



**Annual Report
for the year ended 30 June 2015**

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Mayor and councillors

His Worship the Mayor	Mayor John Booth	
Deputy Mayor	Cr Elaine Brazendale	
Councillors	Cr Mike Ashby	Cr Bill Knowles
	Cr Ruth Carter	Cr Greg Lang
	Cr Jill Greathead	Cr Mike Palmers
	Cr Russell Keys	



Kaumātua nō Hurunuiorangi

Mrs Lou Cook
Mr PJ Devonshire

Senior executives

Chief Executive	Colin Wright
Community Facilities Manager	Brian McWilliams
Operations Manager	Garry Baker
Manager Planning and Regulatory	Milan Hautler
Community Development Manager	Carolyn Mckenzie
Corporate Services Manager	Marty Sebire

Introduction from the Mayor

*Tihei winiwini, tihei wanawana, tihei mauri ora!
Mauri ora ki te rangi, mauri ora ki te whenua, mauri ora ki a tātou katoa!*

*I breathe with excitement, I breathe with thrill, I breathe with well-being and life!
The well-being of our air and skies, the well-being of our lands and waterways,
the well-being of our community!*

I have much pleasure in presenting the Carterton District Council's Annual Report for the 2014/15 financial year. It summarises the Council's activities and financial results for the past year, and gives an update on the key matters that were highlighted in the Council's Long Term Plan 2012–2022.

This is my first annual report as Mayor, succeeding Ron Mark in October 2014 when Ron re-entered Parliament. May I take the opportunity to thank Ron for his service as Mayor and the energy and vision he brought to the role. It is exciting to accept his baton and continue to pursue fantastic outcomes for the people of Carterton District.

The other person I must thank is our departing Chief Executive, Colin Wright, who has served us well over the last nine years, providing superb advice to the Council and leadership to his staff. His retirement is well-deserved and we wish him well for the future.

Two major reviews concluded during the year. The first was the review by the Local Government Commission of the application from Wairarapa councils for a combined unitary authority in Wairarapa. The Commission broadened this and proposed a super-city for Wellington and Wairarapa regions. Quite sensibly, it withdrew its proposal after public consultation showed there was a lack of community support. We are back to the drawing board and I am sure more proposals will be considered over the next year.

The other review was internal. The Council looked at options for its housing for the elderly units, and came to the view that it gift the properties to the Carter Society. This was confirmed following consultation during the Long Term Plan. The hand over was completed in September 2015.

A major highlight this year has been getting the go-ahead to dispose treated wastewater on land instead of into Mangatāre Stream. Already, we have installed a UV treatment station, commissioned a pivot irrigator at our Daleton Farm facility, and planted shelter belts and rehabilitated wetland areas. Further work is planned over the next few years, and we see the farm growing into a showcase treatment and environmental development for the community.

And finally, I acknowledge and thank all those who have worked with Council or with other groups in the community. Together we are fostering Council's vision for Carterton, a welcoming and vibrant community where people enjoy living.



John Booth
Mayor

Update on key issues from the LTP

The following comments report back on progress during the past year with the key issues that were identified in the Council's Long Term Plan for 2012–2022 (the LTP) adopted in June 2012, which established priorities for the next ten years.

The Long Term Plan for 2012–2022 has been superseded by the Long Term Plan for 2015–2025, which was adopted by the Council in June 2015.

Reform of the local government sector

Central government has undertaken a programme of legislative reform of the sector. In 2012, the purpose of local government was amended to focus more on core infrastructure and services, and removed the four 'well-beings'. The Council has had to realign its services with the new purpose, but there have been no significant changes. There have also been new reporting requirements introduced, by legislation and regulation.

In May 2013, the Wairarapa councils submitted an application to the Local Government Commission to establish a Wairarapa unitary council, combining the roles of the three district councils and the regional council. The Local Government Commission subsequently consulted on a proposal to combine all councils in the Wellington and Wairarapa regions into one super-city council. This was withdrawn by the Commission after public consultation showed there was a lack of community support.

Sewerage and the treatment and disposal of sewage

Currently, treated sewage is disposed to Mangatāre Stream much of the time and to land adjacent to the treatment station during most of the summer. For some time, the Council has signalled its desire to increase the volume of treated sewage being disposed to land.

In late 2012, the opportunity arose for the Council to purchase land adjacent to the treatment plant. This was seen as an important strategic move to enable a significant increase in the volume of effluent discharged to land.

The purchase of this land, now known as Daleton Farm, was not in the Long Term Plan and has been funded by an interest-only loan. Similarly, the development of the land and facilities required further capital expenditure and operating costs that were not in the Long Term Plan.

The current consent is for four years to October 2017 and requires the Council to achieve a number of changes and improvements to the treatment plant and discharge arrangements.

In 2014/15, shelter belts were planted, a UV tertiary treatment plant was installed, and a pivot irrigator commissioned to dispose the treated sewage to land.

Asset management

Asset management plans are in place for the roads, sewerage, water supply, and stormwater networks. Reviews of these plans were completed in 2015.

An overarching asset management strategy has also been developed, incorporating these plans and other issues into one broader strategy for all of the Council's assets, infrastructure, and property holding.

The asset management plans were updated and a new infrastructure strategy prepared. Work continues on the accuracy of the asset information, and improving the GIS systems.

Opportunities for Māori to contribute

The Local Government Act 2002 Schedule 10 Part (3)(2)(1) requires Council to include a report on the activities that have been undertaken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to the decision-making process of Council.

The Carterton District Council recognises the importance of the Treaty of Waitangi as the founding document of Aotearoa New Zealand, which created a partnership between iwi and the Crown. The Council also recognises that through legislation, such as the Resource Management Act and the Local Government Act, the Council is devolved powers from the Crown for the whole community.

The Council acknowledges Hurunuiorangi Marae as mana whenua in our district and recognises the value of Hurunuiorangi in the social and cultural fabric of our community.

We work with them on a range of initiatives. The Marae and the Council wish to build on this developing relationship for the good of our communities, through respectful engagement, and taking note of our respective aspirations and capacity.

It is through working alongside each other that opportunities will arise and capacity will be built for Māori to contribute to Council decision-making, and for Council to contribute to Māori well-being in the present and for the future.

In a first for Council, the June 2015 ordinary meeting was graciously hosted by Hurunuiorangi at their marae, where it was agreed that future Council meetings would be attended by Marae kaumātua.

Some activities during the last year have included:

- leadership by the Marae in the Council's ceremonies for new citizens
- Marae submissions to the planning processes
- regular presentations by the Marae at ordinary Council meetings
- working with the Marae on a number of community development activities.

Statement of compliance and responsibility

Compliance

1. The Council and management of the Carterton District Council certify that all the statutory requirements in relation to the annual report have been complied with.

Responsibility

2. The Council and management of the Carterton District Council accept responsibility for the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them.
3. The Council and management of the Carterton District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial and service performance report.
4. In the opinion of the Council and management of the Carterton District Council, the annual Financial Statements for the year ended 30 June 2015 fairly reflect the financial position and operations of Carterton District Council.



John Booth
Mayor



Colin Wright
Chief Executive

Independent Auditor's Report

To the readers of Carterton District Council's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of Carterton District Council (the District Council). The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2015 on page 25;
 - the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 24 to 26;
 - the funding impact statement of the District Council on page 26;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 50 to 80; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 10 to 22 and 27 to 44;
- the statement of service provision (referred to as groups of activities) of the District Council on pages 50 to 80 and the funding impact statements in relation to each group of activities of the District Council on pages 50 to 80; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 45 to 49.

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

- information about:
 - reserve funds on page 41 to 43;
 - each group of activities carried out by the District Council on pages 50 to 80;
 - remuneration paid to the elected members and certain employees of the District Council on page 35;
 - employee staffing levels and remuneration on page 35; and
 - severance payments on page 35;
 - rating base units on page 33; and
 - insurance of assets on page 35 to 36;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on page 5; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 6.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 10 to 44:
 - present fairly, in all material respects:
 - the District Council'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 26, 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 50 to 80, 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 groups of activities of the District Council on pages 50 to 80:
 - 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 50 to 80, 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 45 to 49 represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Compliance with the other requirements of schedule 10

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

Our audit was completed on 30 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 groups of activities. 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'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'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 groups of activities 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 evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and groups of activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council'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; and
- 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.



Phil Kennerley
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Accounting Policies

Reporting Entity

Carterton District Council (Council) is a territorial local body governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand.

The Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of the new Public Sector Public Benefit Entity Standards (PBE standards).

The financial statements of the Council comply with PBE standards.

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

Basis of Preparation

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally, accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with PBE standards for a Tier 2 entity as the Council does not have public accountability and is not large. The Council is adopting the PBE standards to the first time in the periods presented in these financial statements.

These financial statements have been prepared on a going concern basis.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year other than the effect of first-time adoption of PBE standards.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Council will apply these updated standards in preparing its 30 June 2016 financial statements. Council expects there will be minimal or no change in applying these updated accounting standards.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Rates revenue

General rates, targeted rates (excluding water rates 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 that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and are therefore defined as non-exchange.

Rates collected on behalf of the Greater Wellington Regional Council (WRC) are not recognised in the financial statements as the Council is acting as an agent for the WRC.

Revenue from water rates by meter is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Various grants are also received from a number of Crown bodies for a range of purposes, such as employment subsidies, assistance with community activities, and grant money for distribution to the community. 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.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

The fair value of vested assets is determined by reference to the cost of constructing the asset.

Vested asset revenue is recognised as non-exchange revenue when the maintenance period (where the developer is responsible for addressing maintenance items) ends and the asset is at the required standard to be taken over by Council.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Agency arrangements

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue. Dividends are recorded net of imputation credits.

Fines and penalties

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Other gains and losses

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Development contributions

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

Development contributions are classified as part of “development and financial contributions”.

Borrowing costs

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

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.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Income tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus 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 and 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 the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) 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 Council 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.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue or directly in equity.

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 the 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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Council 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 debt 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. 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 for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Derivative financial instruments and hedge accounting

The Council does not engage in the use of derivative financial instruments and hedging activities.

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 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 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

- 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 profit and loss 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 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.

Council does not hold any financial assets in this category.

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.

Council's loans and receivables comprise cash and cash equivalents, bank term deposits, debtors and other receivables, community and related party loans.

Held to maturity investments

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

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

Council does not hold any financial assets in this category.

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 the share investment within 12 months of balance date or if the debt instrument is not expected to be realized within 12 months of balance date.

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity
- 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 derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Council's investments in this category include shares in companies.

Impairment of financial assets

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

Loans and other receivables

Impairment is established when there is objective evidence that the Council 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, 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 stock, and community loans, are recognised directly against the instruments 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 the 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.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than 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.

Any impairment losses for write-downs of assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets—land, buildings, fixtures and fittings, office equipment, library collections, motor vehicles, plant and equipment, landfill post closure and water races.

Infrastructure assets— fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Heritage assets—assets owned by the Council that are of cultural or historical significance to the community and cannot be replaced due to the nature of the assets. Buildings recorded under the Historical Places Act 1993 have been recorded as heritage assets.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

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

Property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

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 Council and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the 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.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which also includes the landfill and water races), at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The estimated useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Motor vehicles	10 years	10.00%
Plant and equipment	10 to 50 years	2.00–10.00%
Roads, bridges & footpaths*	9 to 63 years	1.58–11.42%
Water systems*	7 to 30 years	3.29–13.66%
Stormwater systems*	65 to 74 years	1.35–1.55%
Sewerage systems*	10 to 24 years	4.12–10.39%
Buildings	5 to 100 years	1.00–20.00%
Library collections	6 years	16.67%
Office equipment	5 to 10 years	10.00–20.00%
Fixtures and fittings	10 to 50 years	2.00–10.00%
Heritage assets	20 to 50 years	2.00–5.00%
Intangible assets	5 years	20.00%

In relation to infrastructural assets marked * (above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by Council's engineers and independent registered valuers. A summary of these lives is detailed above.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use are recognized as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite life and are not amortised, but are instead tested for impairment annually.

Resource consents

Costs incurred in obtaining resource consents are capitalised and classified as intangible assets. Costs are amortised on a straight-line basis over the term granted by the resource consent, which ranges from 3–10 years, and are stated at cost less accumulated amortisation and impairment losses.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

The Council received carbon credits for no consideration when these were allocated by the government in 2012 and 2013 under the Emissions Trading Scheme. The Council had accounted for these carbon credits at cost (nil) under NZ IFRS. Under the new PBE accounting standards, carbon credits received for no consideration are required to be accounted for at their fair value at initial recognition. On transition to the new PBE accounting standards, the Council has elected to retrospectively recognise these at fair value at the date they were received.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when an asset is available for use and ceases

at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	5 years	20.00%
Resource consents	3–10 years	10.00–33.33%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated cost to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Creditors and other payables

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

Borrowings

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

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

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, long service leave entitlements expected to be settled within twelve months, and sick leave.

A liability for sick leave is recognised to the extent that compensated 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.

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

Long-term employee entitlements

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

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

A discount rate of 5.67% and an inflation factor of 3.00% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are

classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

A provision is recognised 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 measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a standalone arm’s length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value for the future expenditure.

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:

- Public equity – accumulated funds
- Restricted reserves
- Other reserves – trust funds
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserves

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 are 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 references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council’s objectives, policies and processes for managing capital are described in Note 30.

Asset revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax 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 cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2015 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below.

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 significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management. GST is disclosed net as disclosing gross amounts does not provide any further meaningful information.

Operating activities include cash received from all revenue sources and cash payments made for the supply of goods and services. Agency transactions (the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows because they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

Financing activities comprise the change in equity and debt structure of the Council.

Statements of service performance

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

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that

have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

Note 17 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Infrastructural assets

Note 31 provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments 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 accounted for as property, plant and equipment.

Financial statements

CARTERTON DISTRICT COUNCIL

Statement Of Financial Performance For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Note	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Revenue			
9,103,123	20	9,709,837	9,645,783
63,534	20	35,463	50,000
146,052	1	175,910	159,215
1,492,085		1,599,964	1,576,804
1,492,274		1,635,015	1,569,000
66,091		63,779	60,000
73,492	2	24,719	25,868
314,713		330,884	303,509
96,568	4	42,509	15,650
731,873		339,092	310,000
48,291		51,406	47,000
92,456		116,510	87,500
-		-	-
30,719		-	-
9,772		27,194	-
-		-	(64,000)
13,761,043		14,152,282	13,786,329
Expenditure			
762,025		754,472	788,275
3,229,949		3,429,985	3,427,593
1,676,864		1,704,751	1,797,858
1,232,833		1,421,826	1,389,069
175,722		173,338	238,173
676,963		695,443	788,596
3,299,435		3,385,163	3,522,737
1,333,273		1,265,569	1,268,409
21,305		39,852	15,000
26,376		42,232	-
-		-	(64,000)
12,434,745		12,912,631	13,171,709
1,326,298		1,239,651	614,620
72,379	7	18,529	-
1,398,677		1,258,180	614,620
-	11	-	-
1,398,677	5	1,258,180	614,620
Note: Operating costs include the following expenses			
3,135,530	6	3,297,962	3,479,981
500,919	1	489,820	540,575
3,128,453	3	3,348,570	2,998,457

CARTERTON DISTRICT COUNCIL

Statement Of Other Comprehensive Revenue And Expense For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Note	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
1,398,677		1,258,180	614,620
5,378,693	19	2,042,724	824,697
-	19	2,458	-
5,378,693		2,045,182	824,697
6,777,370		3,303,362	1,439,317

CARTERTON DISTRICT COUNCIL

Statement Of Changes In Equity For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Note	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
153,709,497		160,486,867	166,501,798
6,777,370		3,303,362	1,439,317
160,486,867		163,790,229	167,941,115
Components of equity			
111,072,768		112,831,897	108,822,226
1,398,677		1,258,180	614,620
333,061		834,272	(272,020)
27,391		2,835	-
112,831,897		114,927,184	109,164,826
36,890,451		42,241,753	51,863,061
5,378,693		2,045,182	824,697
(27,391)		(2,835)	-
42,241,753		44,284,100	52,687,758
5,746,278		5,413,217	5,816,511
(333,061)		(834,272)	272,020
-		-	-
5,413,217		4,578,945	6,088,531
160,486,867		163,790,229	167,941,115

CARTERTON DISTRICT COUNCIL

Statement Of Financial Position As At 30 June 2015

Actual 30 June 2014 \$	Note	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Assets			
Current assets			
4,637,793	8	4,589,904	4,578,331
1,664,058	9	1,975,407	1,517,844
-	10	13,517	-
-		-	2,988
-		-	-
6,301,851		6,578,828	6,099,164
Non-current assets			
163,996,963	32	166,520,230	173,631,990
394,524	13	413,053	361,287
474,239	14	531,011	45,705
26,479	12	28,370	27,661
13,315	12	13,882	12,991
164,905,520		167,506,546	174,079,634
171,207,371		174,085,374	180,178,798
Liabilities			
Current liabilities			
1,797,412	15	1,672,344	1,631,800
258,103	16	288,493	263,947
9,455	17	-	-
914,770	18	344,195	329,741
2,979,740		2,305,032	2,225,488
Non-current liabilities			
69,355	16	76,851	-
-	17	-	16,562
7,671,409	18	7,913,262	9,995,633
7,740,764		7,990,113	10,012,195
Equity			
112,831,897	19	114,927,184	109,164,826
1,479,963	19	1,187,016	5,953,611
42,241,753	19	44,281,642	52,687,758
3,933,254	19	3,391,929	134,920
-		2,458	-
160,486,867		163,790,229	167,941,115
171,207,371		174,085,374	180,178,798

CARTERTON DISTRICT COUNCIL

Statement Of Cashflows For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Note	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Cash flows from operating activities			
Cash was received from:			
9,147,604		9,746,798	9,695,783
1,065,949		1,167,884	1,073,825
1,437,577		1,908,431	1,594,868
65,492		64,220	60,000
3,137,938		1,845,979	2,687,728
149,307		172,133	159,215
15,003,867		14,905,445	15,271,419
Cash was applied to:			
8,788,766		9,108,689	9,064,549
1,059,673		1,161,865	1,073,825
502,397		490,226	540,575
10,350,836		10,760,780	10,678,949
4,653,031	21	4,144,665	4,592,470
Cash flows from investing activities			
Cash was received from:			
38,425		33,706	-
-		-	-
-		-	-
38,425		33,706	-
Cash was applied to:			
3,498,332		3,884,021	5,325,840
-		13,517	-
-		-	40,000
3,498,332		3,897,538	5,365,840
(3,459,907)		(3,863,832)	(5,365,840)
Cash flows from financing activities			
Cash was received from:			
98,352		604,847	1,849,500
98,352		604,847	1,849,500
Cash was applied to:			
336,834		933,569	309,524
336,834		933,569	309,524
(238,482)		(328,722)	1,539,976
954,642		(47,889)	766,606
3,683,151		4,637,793	3,811,725
4,637,793		4,589,904	4,578,331
Represented by:			
4,637,793		4,589,904	4,578,331
4,637,793		4,589,904	4,578,331

* The 2014 actual figures for receipts from rates revenue and receipts from other income have been adjusted to be consistent with current year presentation where targeted water rates are now included in rates, rather than other income.

CARTERTON DISTRICT COUNCIL

Funding Impact Statement For The Year Ended 30 June 2015

Annual Plan 30 June 2014 \$	Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Sources of operating funding			
6,229,113	6,297,178	6,621,578	6,592,667
2,844,375	2,869,479	3,123,722	3,103,257
700,170	774,095	843,787	606,398
1,394,810	1,492,085	1,599,964	1,576,663
135,100	146,052	175,910	159,215
511,120	648,838	605,088	449,659
11,814,688	12,227,727	12,970,049	12,487,859
Applications of operating funding			
8,733,006	8,798,296	9,082,617	9,151,153
577,087	500,919	489,820	540,575
-	-	-	-
9,310,093	9,299,215	9,572,437	9,691,728
2,504,595	2,928,512	3,397,612	2,796,131
Sources of capital funding			
923,074	791,671	815,947	988,470
310,000	731,873	339,092	310,000
1,228,629	(238,482)	(328,722)	1,519,759
-	38,425	33,706	-
-	-	-	-
-	-	-	-
2,461,703	1,323,487	860,023	2,818,229
Applications of capital funding			
558,372	599,592	10,539	572,050
1,263,640	338,505	2,332,070	1,619,760
2,680,812	2,905,887	2,312,098	3,134,030
463,474	408,015	(397,072)	248,520
-	-	-	40,000
4,966,298	4,251,999	4,257,635	5,614,360
(2,504,595)	(2,928,512)	(3,397,612)	(2,796,131)
Funding balance			
-	-	-	-

* The 2014 actual and 2015 annual plan figures for targeted rates and fees and charges have been adjusted to be consistent with current year presentation where targeted water rates are now included in rates, rather than fees and charges.

Notes to the Accounts

Note 1: Finance revenue and finance costs

	30 June 2015 \$	30 June 2014 \$
Finance revenue		
Interest revenue:		
- term deposits	175,910	146,052
- internal interest	-	-
Total finance revenue	<u>175,910</u>	<u>146,052</u>
Finance costs		
Interest expense:		
- interest on bank borrowings and finance leases	489,820	500,919
- internal interest	-	-
Total finance costs	<u>489,820</u>	<u>500,919</u>

Note 2: Grants and subsidies

	30 June 2015 \$	30 June 2014 \$
Youth development partnership fund	-	50,950
Creative New Zealand	11,765	9,756
Sports NZ rural travel fund	9,500	9,500
Internal Affairs	1,093	1,093
Summer reading grant	1,861	1,693
World War II memorial trust	500	500
Total grants and subsidies	<u>24,719</u>	<u>73,492</u>

Note 3: Personnel costs

	30 June 2015 \$	30 June 2014 \$
Salaries and wages	3,222,348	3,117,259
Defined contribution plan employer contributions	88,337	87,834
Increase/(decrease) in employee entitlements/liabilities	37,885	(76,640)
Total personnel costs	<u>3,348,570</u>	<u>3,128,453</u>

Employer contributions to defined contribution plans include contributions to Kiwisaver, Jacques Martin, Local Government and Union Brokers.

Note 4: Miscellaneous revenue

	30 June 2015 \$	30 June 2014 \$
Dividends	543	543
Sundry sales	1,462	1,350
Daffodil Festival	4,137	4,594
Donations	697	1,103
Other	28,721	78,055
Election deposits	1,391	4,705
Library revenue	3,649	5,728
Ticket sales	1,909	-
Grazing	-	490
Total miscellaneous revenue	<u>42,509</u>	<u>96,568</u>

Note 5: Summary cost of services

	30 June 2015 \$	30 June 2014 \$
Revenue		
Governance	2,333	45,833
Roads and footpaths	1,781,840	2,058,403
Water supply	294,288	256,492
Sewerage	486,078	402,775
Stormwater	39,000	40,142
Waste management	324,514	307,478
Community support	580,434	675,134
Regulatory and planning	645,609	606,866
Total activity revenue	<u>4,154,096</u>	<u>4,393,123</u>
Rates	9,709,837	9,103,123
Rates penalties	35,463	63,534
Commission	47,775	43,110
Finance revenue	175,910	146,052
Fees and charges	-	29
Miscellaneous revenue	2,008	2,300
Assets vested in council	-	-
Bad debts recovered	-	-
Profit on sale of assets	27,194	9,772
Development and financial contributions	-	-
Other gains	18,529	72,379
Total revenue	<u>14,170,812</u>	<u>13,833,422</u>

Expenditure		
Governance	754,472	762,025
Roads and footpaths	3,429,985	3,229,949
Water supply	1,704,751	1,676,864
Sewerage	1,421,826	1,232,833
Stormwater	173,338	175,722
Waste management	695,443	676,963
Community support	3,385,163	3,299,435
Regulatory and planning	1,265,569	1,333,273
Total activity expenditure	12,830,548	12,387,064
Loss on sale of assets	42,232	26,376
Bad debts	39,852	21,305
Total expenditure	12,912,632	12,434,745
Net surplus/(deficit) before tax	1,258,180	1,398,677

All items above are stated gross of internal costs and revenues.

Note 6: Other revenue and expenses

	30 June 2015	30 June 2014
Expenditure	\$	\$
Change in provision for doubtful debts	39,676	4,822
Fees to principal auditor		
- Audit fees for financial statement audit	81,944	80,581
- Audit fees for 2015–2025 Long Term Plan	53,000	-
	134,944	80,581
Depreciation		
- Motor vehicles	73,393	65,804
- Plant and equipment	184,771	173,095
- Roads and footpaths	1,271,638	1,322,340
- Water systems	514,482	511,076
- Stormwater systems	66,024	63,061
- Sewerage systems	244,864	228,304
- Buildings	469,924	467,559
- Library collections	89,577	81,142
- Office equipment	80,310	86,785
- Fixtures and fittings	169,660	123,755
- Heritage assets	404	404
	3,165,047	3,123,325

Amortisation		
- GIS system	5,497	5,330
- Consents	127,418	6,875
		132,915
Councillors' remuneration		191,478
Interest expense		489,820
Debtors written off		176
Rental expense of leased assets		807
Superannuation contributions		88,337
		187,389
		500,919
		16,483
		870
		87,834

Note 7: Other gains and losses

	30 June 2015	30 June 2014
Gain/(loss) in fair value of forestry assets (Note 13)	18,529	73,237
Gain/(loss) on changes in fair value of shares (Note 12)	-	(858)
Total gains/(losses)	18,529	72,379

Note 8: Cash and cash equivalents and special funds

	30 June 2015	30 June 2014
Cash at bank and on hand	550,997	1,075,322
Short term deposits with maturities less than 3 months	2,515,759	1,500,000
Special fund term deposits with maturities less than 3 months	1,523,148	2,062,471
Total cash and cash equivalents	4,589,904	4,637,793

The carrying value of cash at bank, short term deposits and special fund term deposits with maturities less than three months approximates their fair value. The total value of cash and cash equivalents that can only be used for a specific purpose, as outlined in a trust deed or Council resolution, is \$1,523,148 (2014 \$2,062,471).

Fair value

The carrying amount of short term deposits and special fund term deposits approximates their fair value. Cash and cash equivalents include the following for the purposes of the statement of cashflows:

	30 June 2015	30 June 2014
Cash at bank and on hand	550,997	1,075,322
Short term bank deposits with maturities less than 3 months	2,515,759	1,500,000
Special fund bank deposits with maturities less than 3 months	1,523,148	2,062,471
Total cash and cash equivalents	4,589,904	4,637,793

Maturity analysis and effective interest rates

The maturity dates for all other financial assets with the exception of equity investments are as follows:

2015

Cash at bank and in hand	550,997
Short term bank deposit maturing within three months	2,515,759
Special fund deposits (with maturities of 3 months or less; average maturity 90 days)	1,523,148
<i>Weighted average effective interest rate</i>	4.17%

2014

Cash at bank and in hand	1,075,322
Short term bank deposit maturing within three months	1,500,000
Special fund deposits (with maturities of 6 months or less; average maturity 60 days)	2,062,471

Weighted average effective interest rate 4.36%

Note 9: Debtors and other receivables

	30 June 2015	30 June 2014
<i>Receivables under exchange transactions</i>	\$	\$
Amounts due from customers for contract work	-	-
Prepayments	33,236	28,134
	<u>33,236</u>	<u>28,134</u>
<i>Receivables under non-exchange transactions</i>		
Rates receivables	580,058	541,643
Other receivables	857,734	708,291
Goods and services tax	61,687	101,014
Sundry debtors	531,873	334,481
Related party receivables	-	-
Loans to related parties	-	-
	<u>2,064,588</u>	<u>1,685,429</u>
Less provision for impairment	(89,181)	(49,505)
Total debtors and other receivables	<u>1,975,407</u>	<u>1,664,058</u>

Movements in the provision for impairment of receivables and community loans are as follows:

	30 June 2015	30 June 2014
	\$	\$
At 1 July	49,505	44,683
Additional provisions made during the year	39,852	21,305

Receivables written off during the period

At 30 June

(176)	(16,483)
<u>89,181</u>	<u>49,505</u>

Note 10: Investments

	30 June 2015	30 June 2014
	\$	\$
Special fund term deposits with maturities greater than 3 months and remaining maturities less than 12 months	13,517	-
Total investments	<u>13,517</u>	<u>-</u>

The carrying value of special fund term deposits approximates their fair value.

Note 11: Income tax

	30 June 2015	30 June 2014
	\$	\$
Total surplus/(deficit) before tax	1,258,180	1,398,676
Income tax @ 28%	352,290	391,629
Add/(less) tax effect of non-taxable income/expenditure	(352,290)	(391,629)
Income tax expense	<u>-</u>	<u>-</u>
Current tax expense	-	-
Deferred tax expense	-	-
Income tax expense	<u>-</u>	<u>-</u>

CDC has 2015 taxable income of \$nil (2014 \$nil) with tax credits attached of \$nil (2014 \$nil). As the tax credits attached are equal to the applicable income tax rate of 28%, CDC has no further tax to pay on this income.

Note 12: Shares in companies

	Fair value 30 June 2015	Fair value 30 June 2014
	\$	\$
New Zealand Local Government Insurance Corporation Ltd (23,642 shares)	28,370	26,479
Airtel Ltd (8,100 shares)	12,879	12,312
Farmlands Trading Society Ltd (1,003 shares)	1,003	1,003
Total shares in companies	<u>42,252</u>	<u>39,794</u>

Under section 4(3) of the Local Government (Financial Reporting) Regulations 2011 the statement of financial position must present separately investments in entities listed in section 6(4) of the Local Government Act 2002. Section 6(4) includes the New Zealand Local Government Insurance Corporation Limited.

Fair value

Unlisted shares – valuation

Unlisted shares are recognised at fair value. The fair value of the unlisted shares for New Zealand Local Government Insurance Corporation Limited, Airtel Limited and Farmlands Trading Society Limited has been determined as market value, based on advice supplied by the respective companies as there is no active market to determine the value of the shares.

Listed shares – valuation

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. The Council currently has no publicly listed shares.

Note 13: Forestry assets

	30 June 2015	30 June 2014
	\$	\$
Balance at 1 July	394,524	321,287
Increases due to purchases	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs	18,529	73,237
Decreases due to sales	-	-
Decreases due to harvest	-	-
Balance at 30 June	413,053	394,524

Through its investment in Kaipaitangata Forest, the Council owns 260 hectares of pinus radiata forest, which are at varying stages of maturity with prospective harvest dates ranging from 2016-2042. Council received no revenue from harvesting during the year (2014 \$nil). In October 2012, 11.3 hectares of forest was damaged by fire. This land was subsequently replanted early in the 2013 financial year.

Valuation assumptions

Independent registered valuers, Forest Enterprises Limited, have valued forestry assets as at 30 June 2015. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- The forestry assets have been valued using the historic cost method for young stands and the discounted cash flow method for stands older than five years for the year ended 30 June 2015. A discount rate of 6% was used to discount the present value of expected cash flows to value the forestry assets for the year ended 30 June 2015.
- The forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis.
- No allowance for inflation has been provided.
- Costs are current average costs. No allowance has been made for cost improvements in future operations.
- Log prices are based on the average for the lower North Island for the previous 12 months.

Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 14: Intangible assets

	Carbon Credits	GIS software	Resource consents	Total
	\$	\$	\$	\$
<i>Balance at 1 July 2014</i>				
Cost	115,048	191,845	358,620	665,513
Accumulated amortisation and impairment	-	(184,399)	(6,875)	(191,274)
Opening carrying amount	<u>115,048</u>	<u>7,446</u>	<u>351,745</u>	<u>474,239</u>
<i>Year ended 30 June 2015</i>		\$	\$	\$
Additions	-	10,000	179,687	189,687
Amortisation charge	-	(5,496)	(127,419)	(132,915)
Closing carrying amount	<u>115,048</u>	<u>11,950</u>	<u>404,013</u>	<u>531,011</u>
<i>Balance 30 June 2015</i>		\$	\$	\$
Cost	115,048	201,845	538,307	855,200
Accumulated amortisation and impairment	-	(189,895)	(134,294)	(324,189)
Closing carrying amount	<u>115,048</u>	<u>11,950</u>	<u>404,013</u>	<u>531,011</u>

	Carbon Credits	GIS software	Resource consents	Total
	\$	\$	\$	\$
<i>Balance at 1 July 2013</i>				
Cost	115,048	191,845	-	306,893
Accumulated amortisation and impairment	-	(179,069)	-	(179,069)
Opening carrying amount	<u>115,048</u>	<u>12,776</u>	<u>-</u>	<u>127,824</u>
<i>Year ended 30 June 2014</i>		\$	\$	\$
Additions	-	-	358,620	358,620
Amortisation charge	-	(5,330)	(6,875)	(12,205)
Closing carrying amount	<u>115,048</u>	<u>7,446</u>	<u>351,745</u>	<u>474,239</u>

Balance 30 June 2014		\$	\$	\$
Cost	115,048	191,845	358,620	665,513
Accumulated amortisation and impairment	-	(184,399)	(6,875)	(191,274)
Closing carrying amount	<u>115,048</u>	<u>7,446</u>	<u>351,745</u>	<u>474,239</u>

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Easements

Easements are non cash generating in nature as they give the Council the right to access private property where infrastructural assets are located. These easements have not been valued as the Council believes they are of no monetary value. As a result, no value for easements has been included as intangible assets.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

The Council received carbon credits for no consideration when these were allocated by the government in 2012 and 2013 under the Emissions Trading Scheme. The Council had accounted for these carbon credits at cost (nil) under NZ IFRS. Under the new PBE accounting standards, carbon credits received for no consideration are required to be accounted for at their fair value at initial recognition. On transition to the new PBE accounting standards, the Council has elected to retrospectively recognise these at fair value at the dates they were received.

The Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

Note 15: Creditors and other payables

	30 June 2015 \$	30 June 2014 \$
<i>Payables under exchange transactions</i>		
Trade payables	1,049,632	1,266,536
Deposits and bonds	20,441	55,181
Accrued expenses	<u>342,004</u>	<u>218,397</u>
	<u>1,412,077</u>	<u>1,540,114</u>
<i>Payables under non-exchange transactions</i>		
Revenue in advance	131,493	129,110
Rates in advance	<u>128,774</u>	<u>128,188</u>
	<u>260,267</u>	<u>257,298</u>
Total creditors and other payables	<u>1,672,344</u>	<u>1,797,412</u>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

Note 16: Employee entitlements

	30 June 2015 \$	30 June 2014 \$
Accrued pay	30,545	20,985
Annual leave	245,007	214,018
Long service leave	80,163	87,254
Time off in lieu	9,629	5,201
Retirement gratuities	-	-
Sick leave	-	-
Total employee entitlements	<u>365,344</u>	<u>327,458</u>
Comprising:		
Current	288,493	258,103
Non-current	<u>76,851</u>	<u>69,255</u>
Total employee entitlements	<u>365,344</u>	<u>327,458</u>

Note 17: Provisions

	30 June 2015 \$	30 June 2014 \$
Provisions		
Opening balance	9,455	18,402
Provision additions for the year	-	-
Provision expensed for the year	(9,455)	(10,000)
Adjustment to NPV	-	1,053
Total provisions	<u>-</u>	<u>9,455</u>
Comprising:		
Current	-	9,455
Non-current	-	-
Total provisions	<u>-</u>	<u>9,455</u>

NZ Mutual Liability Risk Pool provision

The New Zealand Mutual Liability RiskPool (NZMLRP) board has indicated that calls will be made on members for further contributions in regards to the weather tightness claims against Council. NZMLRP have not indicated when CDC's next call will be payable.

Provision for landfill aftercare costs

The Council gained resource consent to operate the landfill. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site has closed

Restricted reserves		
As at 1 July	1,479,963	1,976,145
<i>Transfers to:</i>		
Public equity	(845,079)	(1,436,401)
<i>Transfers from:</i>		
Public equity	552,132	940,219
As at 30 June	1,187,016	1,479,963

Restricted reserves consist of :

Restricted reserves	1,085,499	1,378,170
Hall Board reserves	23,731	24,337
Trusts	72,381	71,938
Other trusts	5,405	5,518
Total restricted reserves	1,187,016	1,479,963

Other reserves

As at 1 July	3,933,254	3,770,132
<i>Transfers to:</i>		
Public equity	(4,624,339)	4,007,105
<i>Transfers from:</i>		
Public equity	4,083,015	(3,843,983)
As at 30 June	3,391,929	3,933,254

Asset revaluation reserves

As at 1 July	42,241,753	36,890,451
Revaluation gains / (losses)	2,042,724	5,378,693
Transfer to public equity on disposal of property, plant, and equipment	(2,835)	(27,391)
As at 30 June	44,281,642	42,241,753

Asset revaluation reserves consist of:

<i>Infrastructure assets</i>		
Roads, streets and footpaths	32,694,357	32,694,357
Water systems	4,918,518	4,918,518
Sewerage systems	684,595	684,595
Stormwater systems	1,959,841	1,959,841
<i>Operational assets</i>		
Land	1,290,232	1,274,421
Buildings	2,554,574	513,130
Library collections	156,050	173,628
Landfill	-	-

Restricted assets

Heritage assets	23,474	23,263
Total asset revaluation reserves	44,281,642	42,241,753

Fair value through other comprehensive revenue and expense reserve

As at 1 July	-	-
Net revaluation gains / (losses)	2,458	-
As at 30 June	2,458	-

Restricted reserves relate to funds that are 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. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts.

Note 20: Rates revenue

	30 June 2015 \$	30 June 2014 \$
General rates	6,586,115	6,233,644
Targeted rates attributable to activities		
Water, metered water supply	1,074,319	993,775
Water, other	359,207	265,837
Sewerage	937,629	955,480
Stormwater	216,610	154,736
Waste management	151,292	156,496
Regulatory and planning	384,665	343,155
Total targeted rates	3,123,722	2,869,479
Total rates	9,709,837	9,103,123
Rates penalties	35,463	65,534
Total revenue from rates and penalties	9,745,300	9,168,657

Rating base

	30 June 2015 \$	30 June 2014 \$
Capital value	2,442,712,800	2,194,600,100
Land value	1,353,190,300	1,243,006,000

There were 4,902 rating units within the Council district as at 30 June 2015 (2014: 4,779).

Rates remission

Rates revenue is shown net of rates remissions. The Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

	30 June 2015	30 June 2014
	\$	\$
Rates revenue before remissions	9,759,155	9,120,472
<i>Council policy remissions:</i>		
Sports bodies	3,249	3,249
Other	10,566	10,566
Total remissions	<u>13,815</u>	<u>13,815</u>
Rates revenue after remissions	<u>9,745,300</u>	<u>9,106,657</u>

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's rates remission policy.

Note 21: Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	30 June 2015	30 June 2014
	\$	\$
Surplus/(deficit) after tax	1,258,180	1,398,677
Add/(less) non-cash items:		
Depreciation and amortisation	3,297,962	3,135,530
Bad debts	39,852	21,305
Assets vesting in council	-	-
(Gains)/losses in fair value of forestry assets	(18,529)	(73,237)
(Gains)/losses in fair value of property, plant and equipment	-	-
(Gains)/losses in fair value of shares	-	858
	<u>3,319,285</u>	<u>3,084,456</u>
Add/(less) items classified as investing or financing activities:		
(Gains)/losses on disposal of property, plant and equipment	15,038	16,604
(Gains)/losses on disposal of forestry assets	-	-
	<u>15,038</u>	<u>16,604</u>
Add/(less) movements in working capital items:		
Trade and other receivables	(351,201)	278,068

Inventories	-	2,430
Creditors and other payables	(125,068)	(41,607)
Provisions	(9,455)	(8,947)
Employee entitlements	37,886	(76,640)
	<u>(447,838)</u>	<u>153,294</u>
Net cash inflow/(outflow) from operating activities	<u>4,144,665</u>	<u>4,653,031</u>

Note 22: Statement of commitments

Operating leases as lessee

For the year ended 30 June 2015 the Council, as lessee, had no non-cancellable operating leases (2014: \$nil).

Operating leases as lessor

The Council has one farm property that is leased under an operating lease. It is for a non-cancellable term of 36 months, with a right of renewal. The future aggregate minimum lease payments to be collected under the non-cancellable operating lease are as follows:

	30 June 2015	30 June 2014
	\$	\$
Not later than one year	17,483	39,427
Later than one year and not later than five years	-	17,483
Later than five years	-	-
	<u>17,483</u>	<u>56,910</u>

Capital commitments

For the year ended 30 June 2015 the Council had no capital commitments (2014: \$nil).

Note 23: Contingencies

	30 June 2015	30 June 2014
	\$	\$
Contingent liabilities		
Financial guarantees	-	-
Total contingent liabilities	<u>-</u>	<u>-</u>

The Council is a member of the New Zealand Mutual Liability RiskPool (NZMLRP), which provides public liability and professional indemnity insurance for its members. The Trust Deed of NZMLRP provides that, if there is a shortfall in any one year (where reinsurance recoveries and contributions from members are less than total claims), the Board may make a further call on members for that year.

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

The value of financial guarantees disclosed as contingent liabilities reflects the Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position.

Note 24: Related party transactions

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).

In addition, Cr Greathead is the owner of Enzed PC Services the business. There were no transactions during the 2015. During the 2014 year the Council purchased laptop computers and related services from Enzed PC Services. These services were made on commercial terms and amounted to \$2,381. No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2014 \$nil).

	30 June 2015	30 June 2014
	\$	\$
<i>Mayor & Councillors</i>		
Remuneration	191,478	187,389
Full-time equivalent members	9	9
<i>Chief Executive</i>		
Remuneration	200,078	237,708
Full-time equivalent members	1	1
Total key management personnel remuneration	391,556	425,097
Total full-time equivalent personnel	10	10

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

Note 25: Remuneration

Chief executive

The Chief Executive of the Council appointed under section 42 of the Local Government Act 2002 received a salary of \$171,753 (2014 \$166,298), performance bonus of \$17,000 (2014 \$18,386) and superannuation contributions of \$11,325 (2014 \$13,455) to 30 June 2015. During the 2013/14 year the Chief Executive completed a contract with the Council and as a result holiday pay owing of \$39,570 was paid out. A new contract with the Chief Executive commenced from August 2013.

For the year ended 30 June 2015, the total annual cost to the Carterton District Council of the remuneration package being received by the Chief Executive is calculated at \$200,078 (2014 \$237,708).

	30 June 2015	30 June 2014
	\$	\$
<i>Elected representatives</i>		
R Mark (retired 24 September 2014)	14,631	59,268

J Booth (elected Mayor 31 October 2014)	51,673	18,504
E Brazendale	22,866	16,839
R Carter	16,100	15,463
W Knowles	16,100	15,463
J Greathead	16,100	15,463
M Ashby	16,100	10,882
G Lang	16,100	10,882
M Palmers	16,100	10,882
R Keys (elected Councillor 20 February 2015)	5,706	-
B Durbin (retired October 2013)	-	4,581
B Poulsen (retired October 2013)	-	4,581
G Smith (retired October 2013)	-	4,581
Total elected members remuneration	191,479	187,389

	30 June 2015	30 June 2014
<i>Council employees remuneration by band</i>		
< \$60,000	43	34
\$60,000 - \$79,999	6	6
\$80,000 - \$199,999	7	7
Total employees	56	47

At balance date, the Council employed 44 (2014: 42) full-time employees, with the balance of staff representing 4.5 (2014: 5) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Note 26: Severance payments

For the year ended 30 June 2015 the Council did not make any severance payments (2014 \$nil).

Note 27: Insurance of assets

The Local Government Act 2002 requires that from 2014 the annual report include information about the insurance of assets.

	Carrying amount at 30 June 2015	
	\$	
<i>Insurance contracts</i>		
Material damage	25,391,200	<i>Subject to range of deductibles- \$5,000 for most claims, and 5% of site value for earthquakes.</i>

Forestry	569,764	<i>Maximum cover of \$20,000 for hail, no cover for windstorm, volcanic activity, earthquake, or landslip. Deductible of 1.5% of Property Declared Value subject to minimum \$10,000 per loss occurrence.</i>
Motor vehicle	462,064	<i>Insured for market value. Carrying amount has been used for this disclosure.</i>
Risk sharing arrangements		
Infrastructural assets as member of LAPP	11,764,005	<i>This is 40 percent of the estimated replacement cost of the scheduled assets. A deductible of \$147,000 applied.</i>
Central government assistance	17,646,008	<i>Under the 'Guide to the National Civil Defence Emergency Management Plan', the government may fund 60 percent of the cost of repair or recovery of essential infrastructure assets. A deductible of .0075 percent applied.</i>
Self-insured		
To cover deductibles and uninsured assets	-	
Total assets insured	<u>\$55,833,041</u>	

Note 28: Events after balance date

Subsequent to 30 June 2015 the pensioner housing properties were gifted to the Carter Society. The book value of these assets at 30 June 2015 was \$2,209,032.

Note 29: Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

FINANCIAL ASSETS	30 June 2015	30 June 2014
	\$	\$
Fair value through profit and loss – held for trading		
Derivative financial instrument assets	-	-
Loans and receivables		
Cash and cash equivalents	550,997	1,075,322
Short term funds	2,515,759	1,500,000

Special funds	1,523,148	2,062,471
Investments	13,517	-
Debtors and other receivables	1,975,407	1,664,158
Total loans and receivables	6,578,828	6,301,851
Fair value through comprehensive revenue and expense		
Other financial assets:		
- local authority stock	-	-
- unlisted shares	42,252	39,794
- listed shares	-	-
Total fair value through equity	42,252	39,794
FINANCIAL LIABILITIES		
	30 June 2015	30 June 2014
	\$	\$
Fair value through profit and loss – held for trading		
Derivative financial instrument liabilities	-	-
Financial liabilities at amortised cost		
Creditors and other payables	1,672,344	1,797,412
Borrowings:		
- finance leases	82,486	98,352
- secured loans	8,174,971	8,487,827
- debentures	-	-
Total financial liabilities at amortised cost	9,929,801	10,383,591

Note 30: Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council created reserves:

- Reserves for different areas of benefit
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purposes they were donated.

Note 31: Property, plant and equipment—valuation

Valuation—general

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the

statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Valuation—specific

Land (operational)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve and endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The most recent valuation was performed by independent valuers Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV), Angela Scott (BBS (VPM), MPINZ) and David Cornford (BBS (VPM), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2015. The landfill liner and water races are carried at deemed cost. Additions are recorded at cost.

Buildings (operational and heritage)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- the replacement asset is based on the replacement cost of the specific assets as at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design
- the replacement cost is derived from recent construction contracts of similar assets, reference to publications such as the Rawlinsons Construction Handbook, recent costing obtained from construction details and Property Institute of New Zealand cost information
- the remaining useful life of assets is estimated
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent valuation was performed by independent valuers Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV), Angela Scott (BBS (VPM), MPINZ) and David Cornford (BBS (VPM), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2015. Heritage assets are also included in this category. Additions are recorded at cost.

Infrastructural asset classes: wastewater, water, stormwater and roads, streets and footpaths

Wastewater, water, stormwater and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- estimating any obsolescence or surplus capacity of the asset
- estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets
- estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation for roads, streets and footpaths was performed by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of Opus International Consultants, and the valuation is effective as at 30 June 2014. All roads, streets and bridge assets were valued. Additions are recorded at cost. The Council's most recent estimate of the replacement cost for roads, streets and footpaths is \$154,663,000.

The most recent valuation for sewerage systems, water systems and stormwater was performed by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of Opus International Consultants, and the valuation is effective as at 30 June 2013. All wastewater, water and stormwater assets were valued. Additions are recorded at cost.

The Council's most recent estimate of the replacement cost for sewerage systems, water systems and stormwater is \$37,593,720 based on the 30 June 2013 valuation as follows:

Sewerage systems – treatment plant & facilities \$2,877,660
 Sewerage systems – other \$9,424,387
 Water systems – treatment plant & facilities \$3,161,958
 Water systems – other \$15,875,435
 Stormwater \$6,254,280

Land under roads

Land under roads was valued based on fair value of adjacent land determined by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of Opus International Consultants, effective 30 June 2002. Under NZ IFRS, the CDC has elected to use the fair value of land under roads as at 30 June 2002 as deemed cost. Land under roads is no longer revalued.

Library collections

Library collections are valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library of New Zealand in May 2002. The library valuation was performed by independent valuer Colin Gerrard (BSc, MSc, GIPENZ) and reviewed by Sarah Seel (BE, MIPENZ) of AECOM New Zealand, and the valuation is effective as at 30 June 2015.

Total fair value of property, plant and equipment valued by each independent valuer

	30 June 2015 \$
John Vessey of Opus International Consultants Limited – roads, streets & footpaths (30/6/14)	118,105,000
John Vessey of Opus International Consultants Limited – wastewater, water & stormwater (30/6/13)	17,530,796
David Cornford of QV Asset & Advisory - land, buildings & heritage assets (30/6/15)	19,985,499
Colin Gerrard of AECOM Limited - library collections (30/6/15)	343,401

Impairment

There were no impairment losses in 2015 (2014 \$nil).

Work in progress

The total amount of property, plant and equipment in the course of construction is \$158,861 (2014 \$929,547). Work in progress is disclosed in Note 32.

Leasing

The net carrying amount of plant and equipment held under finance leases is \$66,925 (2014 \$84,013).

Vested assets

No assets were vested in or transferred to the Council (2014 \$nil).

Note 32: Property, plant and equipment

	Cost/ revaluation	Accumulated depreciation	Carrying amount	Current year additions	Current year transfers	Current year disposals	Accumulated depreciation on disposals	Current year depreciation	Revaluation	Cost/ revaluation	Accumulated depreciation	Carrying amount
	1 July 2014 \$	1 July 2014 \$	1 July 2014 \$	\$	\$	\$	\$	\$	\$	30 June 2015 \$	30 June 2015 \$	30 June 2015 \$
30 June 2015												
<i>Infrastructural assets</i>												
Roads, streets & footpaths – land	5,722,494	-	5,722,494	-	-	-	-	-	-	5,722,494	-	5,722,494
Roads, streets & footpaths	118,146,152	-	118,146,152	1,701,863	-	-	-	(1,271,638)	-	119,848,015	(1,271,638)	118,576,377
Water systems - treatment plant & facilities	1,758,725	(81,105)	1,677,620	-	-	-	-	(81,105)	-	1,758,725	(162,210)	1,596,515
Water systems - other	6,408,690	(429,971)	5,978,719	31,681	-	-	-	(433,377)	-	6,440,371	(863,348)	5,577,023
Sewerage systems - treatment plant & facilities	1,248,278	(71,786)	1,176,492	-	-	-	-	(72,615)	-	1,248,278	(144,401)	1,103,877
Sewerage systems - other	4,777,379	(156,518)	4,620,861	152,029	-	-	-	(172,251)	-	4,929,408	(328,769)	4,600,639
Stormwater systems	4,170,568	(63,061)	4,107,507	-	-	-	-	(66,025)	-	4,170,568	(129,086)	4,041,482
	142,232,286	(802,441)	141,429,845	1,885,573	-	-	-	(2,097,011)	-	144,117,859	(2,899,452)	141,218,407
<i>Operational assets</i>												
Land	7,159,667	-	7,159,667	156,823	-	-	-	-	15,810	7,332,300	-	7,332,300
Buildings	11,963,201	(929,755)	11,033,446	75,872	(58,244)	(18,730)	-	(469,924)	2,044,280	12,606,700	-	12,606,700
Fixtures & fittings	1,473,039	(551,088)	921,951	606,206	58,244	(9,591)	(9,591)	(169,660)	-	2,127,897.72	(711,157)	1,416,741
Office equipment	641,429	(401,491)	239,937	41,067	-	(117,963)	(108,082)	(80,310)	-	564,533	(373,719)	190,813
Library collections	553,705	(154,120)	399,585	50,970	-	-	-	(89,577)	(17,577)	343,401	-	343,401
Motor vehicles	1,071,503	(628,299)	443,204	93,328	-	(148,525)	(147,450)	(73,393)	-	1,016,306	(554,242)	462,064
Plant & equipment	2,226,528	(1,164,469)	1,062,059	1,312,940	-	(41,332)	(22,273)	(184,768)	-	3,498,136	(1,326,964)	2,171,172
Landfill	214,000	-	214,000	-	-	-	-	-	-	214,000	-	214,000
Water races	117,030	-	117,030	242,241	-	-	-	-	-	359,271	-	359,271
	25,420,102	(3,829,223)	21,590,879	2,579,447	-	(336,141)	(287,396)	(1,067,632)	2,042,513	28,062,544	(2,966,082)	25,096,462
Heritage assets	47,500	(808)	46,692	-	-	-	-	(404)	211	46,499	-	46,499
Work in progress	929,547	-	929,547	33,790	-	(804,475)	-	-	-	158,862	-	158,862
Total assets	168,629,435	(4,632,472)	163,996,963	4,498,810	-	(1,140,616)	(287,396)	(3,165,047)	2,042,724	172,385,764	(5,865,534)	166,520,230

Note 32: Property, plant and equipment

	Cost/ revaluation	Accumulated depreciation	Carrying amount	Current year additions	Current year transfers	Current year disposals	Accumulated depreciation on disposals	Current year depreciation	Revaluation	Cost/ revaluation	Accumulated depreciation	Carrying amount
	1 July 2013 \$	1 July 2013 \$	1 July 2013 \$	\$	\$	\$	\$	\$	\$	30 June 2014 \$	30 June 2014 \$	30 June 2014 \$
30 June 2014												
<i>Infrastructural assets</i>												
Roads, streets & footpaths – land	5,664,894	-	5,664,894	57,600	-	-	-	-	-	5,722,494	-	5,722,494
Roads, streets & footpaths	114,806,226	(2,502,269)	112,303,957	1,785,842	-	-	-	(1,322,340)	5,378,693	118,146,152	-	118,146,152
Water systems - treatment plant & facilities	1,758,725	-	1,758,725	-	-	-	-	(81,105)	-	1,758,725	(81,105)	1,677,620
Water systems - other	6,290,890	-	6,290,890	117,800	-	-	-	(429,971)	-	6,408,690	(429,971)	5,978,719
Sewerage systems - treatment plant & facilities	1,225,625	-	1,225,625	22,653	-	-	-	(71,786)	-	1,248,278	(71,786)	1,176,492
Sewerage systems - other	4,300,463	-	4,300,463	476,916	-	-	-	(156,518)	-	4,777,379	(156,518)	4,620,861
Stormwater systems	3,955,096	-	3,955,096	215,472	-	-	-	(63,061)	-	4,170,568	(63,061)	4,107,507
	138,001,919	(2,502,269)	135,499,650	2,676,283	-	-	-	(2,124,781)	5,378,693	142,232,286	(802,441)	141,429,845
<i>Operational assets</i>												
Land	7,159,667	-	7,159,667	-	-	-	-	-	-	7,159,667	-	7,159,667
Buildings	11,697,308	(464,327)	11,232,981	288,938	-	(23,045)	(2,130)	(467,558)	-	11,963,201	(929,755)	11,033,446
Fixtures & fittings	1,366,430	(427,696)	938,734	107,179	-	(507)	(363)	(123,755)	-	1,473,039	(551,088)	921,951
Office equipment	554,765	(314,706)	240,059	118,360	-	(31,696)	-	(86,785)	-	641,429	(401,491)	239,937
Library collections	498,567	(72,978)	425,589	55,138	-	-	-	(81,142)	-	553,705	(154,120)	399,585
Motor vehicles	914,145	(584,533)	329,612	179,397	-	(22,039)	(22,038)	(65,804)	-	1,071,503	(628,299)	443,204
Plant & equipment	2,189,972	(994,714)	1,195,258	42,106	-	(5,550)	(3,340)	(173,095)	-	2,226,528	(1,164,469)	1,062,059
Landfill	214,000	-	214,000	-	-	-	-	-	-	214,000	-	214,000
Water races	99,068	-	99,068	17,962	-	-	-	-	-	117,030	-	117,030
	24,693,922	(2,858,953)	21,834,968	809,080	-	(82,900)	(27,871)	(998,140)	-	25,420,102	(3,829,223)	21,590,879
Heritage assets	47,500	(404)	47,096	-	-	-	-	(404)	-	47,500	(808)	46,692
Work in progress	1,275,198	-	1,275,198	332,431	-	(678,082)	-	-	-	929,547	-	929,547
Total assets	164,018,539	(5,361,627)	158,656,912	3,817,794	-	(760,982)	(27,871)	(3,123,325)	5,378,693	168,629,435	(4,632,472)	163,996,963

Note 33: Depreciation and amortisation by group of activity

	Annual Plan		
	30 June	30 June	30 June
	2015	2015	2014
	\$	\$	\$
Governance	1,228	1,264	1,288
Roads and footpaths	1,272,341	1,416,027	1,322,875
Water supply	604,580	584,086	587,279
Sewerage	400,745	446,015	268,246
Stormwater	66,024	86,279	63,061
Waste management	25,752	31,445	25,751
Community support	724,358	688,170	669,211
Regulatory and planning	17,056	27,427	17,352
Administration and support services	185,878	199,268	180,467
Total depreciation	3,297,962	3,479,981	3,135,530

Note 34: Statement of special funds reserves

The Council maintains special funds reserves as a sub-part of its equity. Schedule 10, clause 31 of the Local Government Act 2002 requires certain information to be included in the Annual Report about these reserves. Reserve funds as 'money set aside by a local authority for a specific purpose'. Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity. The purpose and activities of each reserve is set out in the Council's investment policy, as follows.

The Council has a number of specific cash investments that represent monies put aside for a particular purpose as follows:

WWII Memorial Trust—Joint Council and Carterton RSA initiative. Grants from interest earned on investment distributed to Carterton district residents undertaking tertiary education.

Clareville Grave Maintenance Trust—Funds left in trust for the Council to maintain a grave at the Clareville Cemetery.

Equipment Purchase and Renewal Fund—Funds predominantly used for the purchase of plant, equipment vehicles and IT equipment.

Roading Emergency Fund—Contingency fund to be used for emergency roading works, eg damage caused by flooding. A contribution of 0.5 percent of general rates to be made to the fund annually.

Rural Water Contingency Fund—Contingency fund to be used to upgrade or replace the water race intakes. An annual contribution of \$5,000.00 is to be made to the fund from the water race targeted rates.

Major Projects Fund—The funds to be used for projects that benefit the community as a whole as determined by the Council of the day.

Recreation and Reserve Account—Funds from Recreation Reserve levies as provided for in the District Plan. Funds to be used for the purchase of Esplanade Reserves and Strips as required under the Resource Management Act or for the purchase or development of new or existing recreation reserves.

Roading Contributions Fund—Monies from Roothing Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding the district's roading network.

Infrastructure Contributions Fund—Monies from Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding public water supplies, and the disposal of sewage and stormwater.

Waingawa Infrastructure Contributions Fund—Monies from Waingawa Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding water supply and the disposal of sewage for the Waingawa industrial area.

Longbush Domain, Belvedere Hall, and West Taratahi Hall—Monies held by the respective community organisations for activities in association with the community halls and property in their communities owned by the Council.

Waste Disposal Fund—Under the Waste Minimisation Act, a waste levy is charged on all waste disposed of in a landfill. Half the levy money goes to territorial authorities, on a population basis, so that they can improve waste minimisation in their areas.

Creative New Zealand Fund—Monies received from Creative New Zealand for the Council to distribute as grants for community arts.

Sport New Zealand Rural Travel Fund—Monies received from Sport New Zealand for the Council to distribute as travel subsidy grants to assist young people in rural school and club sports teams to participate in local sporting competitions.

Keep Carterton Beautiful Fund—Monies managed by the Keep Carterton Beautiful committee. Funds to be used for beautifying the town centre.

Memorial Square Fund—Established under the Carterton and District Memorial Square Act 1932 to obtain land and erect a memorial (now Memorial Square) and for the ongoing maintenance and upkeep of the memorial and of the associated public park or recreation ground.

Election Contingency Fund—Monies set aside by Council in non-election years to assist with the costs of elections.

Workshop Depot Upgrade Fund—Monies set aside by Council for the upgrade of the garage workshop in the Council Operations Depot.

Combined District Plan Fund—Monies set aside by Council to help meet the costs of the five-yearly review of the Combined District Plan.

Waingawa Industrial Zone Services Deficit Fund—Monies set aside by Council to smooth out deficits and surpluses from the provision of services during the development of the Waingawa Industrial Zone.

	30 June 2015	30 June 2014
Equipment purchase and renewal fund	\$	\$
Opening balance	1,091	34,679
Deposits	418	1,412
Withdrawals	-	(35,000)
Closing balance	1,509	1,091
Recreation and reserve account		
Opening balance	548,140	463,050
Deposits	98,930	135,090
Withdrawals	(411,050)	(50,000)
Closing balance	236,020	548,140
Roading emergency fund		
Opening balance	179,419	139,186
Deposits	45,683	40,233
Withdrawals	-	-
Closing balance	225,102	179,419
Rural water contingency fund		
Opening balance	38,771	32,536
Deposits	6,667	6,235
Withdrawals	-	-
Closing balance	45,438	38,711
Waste disposal fund		
Opening balance	42,943	7,608
Deposits	30,366	47,739
Withdrawals	(20,606)	(12,404)
Closing balance	52,703	42,943

Creative New Zealand fund

Opening balance	9,478	2,244
Deposits	12,107	7,234
Withdrawals	(19,391)	-
Closing balance	2,194	9,478

Sport New Zealand rural travel fund

Opening balance	-	-
Deposits	9,500	9,500
Withdrawals	(9,500)	(9,500)
Closing balance	-	-

Keep Carterton Beautiful fund

Opening balance	5,518	7,889
Deposits	274	285
Withdrawals	(387)	(2,656)
Closing balance	5,405	5,518

Clareville grave maintenance trust

Opening balance	2,323	2,262
Deposits	71	61
Withdrawals	-	-
Closing balance	2,394	2,323

Memorial Square fund

Opening balance	6,747	6,483
Deposits	296	264
Withdrawals	-	-
Closing balance	7,043	6,747

WWII Memorial trust

Opening balance	62,868	61,941
Deposits	3,114	3,539
Withdrawals	(3,038)	(2,612)
Closing balance	62,944	65,868

Longbush Domain fund

Opening balance	2,984	2,562
Deposits	-	422
Withdrawals	(757)	-
Closing balance	2,227	2,984

West Taratahi Hall fund		
Opening balance	19,516	25,719
Deposits	455	-
Withdrawals	-	(6,203)
Closing balance	19,971	19,516

Election contingency fund		
Opening balance	10,775	26,815
Deposits	9,165	960
Withdrawals	-	(17,000)
Closing balance	19,940	10,775

Workshop depot upgrade fund		
Opening balance	20,882	20,065
Deposits	915	817
Withdrawals	-	-
Closing balance	21,797	20,882

Combined district plan reserve		
Opening balance	(688,842)	(613,935)
Deposits	1,051	-
Withdrawals	(30,047)	(74,907)
Closing balance	(717,838)	(688,842)

Roading contribution fund		
Opening balance	585,516	600,331
Deposits	97,134	441,855
Withdrawals	-	(456,670)
Closing balance	682,650	585,516

Infrastructure contributions fund		
Opening balance	493,515	1,021,532
Deposits	221,272	239,340
Withdrawals	(350,000)	(767,357)
Closing balance	364,787	493,515

Waingawa infrastructure contributions fund		
Opening balance	111,236	106,958
Deposits	4,941	4,278
Withdrawals	-	-
Closing balance	116,177	111,236

Belvedere Hall fund		
Opening balance	1,837	2,524
Deposits	-	-
Withdrawals	(303)	(687)
Closing balance	1,534	1,837

Waingawa industrial zone services deficit fund		
Opening balance	25,248	25,695
Deposits	9,772	958
Withdrawals	-	(1,405)
Closing balance	35,020	25,248

Special funds reserves - summary		
Opening balance	1,479,963	1,976,145
Deposits	552,132	940,219
Withdrawals	(845,079)	(1,436,401)
Closing balance	1,187,016	1,479,963

Note 35: Explanation of major variances against budget

Explanations for major variations from the Council's estimated figures in the 2014/2015 year in the Annual Plan are as follows:

Statement of Financial Performance

- Contributions for the year are above budget due to increased levels of development activity across all areas.
- NZTA subsidies received are above budget estimates due to the timing of capital works.
- Recoveries revenue is above budget due to a recoverable sewerage plant contract that was not budgeted for.
- Water expenditure was less than budget due to lower than expected repairs to the reticulation and underground networks of the urban water supply.
- Waste management expenditure was less than budget due to lower than budgeted expenditure on the Masterton transfer station contract.
- Community amenities expenditure was less than budget due to lower than expected insurance, maintenance, and general operating costs for the Events Centre.

Statement of Other Comprehensive Revenue and Expense

- The total surplus for the year is more than budgeted due to the explanations mentioned for the statement of financial performance.
- The movement in revaluation reserves is greater than budgeted due to the revaluation of buildings being greater than the estimated levels in the annual plan as a result of actual results exceeding projected inflation factors from Business and Economic Research Limited.

Statement of Movements in Equity

- Opening equity is below budget due to the revaluation of roading in 2014 being less than budgeted.
- Total comprehensive revenue and expense for the year is more than budget due to the explanations mentioned for the statement of other comprehensive revenue and expense.

Statement of Financial Position

- Debtors and other receivables are higher than budget due to an increase in the level of trade receivables outstanding at year end. This includes items such as consents and NZTA subsidy.
- Property, plant and equipment is under budget due to the timing of capital works and revaluations being lower than budgeted.
- Intangible assets are over budget due to the capitalisation of resource consents that were not included in the annual plan.
- Borrowings are lower than budget due to the Council's decision to use internal funds during the 2011 year, which delayed projected drawdown of loan funds in 2012 to 2014, as well as lower than planned capital expenditure on parks and reserves.
- Asset revaluation reserves are less than budgeted due to the revaluation of roading being less than the estimated levels in 2014.

Statement of Cashflows

- Grants and subsidies were greater than budgeted due to the explanations mentioned for the statement of financial performance.
- Other revenue was greater than budgeted due to the explanations mentioned for the statement of financial performance.
- The purchase of property, plant and equipment is below budget due to the timing of capital works.
- The drawdown of public debt is less than budgeted due to the timing of loans between prior, current and future years, reflecting significant delays in capital expenditure.

Note 36: Adjustments arising on transition to the new PBE accounting standards

There have been no material adjustments resulting from the adoption of the new PBE accounting standards.

Financial prudence benchmarks

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.

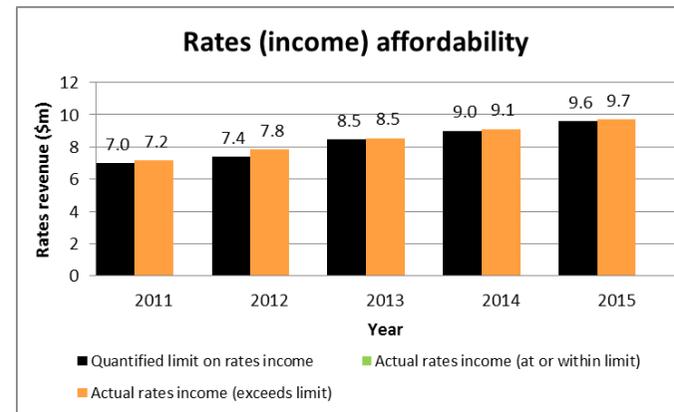
Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its actual rates income equal 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

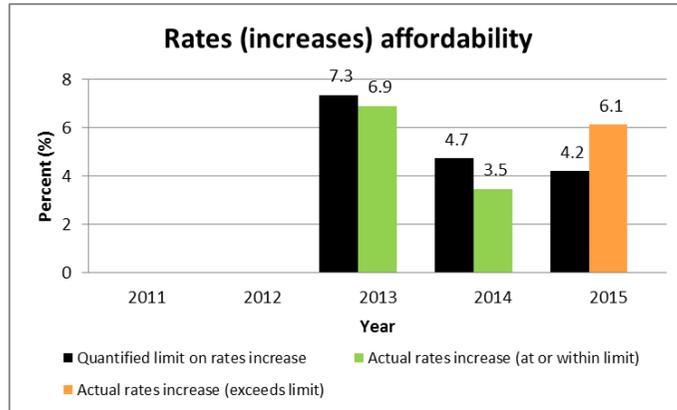
The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the council’s long-term plan. The quantified limit is budgeted rates revenue in the long-term plan.



Actual rates revenue exceeded budgeted rates revenue because the actual number of rates assessments increased during each year, above that used for setting rates.

Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is the percentage change in average rates¹ must not exceed the increase in the opening BERL local government cost index plus 2 percent.



Quantified limits on rates increases were first set for the year ended 30 June 2013.

Comparative information is not available for the average rates increases (as defined in the quantified limit) for the years prior to 2013.

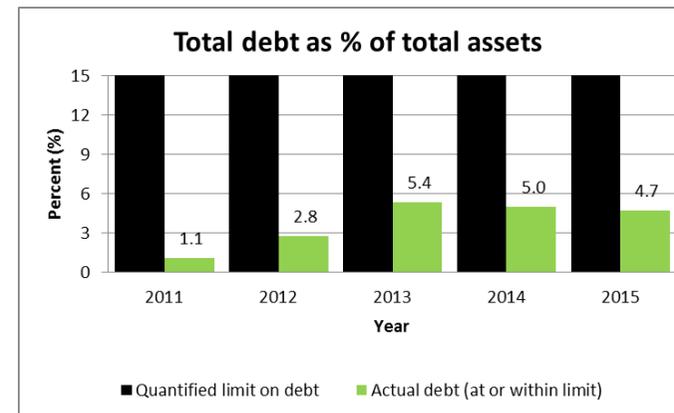
In 2014/15, the actual average rates increase was more than planned because rates revenue was 0.66% greater than planned, the number of rates assessments was 0.53% greater than planned, and overall new rating units had higher rates than the average.

¹ The average rates is the total rates income divided by the total number of rates assessments.

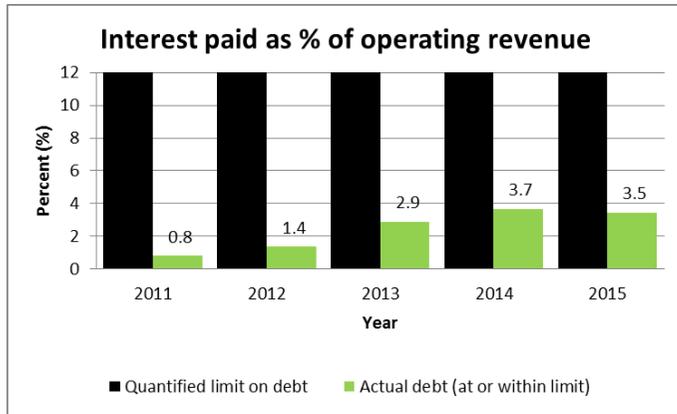
Debt affordability benchmark

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

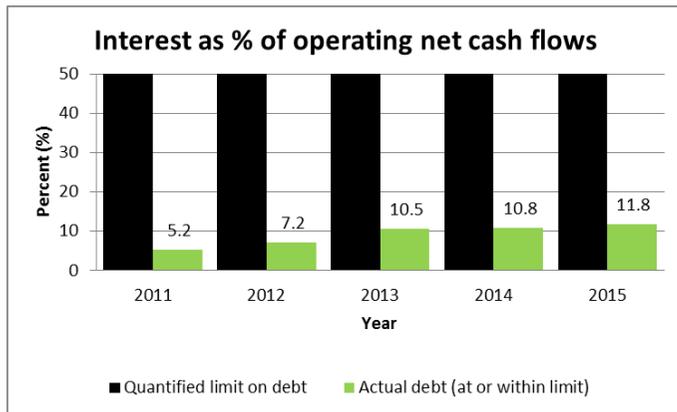
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that total debt as a percentage of total assets must not exceed 15 percent.



The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that gross interest paid on term debt must not exceed 12 percent of gross operating revenue.



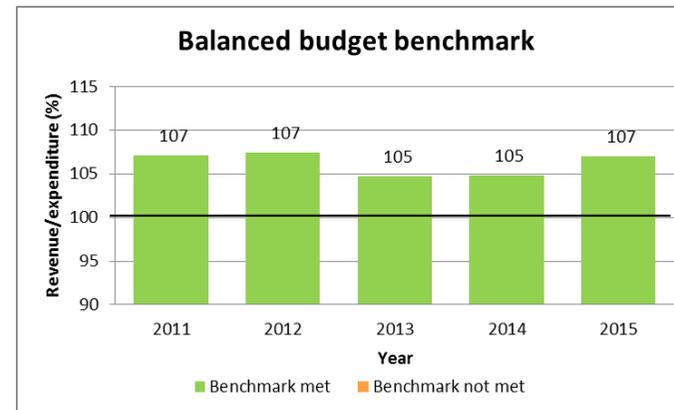
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that gross interest expense must not exceed 50 percent of net cash inflow from operating activities. (In 2010 and 2011 the limit was expressed as “net cash inflow from operating activities (must) exceed gross annual interest expense by two times”.)



Balanced budget benchmark

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

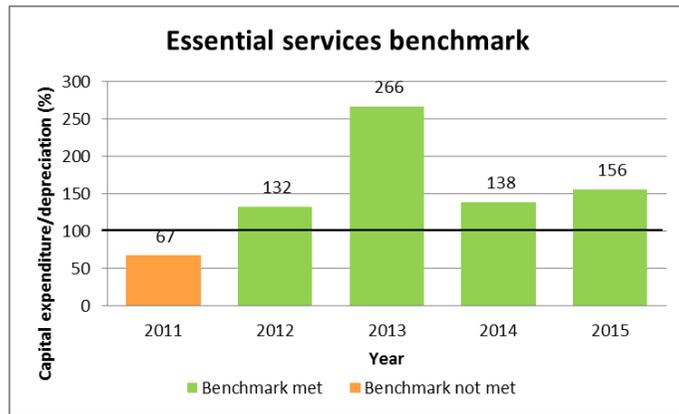
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



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.

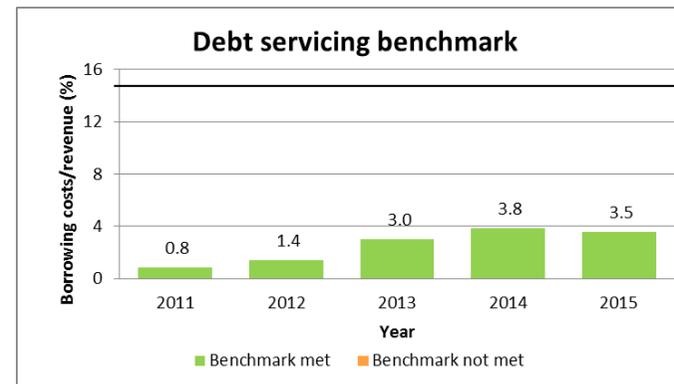


In 2010/11, significant capital expenditure was not completed as planned. About one quarter of the roading programme was delayed, and almost all the sewerage and sewage treatment development were deferred until suitable resource consents were negotiated with the Regional Council. These capital works were carried forward and undertaken in subsequent years.

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).

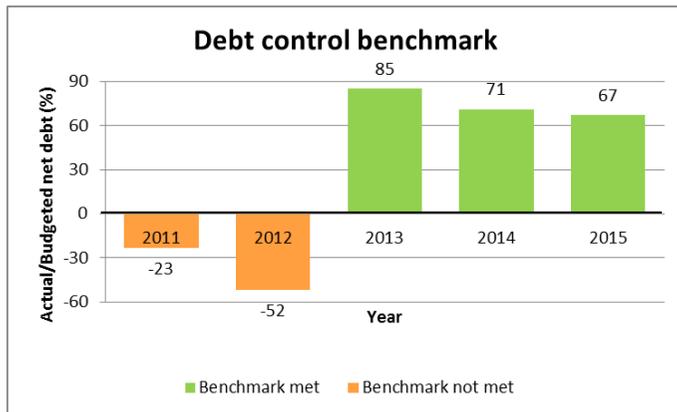
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt 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.

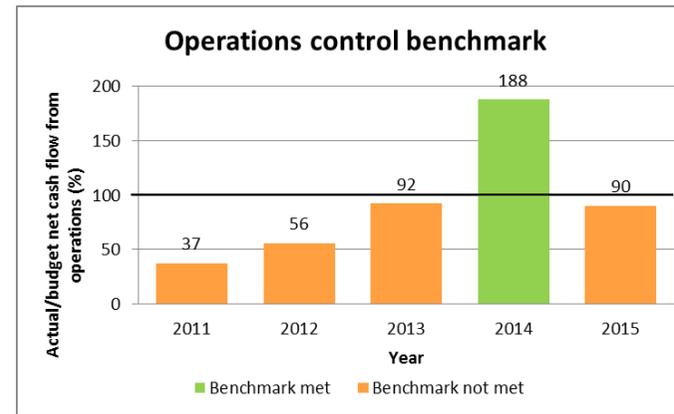


2010/11 and 2011/12 were significantly distorted by timing differences between expectations in the 2009–2019 LTCCP and actual results related to the construction of the Events Centre and associated grants receipts, borrowing, and proceeds from property sales.

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.



2010/11 and 2011/12 were significantly distorted by timing differences between expectations in the 2009–2019 LTCCP and actual results related to the construction of the Events Centre and associated grants receipts. In 2012/13, rates revenue was higher than planned but closing debtors increased by more, and although expenditure was similar to planned, creditors increased more than forecast. Similarly, in 2014/15, although revenue was higher than planned, there was significantly higher debtors at year end.

Groups of activities

Governance

This group of activities...

includes the following services and programmes:

- Council and Committees and other democratic processes
- public communication, consultation, and information.

...contributes to the community outcomes

Strong and positive leadership

- by conducting Council business in an open, transparent, and democratically accountable manner
- through democratic decision-making at a local level
- by encouraging participation within the district
- by representing the district's interests.

The Council's continued involvement in the Governance group of activities is contained in:

- Local Government Act 2002, which provides the Council with the power of general competence to undertake any business or activity given certain provisos
- Electoral Act 2001
- Local Government Official Information and Meetings Act 1987.

Section 14 of the Local Government Act 2002 sets out the principles that the Council must follow when performing its role. These are summarised as follows:

- conduct its business in an open, transparent, and democratically accountable manner

- make it aware of and have regard to the views of the community.

When making decisions, the Council must:

- take account of the diversity of its community and its communities' interests, now and into the future
- consider the likely impact of any decision on those interests
- provide opportunities for Māori to contribute.

The Council must also:

- ensure prudent stewardship, and efficient and effective use of its resources
- take a sustainable development approach, by taking into account the social, economic, environmental, and cultural interests of its community, now and in the future.

In addition to the Local Government Act, the Council has responsibilities and duties to perform under a number of other Acts, many of which are referred to in this document.

Examples of Council activities that contributed to achieving outcomes

- Leadership and participation in the exploration of future Wairarapa governance options.
- Participation at the Wellington Region Mayoral Forums.
- Attendance at the Zone 4 Local Government New Zealand meetings.
- Councillors' membership on a number of outside committees and groups, such as the Wairarapa Road Safety Council, Wellington Region Waste Forum, Arts and Cultural Strategy Governance Group.

Significant asset acquisitions or replacements, and variations from the Annual Plan

Earthquake strengthening of the Council's Administration building was completed this year, funded from the carry-forward of budget from 2013/14. This expenditure was not included in the Annual Plan.

There were no other significant asset acquisitions or replacements during the year.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	Not achieved. Operating expenditure was within the budget set in the Annual Plan. Capital expenditure exceeded the budget, principally the unplanned carry-forward of earthquake strengthening Council offices from 2013/14. [2014: Achieved]
Open and transparent conduct of Council business	Agenda items within 'public excluded'	≤5%	Not achieved. 10.6% of agenda items were considered as 'public excluded' items. [2014: 8.0%]
Representation of residents by elected members	Residents rate the performance of the Mayor and councillors as 'very good' or 'fairly good'	≥75%	Achieved. 77% of residents surveyed ² rated the performance of the Mayor and councillors, in the last 12 months, as 'very good' or 'fairly good'. [2011: 62%]
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	100%	Achieved. The Annual Report was adopted within the statutory deadline (31 October 2015) on 30 October 2015 with an unqualified audit opinion. [2014: unqualified report adopted on 22 October 2014]

² NRB *Communitrak™ Survey*: National Research Bureau, August 2014.

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Governance For The Year Ended 30 June 2015

Actual 30 June 2014 \$		Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
	Revenue		
4,705	Election deposits	1,391	-
41,128	Miscellaneous revenue	942	100
45,833	Total revenue	2,333	100
	Expenditure		
694,517	Mayor and councillors	721,224	785,859
67,508	Elections	33,248	2,415
762,025	Total expenditure	754,472	788,274
(716,192)	Net cost of service	(752,139)	(788,174)
	Capital Expenditure		
-	Office furniture - mayor	1,344	-
-	Administration - building refurbishment and strengthening	77,868	-
-	Total capital expenditure	79,212	-

CARTERTON DISTRICT COUNCIL

Governance Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$		Actual 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of operating funding		
762,585	General rates, UAGC, rates penalties	801,350	798,467
-	Targeted rates	-	-
-	Subsidies and grants - operating	-	-
-	Fees and charges	-	-
-	Internal charges and overheads recovered	-	-
44,479	Local Authorities fuel tax, fines, infringement fees and other	2,333	107
807,064	Total operating funding	803,683	798,574
	Applications of operating funding		
480,039	Payments to staff and suppliers	461,303	439,542
44,365	Finance costs	-	43,181
292,279	Internal charges and overheads applied	291,940	300,948
-	Other operating funding applications	-	-
816,683	Total applications of operating funding	753,243	783,671
(9,619)	Surplus / (deficit) of operating funding	50,440	14,903
	Sources of capital funding		
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	-	-
(31,028)	Increase / (decrease) in debt	-	(32,212)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
(31,028)	Total sources of capital funding	-	(32,212)
	Applications of capital funding		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	79,212	-
(40,647)	Increase / (decrease) in reserves	(28,772)	(17,309)
-	Increase / (decrease) of investments	-	-
(40,647)	Total application of capital funding	50,440	(17,309)
9,619	Surplus / (deficit) of capital funding	(50,440)	(14,903)
-	Funding balance	-	-

Community support

This group of activities...

includes the following services and programmes:

Community development

- providing information, advice, and advocacy services to a wide range of people and community groups
- providing grants to initiatives that support our strategic objectives
- providing and supporting community facilities, amenities, and events
- supporting projects that encourage people to develop skills and increase employment opportunities
- supporting volunteer networks by providing volunteering opportunities

Parks and reserves

- maintenance and ongoing development of Carrington, Howard Booth, South End, Sparks, and Millennium Parks, Memorial Square, their facilities, and a number of small reserves
- acquisition of land for the extension of the parks and reserves network
- urban street mowing and maintenance of the various civic areas and recreation reserves scattered throughout the urban area
- maintenance and ongoing development of the district's rural reserves
- management of the Council's forestry assets at the Kaipaitangata and miscellaneous small roadside blocks.

Community amenities

- Carterton Events Centre
- Clareville Cemetery
- Outdoor Swimming Complex

- public toilets
- Carterton Holiday Park
- pensioner housing complexes
- a number of Council-owned properties, some of which are leased.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that encourages lifelong learning

A district that enjoys creativity and recreation

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

Access to cultural and community development services builds social cohesion and contributes to overall cultural and social well-being. The Council contributes because it is part of the social fabric that makes the Carterton community vibrant and a great place to live in.

Providing grants supports a wide range of initiatives—encouraging healthy lifestyles, enhancing social cohesion, protecting people's health and safety, and ensuring people have access to basic needs.

Supporting volunteer networks retains knowledge, expertise and resources in the community.

Community facilities bring people together and help them to access opportunities. They also contribute to people's sense of belonging and pride.

Parks and reserves make an important contribution to the well-being and lifestyle of the community. They provide areas for relaxation, sporting activities, and green and attractive open spaces in built-up areas. The Council's continued involvement in parks and reserves is contained in the Reserves Management Act 1977, which requires the Council to

preserve and manage for the benefit and enjoyment of the public land for recreational use whether active or passive.

Economic growth is vital to the development of the district and region. The Council contributes to economic development initiatives to support business growth, employment, and tourism to the district and region. And a well-maintained and safe Holiday Park attracts business for the local economy.

The maintenance and operation of a range of properties contributes to the overall well-being of the district's community, and is important to the economic and social fabric of the district.

Examples of Council activities that contributed to achieving outcomes

- Distribution of grants to community organisations that benefit Carterton residents.
- Provision of funding to Destination Wairarapa, the Wairarapa Arts Festival, the Cobblestones Trust, and the Neighbourhood Support.
- Other funding assistance including the Wairarapa Healthy Homes Project, the Clareville artificial hockey surface, the EnviroSchools programme, and Sport Wellington (Wairarapa).
- Annual scholarships to UCOL and the Taratahi Agricultural Training Farm.
- Community provider meetings to encourage information sharing and collaboration to ensure comprehensive delivery of social services within Carterton.
- School holiday programmes via the Library for youth and young adults.
- Running a book club via the Library to encourage wider reading and education.
- Monthly and weekly radio shows to provide information on events and activities of interest throughout the Wairarapa with a specific focus on Carterton.
- Improved on-line presence in social media via Facebook and Twitter for information sharing.

Significant asset acquisitions or replacements, and variations from the Annual Plan

A number of significant projects planned for 2014/15 did not proceed, and have been carried forward to 2015/16:

- Millennium Park upgrade.
- Broadway revitalisation.
- Burial berms at Clareville cemetery.
- Playground at South End, until suitable land becomes available.

Some projects were completed in early 2014/15, having carried forward from the previous year:

- Holloway Street/Nelson Crescent redevelopment.
- Carrington Park paths and lighting.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	Achieved. Operating and capital expenditure were within the budget set in the Annual Plan. [2014: Not achieved]
A range of amenities of a standard satisfactory to residents	Residents satisfied with public swimming baths	≥75%	Not achieved. 63% of residents surveyed ³ rated their satisfaction as 'very satisfied' or 'fairly satisfied'. 34% 'didn't know'. Of those who had used or visited the public swimming baths in the previous 12 months, 90% rated their satisfaction as 'very satisfied' or 'fairly satisfied'. [2011: 57%]
	Residents satisfied with public toilets	>75%	Not achieved. 74% of residents surveyed ⁴ rated their satisfaction as 'very satisfied' or 'fairly satisfied'. 26% 'didn't know'. Of those who had used the public toilets in the previous 12 months, 95% rated their satisfaction as 'very satisfied' or 'fairly satisfied'. [2011: 49%]
	Percentage of Carterton residents who are members of the Library	>75%	At 30 June 2015, there were 7,943 members. This is 92 percent of the 8,680 ⁵ residents. [2014: 91%]
	Increase in number of people who use the Outdoor Swimming Complex	≥50	Achieved. There were 20,522 entrants to the pool, an increase of 2,176. [2014: 2,510 increase]
Effective use of grant monies	Community grants budget is distributed in accordance with the Council policy	100%	Achieved. The community grants budget was distributed in accordance with the Council policy. [2014: Achieved]
High quality sports fields, parks, and reserves	Residents (who have used or visit a park or reserves) satisfied	≥90%	Achieved. 96% of residents surveyed ⁶ , who had visited a park or reserve in the previous 12 months, rated their satisfaction as 'very satisfied' or 'fairly satisfied'. [2011: 95%]

³ NRB Communitrak™ Survey: National Research Bureau, August 2014.

⁴ NRB Communitrak™ Survey: National Research Bureau, August 2014.

⁵ Estimated Resident Population in Carterton District at 30 June 2014 (Source: NZ.Stat)

⁶ NRB Communitrak™ Survey: National Research Bureau, August 2014.

The service broken down into measurable components	Performance measure	Target 2015	Result
	High profile or offensive graffiti is removed within 4 hours of the Council being aware of it	100%	Achieved. [2014: 80%]
Prompt response to all health and safety incidents	Calls with a potential public health or safety risk are responded to within 30 minutes	100%	Achieved. There were no calls with a potential public health or safety risk. [2014: 100%]

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Community Support For The Year Ended 30 June 2015

Actual 30 June 2014 \$		Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
	Revenue		
179,087	Fees and charges	182,919	216,204
165	Recoveries	-	5,000
3,204	Commissions	1,712	4,000
74,595	Grants, subsidies and donations	25,416	25,868
274,717	Rental revenue	269,845	263,509
117,107	Development and financial contributions	75,320	100,000
-	Forestry harvest	-	-
26,259	Miscellaneous revenue	25,222	9,000
675,134	Total income	580,434	623,581
	Expenditure		
242,239	Community grants	239,739	257,840
145,861	Community advocacy	115,733	142,044
240,381	Parks	211,192	271,788
338,865	Civic and urban reserves	402,852	310,700
53,012	Rural reserves	56,951	67,122
90,420	Nursery	95,220	100,706
50,759	Forestry	43,099	59,241
94,712	Cemetery	112,512	67,626
141,579	Swimming pools	151,911	164,593
35,442	Restrooms	33,045	46,155
527,671	Events centre - property management	519,753	562,649
286,183	Housing for the elderly	295,268	306,867
178,103	Holiday park	187,407	203,117
60,912	Miscellaneous properties	43,850	55,505
813,296	Events centre - operations	876,633	906,785
3,299,435	Total expenditure	3,385,165	3,522,738
(2,624,301)	Net cost of service	(2,804,731)	(2,899,157)

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Community Support contd. For The Year Ended 30 June 2015

Actual 30 June 2014 \$		Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
	Capital Expenditure		
36,848	Nursery - replace tunnel house	-	-
5,750	Throwing rings	-	-
-	Christmas lighting	5,960	8,000
-	New playground - South end	-	372,050
-	Howard Booth Park - carpark lighting	-	10,000
-	Millenium Park - upgrade	-	159,450
-	CBD re-vitalisation stage IV - Broadway	-	500,000
-	Holloway/Nelson landscaping	536,358	-
-	Investigate multi-purpose all-terrain park at Kaipaitangata	-	21,260
-	Security cameras - upgrade	-	3,000
-	Howard Booth Park - play equipment	43,901	42,520
-	Path seating and lighting	21,272	-
-	Carrington Park - seal path from Wakelin Street	6,190	6,000
-	Carrington Park - path to North carpark	8,085	10,000
-	Carrington Park - soft fall matting	15,559	21,260
-	Carrington Park - electronic noticeboard	15,055	15,000
179,799	Carrington Park - toilets	-	-
55,138	Events Centre - library books	50,971	70,000
16,084	Events Centre - library photocopier	-	-
15,063	Events Centre - photocopier	-	-
2,999	Events Centre - electronic copyboard	-	-
1,461	Events Centre - structure	-	-
-	Events Centre - noticeboard	5,069	10,000
-	Events Centre - theatre services requirements	6,670	7,000
10,405	Holiday park - ceiling in shower block	-	-
1,561	Holiday park - flat screen TVs	-	-
-	Holiday park - driveway extension resealing	14,761	21,260
11,590	Cemetery - road extension and sealing	-	-
-	Cemetery - replacement lowering device	5,800	7,000
-	Cemetery - concrete burial berms	10,539	-
58,341	Town signs	-	-
48,992	Security camera upgrade	-	-
1,267	Canon camera	-	-
280	Cash register	-	-
-	Housing for the elderly - stoves	1,793	-
445,578	Total capital expenditure	747,983	1,283,800

CARTERTON DISTRICT COUNCIL

Community Support Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$		Actual 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of operating funding		
2,796,733	General rates, UAGC, rates penalties	2,809,322	2,881,795
-	Targeted rates	-	-
25,391	Subsidies and grants - operating	24,719	25,486
216,670	Fees and charges	182,919	222,954
-	Internal charges and overheads recovered	-	-
289,327	Local Authorities fuel tax, fines, infringement fees and other	297,476	297,728
3,328,121	Total operating funding	3,314,436	3,427,963
	Applications of operating funding		
2,093,271	Payments to staff and suppliers	1,917,768	2,139,763
312,875	Finance costs	196,970	337,315
438,390	Internal charges and overheads applied	546,070	454,850
-	Other operating funding applications	-	-
2,844,536	Total applications of operating funding	2,660,808	2,931,928
483,585	Surplus / (deficit) of operating funding	653,628	496,035
	Sources of capital funding		
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	75,320	-
510,365	Increase / (decrease) in debt	(137,560)	79,473
250,000	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
760,365	Total sources of capital funding	(62,240)	79,473
	Applications of capital funding		
12,372	Capital expenditure - meet additional demand	10,539	375,026
194,874	Capital expenditure - improve level of service	593,079	309,065
667,367	Capital expenditure - replace existing assets	144,365	337,077
369,337	Increase / (decrease) in reserves	(156,595)	(445,660)
-	Increase / (decrease) of investments	-	-
1,243,950	Total application of capital funding	591,388	575,508
(483,585)	Surplus / (deficit) of capital funding	(653,628)	(496,035)
-	Funding balance	-	-

Regulatory and planning

This group of activities...

includes the following services:

- administration of the responsibilities imposed on the Council under Section 31 of the Resource Management Act 1991, the primary focus being the management of the effects of activities on the environment according to the rules set out in the District Plan
- maintenance and development of the Council's Geographic Information System (GIS), which provides a cadastral mapping database that graphically depicts property and road boundaries, and holds valuable data about each property in the district, eg location of sewer and water connections, fault lines, and resource consents
- environmental health
- licensing the sale and supply of alcohol
- civil defence and emergency management
- animal and dog control
- building control
- rural fire control.

...contributes to the community outcomes

A safe district

A healthy district

A district that values and protects its natural environment

The Resource Management Act places specific statutory functions on territorial authorities to promote the sustainable management of natural and physical resources. Appropriate policy and programmes are promoted and implemented to ensure minimal adverse effect on the environment.

And there are other legislative requirements to provide and manage that are important for the health and safety of the district's community and environment.

A vibrant and prosperous economy

A district that promotes sustainable infrastructure and services

The regulatory and planning group of activities benefits every resident and society in general by promoting sustainable development, whilst encouraging development to occur in a way that benefits the district and region.

The District Plan balances environmental safeguards and protection for natural assets in conjunction with the rights of property owners wishing to undertake property development.

Community infrastructure needs are included in the District Plan guidelines for new development.

The Council's continued involvement in the regulatory and planning group of activities is contained in a range of legislation, including:

- Resource Management Act 1991 and subsequent amendments, which require the Council to sustain the potential of natural and physical resources to meet the reasonable and foreseeable needs of the next generation
- Health Act 1956 and amendments, which require the Council to improve, promote and protect public health
- Sale and Supply of Alcohol Act 2012, which requires the Council to enforce safe and responsible sale, supply, and consumption of alcohol in the Carterton district
- Civil Defence Emergency Management Act 2002, which requires the Council to plan adequately for emergencies and for response and recovery in the event of an emergency
- Dog Control Act 1996 and amendments, which require the Council to put measures in place to control dogs in public places, through registration, prevent nuisances and ensure public safety
- Animal Welfare Act 1999, which requires the Council to ensure owners of animals, and persons in charge of animals, attend properly to the welfare of those animals
- Building Act 2004 and amendments, which require the Council to ensure that there is strong decision-making at every stage of the building or renovating process
- Fencing of Swimming Pools Act 1987, which requires the Council to promote the safety of young children by requiring the fencing of swimming pools

- Forest and Rural Fire Act 2002, which requires the Council to maintain a rural fire organisation capable of responding to fire events
- Local Government Act 2002, which provides the Council with the power of general competence to undertake any business or activity given certain provisos, eg the making of bylaws.

Changes in the level of service will impact on funding requirements, and vice versa.

Examples of Council activities that contributed to achieving outcomes

- Membership and funding support to the Wairarapa Rural Fire Board.
- Membership and funding support to the Wellington Region Emergency Management Group.
- Regular inspection of food and alcohol outlets.
- All dog owners are visited at least once every year.
- The District Licensing Committee prepared a Wairarapa Local Alcohol Policy under the Sale and Supply of Alcohol Act 2012.

Significant asset acquisitions or replacements, and variations from the Annual Plan

There were no significant asset acquisitions or replacements during the year.

The Annual Plan included a contingency for likely cost of planned sewer and water easements. These were not required in 2014/15 and have been carried forward to 2015/16.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
The regulatory and planning service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	Achieved. Operating and capital expenditure were within the budget set in the Annual Plan. [2014: Not achieved]
Timely processing of applications	LIMs ⁷ processed within 10 working days	100%	Achieved. 153 LIMs were processed during the year, all completed within 10 working days. Average process time of 5 working days. [2014: 170 LIMs, 100% within 10 working days]
	Non-notified and notified resource consents processed within statutory timeframes	100%	Achieved. 54 resource consents were processed during the year, all completed within statutory timeframes. [2014: 53 resource consents, 100% within statutory timeframes]
	PIMs ⁸ and building consents processed within statutory timeframes	100%	Achieved. 304 PIMs and building consents were processed during the year, all completed within the 20-day statutory timeframe. Average process time of 4 days. [2014: 263 PIMs and building consents, 100% within statutory timeframes]
Prompt responses to enquiries and complaints	Complaints are responded to within 4 working hours, to advise the complainant what action will be taken and in what timeframe	100%	Not achieved. 379 complaints and service requests were received during the year. 288 (or 76%) were responded to within the prescribed time period. [2014: 284 complaints and service requests, 98% responded to within the prescribed time period]
Safe and healthy food premises and liquor outlets	Known food premises and liquor outlets in the district are registered or licensed	100%	Achieved. All 67 known food premises and liquor outlets in the district have been monitored, ensuring current licensing and registration. [2014: all 67 registered or licensed]

⁷ Land Information Memorandums

⁸ Project Information Memorandums

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Regulatory and Planning For The Year Ended 30 June 2015

Actual 30 June 2014		Actual 30 June 2015	Annual Plan 30 June 2015
\$		\$	\$
	Revenue		
611,417	Fees, charges and targeted rates for water supply	631,045	570,600
1,978	Commissions	1,919	-
(6,529)	Miscellaneous revenue	12,645	2,200
606,866	Total revenue	645,609	572,800
	Expenditure		
195,402	Resource management administration	220,744	254,111
97,347	District plan	108,102	107,818
77,341	Civil defence	63,697	75,750
415,689	Building inspection	398,080	394,756
118,916	Health inspection	102,970	81,104
68,769	Liquor licensing	65,944	56,675
67,483	Agency fees	69,898	45,417
130,268	Rural fire	92,532	112,351
162,058	Animal and dog control	143,602	140,427
1,333,273	Total expenditure	1,265,569	1,268,409
(726,407)	Net cost of service	(619,960)	(695,609)
	Capital Expenditure		
-	Air conditioning unit - dog control	1,798	-
-	Souther Carterton sewer/water easements	-	150,000
4,660	Regulatory software - contingency	-	5,000
2,291	Regulatory equipment - contingency	-	5,000
6,951	Total capital expenditure	1,798	160,000

CARTERTON DISTRICT COUNCIL

Regulatory and Planning Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014		Actual 30 June 2015	LTP 30 June 2015
\$		\$	\$
	Sources of operating funding		
387,155	General rates, UAGC, rates penalties	384,719	415,978
317,787	Targeted rates	384,666	322,091
-	Subsidies and grants - operating	-	-
534,060	Fees and charges	631,045	551,150
-	Internal charges and overheads recovered	-	-
2,270	Local Authorities fuel tax, fines, infringement fees and other	14,564	2,343
1,241,272	Total operating funding	1,414,994	1,291,562
	Applications of operating funding		
936,756	Payments to staff and suppliers	927,907	978,218
-	Finance costs	-	-
211,904	Internal charges and overheads applied	320,606	219,437
-	Other operating funding applications	-	-
1,148,660	Total applications of operating funding	1,248,513	1,197,655
92,612	Surplus / (deficit) of operating funding	166,481	93,907
	Sources of capital funding		
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	-	-
-	Increase / (decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
-	Total sources of capital funding	-	-
	Applications of capital funding		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
10,340	Capital expenditure - replace existing assets	1,798	-
82,272	Increase / (decrease) in reserves	164,683	93,907
-	Increase / (decrease) of investments	-	-
92,612	Total application of capital funding	166,481	93,907
(92,612)	Surplus / (deficit) of capital funding	(166,481)	(93,907)
-	Funding balance	-	-

Roads and footpaths

This group of activities...

includes the management and operation of a safe and efficient roading and footpath network that serves the needs of the Carterton district. The network comprises roads, footpaths, street lighting, and road signs. The Council also contributes funding for the Wairarapa Road Safety Council.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A district that enjoys creativity and recreation

A district that promotes sustainable infrastructure and services

The roading and footpath network benefits every resident in the district and society in general and are essential for the social, economic and cultural well-being of the district and region.

