

Waitomo District Council Summary Annual Report 2014-2015

Introduction

Every year we produce an audited Annual Report which contains details of Council's performance and achievements through the year against its Annual Plan and Long Term Plan, both financial and non financial.

This is a summary of the 2014/15 Annual Report. The information contained in this Summary has been extracted from our full Annual Report. The Summary Report does not include all the disclosures in the full Annual Report and cannot be expected to provide a full understanding of the full Annual Report.

The 2014/15 Annual Report was adopted by Council on 28 October 2015. It is a key accountability document for our communities containing important information on how we are progressing in achieving our goals. It highlights the areas we performed well in and the areas we need to improve on and how we plan on doing this.

Copies of the full 2014/15 Annual Report are available on Council's website, at the Waitomo District Library and our Queen Street Office in Te Kuiti. You can request a copy by contacting **Waitomo District Council** on **0800 932 4357** or send us an email info@waitomo.govt.nz

Creating a better future with vibrant communities and thriving business.

MESSAGE FROM THE MAYOR AND CE

We are pleased to present the Summary Annual Report for the year ended 30 June 2015. This Report summarises our performance across 10 activity areas as well as the overall financial performance for the 2014/15 financial year.

Our vision of creating a better future with vibrant communities and thriving business is beginning to advance. We thank our key stakeholders and community partners for their collaboration and efforts as we work towards making this vision become a reality.

Residents have confirmed we are on the right track, with 91% of people surveyed this year satisfied that Council is moving towards this vision for the Waitomo District.

The Elected Council continues to apply our guiding principles of prudent financial management, sustainable asset infrastructure and the efficient delivery of services.

Our top financial results for the 2014/15 year are:

- Public debt sits at \$46 million, compared with \$54 million forecast by the Exceptions Annual Plan 2014/15.
- A total Capital Expenditure programme of \$10.7 million was carried out. This included \$4.7 million on roads, \$2.2 million on community service and \$2.2 million on water supply. \$1.27 million was borrowed against this spend.
- Total expenditure was \$1.5 million less than budgeted.
- Council also sourced a favourable interest rate which reduced the amount of interest costs we incurred over the year.

Our key infrastructure highlights for the past year include:

- the development of cell 2/3 at the Waitomo District Landfill,
- the completion of the upgrade to the Te Kuiti Waste Water Treatment Plant,
- and the commencement of phase 1 of the Te Kuiti Water Treatment Plant upgrade, and
- renewal of the upstairs portion of 28 Taupiri Street.

The upgrade of the brick Railway Station building is now complete. The brick building has been refurbished to a high standard and has been made available to community organisations. We are excited about the final stage of refurbishment to building 1 and to building 2 which will provide a high quality, unique and historic location for a new Te Kuiti business thereby concluding the overall development of a vibrant hub in Te Kuiti.

We have continued to seek out subsidies and grants where possible to assist in the funding of our projects. Over the past year we applied for and were successful in obtaining \$553,000 from NZ Lottery Grants Board for the restoration of the Railway buildings. A further grant of \$38,000 was also received for that project and \$60,000 was received from the North King Country Development trust for the refurbishment of the community space at the Railway station buildings. A grant of \$290,000 was received from NZ Lottery Grants Board (\$300,805 granted) towards the upstairs refurbishment project at 28 Taupiri Street.

We continue to support and encourage young people to develop the skills and attitudes they need to contribute positively to our society. Over the past year, local youth have taken part in a public speaking workshop, Waitomo's Got Talent Competition, Lower North Island Youth Council Conference, and made a submission to Council's Long Term Plan. