Actual	Budget	Actual	Budget	2014/15	2014/15	2013/14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Community Services</b>							
Aerodrome	21	19	65	69	44	51	9
Civic Amenities	50	50	602	660	551	610	524
Pensioner Housing	50	49	114	100	64	51	41
Community Development	22	21	316	330	294	309	305
Library	18	19	484	517	466	498	492
Parks and Reserves	8	8	510	518	501	510	535
Cemeteries	75	114	164	179	89	65	41
TSB Pool Complex	189	142	730	676	540	534	542
<b>Sub-Total</b>	<b>433</b>	<b>421</b>	<b>2,984</b>	<b>3,048</b>	<b>2,550</b>	<b>2,628</b>	<b>2,489</b>
<b>Democracy</b>							
Democracy	-	-	809	806	809	806	754
Corporate Support	64	60	213	164	149	104	101
<b>Sub-Total</b>	<b>64</b>	<b>60</b>	<b>1,021</b>	<b>970</b>	<b>957</b>	<b>910</b>	<b>855</b>
<b>Economy</b>							
Economic Development	-	-	385	368	385	368	263
Information Centre	121	114	368	396	247	282	256
Farm Investment	333	418	220	197	(112)	(221)	(122)
Holiday Park	20	20	78	82	58	62	59
Rental Properties	71	31	68	62	(3)	31	2
<b>Sub-Total</b>	<b>544</b>	<b>583</b>	<b>1,120</b>	<b>1,106</b>	<b>575</b>	<b>523</b>	<b>458</b>
<b>Environmental Management</b>							
Building Control	143	165	332	330	189	165	140
Dog Control	102	125	211	202	109	77	56
Rural Fire	-	-	68	65	68	65	64
Emergency Management	-	-	48	49	48	49	43
District Plan	-	-	78	72	78	72	112
Resource Consents	52	91	170	167	118	76	87
Bylaws	13	36	137	142	125	106	91
Environmental Health	22	15	116	101	94	86	77
Liquor Licensing	37	34	103	113	67	79	67
<b>Sub-Total</b>	<b>368</b>	<b>466</b>	<b>1,262</b>	<b>1,241</b>	<b>895</b>	<b>776</b>	<b>736</b>
<b>Roading</b>							
Roading	3,282	2,916	5,503	5,362	2,221	2,446	2,671
Business Unit	220	220	205	215	(15)	(5)	(37)
<b>Sub-Total</b>	<b>3,502</b>	<b>3,136</b>	<b>5,708</b>	<b>5,577</b>	<b>2,206</b>	<b>2,441</b>	<b>2,634</b>
<b>Stormwater</b>							
Stormwater	-	-	224	225	224	225	199
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>225</b>	<b>224</b>	<b>225</b>	<b>199</b>
<b>Wastewater (Sewerage)</b>							
Wastewater (Sewerage)	34	40	404	417	370	377	352
<b>Sub-Total</b>	<b>34</b>	<b>40</b>	<b>404</b>	<b>417</b>	<b>370</b>	<b>377</b>	<b>352</b>
<b>Waste Management</b>							
Waste Management	96	60	792	861	697	801	727
<b>Sub-Total</b>	<b>96</b>	<b>60</b>	<b>792</b>	<b>861</b>	<b>697</b>	<b>801</b>	<b>727</b>
<b>Water Supply</b>							
Water Supply	355	456	1,733	1,568	1,379	1,112	1,096
<b>Sub-Total</b>	<b>355</b>	<b>456</b>	<b>1,733</b>	<b>1,568</b>	<b>1,379</b>	<b>1,112</b>	<b>1,096</b>
<b>Total Activity Revenue &amp; Expenditure</b>	<b>5,396</b>	<b>5,222</b>	<b>15,248</b>	<b>15,015</b>	<b>9,852</b>	<b>9,793</b>	<b>9,544</b>
Plus: General Rates & UAGC	4,477	4,435	-	-	(4,477)	(4,435)	(4,429)
Plus: Targeted Rates	5,783	5,771	-	-	(5,783)	(5,771)	(5,650)
<b>Total Revenue and Operating Expenditure</b>	<b>15,656</b>	<b>15,428</b>	<b>15,248</b>	<b>15,015</b>	<b>(407)</b>	<b>(413)</b>	<b>(535)</b>

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.

# Notes to Financial Statements

## 4. RATES REVENUE

	<b>Council &amp; Group</b>	
	<b>Actual</b>	<b>Actual</b>
	<b>2014/15</b>	<b>2013/14</b>
	<b>\$000</b>	<b>\$000</b>
<b>General Rates &amp; UAGC</b>	4,477	4,429
<b>Targeted Rates Attributable to Activities</b>		
- Roading	3,324	3,278
-Wastewater	472	469
-Waste Management	789	708
-Water Supply	1,197	1,182
-Community Halls	14	13
<b>Total Rates</b>	<b>10,273</b>	<b>10,079</b>
<b>Rates Remissions</b>		
Rates revenue is shown net of rates remissions and non-rateable land. Stratford District Council's rates remission policy provides for rates to be remitted for various purposes. Council committed itself at the start of the year to certain remissions which are listed below:		
	<b>Council &amp; Group</b>	
	<b>Actual</b>	<b>Actual</b>
	<b>2014/15</b>	<b>2013/14</b>
	<b>\$000</b>	<b>\$000</b>
<b>Rates Remissions</b>		
Community, Sporting and Other Organisations	36	38
Council Owned Properties and Land Subject to an Open Space Covenant	40	38
Maori Free-hold Land	25	24
<b>Total Rate Remissions</b>	<b>101</b>	<b>100</b>
<b>Non-Rateable Land</b>		
Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water and refuse. Non-rateable land does not constitute a remission under Stratford District Council's rates remission policy.		

## 5. OTHER REVENUE

<b>Subsidies and Grants</b>				
	<b>Council</b>		<b>Group</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Grants - TSB Community Trust	15	34	55	44
Grants - Taranaki Electricity Trust	-	-	54	31
Other Grants	-	-	-	-
Ministry of Health drinking water related subsidies	156	-	156	-
NZ Transport Agency Roading Subsidies	3,099	2,737	3,099	2,737
<b>Total Subsidies and Grants</b>	<b>3,270</b>	<b>2,771</b>	<b>3,364</b>	<b>2,812</b>
There are no unfulfilled conditions and other contingences attached to New Zealand Transport Agency				
<b>Other Revenue</b>				
	<b>Council</b>		<b>Group</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Vested Assets	55	110	55	110
Petrol Tax	82	71	82	71
Low Interest Loan Revenue	7	8	7	8
Less Interest received on internal loan	-	(94)	-	(94)
Gains (Losses) on disposal of Property, Plant and Equipment	-	-	-	-
<b>Total Other Revenue</b>	<b>144</b>	<b>95</b>	<b>144</b>	<b>95</b>
<b>Revenue from Exchange and Non-Exchange Transactions</b>				
	<b>Council</b>		<b>Group</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Exchange transactions	925	1,029	995	1,029
Non-exchange transactions	15,264	14,594	15,364	14,654
<b>Total Other Revenue</b>	<b>16,188</b>	<b>15,623</b>	<b>16,358</b>	<b>15,683</b>

## 6. OTHER GAINS/(LOSSES)

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Gain (Loss) on Disposal of Property, Plant and Equipment	-	-	-	-
<b>Total Gains/(Losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7. PERSONNEL COSTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Salaries and Wages	2,859	2,741	2,940	2,827
Increase/(Decrease) in Employee Entitlements	(43)	(5)	(41)	(9)
<b>Total Personnel Costs</b>	<b>2,816</b>	<b>2,737</b>	<b>2,899</b>	<b>2,818</b>

## 8. OTHER EXPENSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Net Losses on Disposals and Other Sundry Expenses	139	488	139	488
Development Levies	-	26	-	26
Insurance premiums	99	99	106	106
Other Expenditure	-	5	-	5
Less Interest Paid on Internal Loan	-	(94)	-	(94)
Landfill Aftercare Expenses	14	2	14	2
Operating Expenses	7,919	7,746	8,012	7,752
<b>Total Other Expenses</b>	<b>8,171</b>	<b>8,273</b>	<b>8,271</b>	<b>8,286</b>

## 9. INTEREST REVENUE AND FINANCE COSTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
<b>Interest Revenue</b>				
Interest on Term Deposits	142	242	212	310
<b>Total Finance Income</b>	<b>142</b>	<b>242</b>	<b>212</b>	<b>310</b>
<b>Finance Costs</b>				
Interest on Bank Borrowings	252	298	252	298
<b>Total Finance Costs</b>	<b>252</b>	<b>298</b>	<b>252</b>	<b>298</b>
<b>Net Finance Costs</b>	<b>(110)</b>	<b>(56)</b>	<b>(40)</b>	<b>12</b>

The variance between the current and prior year is the inclusion in 2013/14 of internal interest charges.

## 10. TAX

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.				
	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
<b>Components of Tax Expense</b>				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
<b>Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Relationship Between Tax Expense and Accounting Surplus</b>				
Surplus/(Deficit) Before Tax	799	496	719	394
Tax at 28%	224	139	201	110
Non-deductible Expenses	-	-	-	-
Non-taxable Revenue	(224)	(139)	(201)	(110)
<b>Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to Financial Statements

## 11. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
Cash at Bank and on Hand	1,846	2,862	2,130	2,966
Term Deposits Maturing Three Months or Less from Date of Acquisition	-	-	-	-
<b>Sub-total Cash and Cash Equivalents</b>	<b>1,846</b>	<b>2,862</b>	<b>2,130</b>	<b>2,966</b>
Term Deposits Maturing More than Three Months from Date of Acquisition	1,500	1,500	1,750	1,750
<b>Total Cash and Cash Equivalents and Short Term Deposits</b>	<b>3,346</b>	<b>4,362</b>	<b>3,880</b>	<b>4,716</b>

Refer to note 14 for weighted average effective interest rate for cash and cash equivalents.

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

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
Cash at Bank and on Hand	1,846	2,862	2,130	2,966
Term Deposits Maturing Three Months or Less from Date of Acquisition	-	-	-	-
<b>Sub-total</b>	<b>1,846</b>	<b>2,862</b>	<b>2,130</b>	<b>2,966</b>
Investments Maturing More that Three Months from Date of Acquisition	1,500	1,500	1,750	1,750
<b>Total</b>	<b>3,346</b>	<b>4,362</b>	<b>3,880</b>	<b>4,716</b>

## Notes to Financial Statements

### 12. RECEIVABLES

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Current Portion</b>				
Rates Receivables	286	280	286	280
Other Receivables	1,033	967	1,061	981
<b>Receivable prior to impairment</b>	<b>1,319</b>	<b>1,247</b>	<b>1,347</b>	<b>1,261</b>
Less Provision for Impairment	-	-	-	-
<b>Total Current Portion of Receivables</b>	<b>1,319</b>	<b>1,247</b>	<b>1,347</b>	<b>1,261</b>
<b>Non-Current Portion</b>				
Other Receivables	41	86	41	86
<b>Total Non-Current Portion of Receivables</b>	<b>41</b>	<b>86</b>	<b>41</b>	<b>86</b>
<b>Total Receivables</b>	<b>1,360</b>	<b>1,332</b>	<b>1,388</b>	<b>1,346</b>
<b>Total Receivables Comprise:</b>				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	1,043	1,116	1,043	1,116
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	317	216	345	230
There has been no impairment of receivables during the year.				

## Notes to Financial Statements

### 13. INVENTORIES

Council was not carrying any inventories at year end (2014 - Nil).

### 14. OTHER FINANCIAL ASSETS

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Current Portion</b>				
Loans and Receivables				
Financial Assets Available for Sale	-	-	125	154
Community Loan - Stratford Health Trust	14	13	14	13
<b>Total Current Portion</b>	<b>14</b>	<b>13</b>	<b>139</b>	<b>167</b>
<b>Non-current Portion</b>				
Community Loan - Stratford Health Trust	83	97	83	97
Financial Assets Available for Sale	-	-	592	678
Listed Shares	663	775	663	775
<b>Total Non-current Portion</b>	<b>746</b>	<b>872</b>	<b>1,338</b>	<b>1,549</b>
<b>Total Other Financial Assets</b>	<b>760</b>	<b>885</b>	<b>1,477</b>	<b>1,717</b>

#### *Impairment*

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

#### *Community Loan*

The fair value of the community loan is \$96,858 (2014 \$109,741). Fair value has been determined using cash flows based on Council's assumed cost of borrowing of 6.6% and 5.5% (2014 6.6% and 5.5%). The purpose of the loan was to assist the Stratford Health Trust construct new premises in the town. The loan was for a term of 10 years.

The face value of the community loan is \$120,000 (2014 \$140,000).

#### *Listed Shares*

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

#### **Maturity Analysis and Effective Interest Rates**

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



## OTHER FINANCIAL ASSETS (CONT)

<b>2015</b>	<b>Short-term Deposits Council \$000</b>	<b>Short-term Deposits Group \$000</b>
Short term deposits with maturities of 3 months or less <i>Average maturity 90 days</i> <i>Weighted average Effective Interest Rate</i>	-	-
Short term deposits with maturities of more than 3 months but less than 12 months <i>Average maturity 180 days</i> <i>Weighted average Effective Interest Rate</i>	1,500	1,750
Investments maturing after 1 year but not more than 5 years <i>Weighted average Effective Interest Rate</i>	-	-
Investments maturing after more than 5 years <i>Weighted average Effective Interest Rate</i>	-	-
<b>Total</b>	<b>1,500</b>	<b>1,750</b>
<b>2014</b>	<b>Short-term Deposits Council \$000</b>	<b>Short-term Deposits Group \$000</b>
Short term deposits with maturities of 3 months or less <i>Average maturity 90 days</i> <i>Weighted average Effective Interest Rate</i>	-	-
Short term deposits with maturities of more than 3 months but less than 12 months <i>Average maturity 157 days</i> <i>Weighted average Effective Interest Rate</i>	1,500	1,750
Investments maturing after 1 year but not more than 5 years <i>Weighted average Effective Interest Rate</i>	4.20%	4.18%
Investments maturing after more than 5 years <i>Weighted average Effective Interest Rate</i>	-	-
Investments maturing after more than 5 years <i>Weighted average Effective Interest Rate</i>	-	-
<b>Total</b>	<b>1,500</b>	<b>1,750</b>

# Notes to Financial Statements

## 15. PROPERTY, PLANT AND EQUIPMENT

	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount	Assets constructed by Council	Assets transferred to Council	Disposals	Depreciation	Depreciation Reversed on Revaluation	Depreciation Reversed on Disposal	Revaluation Surplus	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount
	1 July 2014			Current Year							30 June 2015		
2015	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>													
Land	5,047	-	5,047	-	-	-	-	-	-	-	5,047	-	5,047
Buildings	7,708	397	7,310	232	-	-	407	-	-	-	7,940	805	7,135
Surplus Properties	114	-	114	-	-	-	-	-	-	-	114	-	114
Plant	355	162	193	27	-	-	23	-	-	-	382	185	197
Motor Vehicles	212	83	128	56	-	-	29	-	3	-	267	115	152
Furniture/Fittings	401	320	81	-	-	-	13	-	-	-	401	333	68
Office Equipment	1,208	831	378	28	-	(4)	106	-	-	-	1,232	937	295
Library Books	481	139	342	51	-	-	51	-	-	-	481	139	342
Work In Progress - Land	260	-	260	(4)	-	-	-	-	-	-	256	-	256
<b>Total Operational Assets</b>	<b>15,786</b>	<b>1,932</b>	<b>13,854</b>	<b>390</b>	<b>-</b>	<b>(4)</b>	<b>628</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>16,121</b>	<b>2,513</b>	<b>13,608</b>
<b>Council Restricted Assets</b>													
Land	7,326	-	7,326	-	-	(14)	-	-	(16)	-	7,296	-	7,296
Buildings	3,569	204	3,365	200	-	-	210	-	-	-	3,769	414	3,355
Street Beautification	1,562	105	1,458	6	-	-	21	-	-	-	1,568	126	1,442
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	203	-	203
Work In Progress - Buildings	28	-	28	157	-	-	-	-	-	-	185	-	185
<b>Total Restricted Assets</b>	<b>12,688</b>	<b>309</b>	<b>12,380</b>	<b>363</b>	<b>-</b>	<b>(14)</b>	<b>231</b>	<b>-</b>	<b>(16)</b>	<b>-</b>	<b>13,021</b>	<b>540</b>	<b>12,481</b>
<b>Council Infrastructure Assets</b>													
Water Supply													
- Reticulation and other assets	5,162	146	5,016	221	-	(39)	194	-	-	-	5,343	340	5,003
- Treatment plants and facilities	6,400	33	6,366	1,049	-	(39)	223	-	-	-	7,409	257	7,153
Wastewater System													
- Reticulation and other assets	1,430	60	1,370	212	-	(38)	60	-	-	-	1,604	120	1,484
- Treatment plants and facilities	2,091	32	2,059	-	-	-	33	-	-	-	2,091	65	2,025
Stormwater System	2,521	50	2,472	113	55	(21)	66	-	-	-	2,668	116	2,552
Roading Network	194,066	2,222	191,844	3,431	-	-	2,224	-	-	-	197,496	4,446	193,051
Land Under Roads	55,950	-	55,950	-	-	-	-	-	-	-	55,950	-	55,950
Bridges	12,618	326	12,293	205	-	-	326	-	-	-	12,823	651	12,172
Work In Progress - Wastewater Trea	-	-	-	25	-	-	-	-	-	-	25	-	25
Work In Progress - Water Treatment	184	-	184	(113)	-	-	-	-	-	-	71	-	71
<b>Total Infrastructure Assets</b>	<b>280,422</b>	<b>2,868</b>	<b>277,554</b>	<b>5,141</b>	<b>55</b>	<b>(137)</b>	<b>3,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285,481</b>	<b>5,995</b>	<b>279,487</b>
<b>Total Council</b>	<b>308,896</b>	<b>5,109</b>	<b>303,788</b>	<b>5,894</b>	<b>55</b>	<b>(155)</b>	<b>3,986</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>314,623</b>	<b>9,048</b>	<b>305,576</b>
<b>Subsidiaries</b>													
Buildings	1,587	64	1,524	-	-	-	64	-	-	-	1,587	128	1,460
Land	178	-	178	-	-	-	-	-	-	-	178	-	178
Furniture & Fittings	26	22	4	-	-	-	0	-	-	-	26	23	4
Office Equipment	3	3	1	-	-	-	0	-	-	-	3	3	1
Arboretum	44	1	43	-	-	-	1	-	-	-	44	2	42
<b>Total Subsidiaries</b>	<b>1,839</b>	<b>90</b>	<b>1,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,839</b>	<b>156</b>	<b>1,683</b>
<b>Total Group</b>	<b>310,736</b>	<b>5,199</b>	<b>305,537</b>	<b>5,894</b>	<b>55</b>	<b>(155)</b>	<b>4,052</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>316,462</b>	<b>9,203</b>	<b>307,258</b>

# Notes to Financial Statements

	Cost/ Valuation	Accumulated Depreciation and Impairment	Carrying Amount	Assets constructed by Council	Assets transferred to Council	Disposals	Depreciation	Depreciation Reversed on Revaluation	Depreciation Reversed on Disposal	Revaluation Surplus	Cost/ Valuation	Accumulated Depreciation and Impairment	Carrying Amount
	1 July 2013			Current Year							30 June 2014		
2014	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>													
Land	5,180	-	5,180	92	-	-	-	-	-	(225)	5,047	-	5,047
Buildings	7,503	782	6,721	723	-	(153)	402	(781)	(5)	417	7,708	397	7,310
Surplus Properties	323	-	323	-	-	(203)	-	-	-	(5)	114	-	114
Plant	333	144	189	25	-	(3)	21	-	(3)	-	355	162	193
Motor Vehicles	267	168	99	64	-	(120)	29	-	(114)	-	212	83	128
Furniture/Fittings	394	307	88	6	-	-	13	-	-	-	401	320	81
Office Equipment	1,177	864	313	6	110	(86)	52	-	(86)	-	1,208	831	378
Library Books	729	386	342	48	-	(248)	48	296	(248)	-	481	139	342
Work In Progress - Land	356	-	356	(95)	-	-	-	-	-	-	260	-	260
<b>Total Operational Assets</b>	<b>16,262</b>	<b>2,652</b>	<b>13,611</b>	<b>869</b>	<b>110</b>	<b>(813)</b>	<b>565</b>	<b>(486)</b>	<b>(455)</b>	<b>187</b>	<b>15,786</b>	<b>1,932</b>	<b>13,854</b>
<b>Council Restricted Assets</b>													
Land	7,210	-	7,210	75	-	(5)	-	-	-	47	7,326	-	7,326
Buildings	3,383	402	2,982	288	-	-	204	(402)	-	299	3,569	204	3,365
Street Beautification	1,560	84	1,476	3	-	-	21	-	-	-	1,562	105	1,458
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	203	-	203
Work In Progress - Buildings	19	-	19	8	-	-	-	-	-	-	28	-	28
<b>Total Restricted Assets</b>	<b>12,376</b>	<b>486</b>	<b>11,890</b>	<b>373</b>	<b>-</b>	<b>(5)</b>	<b>225</b>	<b>(402)</b>	<b>-</b>	<b>346</b>	<b>12,688</b>	<b>309</b>	<b>12,380</b>
<b>Council Infrastructure Assets</b>													
Water Supply													
- Reticulation and other assets	5,009	286	4,722	199	-	(84)	174	(264)	(28)	302	5,162	146	5,016
- Treatment plants and facilities	707	83	624	6,053	-	(270)	33	(100)	-	9	6,400	33	6,366
Wastewater System													
- Reticulation and other assets	856	75	781	366	-	(20)	60	(73)	-	301	1,430	60	1,370
- Treatment plants and facilities	2,502	76	2,426	-	-	(6)	33	(75)	(2)	(330)	2,091	32	2,059
Stormwater System	2,547	127	2,420	4	-	(15)	65	(126)	(15)	113	2,522	50	2,472
Roading Network	191,243	7,275	183,968	2,770	-	-	2,222	(7,264)	-	7,318	194,066	2,222	191,844
Land Under Roads	52,428	-	52,428	-	-	-	-	-	-	3,523	55,950	-	55,950
Bridges	13,004	931	12,073	2	-	-	326	(941)	-	553	12,618	326	12,293
Work In Progress - Water Treatment	4,052	-	4,052	(3,868)	-	-	-	-	-	-	184	-	184
<b>Total Infrastructure Assets</b>	<b>272,347</b>	<b>8,853</b>	<b>263,494</b>	<b>5,526</b>	<b>-</b>	<b>(395)</b>	<b>2,913</b>	<b>(8,843)</b>	<b>(45)</b>	<b>11,789</b>	<b>280,422</b>	<b>2,868</b>	<b>277,554</b>
<b>Total Council</b>	<b>300,984</b>	<b>11,990</b>	<b>288,995</b>	<b>6,768</b>	<b>110</b>	<b>(1,213)</b>	<b>3,703</b>	<b>(9,730)</b>	<b>(500)</b>	<b>12,321</b>	<b>308,896</b>	<b>5,109</b>	<b>303,788</b>
<b>Subsidiaries</b>													
Buildings	1,651	126	1,525	-	-	-	64	(124)	-	60	1,587	64	1,524
Land	178	-	178	-	-	-	-	-	-	-	178	-	178
Furniture & Fittings	26	22	4	3	-	-	0	(3)	-	-	26	22	4
Office Equipment	3	3	1	-	-	-	0	-	-	(1)	3	3	1
Arboretum	45	-	45	-	-	-	1	-	-	-	44	1	43
<b>Total Subsidiaries Assets</b>	<b>1,903</b>	<b>151</b>	<b>1,753</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>66</b>	<b>(126)</b>	<b>-</b>	<b>59</b>	<b>1,839</b>	<b>90</b>	<b>1,749</b>
<b>Total Group</b>	<b>302,887</b>	<b>12,140</b>	<b>290,747</b>	<b>6,772</b>	<b>110</b>	<b>(1,213)</b>	<b>3,769</b>	<b>(9,856)</b>	<b>(500)</b>	<b>12,380</b>	<b>310,736</b>	<b>5,199</b>	<b>305,537</b>

# Notes to Financial Statements

## Estimate of Replacement Cost

	Council	
	Most recent estimate of replacement cost \$000	Date of Estimate
<b>2015</b>		
Water Supply		
- Reticulation and other assets	13,909	30 June 2015
- Treatment plants and facilities	13,714	30 June 2015
Wastewater System		
- Reticulation and other assets	5,215	30 June 2015
- Treatment plants and facilities	2,728	30 June 2015
Stormwater System	5,898	30 June 2015
Roads and Footpaths	340,196	30 June 2015
<b>2014</b>		
Water Supply		
- Reticulation and other assets	12,982	1 July 2013
- Treatment plants and facilities	6,375	30 June 2014
Wastewater System		
- Reticulation and other assets	4,613	1 July 2013
- Treatment plants and facilities	2,459	1 July 2013
Stormwater System	5,486	1 July 2013
Roads and Footpaths	330,092	1 July 2013

## Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Directly attributable depreciation and amortisation by group of activity</b>		
Community Services	525	479
Democracy	-	-
Economy	94	93
Environmental Services	2	2
Roading	2,554	2,551
Stormwater Drainage	66	65
Wastewater (Sewerage)	94	93
Waste Management	21	20
Water Supply	417	207
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>3,774</b>	<b>3,511</b>
Depreciation and amortisation not directly related to group of activities	376	310
<b>Total depreciation and amortisation for the whole of Council</b>	<b>4,150</b>	<b>3,821</b>

## Impact of the 20 June 2015 Flood Event

On 20 June 2015 a significant flood event occurred in the district. This event caused the damage to our assets that were not repaired by balance date.

	<b>Estimated unrepaired damage</b>	<b>Third Party Funding expected</b>	<b>Funded from Council's insurance and other reserves</b>	<b>Funded from activities</b>
Roading Network	\$4,000,000	\$3,000,000	\$750,000	\$250,000
<b>Total</b>	<b>\$4,000,000</b>	<b>\$3,000,000</b>	<b>\$750,000</b>	<b>\$250,000</b>

The damage to the assets is not considered significant in terms of the asset value and therefore Council has elected not to revalue the assets at balance date in line with PBE IPSAS 21 (Impairment of Non-Cash-Generating Assets).

The repairs to the roading network have been approved by the New Zealand Transport Agency who will partially fund these repairs in line with our approved financial assistance rate.

## Notes to Financial Statements

### 16. INTANGIBLE ASSETS

	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
2015	1 July 2014			Current Year				30 June 2015		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Computer Software	1,499	489	1,010	128	-	-	164	1,627	653	975
<b>Total</b>	<b>1,499</b>	<b>489</b>	<b>1,010</b>	<b>128</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>1,627</b>	<b>653</b>	<b>975</b>

	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
2014	1 July 2013			Current Year				30 June 2014		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Computer Software	1206	371	835	293	0	0	118	1499	489	1010
<b>Total</b>	<b>1206</b>	<b>371</b>	<b>835</b>	<b>293</b>	<b>0</b>	<b>0</b>	<b>118</b>	<b>1499</b>	<b>489</b>	<b>1010</b>

# Notes to Financial Statements

## 17. PAYABLES AND DEFERRED REVENUE

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
<i>Payables and deferred revenue under exchange transactions</i>				
Trade Payables and Accrued Expenses	1,392	961	1,510	969
Deposits and Bonds	22	45	22	45
Revenue Received in Advance	92	112	92	112
<b>Total</b>	<b>1,506</b>	<b>1,117</b>	<b>1,624</b>	<b>1,125</b>
<i>Payables and deferred revenue under non-exchange transactions</i>				
Other Taxes Payable (GST)	91	75	91	75
Rates in Advance	203	194	203	194
<b>Total</b>	<b>294</b>	<b>269</b>	<b>294</b>	<b>269</b>
<b>Total Current Portion</b>	<b>1,800</b>	<b>1,386</b>	<b>1,918</b>	<b>1,394</b>

## 18. PROVISIONS

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
Landfill Aftercare Provision	16	15	16	15
<b>Total Current Portion</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>15</b>
<b>Non-current Portion</b>				
Landfill Aftercare Provision	74	85	74	85
<b>Total Non-Current Portion</b>	<b>74</b>	<b>85</b>	<b>74</b>	<b>85</b>
<b>Total Provisions</b>	<b>89</b>	<b>99</b>	<b>89</b>	<b>99</b>
<b>Movements for the Landfill Aftercare provision are as follows:</b>				
	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Opening Balance	99	116	99	116
Additional Provision Made	-	-	-	-
Amounts used	(10)	(16)	(10)	(16)
<b>Closing Balance 30 June</b>	<b>89</b>	<b>99</b>	<b>89</b>	<b>99</b>

### 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.

These consents require Council to monitor and maintain the sites until June 2016 after which time an assessment will be undertaken by the Taranaki Regional Council to determine the level of any future maintenance (if any) required.

# Notes to Financial Statements

## 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 on-going liability to ensure the site continues to be managed in a manner that least affects the environment and the work is expected to include the following major components:

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

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

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

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

## 19. EMPLOYEE ENTITLEMENTS

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Current Portion</b>				
Annual Leave	134	130	138	132
<b>Total Curemnt Portion</b>	<b>134</b>	<b>130</b>	<b>138</b>	<b>132</b>
<b>Non-Current Portion</b>				
Retirement Gratuities	42	88	42	88
<b>Total Non-Curemnt Portion</b>	<b>42</b>	<b>88</b>	<b>42</b>	<b>88</b>
<b>Total Employee Entitlements</b>	<b>176</b>	<b>219</b>	<b>180</b>	<b>221</b>



# Notes to Financial Statements

## 20. BORROWINGS

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Current Portion</b>				
Secured Loans	-	-	-	-
<b>Total Current Portion</b>	-	-	-	-
<b>Non-Current Portion</b>				
Secured Loans	5,340	5,340	5,340	5,340
<b>Total Non-Current Portion</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>
<b>Total Borrowings</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>
<b>Security</b>				
Council's loans are secured over the rates of the Council.				
<b>Maturity Analysis and Effective Interest Rates</b>				
	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
Less than one year	-	-	-	-
Later than one year but not more than five years	-	-	-	-
Later than five years	5,340	5,340	5,340	5,340
<b>Total Borrowings</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>	<b>5,340</b>
The weighted average effective interest rate for 2014/15 is 4.72% (2013/14 4.72%).				
<b>Local Government Funding Agency</b>				
Council has no funds invested in the Local Government Funding Agency (LGFA) nor has it borrowed any funds from LGFA.				
<b>Internal Borrowings</b>				
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 at the current bank lending rate of 4.72% pa. The Water Supply activity has been charged the cost of \$90,189, and income recieved has been increased by the same amount. The sum of \$80,000 was repaid at the end of the year.				

# Notes to Financial Statements

## 21. EQUITY

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Retained Earnings - 1 July</b>	173,915	173,134	176,080	175,353
Transfers to:				
Restricted Reserves	(71)	(47)	(71)	(47)
Council Created Reserves	(5,246)	(4,842)	(5,246)	(4,842)
Transfers from:				
Council Created Reserves	5,575	4,754	5,575	4,754
Restricted Reserves	62	420	62	420
Profit / (Loss) for the year	799	496	720	460
<b>Balance at 30 June</b>	<b>175,034</b>	<b>173,915</b>	<b>177,120</b>	<b>176,098</b>
<b>Restricted Reserves - 1 July</b>	437	810	437	810
Transfers to:				
Retained Earnings	(62)	(420)	(62)	(420)
Transfers from:				
Retained Earnings	71	47	71	47
<b>Balance at 30 June</b>	<b>446</b>	<b>437</b>	<b>446</b>	<b>437</b>
<b>Fair Value through other comprehensive income - 1 July</b>	(66)	117	(66)	117
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments Carried at Fair Value	(112)	(184)	(112)	(184)
<b>Balance at 30 June</b>	<b>(178)</b>	<b>(66)</b>	<b>(178)</b>	<b>(66)</b>
<b>Council Created Reserves - 1 July</b>	4,219	4,169	4,219	4,169
Transfers to:				
Retained Earnings	(5,575)	(4,754)	(5,575)	(4,754)
Transfers from:				
Retained Earnings	5,213	4,803	5,213	4,803
<b>Balance at 30 June</b>	<b>3,857</b>	<b>4,219</b>	<b>3,857</b>	<b>4,219</b>
<b>Asset Revaluation Reserves - 1 July</b>	125,863	113,542	126,609	114,228
Revaluation Gains/(Losses)	-	12,321	-	12,380
<b>Balance at 30 June</b>	<b>125,863</b>	<b>125,863</b>	<b>126,609</b>	<b>126,609</b>
<b>Total Other Reserves - 30 June</b>	<b>129,987</b>	<b>130,452</b>	<b>130,733</b>	<b>131,198</b>
<b>Asset Revaluation Reserves consist of:</b>				
Operational Assets				
Land	4,616	4,616	4,669	4,669
Buildings	3,741	3,741	4,434	4,434
Restricted Assets				
Wastewater System	524	524	524	524
Water System	2,032	2,032	2,032	2,032
Stormwater System	840	840	840	840
Roading Network	111,132	111,132	111,132	111,132
Land	2,096	2,096	2,096	2,096
Buildings	881	881	881	881
<b>Total</b>	<b>125,863</b>	<b>125,863</b>	<b>126,609</b>	<b>126,609</b>

## **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 purpose 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

##### **Mayor's Relief Fund**

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

#### ***Restricted Reserves***

##### **Elsie Fraser Bequest Reserve**

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

##### **RMA/Financial Contributions Reserve**

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

#### ***Targeted Rate Reserves***

##### **Water Supply, Waste Management 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

		Balance	Transfers	Transfers	Balance
		1 July 2014	into fund	out of fund	30 June 2015
2015	Activities to which the reserve relates	\$000	\$000	\$000	\$000
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	124	22	(62)	83
Financial Contributions Reserve	All activities	313	50	-	363
<b>Total</b>		<b>437</b>	<b>71</b>	<b>(62)</b>	<b>446</b>
<b>2014</b>					
		Balance	Transfers	Transfers	Balance
		1 July 2013	into fund	out of fund	30 June 2014
2014	Activities to which the reserve relates	\$000	\$000	\$000	\$000
<b>Council Created and Targeted Rate Reserves</b>					
General Renewal Reserve	All activities	795	1,165	(1,282)	678
Contingency Reserve	All activities	505	18	(18)	505
Asset Sale Proceeds Reserve	All activities	333	32	(7)	357
Staff Gratuities Reserve	All activities	141	5	(2)	144
Mayor's Relief Fund Reserve	Community	1	5	(0)	5
Stormwater Reserve	Stormwater	180	73	(112)	140
Roading Renewals Reserve	Roading	1,608	3,081	(3,001)	1,689
Water Supply Reserve	Water Supply	304	479	(953)	(170)
Waste Management Reserve	Waste Management	203	152	(59)	296
Wastewater Reserve	Wastewater	150	204	(142)	213
<b>Total</b>		<b>4,219</b>	<b>5,213</b>	<b>(5,575)</b>	<b>3,857</b>
<b>2014</b>					
		Balance	Transfers	Transfers	Balance
		1 July 2013	into fund	out of fund	30 June 2014
2014	Activities to which the reserve relates	\$000	\$000	\$000	\$000
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	131	22	(29)	124
Financial Contributions Reserve	All activities	679	25	(391)	313
<b>Total</b>		<b>810</b>	<b>47</b>	<b>(420)</b>	<b>437</b>
<b>2014</b>					
		Balance	Transfers	Transfers	Balance
		1 July 2013	into fund	out of fund	30 June 2014
2014	Activities to which the reserve relates	\$000	\$000	\$000	\$000
<b>Council Created and Targeted Rate Reserves</b>					
General Renewal Reserve	All activities	1,007	934	(1,147)	795
Contingency Reserve	All activities	505	17	(17)	505
Asset Sale Proceeds Reserve	All activities	97	236	-	333
Staff Gratuities Reserve	All activities	142	5	(5)	141
Mayor's Relief Fund Reserve	Community	1	-	-	1
Stormwater Reserve	Stormwater	115	69	(4)	180
Roading Renewals Reserve	Roading	1,330	3,055	(2,776)	1,608
Water Supply Reserve	Water Supply	498	307	(502)	304
Waste Management Reserve	Waste Management	185	50	(32)	203
Wastewater Reserve	Wastewater	290	131	(271)	150
<b>Total</b>		<b>4,169</b>	<b>4,803</b>	<b>(4,754)</b>	<b>4,219</b>

# Notes to Financial Statements

## 22. COMMITMENTS

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>Financial Commitments</b>				
* Downer NZ Ltd will provide facilities management services to the Council for the period to 30 June 2017, with two further rights of renewal for one year each, for Utility Services.	582	862	582	862
* Downer NZ Ltd will provide facilities management services to the Council for the period to 30 June 2017, with two further rights of renewal for one year each, for Open Space Maintenance.	734	1,086	734	1,086
* Downer NZ Ltd will provide facilities management services to the Council for the period to 30 June 2014, with two further rights of renewal for one year, for Roading. Council have exercised both rights of renewal and are currently in the second period.	4,268	4,260	4,268	4,260
* Fulton Hogan Ltd will provide facilities management services to the Council for the period to 30 June 2017, with two further rights of renewal for one year each, for Building Maintenance and Internal Cleaning.	358	530	358	530
* Council are committed to a lease of the Holiday Park to 29 June 2016. The value of the commitment varies as it is calculated on an agreed valuation between both parties at the time of each rent review. Review of rent payment was set on 30 June 2011.	20	41	20	41
* Council are committed to a contract with CH2M Beca Ltd for the design consultancy services for the Stratford Water Treatment Plant to 30 June 2015.	-	29	-	29
* Council are committed to a contract with Stratford Water Consortium for the provision and installation of the membrane filtration system for the Stratford Water Treatment Plant to 30 June 2015.	-	263	-	263
* Council are committed to a contract with Fulton Hogan Ltd for the construction of the Stratford Water Treatment Plant to 30 June 2015.	-	63	-	63
* Percy Thomson Trust will provide building space in the Complex for the Information centre to operate, for the period to 1 June 2017, with one further right of renewal for three years.	52	78	52	78
* Envirowaste Services Ltd will provide refuse collection services to the Council for the period to 30 September 2022.	2,018	-	2,018	-
* Waste Management NZ Ltd will provide refuse collection services to the Council for the period to 30 September 2015.	95	473	95	473
<b>Total</b>	<b>8,126</b>	<b>7,685</b>	<b>8,126</b>	<b>7,685</b>

## COMMITMENTS (CONT)

<b>Financial Commitments</b>				
Not later than one year	5,416	5,820	5,416	5,820
Later than one year and not later than five years	1,990	1,747	1,990	1,747
Later than five years	648	-	648	-
<b>Total</b>	<b>8,054</b>	<b>7,566</b>	<b>8,054</b>	<b>7,566</b>
<b>Operating Leases as a Lessor</b>				
Not later than one year	20	20	20	20
Later than one year and not later than five years	-	20	-	20
Later than five years	-	-	-	-
<b>Total</b>	<b>20</b>	<b>41</b>	<b>20</b>	<b>41</b>
<b>Operating Leases as a Lessee</b>				
Not later than one year	27	27	27	27
Later than one year and not later than five years	25	52	25	52
Later than five years	-	-	-	-
<b>Total</b>	<b>52</b>	<b>78</b>	<b>52</b>	<b>78</b>
<b>Non-financial Commitments</b>	<ul style="list-style-type: none"> <li>* Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2017.</li> <li>* Council is committed to various leases of rental properties for terms ranging up to 21 years with a perpetual right of renewal.</li> <li>* Council is committed to a number of leases of sports fields to various sports bodies for varying terms.</li> <li>* Council is committed to a lease of the aerodrome club buildings, and private hangars.</li> <li>* Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2018.</li> <li>* AA Drivers Licensing have given Council an agency relationship to 30 April 2016.</li> <li>* The Information Centre has various commission agreements with tourism providers.</li> </ul>			
<b>Other Commitments</b>	<ul style="list-style-type: none"> <li>* Council is committed to the purchase of a property at Flint Road, Stratford for the sum of \$2,775,000 on 1 September 2015, and an initial deposit of \$267,950 was paid prior to 30 June 2015. This property adjoins Council's existing farm and will be used to increase the farm's total size. A larger farm enables an increase in herd size and therefore production. The purchase is fully funded by way of a loan.</li> </ul>			

## Notes to Financial Statements

### 23. CONTINGENCIES

#### **Contractual Obligations Under LAPP Arrangements**

Council no longer have any exposure to cover large events suffered by other councils, therefore there is no further requirement for any contingent liability (2013/14 was \$NIL). Any future disaster will be covered by LAPP and its reinsurers.

#### **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 2015 there are 10 facilities having an approximate value of \$5.26 million (2014 10 facilities - \$5.26 million). The estimate has been based on rating valuations for the area.

#### **Building Compliance Investigation**

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

## 24. RELATED PARTY TRANSACTIONS

### Related Party Transactions with Subsidiaries, Associates or Joint Ventures

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 2014/15 \$000	Actual 2013/14 \$000
<b>Percy Thomson Trust</b>		
Grant received from the Council	50	50
Rent received from Council for the Information Centre	25	25
Fees paid to Council for administration services	21	21

#### Transactions with Key Management Personnel

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

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

#### Payments Made to Related Parties

Interest Declared	Nature of Transaction	Actual 2014/15 \$000	Actual 2013/14 \$000	
<b>4 Sandfords Ltd</b>				
- John Sandford, Councillor	Director/Shareholder	Goods Purchased	-	4
<b>Robin Vickers - Farm Consultant</b>				
- Robin Vickers, Councillor	Self-employed	Services provided	5	9
<b>John Campbell</b>				
- John Campbell, Councillor	Self-employed	Goods Purchased	9	1
<b>Jamieson Motors Taranaki Ltd</b>				
- Alan Jamieson, Councillor	Director/Shareholder	Goods Purchased	-	1
<b>Neil Volzke</b>				
- Neil Volzke, District Mayor	Member, Stratford District Licensing Committee	Services provided	1	-

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

#### Key Management Personnel Compensation

	Actual 2014/15 \$000	Actual 2013/14 \$000
Salaries and other short term employee benefits	903	784



## 25. REMUNERATION

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

	Actual 2014/15 \$	Actual 2013/14 \$
Salary	81,883	181,154
Superannuation Subsidy	2,456	5,434
Vehicle (market value plus FBT)	4,835	14,465
<b>Total</b>	<b>89,174</b>	<b>201,053</b>

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

	Actual 2014/15 \$	Actual 2013/14 \$
Salary	55,680	0
Superannuation Subsidy	1,670	0
Vehicle (market value plus FBT)	3,974	0
<b>Total</b>	<b>61,324</b>	<b>0</b>

As at 30 June 2015 the annual remuneration package that was being received by the Chief Executive was calculated at \$190,000.

	Total remuneration Council	
	2014/15 \$	2013/14 \$
<b>Elected Representatives</b>		
Mayor - N Volzke	65,400	63,285
<b>Councillors</b>		
R Hignett (Deputy Mayor to October 2013)	15,500	19,058
R Vickers	15,500	14,887
J Sandford	16,265	15,405
K Squire	15,500	14,887
S Pugh (to October 2013)	0	4,209
V Milner	15,500	14,887
A Jamieson (Deputy Mayor from October 2013)	21,700	21,717
R Thomson	15,500	14,887
J Campbell	19,375	17,514
J Erwood (from October 2013)	15,500	10,716
G Kelly (from October 2013)	15,500	10,716
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 \$11,550 was paid to the Councillors as a communications allowance for the year.

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

<b>Employee Staffing Levels and Remuneration</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Total Employees	53	51
Full Time Employees	34	35
Full Time Equivalents - 19 staff (2013/14 - 16 staff)	11	9
<i>Stratford District Council's definition of a Full Time Equivalent (FTE) is 40 hours per week.</i>		
<i>Senior Management Team, including the Chief Executive</i>		
Full-time equivalent members	5	5
<b>Number of Employees within Remuneration Bands</b>		
Less than \$60,000 per annum	36	33
\$60,000 - \$79,999 per annum	8	10
\$80,000 - \$159,999 per annum	8	7
\$160,000 - \$200,000 per annum	1	1

## 26. SEVERANCE PAYMENTS

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

## 27. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after balance date.

## 28. FINANCIAL INSTRUMENT CATEGORIES

The accounting policies for financial instruments have been applied to the line items below:				
	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
<b>FINANCIAL ASSETS</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents - Cash	1,846	2,862	2,380	3,216
Short Term Deposits	1,500	1,500	1,750	1,500
Receivables	1,319	1,247	1,347	1,261
Other financial assets:				
Community loans	97	110	97	110
<b>Total</b>	<b>4,761</b>	<b>5,718</b>	<b>5,573</b>	<b>6,087</b>
<b>Fair value through other comprehensive revenue and expense</b>				
Other financial assets:				
Local authority stock and Bonds	-	-	592	678
Listed shares	663	775	663	775
<b>Total</b>	<b>663</b>	<b>775</b>	<b>1,255</b>	<b>1,452</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Payables and deferred revenue	1,800	1,386	1,918	1,235
Borrowings:				
Secured loans	5,340	5,340	5,340	5,340
<b>Total</b>	<b>7,140</b>	<b>6,726</b>	<b>7,258</b>	<b>6,575</b>

## Notes to Financial Statements

### 29. EXPLANATION OF SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

Explanations for major variations from Council's estimated figures in the 2014/15 Annual Plan are as follows:

#### Statement of Comprehensive Revenue and Expense

Income is higher than anticipated as Council received the following unbudgeted items of revenue:

- \* Financial contributions of \$37,000
- \* Vested assets of \$55,000
- \* Subsidy from the Ministry of Health as a contribution towards the construction of the Midhirst Water Treatment Plant of \$156,000

Expenditure is over budget primarily due to the following:

- \* Emergency reinstatement work in Roading as a result of various unplanned storm events was \$140,000 in excess of budget

#### Statement of Financial Position

Current assets are less than last year as the cash balance has reduced slightly. However, Property, Plant and Equipment is higher than last year due to the increase in capital expenditure for this year.

Current liabilities are considerably higher than last year as there were large invoices outstanding at year end for various items of expenditure.

### 30. ADJUSTMENTS TO THE COMPARATIVE YEAR FINANCIAL STATEMENTS

The Council has adjusted its comparative year financial statements for the year ended 30 June 2014 due to reclassification adjustments and the transition to the new PBE accounting standards. The adjustments are shown in the table below:

	Note Below	Actual 2014			After Adjustments \$000
		Before Adjustment \$000	Reclassification Adjustments \$000	PBE Transition Adjustments \$000	
<b>Revenue</b>					
Fees and Charges		0	2,075	0	2,075
NZTA Subsidies and Grants		2,737	-2,737	0	0
Subsidies and Grants		0	2,771	0	2,771
Other Revenue		2,204	-2,109	0	95
Interest Revenue		242	0	0	242
<b>Total Revenue</b>		<b>5,183</b>	<b>0</b>	<b>0</b>	<b>5,183</b>

There are no changes to expenses in the Statement of Comprehensive Revenue and Expense.

There are no changes in the Statement of Financial Position.

#### Reclassification Adjustments:

Rates now include general and targeted rates, along with the targeted rate for water supply and rates penalty revenue.

Rates penalty revenue was previously included in Other Revenue.

NZTA Subsidies and Grants are now included in Subsidies and Grants, together with other grant revenue received.