Under the Local Government Act 2002, the Council controls all roads and streets in the district except State Highway 2.

A well-maintained reliable roading network supports the economic vibrancy of the district and region by the efficient transport of goods from business to business.

Residents and visitors feel safe when the roads, streets, footpaths, and street lighting are well-maintained and reliable.

Recreation opportunities in the district are supported by well-maintained, reliable and safe roads to recreation areas and for recreational activity.

Public road safety education programmes and campaign through the Wairarapa Road Safety Council supports community lifelong learning and improved safety of the public.

The district roading network is managed under the *Roading Activity Management Plan 2015* that sets out the targets for asset condition, performance, and levels of service.

The levels of service for the roading network have been developed taking into account the following general considerations:

- community expectations and the Council's response the customer feedback
- legislative requirements, eg Land Transport NZ Act 1989
- sustainable economic and safety matters embodied in the community outcomes
- community affordability.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the road infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

Examples of Council activities that contributed to achieving outcomes

- Provision of funding for the Wairarapa Road Safety Co-ordinator.
- Completion of the approved subsidised roading programme, including carry-forwards from last year.
- Submission of the 2015–18 District Land Transport Programme to NZTA for funding.
- 18.5 km of resealing on rural roads completed.
- 1.0 km of rural road rehabilitated.
- 1865 m² of footpath surfacing renewed.

Significant asset acquisitions or replacements, and variations from the Annual Plan

The bulk of the roading work was 'business as usual'. Final repairs were completed to Glenburn, Kaiwhata, and Te Wharau Roads after heavy rain events in April and May 2014. The intersection was altered at the Ponatahi, Millars, and Kokotau Roads. Six new street lights were added around Carterton to improve overall lighting levels.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
Roads and footpaths are managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	Not achieved. Operating expenditure exceeded Annual Plan budget by \$580, but well within the \$204,000 carry-forward budget from the NZTA-funded roading activity. Capital expenditure was within budget in the Annual Plan. [2014: Not achieved]
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network ⁹	<1 fatal <3 serious injury	In 2013/14, there were 3 fewer fatal crashes and 1 fewer serious injury crashes than previous year [2014: Not achieved. 2 more fatal and 1 fewer serious injury]
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	Not achieved. Of the 228 requests, 195 or 86% were responded to within the contract response time. [2014: Achieved]
	An average road roughness index on sealed roads	80 or less	Achieved. Road roughness was 65.4 NAASRA ¹⁰ counts per lane kilometre. In July 2014 ¹¹ , 563 lane km were surveyed, recorded in the RAMM ¹² database, and reported to NZTA. [2014: 65.4 NAASRA counts per lane km]
	Percent of sealed road network resurfaced	12km±3km	Not achieved. 20km or 7.0% of the 286km of sealed roads. [2014: Achieved. 16km or 5.5%]
	Residents satisfied with the district's footpaths	≥60%	Achieved. 69% of residents surveyed ¹³ rated their satisfaction as 'very satisfied' or 'fairly satisfied'. 8% 'didn't know'. [2011: 58%]
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 3 days of advice of a fault	≥95%	Not achieved. Of the 19 signs replaced, none were within the response time. [2014: Nil]
	Road signs and markings found missing or not visible	≤5%	Achieved. 12, or 0.5%, of the 2,300 road signs or markings were found missing or not visible in the six-monthly inspections. [2014: Achieved]

⁹ Source: NZTA's Crash Analysis System

¹⁰ National Association of Australia State Road Authorities

¹¹ This survey is done every two years; the next is planned for late 2016

¹² Road Assets Maintenance and Management

¹³ NRB *Communitrak*TM Survey: National Research Bureau, August 2014.

The service broken down into measurable components	Performance measure	Target 2015	Result
Safe footpaths	Fault reports and public complaints are acknowledged within 2 days	≥90%	Not achieved. 31% of the complaints related to footpaths were responded to within 2 working days.[2014: 67%]
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%	Not achieved. Of the 39 streetlight faults identified, 38 or 97% were repaired within 2 weeks. [2014: 92%]

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Roads and Footpaths For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Revenue		
1,492,274	1,635,015	1,569,000
66,091	63,779	60,000
59,009	28,732	18,500
414,458	68,772	100,000
26,571	(14,458)	3,000
2,058,403	1,781,840	1,750,500
Total revenue		
Expenditure		
2,891,060	3,078,013	3,068,575
338,889	351,972	359,018
3,229,949	3,429,985	3,427,593
Total expenditure		
(1,171,546)	(1,648,145)	(1,677,093)
Net cost of service		
Capital Expenditure		
416,266	420,141	451,800
294,338	327,535	370,400
287,830	205,173	260,000
221,610	269,707	272,000
113,702	131,780	98,400
89,427	72,481	66,100
16,241	73,595	80,200
8,827	201,452	94,000
-	-	21,400
241,913	-	-
156,226	-	-
57,600	-	-
4,063	-	-
1,908,043	1,701,864	1,714,300
Total capital expenditure		

CARTERTON DISTRICT COUNCIL

Roads and Footpaths Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$	Actual 30 June 2015 \$	LTP 30 June 2015 \$
Sources of operating funding		
1,839,727	1,954,849	2,136,574
-	-	-
683,680	819,068	711,789
-	-	-
-	-	-
88,771	78,052	91,878
2,612,178	2,851,969	2,940,241
Total operating funding		
Applications of operating funding		
1,561,540	1,734,893	1,663,430
113,560	63,663	119,985
394,777	359,087	412,732
-	-	-
2,069,877	2,157,643	2,196,147
Total applications of operating funding		
542,301	694,326	744,094
Surplus / (deficit) of operating funding		
Sources of capital funding		
945,380	815,947	906,320
-	68,772	-
(72,290)	(60,295)	(80,665)
-	-	-
-	-	-
-	-	-
-	-	-
873,090	824,424	825,655
Total sources of capital funding		
Applications of capital funding		
-	-	-
-	-	-
1,786,060	1,701,863	1,855,220
(370,669)	(183,113)	(285,471)
-	-	-
1,415,391	1,518,750	1,569,749
Total application of capital funding		
(542,301)	(694,326)	(744,094)
Surplus / (deficit) of capital funding		
-	-	-
Funding balance		

Sewerage and the treatment and disposal of sewage

This group of activities...

includes the management of the urban reticulated sewerage system, pumping stations, sewage treatment plant, sewage disposal service for the Waingawa Industrial Zone, and the management of the impact of any discharge into the environment.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

The urban reticulated sewerage system and treatment facilities contribute to a range of objectives. Effective collection and disposal of treated sewage contributes to community health and minimises public health risk. Effective sewerage reticulation supports a vigorous residential and commercial community. Reticulation and sewage treatment infrastructure capable of meeting resource consent requirements minimises adverse impact on the environment.

The Council's continued involvement in sewerage and the treatment and disposal of sewage, and associated ownership of assets, is contained in the:

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide wastewater and sanitary services and maintain its capacity to do so
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works, the definition of which includes 'sanitary services'.

The urban reticulated sewerage network is managed under the *Asset Management Plan—Municipal Wastewater Treatment and Disposal: March 2015*, which sets out the targets for asset condition, performance, and levels of service.

In Waingawa, sewerage services are provided by Carterton District Council, who has an agreement with Masterton District Council to treat and dispose of the sewage.

The level of service for the sewerage and treatment infrastructure has been developed taking into account the following general considerations:

- community expectations and the Council's response to customer feedback
- legislative and consent requirements
- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the sewerage infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

Examples of Council activities that contributed to achieving outcomes

- Monitoring of resource consent conditions.
- The continued upgrade and renewal of the sewer reticulation network.
- Consultation with key stakeholders continued during the year as part of the sewage treatment plant resource consent renewal process.
- Provision of reticulated sewerage services to the Waingawa Industrial Zone by agreement with Masterton District Council.

Significant asset acquisitions or replacements, and variations from the Annual Plan

There were significant variations from plan in the Sewerage group of activities this year due to delays in finalising the resource consent renewal for discharge into the Mangatāre Stream.

Over \$1 million of capital works programme at the treatment plant was brought forward from 2013/14. This work was planned in line with the expected consent conditions,

including an additional oxidation pond, UV treatment, reduction of phosphorus, and preparation for land disposal of treated effluent. In 2014/15, new shelter belts were planted, a UV tertiary treatment unit was commissioned, and a pivot irrigator was installed. Discharge to land of treated sewage started in January 2015.

Most of the planned mains replacement activity was deferred after difficulties in tendering the work. This has been carried forward to 2015/16.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
The sewerage service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	Not achieved. Operating expenditure was within the budget set in the Annual Plan. Capital expenditure exceeded the budget in the Annual Plan by \$345,000, but was within the budget that included \$1,088,000 unplanned carry-forward from 2013/14 for sewage treatment and disposal. [2014: Achieved]
Minimising adverse effects on the environment	Compliance with resource consent conditions	100%	Not achieved. There were some technical and environmental non-compliance. ¹⁴ [2014: Not achieved]
	Sewage overflows per storm event due to inflow / infiltration	≤15	Achieved. There were no overflows from storm events during the year. [2014: Nil]
Response to sewerage system failures and service requests	Significant repairs and system failures resolved within 4 hours of notification	100%	Not achieved. 3 major blockages, or 75%, were resolved within 4 hours of notification. 1 was longer while waiting for a septic tank truck. [2014: 100%]
Sewerage system of a satisfactory standard	Urban residents satisfied with the sewerage system	≥87%	Achieved. 97% of urban residents surveyed ¹⁵ rated their satisfaction as 'very satisfied' or 'fairly satisfied'. [2011: 87%]

¹⁴ Based on the opinion of New Zealand Environmental Technologies Limited. Wellington Regional Council has yet to confirm.

¹⁵ NRB *Communitrak™* Survey: National Research Bureau, August 2014.

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Sewerage For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Revenue		
280,665	321,712	340,000
-	23,778	-
39,996	61,039	40,000
81,083	76,000	50,000
1,031	3,549	-
402,775	486,078	430,000
Expenditure		
391,944	458,572	683,061
35,654	38,600	38,075
79,571	47,846	58,655
677,031	826,756	563,621
44,786	45,782	28,510
3,847	4,270	17,147
1,232,833	1,421,826	1,389,069
(830,058)	(935,748)	(959,069)
Capital Expenditure		
335,758	116,013	500,000
-	911,687	544,040
1,262	2,149	6,000
-	5,605	5,500
-	370,174	-
-	36,016	32,000
-	54,939	-
-	179,687	-
199,887	-	-
141,158	-	-
27,343	-	-
5,517	-	-
1,949	-	-
1,871	-	-
-	-	26,000
-	-	218,200
-	-	-
714,745	1,676,270	1,331,740

CARTERTON DISTRICT COUNCIL

Sewerage Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$	Actual 30 June 2015 \$	LTP 30 June 2015 \$
Sources of operating funding		
97,363	104,181	109,181
876,264	937,628	982,630
-	-	-
219,240	321,712	227,352
-	-	-
-	88,366	-
1,192,867	1,451,887	1,319,163
Applications of operating funding		
534,004	653,124	550,295
145,815	173,779	185,919
156,108	194,178	162,031
-	-	-
835,927	1,021,081	898,245
356,940	430,806	420,918
Sources of capital funding		
-	-	-
-	76,000	-
493,305	(84,538)	498,208
-	-	-
-	-	-
-	-	-
493,305	(8,538)	498,208
Applications of capital funding		
-	-	-
209,600	1,516,487	218,200
576,924	159,783	589,686
63,721	(1,254,002)	111,240
-	-	-
850,245	422,268	919,126
(356,940)	(430,806)	(420,918)
-	-	-

Stormwater drainage

This group of activities...

includes managing the urban stormwater system (including street kerb collection, and piped and open drains) and identifying flood prone areas, reviewing known trouble areas and developing cost-effective solutions.

...contributes to the community outcomes

A safe district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

The Council provides the stormwater system to provide effective collection and disposal of surface water from various areas that are serviced within the Carterton urban area.

Complying with resource consents protects the environment and ensures the resource is being used sustainably.

Residents feel safe as the possibility of flooding during storm events is reduced and they know that their enquiries will be responded to in a specified time frame.

Infrastructure is capable of reducing the impacts of flooding to people and property.

Development is managed to ensure appropriate provision for stormwater drainage.

The urban reticulated stormwater network is managed under the *Asset Management Plan—Municipal Stormwater System: March 2015*, which sets out the asset condition, performance, and levels of service.

The levels of service for the stormwater asset have been developed taking into account the following general considerations:

- community expectations and the Council's response to customer feedback
- consent requirements
- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

The level of service determines the amount of funding that is required to maintain, renew and upgrade the stormwater infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

Examples of Council activities that contributed to achieving outcomes

- Continued upgrades to the urban stormwater systems contributed to no significant flooding events occurring within the urban area.

Significant asset acquisitions or replacements, and variations from the Annual Plan

The only significant capital works item, the diversion of Waikākāriki Stream, could not proceed when the key service provider became unavailable.

There were no other significant asset acquisitions or replacements during the year, and no other variations from the Annual Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
Urban stormwater is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	Achieved. Operating and capital expenditure were within the budget set in the Annual Plan. [2014: Not achieved]
Response to service requests	Significant reticulation blockages cleared within 4 hours during storm events	100%	Achieved. There were no major reticulation blockages. [2014: Achieved]
Stormwater system of a standard satisfactory to residents	Urban residents satisfied with the stormwater system	≥79%	Not achieved. 73% of urban residents surveyed ¹⁶ rated their satisfaction as 'very satisfied' or 'fairly satisfied'. [2011: 77%]
The urban stormwater service is managed in a sustainable manner	Compliance with resource consent conditions including discharge requirements	100%	Achieved. Complied with resource consent conditions. ¹⁷ [2014: Achieved]

¹⁶ NRB *Communitrak™* Survey: National Research Bureau, August 2014.

¹⁷ Based on the opinion of New Zealand Environmental Technologies Limited. Wellington Regional Council has yet to confirm.

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Stormwater For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Revenue		
40,142	39,000	10,000
40,142	39,000	10,000
Total revenue		
Expenditure		
175,722	173,338	238,173
175,722	173,338	238,173
Total expenditure		
(135,580)	(134,338)	(228,173)
Net cost of service		
Capital Expenditure		
198,287	-	-
-	-	200,000
198,287	-	200,000
Total capital expenditure		

CARTERTON DISTRICT COUNCIL

Stormwater Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$		Actual 30 June 2015 \$	LTP 30 June 2015 \$
Sources of operating funding			
18,161	General rates, UAGC, rates penalties	24,068	20,122
163,451	Targeted rates	216,610	181,095
-	Subsidies and grants - operating	-	-
-	Fees and charges	-	-
-	Internal charges and overheads recovered	-	-
-	Local Authorities fuel tax, fines, infringement fees and other	-	-
181,612	Total operating funding	240,678	201,217
Applications of operating funding			
60,199	Payments to staff and suppliers	49,647	82,166
28,648	Finance costs	23,748	27,869
27,121	Internal charges and overheads applied	33,919	28,094
-	Other operating funding applications	-	-
115,968	Total applications of operating funding	107,314	138,129
65,644	Surplus / (deficit) of operating funding	133,364	63,088
Sources of capital funding			
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	39,000	-
(11,193)	Increase / (decrease) in debt	(11,904)	(8,481)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
(11,193)	Total sources of capital funding	27,096	(8,481)
Applications of capital funding			
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	-	-
54,451	Increase / (decrease) in reserves	160,460	54,606
-	Increase / (decrease) of investments	-	-
54,451	Total application of capital funding	160,460	54,606
(65,644)	Surplus / (deficit) of capital funding	(133,364)	(63,087)
-	Funding balance	-	-

Waste management

This group of activities...

includes the following services:

- management of the Dalefield Road Transfer Station facilities
- provision of a weekly kerbside refuse and recycling collection
- daily collection of refuse from street refuse bins in the CBD and other public spaces
- promotion of waste minimisation and recycling.

...contributes to the community outcomes

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

Waste management is essential for the health, well-being and quality of life of the Carterton community.

A regular kerbside collection and transfer station service for the disposal of residual solid waste minimises environmental impacts and protects the health of Carterton residents.

The level of residual waste is further reduced through the adoption of waste minimisation practices and promotion.

An accessible transfer station protects the environment by minimising fly dumping.

There is a legislative requirement in terms of the Local Government Act 2002, for the Council to:

- encourage efficient and effective waste management services

- ensure that management of waste does not cause a nuisance or be injurious to public health
- consider the issues related to sustainability of its waste management activities and achieve improved collaboration with its communities and other agencies
- adopt a Waste Management Plan via the special consultative procedure.

The Council provides a weekly kerbside residual waste and recycling collection service and transfer station facilities at Dalefield Road. The Transfer Station provides for green waste disposal, steel and general recycling facilities as well as residual waste disposal. Access to the Transfer Station is available six days per week.

Residual waste is currently freighted to a landfill site in Marton. This disposal arrangement remains in place until 2018, before when the Wairarapa councils will need to review the current arrangements in light of the operating and regulatory environment that applies at the time.

Contractors provide management and operational services for the Transfer Station, recycling depot and the weekly kerbside collection.

The level of service determines the amount of funding that is required to maintain, renew and upgrade the waste management service to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

Examples of Council activities that contributed to achieving outcomes

- Weekly kerbside refuse and recycling collection for residents in the urban area.
- Provision of a transfer station and recycling depot. Residual waste is transferred to a landfill at Marton.
- A joint Wellington region Waste Management and Minimisation Plan is in operation.
- An Environment and Sustainability Officer, jointly funded by Wairarapa councils, undertaking promotional activity to encourage waste reduction, and identifying actions for reducing greenhouse gas emissions.

Significant asset acquisitions or replacements, and variations from the Annual Plan

There were no significant asset acquisitions or replacements during the year.

There were no variations from the Annual Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
Waste management is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	Not achieved. Operating expenditure exceeded the budget set in the Annual Plan. There was no capital expenditure. [2014: Achieved]
Refuse and recycling services of a satisfactory standard	Urban residents are satisfied with refuse collection and with kerbside recycling	≥85%	Achieved. 90% of urban residents surveyed ¹⁸ rated their satisfaction with refuse collection as 'very satisfied' or 'fairly satisfied', and 89% with kerbside recycling. [2011: refuse collection 84% and kerbside recycling 89%]
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	Not achieved. One of the consent had environmental non-compliance. ¹⁹ [2014: Not achieved]

¹⁸ NRB *Communitrak™* Survey: National Research Bureau, August 2014.

¹⁹ Based on the opinion of New Zealand Environmental Technologies Limited. Wellington Regional Council has yet to confirm.

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Waste Management For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Revenue		
243,478	255,015	238,000
64,000	64,000	64,000
-	5,499	-
307,478	324,514	302,000
Expenditure		
268,739	290,566	266,460
408,224	404,877	522,136
676,963	695,443	788,596
(369,485)	(370,929)	(486,596)
Capital Expenditure		
-	-	-
-	-	-

CARTERTON DISTRICT COUNCIL

Waste Management Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$		Actual 30 June 2015 \$	LTP 30 June 2015 \$
Sources of operating funding			
283,023	General rates, UAGC, rates penalties	348,344	292,858
142,665	Targeted rates	151,292	146,328
-	Subsidies and grants - operating	-	-
266,256	Fees and charges	255,015	274,776
-	Internal charges and overheads recovered	-	-
66,048	Local Authorities fuel tax, fines, infringement fees and other	69,499	68,162
757,992	Total operating funding	824,150	782,124
Applications of operating funding			
628,778	Payments to staff and suppliers	585,037	648,838
-	Finance costs	-	-
88,188	Internal charges and overheads applied	84,655	91,909
-	Other operating funding applications	-	-
716,966	Total applications of operating funding	669,692	740,747
41,026	Surplus / (deficit) of operating funding	154,458	41,377
Sources of capital funding			
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	-	-
-	Increase / (decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
-	Total sources of capital funding	-	-
Applications of capital funding			
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	-	-
41,026	Increase / (decrease) in reserves	154,458	41,377
-	Increase / (decrease) of investments	-	-
41,026	Total application of capital funding	154,458	41,377
(41,026)	Surplus / (deficit) of capital funding	(154,458)	(41,377)
-	Funding balance	-	-

Water supply

This group of activities...

includes the following services:

- management of the district's urban water reticulation and treatment facilities
- promotion and education of water conservation methods
- provision of potable water to the Waingawa Industrial Zone
- management of the Carrington and Taratahi Water Races for stock use, non-potable domestic and industrial use, rural fire fighting, and stormwater control.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

Economic development prospects are enhanced by an affordable and reliable water supply.

Water is an essential commodity for farming and for business viability. A reliable water service is important for business viability and animal health. A reliable water supply is a requirement for the efficient operation of existing and new business infrastructure.

The safety of district's property is protected by providing water at an appropriate pressure to put out fires. The fire fighting capability of the rural water service supports a safe community

It also supports community and property safety through the fire fighting capacity of the system.

A public water supply system provides water suitable for drinking for the general well-being and health of its community. A high quality water supply is fundamental to community health. Water that complies with Drinking Water Standards provides the community with assurance it is safe and healthy to drink.

The adoption of conservation-based strategies encourages appropriate usage of the water resource. Collective ownership of resources will reduce the environmental impact of multiple individual systems. The environment is protected by providing a community supply with parameters around consumption rather than individuals being left to source their own water supplies.

A sustainably derived rural water service managed to protect and enhance the natural environment. Complying with resource consents protects the environment and ensures the resource is being used sustainably.

The Council's role is to ensure that the community has an adequate water supply that is sustainable for future generations and does not adversely affect the environment.

The Council's continued involvement in the water activity and ownership of assets is contained in:

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide water services and maintain its capacity to do so
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works; the definition of which includes 'water works'.

The urban reticulated water network is managed under the *Asset Management Plan—Municipal Water Supply: March 2015*, which sets out the targets for asset condition, performance, and levels of service.

The urban water supply services the Carterton urban community, a number of rural properties on the periphery of the urban boundary and properties along SH2 North to Chester Road and part way up Chester Road.

The Council's role is to ensure that property owners and businesses who have access to the Carrington and Taratahi Water Race system have an adequate supply of non-potable water that is sustainable and does not adversely affect the environment.

In Waingawa, potable water services will be supplied by the Masterton District Council.

The levels of service for the water supply asset have been developed taking into account the following general considerations:

- community expectations and the Council's response to customer feedback
- legislative requirements, eg Drinking Water Standards
- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

For example legislative requirements and public health objectives have driven the capital works programme to enhance treatment. Sustainability objectives have driven the need to minimise leakage of treated water from the reticulation system and the introduction of water metering.

A sustainable, safe, and healthy water supply is delivered at an appropriate water pressure to properties permitted to be connected to the urban water supply at the lowest possible cost to maintain the service.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the urban water infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

The rural water service is under the oversight of the Water Race Committee, which is made up of councillors and community members elected by water race users. The Committee determine policy, sets targets for maintenance, and monitors the proactive cleaning programme.

Examples of Council activities that contributed to achieving outcomes

- Universal water metering of the urban reticulated water supply, with a significant number of leaks on private property pipes identified and repaired.
- Provision of water for stock farming, industrial, horticulture, and viticulture businesses.
- Provision of reticulated water services to the Waingawa Industrial Zone by agreement with Masterton District Council.

Significant asset acquisitions or replacements, and variations from the Annual Plan

We continue to wait for approval from the Wellington Regional Council for the renewal of the resource consents. Unplanned capital expenditure associated with the consent to take water from Kaipaitangata for town water supply was brought forward from 2013/14, and at the end of the year carried forward into 2015/16.

Capital expenditure for new intake gates to take water from Mangatāre for the Taratahi and Carrington water races was brought forward from 2013/14 and completed this year.

Work on the water mains was less than expected, and the rural line up Moreton Road was replaced and upgraded.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2015	Result
The urban water service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	Achieved. Operating expenditure and capital expenditure were within the budget set in the Annual Plan. [2014: Not achieved]
Water is safe to drink	Compliance with NZ Drinking Water Standards bacteriological requirements	100%	Achieved. Both the Kaipaitangata and Supplementary treatment sites were compliant with the bacterial requirements of the Standards. [2014: Achieved]
Response to reticulated water system failures and service requests	Significant repairs and system failures resolved within 4 hours of notification	100%	Not achieved. Of the 3 system failures 2, or 67%, were resolved within 4 hours, and the other within 4.5 hours. [2014:100%]
Urban water system of a satisfactory standard	Urban residents are satisfied with the urban water service	≥90%	Achieved. 95% of urban residents surveyed ²⁰ rated their satisfaction with the town water supply as 'very satisfied' or 'fairly satisfied'. [2011: 91%]
Water resources are used sustainably	Reduction in community water consumption	≥2.5% per annum	Not achieved. Water flow from the Kaipaitangata and Supplementary Bore reservoirs was 5% more than the previous year. [2014: 3% more than the previous year]
	Compliance with water resource consent conditions	100%	Achieved. Full compliance with resource consent conditions for urban water supply takes. ²¹ [2014: full compliance]

²⁰ NRB *Communitrak™* Survey: National Research Bureau, August 2014.

²¹ Based on the opinion of New Zealand Environmental Technologies Limited. Wellington Regional Council has yet to confirm.

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Water Supply For The Year Ended 30 June 2015

Actual 30 June 2014 \$		Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
	Revenue		
177,409	Fees and charges*	209,273	212,000
-	Recoveries	-	-
79,083	Development and financial contributions	80,000	50,000
-	Miscellaneous revenue	5,015	-
256,492	Total revenue	294,288	262,000
	Expenditure		
825,290	Reticulation	802,708	863,215
33,353	New water connections	43,210	60,526
136,503	Underground services	123,677	148,924
271,725	Filtration plant	290,149	265,960
242,256	Taratahi water race	257,195	262,147
64,880	Carrington water race	73,272	84,155
102,857	Waingawa water	114,539	112,930
1,676,864	Total expenditure	1,704,750	1,797,857
(1,420,372)	Net cost of service	(1,410,462)	(1,535,857)
	Capital Expenditure		
49,500	Mains upgrade and replacement	31,681	108,000
-	Carrington - intake control gates	87,457	-
-	Taratahi - intake control gates	125,047	-
-	Taratahi - replace pip Wilton Swamp	17,038	65,000
-	Taratahi - pipe Clareville School	-	22,000
17,962	Water race weirs	12,700	15,000
127,004	Resource consent - Taratahi water race	-	-
31,730	Resource consent - Carrington water race	-	-
-	Resource consent renewal	-	150,000
5,962	Information systems data	-	-
3,574	Portable pump	-	-
47,600	Kaipatangata - line and seismic baffles concrete tank	-	-
-	New values (better network IS isolation)	-	6,400
-	Bore telemetry and meters	-	50,000
283,332	Total capital expenditure	273,923	416,400

* The 2015 annual plan figure for fees and charges has been adjusted to remove targeted water rates to be consistent with current year presentation.

CARTERTON DISTRICT COUNCIL

Water Supply Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$		Actual 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of operating funding		
130,975	General rates, UAGC, rates penalties	159,282	132,013
1,178,781	Targeted rates	1,433,526	1,188,115
-	Subsidies and grants - operating	-	-
264,011	Fees and charges	209,273	272,856
-	Internal charges and overheads recovered	-	-
-	Local Authorities fuel tax, fines, infringement fees and other	5,015	-
1,573,767	Total operating funding	1,807,096	1,592,984
	Applications of operating funding		
863,928	Payments to staff and suppliers	809,571	866,138
26,881	Finance costs	21,774	26,548
218,445	Internal charges and overheads applied	268,824	226,920
-	Other operating funding applications	-	-
1,109,254	Total applications of operating funding	1,100,169	1,119,606
464,513	Surplus / (deficit) of operating funding	706,927	473,378
	Sources of capital funding		
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	80,000	-
(18,814)	Increase / (decrease) in debt	(14,181)	(19,147)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
(18,814)	Total sources of capital funding	65,819	(19,147)
	Applications of capital funding		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	212,504	-
124,832	Capital expenditure - replace existing assets	61,419	125,512
320,867	Increase / (decrease) in reserves	498,823	328,719
-	Increase / (decrease) of investments	-	-
445,699	Total application of capital funding	772,746	454,231
(464,513)	Surplus / (deficit) of capital funding	(706,927)	(473,378)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Administration and Support For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
Revenue		
1,952,404	2,099,279	1,859,210
63,534	35,463	50,000
146,052	175,910	159,215
-	-	-
29	-	-
43,110	47,775	43,000
73,237	18,529	-
-	-	-
2,300	2,008	1,350
-	-	-
-	-	-
9,772	27,194	-
2,290,438	2,406,158	2,112,775
Expenditure		
1,246,740	1,329,263	1,488,451
554,575	592,540	314,344
143,466	163,645	46,098
7,625	13,831	10,316
858	-	-
26,376	42,232	-
21,305	39,852	15,000
2,000,945	2,181,363	1,874,210
289,493	224,795	238,565
Capital Expenditure		
5,094	2,521	3,500
4,980	10,839	20,300
3,571	8,442	9,900
1,909	1,820	7,800
1,324	1,820	7,800
-	-	2,800
-	1,820	3,500
-	3,559	6,300
12,609	6,448	5,000
-	-	5,000
22,263	-	-
10,558	-	-
21,469	-	-
2,236	-	-
1,688	-	-
780	-	-

CARTERTON DISTRICT COUNCIL

Statement of Service Performance - Administration and Support contd. For The Year Ended 30 June 2015

Actual 30 June 2014 \$	Actual 30 June 2015 \$	Annual Plan 30 June 2015 \$
-	-	5,000
-	10,000	40,000
-	28,152	-
-	31,915	37,000
-	33,261	37,000
43,193	-	-
40,962	-	-
33,804	-	-
8,687	-	-
52,751	-	-
8,696	-	-
6,831	-	-
782	756	1,000
-	25,495	26,500
-	4,400	-
-	2,410	1,200
2,861	-	-
287,048	173,658	219,600

CARTERTON DISTRICT COUNCIL

Administration and Support Funding Impact Statement For The Year Ended 30 June 2015

LTP 30 June 2014 \$		Actual 30 June 2015 \$	LTP 30 June 2015 \$
Sources of operating funding			
61,920	General rates, UAGC, rates penalties	35,463	63,901
-	Targeted rates	-	-
-	Subsidies and grants - operating	-	-
206	Fees and charges	-	213
1,827,211	Internal charges and overheads recovered	2,099,279	1,896,921
159,853	Local Authorities fuel tax, fines, infringement fees and other	225,693	199,341
2,049,190	Total operating funding	2,360,435	2,160,376
Applications of operating funding			
1,584,978	Payments to staff and suppliers	1,943,367	1,631,575
-	Finance costs	9,886	-
-	Internal charges and overheads applied	-	-
-	Other operating funding applications	-	-
1,584,978	Total applications of operating funding	1,953,253	1,631,575
464,212	Surplus / (deficit) of operating funding	407,182	528,801
Sources of capital funding			
-	Subsidies and grants - capital	-	-
319,920	Development and financial contributions	-	330,157
-	Increase / (decrease) in debt	(20,244)	-
-	Gross proceeds from sale of assets	33,706	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
319,920	Total sources of capital funding	13,462	330,157
Applications of capital funding			
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	10,000	-
121,411	Capital expenditure - replace existing assets	163,658	265,156
662,721	Increase / (decrease) in reserves	246,986	593,802
-	Increase / (decrease) of investments	-	-
784,132	Total application of capital funding	420,644	858,958
(464,212)	Surplus / (deficit) of capital funding	(407,182)	(528,801)
-	Funding balance	-	-