## Notes to Financial Statements

### 31. DISTRICT LICENSING COMMITTEE DISCLOSURE

<b>Income from Fees:</b>	
Licence Applications	\$33,841
Liquor Licencing Authority Levies	\$2,566
<b>Total Income</b>	<b>\$36,407</b>
<b>Expenditure:</b>	
Licencing Inspectors	\$16,736
District Licensing Committee Fees	\$5,445
Liquor Licencing Authority Levies	\$3,115
Other operating Costs Relating to Enforcement	\$5,502
<b>Total Expenditure</b>	<b>\$30,798</b>
<i>This information is provided in accordance with Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. This regulation requires Territorial Authorities to prepare a report detailing income from fees, and licencing costs under the Act. This information must be publicly available.</i>	

# Notes to Financial Statements

## 32. INSURANCE OF ASSETS

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

### STRATFORD DISTRICT COUNCIL INSURANCE OF ASSETS AS AT 30 JUNE 2015

	Carrying value as at 30 June 2015 \$000
<b>ASSETS FROM STATEMENT OF FINANCIAL POSITION</b>	
Property, plant and equipment	305,462
Investment property	114
	<b>305,576</b>
Less	
Land component of operational assets	5,047
Land under roads	55,950
Land – restricted assets	7,296
	<b>68,293</b>
<b>NET NON-FINANCIAL ASSETS (EXCLUDING LAND)</b>	<b>237,283</b>

	Insured value as at 30 June 2015 \$000	
<b>INSURANCE ARRANGEMENTS</b>		
Material damage cover for buildings, plant, contents	43,883	Subject to various deductibles including \$5k for most claims except for earthquake or volcanic eruption where deductible is 5% of sum insured or 10% for pre 1935 buildings. Subject to maximum loss limit per claim and in the aggregate pa of \$100m.
Motor vehicle insurance cover (including leased vehicles)	152	Insured for market value – carrying value assumed for this purpose.
<b>RISK SHARING ARRANGEMENTS</b>		
Cover for infrastructure assets as a member of LAPP	7,286	Sum equates 40% of the ORV value of scheduled assets. A deductible of \$201,000 applied.
Central Government assistance		It is anticipated (though cannot be guaranteed) that under the terms contained in the Guide to Civil Defence Emergency Management Plan central government may fund 60% of the qualifying cost of reinstating essential infrastructure with a deductible of \$201,000
Council arrangements for covering deductibles and/or uninsured assets		As at 30 June 2015 the Council had investments totalling \$1.5m. These are not specifically tagged as part of the risk management strategy but the Council could utilise a significant portion of these credit lines if required as a short term funding measure.
	51,321	
Sum not specially insured	\$185,962	Note the 60% of the ORV of infrastructure assets which may be funded by central government equates \$11.35m.

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

# Funding Impact Statements

<b>Funding Impact Statement for Whole of Council for the year ended 30 June 2015</b>				
	<b>Annual Plan 2013/14 (\$000)</b>	<b>Actual 2013/14 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	4,314	4,429	4,435	4,477
Targeted rates (other than a targeted rate for water supply)	5,599	5,650	5,783	5,783
Subsidies and grants for operating purposes	1,234	1,421	1,591	1,411
Fees and Charges	2,269	2,351	2,440	2,336
Interest and dividends from investments	173	242	154	142
Local authorities fuel tax, fines, infringement fees, and other receipts	98	105	98	82
<b>Total operating funding (A)</b>	<b>13,686</b>	<b>14,198</b>	<b>14,501</b>	<b>14,230</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	10,434	10,519	10,680	10,744
Finance costs	434	298	351	252
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,868</b>	<b>10,818</b>	<b>11,030</b>	<b>10,996</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,818</b>	<b>3,381</b>	<b>3,471</b>	<b>3,234</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,419	1,316	1,490	1,859
Development and financial contributions	-	-	-	37
Increase (decrease) in debt	(358)	5,140	(201)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,062</b>	<b>6,456</b>	<b>1,289</b>	<b>1,896</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	789	3,651	2,263	2,602
- To replace existing assets	3,443	3,411	4,160	3,398
Increase (decrease) in reserves	(353)	1,379	(300)	146
Increase (decrease) in investments	-	1,395	(1,363)	(1,016)
<b>Total applications of capital funding (D)</b>	<b>3,880</b>	<b>9,836</b>	<b>4,760</b>	<b>5,130</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,818)</b>	<b>(3,381)</b>	<b>(3,471)</b>	<b>(3,234)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Community Services</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,037	2,132	2,218	2,189
Targeted rates (other than a targeted rate for water supply)	13	13	12	14
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	369	370	421	412
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	25	26	21	17
<b>Total operating funding (A)</b>	<b>2,443</b>	<b>2,541</b>	<b>2,671</b>	<b>2,631</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,869	1,947	1,994	1,902
Finance costs	-	-	13	-
Internal charges & overheads applied	487	494	517	523
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,356</b>	<b>2,441</b>	<b>2,524</b>	<b>2,425</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>87</b>	<b>100</b>	<b>147</b>	<b>207</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	300	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(12)	-	490	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(12)</b>	<b>-</b>	<b>790</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	128	185	1,188	403
- To replace existing assets	157	86	310	77
Increase (decrease) in reserves	(211)	(171)	(61)	(181)
Increase (decrease) in investments	-	-	(500)	(92)
<b>Total applications of capital funding (D)</b>	<b>75</b>	<b>100</b>	<b>937</b>	<b>206</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(87)</b>	<b>(100)</b>	<b>(147)</b>	<b>(206)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Roading</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties *	(22)	(23)	(7)	(7)
Targeted rates (other than a targeted rate for water supply)	3,491	3,635	3,339	3,324
Subsidies and grants for operating purposes	1,211	1,252	1,291	1,396
Fees, charges, and targeted rates for water supply	445	455	355	404
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	11	10	8
<b>Total operating funding (A)</b>	<b>5,135</b>	<b>5,330</b>	<b>4,987</b>	<b>5,125</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	2,788	2,881	2,819	2,969
Finance costs	54	51	16	-
Internal charges & overheads applied	177	180	188	186
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,019</b>	<b>3,112</b>	<b>3,023</b>	<b>3,155</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,116</b>	<b>2,218</b>	<b>1,964</b>	<b>1,970</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,753	1,814	1,490	1,703
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(35)	(35)	(14)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,718</b>	<b>1,778</b>	<b>1,477</b>	<b>1,703</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	149	154	162	1,028
- To replace existing assets	3,539	3,659	3,022	2,608
Increase (decrease) in reserves	146	183	257	37
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,834</b>	<b>3,997</b>	<b>3,441</b>	<b>3,673</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,117)</b>	<b>(2,218)</b>	<b>(1,964)</b>	<b>(1,970)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Water Supply</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,217	1,362	1,189	1,197
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply (volumetric basis)	410	440	456	355
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	12	10	8
<b>Total operating funding (A)</b>	<b>1,638</b>	<b>1,814</b>	<b>1,654</b>	<b>1,560</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	703	732	723	845
Finance costs	434	416	290	266
Internal charges & overheads applied	179	183	186	206
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,316</b>	<b>1,331</b>	<b>1,198</b>	<b>1,316</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>322</b>	<b>483</b>	<b>456</b>	<b>244</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(281)	(281)	(245)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(281)</b>	<b>(281)</b>	<b>(245)</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	256	197	300	966
- To replace existing assets	110	95	475	190
Increase (decrease) in reserves	(325)	(89)	(264)	(901)
Increase (decrease) in investments	-	-	(300)	(11)
<b>Total applications of capital funding (D)</b>	<b>41</b>	<b>202</b>	<b>211</b>	<b>244</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(322)</b>	<b>(483)</b>	<b>(456)</b>	<b>(244)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Wastewater</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	466	468	470	472
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	20	20	40	34
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	5	4	3
<b>Total operating funding (A)</b>	<b>491</b>	<b>493</b>	<b>514</b>	<b>510</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	219	227	217	228
Finance costs	17	34	33	-
Internal charges & overheads applied	71	73	75	83
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>308</b>	<b>334</b>	<b>325</b>	<b>311</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>183</b>	<b>159</b>	<b>189</b>	<b>199</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(13)	540	(27)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(13)</b>	<b>540</b>	<b>(27)</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	208	563	563	147
- To replace existing assets	61	62	182	90
Increase (decrease) in reserves	(98)	73	(20)	57
Increase (decrease) in investments	-	-	(563)	(95)
<b>Total applications of capital funding (D)</b>	<b>171</b>	<b>699</b>	<b>162</b>	<b>199</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(184)</b>	<b>(159)</b>	<b>(189)</b>	<b>(199)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Stormwater</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	227	231	222	219
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	5	4	3
<b>Total operating funding (A)</b>	<b>231</b>	<b>236</b>	<b>225</b>	<b>222</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	90	93	84	75
Finance costs	-	-	-	-
Internal charges & overheads applied	71	73	75	83
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>162</b>	<b>166</b>	<b>159</b>	<b>158</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>70</b>	<b>70</b>	<b>66</b>	<b>64</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	48	50	50	58
- To replace existing assets	35	-	-	54
Increase (decrease) in reserves	(13)	20	17	(48)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>70</b>	<b>70</b>	<b>66</b>	<b>64</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(70)</b>	<b>(70)</b>	<b>(66)</b>	<b>(64)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Waste Management</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	19	19	19	18
Targeted rates (other than a targeted rate for water supply)	720	809	773	789
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	60	60	60	96
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	5	4
<b>Total operating funding (A)</b>	<b>804</b>	<b>894</b>	<b>857</b>	<b>907</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	614	708	660	577
Finance costs	-	-	-	-
Internal charges & overheads applied	166	168	179	194
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>779</b>	<b>876</b>	<b>839</b>	<b>771</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>25</b>	<b>18</b>	<b>18</b>	<b>137</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	35	18	18	37
Increase (decrease) in reserves	(11)	-	-	99
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>25</b>	<b>18</b>	<b>18</b>	<b>136</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(25)</b>	<b>(18)</b>	<b>(18)</b>	<b>(136)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Democracy</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	860	844	886	875
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	43	43	60	64
Internal charges and overheads recovered	1,060	1,052	1,079	1,078
Local authorities fuel tax, fines, infringement fees, and other receipts	33	35	29	26
<b>Total operating funding (A)</b>	<b>1,996</b>	<b>1,974</b>	<b>2,055</b>	<b>2,043</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,601	1,575	1,642	1,689
Finance costs	-	-	-	-
Internal charges & overheads applied	391	394	407	410
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,991</b>	<b>1,969</b>	<b>2,049</b>	<b>2,099</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>(56)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	203	161	240	285
Increase (decrease) in reserves	(198)	(156)	(235)	(342)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>(57)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>57</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Economy</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	508	515	453	444
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	469	469	583	544
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14	14	12	10
<b>Total operating funding (A)</b>	<b>990</b>	<b>998</b>	<b>1,047</b>	<b>998</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	728	746	791	782
Finance costs	-	-	-	-
Internal charges & overheads applied	217	221	226	243
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>945</b>	<b>967</b>	<b>1,017</b>	<b>1,025</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>45</b>	<b>31</b>	<b>30</b>	<b>(27)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	15	-	-	57
Increase (decrease) in reserves	30	31	29	(84)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>45</b>	<b>31</b>	<b>29</b>	<b>(27)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(45)</b>	<b>(31)</b>	<b>(29)</b>	<b>27</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statements

<b>Funding Impact Statement for the year ended 30 June 2015 - Environmental Services</b>				
	<b>Long Term Plan 2013/14 (\$000)</b>	<b>Long Term Plan 2014/15 (\$000)</b>	<b>Annual Plan 2014/15 (\$000)</b>	<b>Actual 2014/15 (\$000)</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	669	699	748	739
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	379	379	466	331
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	30	31	28	23
<b>Total operating funding (A)</b>	<b>1,078</b>	<b>1,109</b>	<b>1,241</b>	<b>1,094</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	623	618	696	637
Finance costs	-	-	-	-
Internal charges & overheads applied	482	489	543	592
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,105</b>	<b>1,106</b>	<b>1,238</b>	<b>1,229</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(27)</b>	<b>3</b>	<b>3</b>	<b>(136)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	(27)	3	3	(136)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(27)</b>	<b>3</b>	<b>3</b>	<b>(136)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>27</b>	<b>(3)</b>	<b>(3)</b>	<b>136</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Annual Report Disclosure Statement

Annual report disclosure statement for year ending 30 JUNE 2015

## What is the purpose of this statement?

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

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

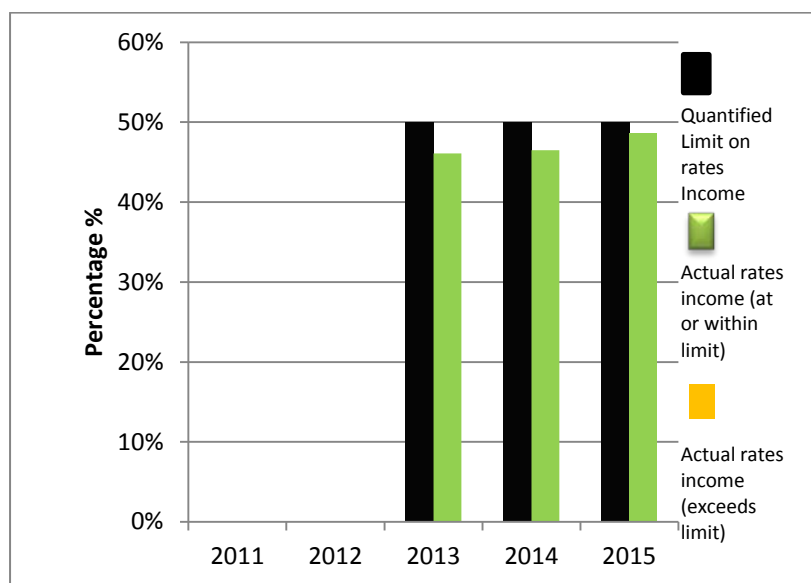
## Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

### Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit for 2014/15 is less than 50%, which represents 50% of the funding required for operating expenditure, capital expenditure and loan repayments.



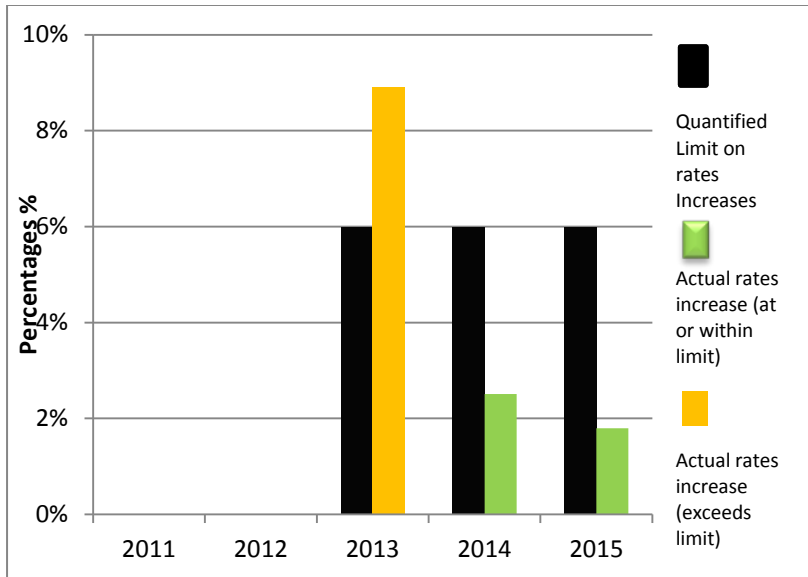
For this benchmark the rates limit does not include water by meter revenue and is consistent with the 2012-2022 Long Term Plan.



# Annual Report Disclosure Statement

## Rates (increases) affordability

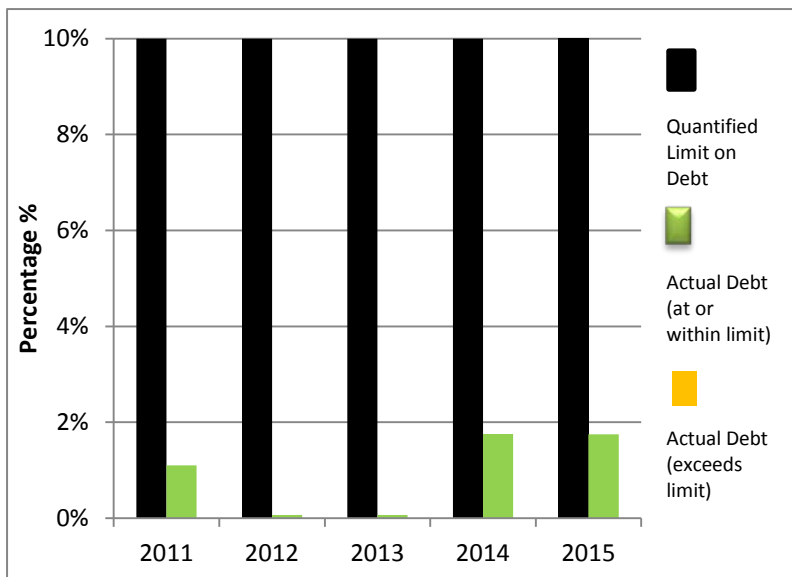
The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is 6%, which represents the maximum rates increase of \$657,400 for 2014/15 as identified in the 2012-22 Long Term Plan.



## Debt affordability benchmark

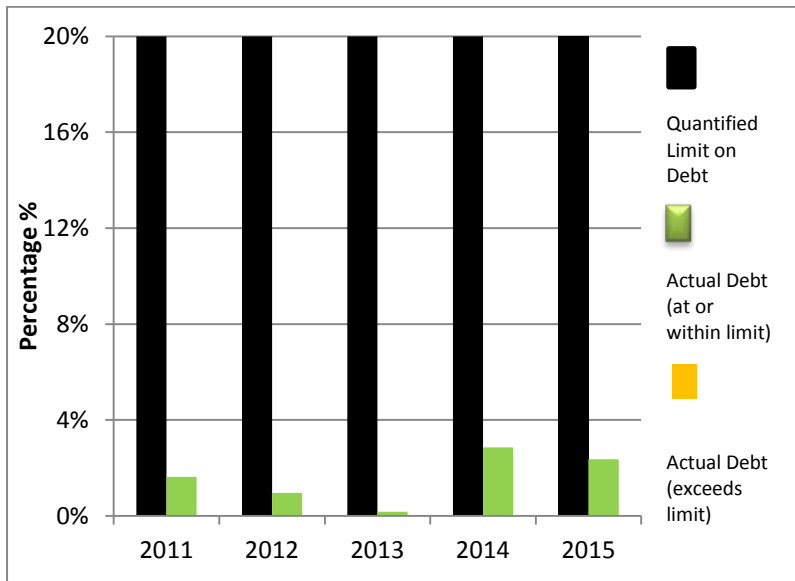
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council's debt to equity ratio. The financial strategy caps debt at 10% of equity in the 2012-22 Long Term Plan.



# Annual Report Disclosure Statement

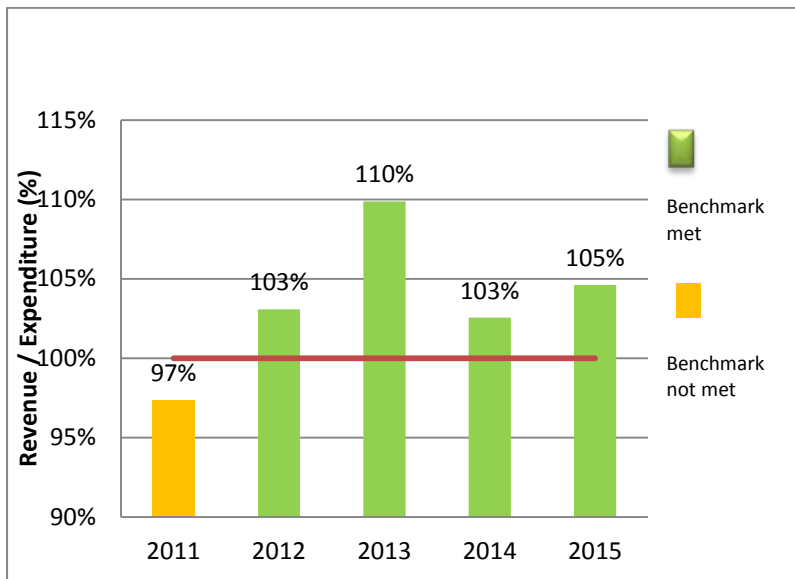
Debt affordability is also measured by the ratio of debt servicing to rates. The 2012-22 Long Term Plan limits debt servicing to 20% of rates.



## 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.

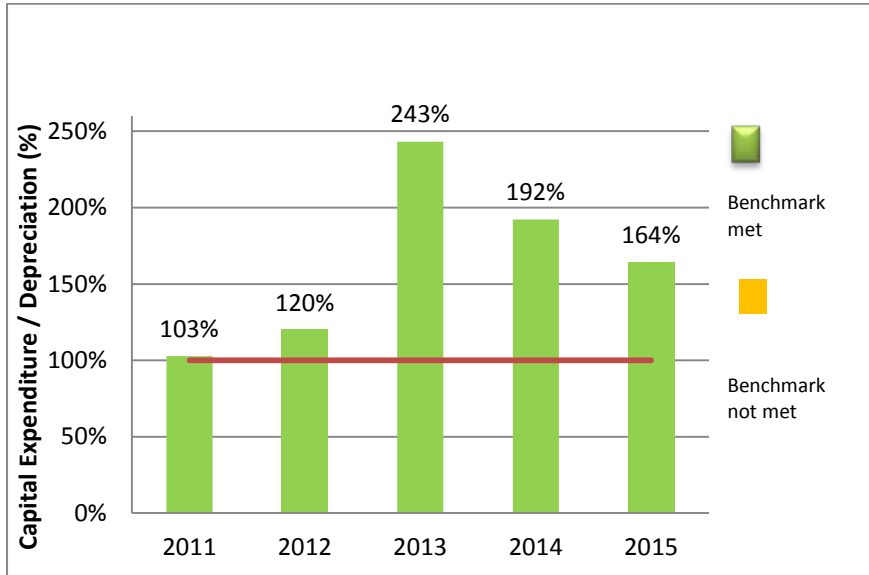


# Annual Report Disclosure Statement

## Essential services benchmark

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

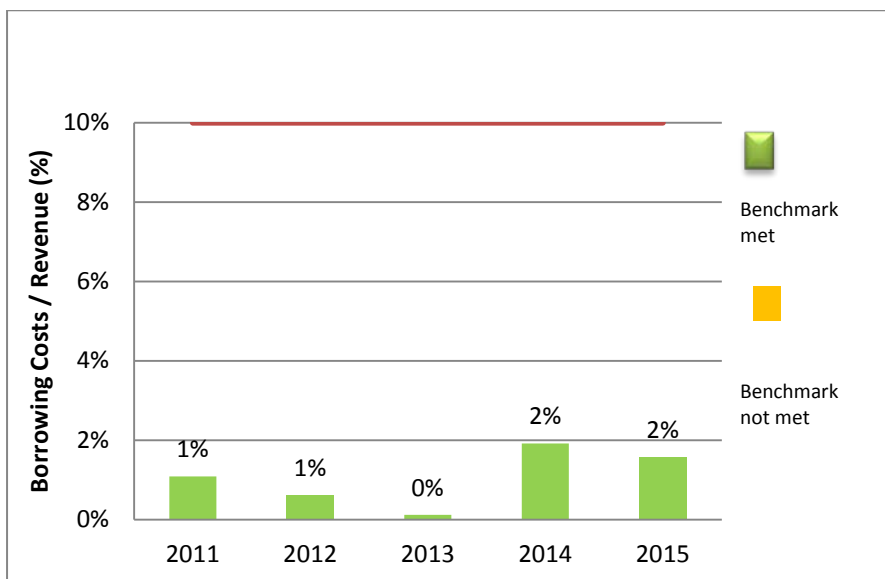
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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 it's borrowing costs equal or are less than 10% of its revenue.

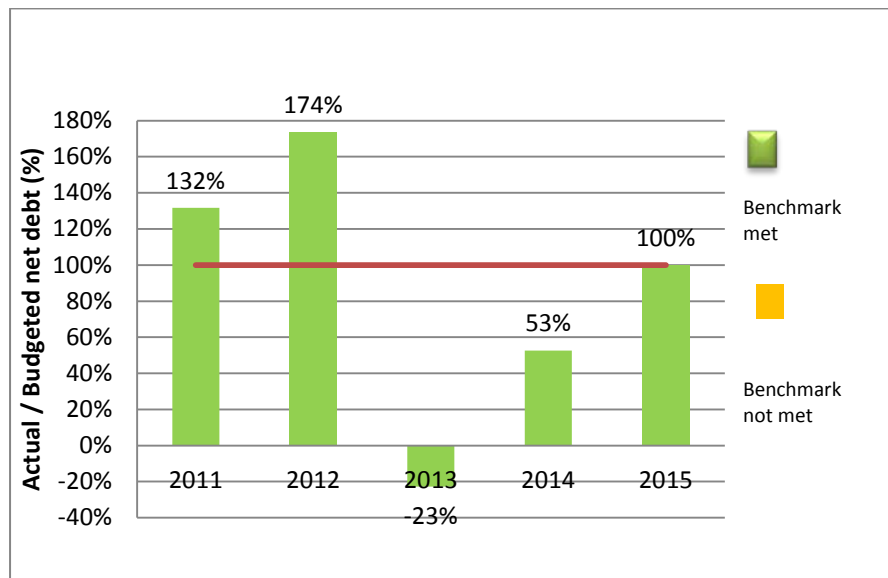


# Annual Report Disclosure Statement

## Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

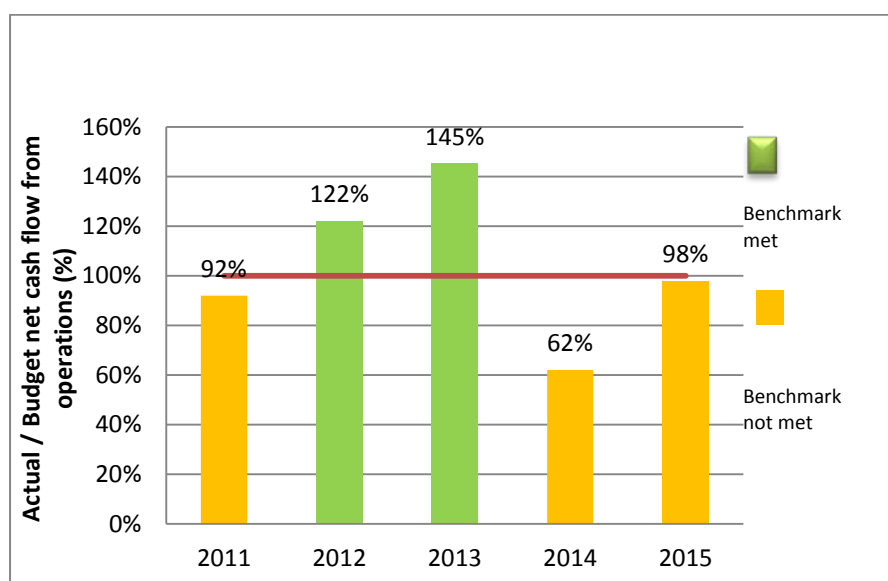
For 2011 and 2012 the budgeted net debt was negative. As a result the percentage is in excess of 100% and has met the benchmark. The 2013 financial year has a forecast net debt but the actual net debt was negative. The debt control benchmark compares the actual net debt with the budgeted net debt. For the 2015 annual report the budgeted net debt is derived from the Long Term Plan, in the 2014 annual report net debt was obtained from the respective Annual Plans.



## Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

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



# AUDIT REPORT

## Independent Auditor's Report

### To the readers of Stratford District Council and group's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of Stratford District Council (the District Council) and group. The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
  - the statement of financial position as at 30 June 2015 on page 73;
  - the statement of comprehensive revenue and expense, statement in changes of equity and statement of cash flows for the year ending 30 June 2015 on page 71 and pages 74 to 75;
  - the funding impact statement of the District Council on page 116;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 17 to 65; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 76 to 115;
- the statement of service provision (referred to as performance reporting) of the District Council on pages 15 to 66 and the funding impact statements in relation to each group of activities of the District Council on pages 117 to 125; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 126 to 130.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 103;
  - council-controlled organisations on pages 68 to 69;
  - reserve funds on pages 104 to 106;
  - each group of activities carried out by the District Council on pages 17 to 67;

- remuneration paid to the elected members and certain employees of the District Council on page 111;
- employee staffing levels and remuneration on page 111;
- severance payments on page 112;
- rating base units on page 7; and
- insurance of assets on page 115;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 70; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 12; and

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council and group on pages 71 to 115:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 116, present 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 17 to 65, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the performance reporting of the District Council on pages 15 to 66:
  - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan;

- the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 117 to 125, present fairly, in all material respects, by each group of activities, 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.
- the disclosures on pages 126 to 130 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

### **Compliance with the other requirements of schedule 10**

The District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 13 October 2015. This is the date at which our opinion is expressed.

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

### **Basis of opinion**

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;

- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported performance reporting within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

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

### **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and performance reporting that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the District Council and group's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
  - a funding impact statement that presents fairly 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;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, 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;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and



- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

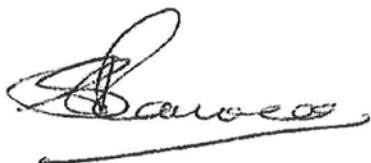
The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

### **Independence**

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements and the audit of the District Council's 2015-25 Long Term Plan we have no relationship with, or interests, in the District Council or its subsidiary.



Clint Ramoo  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand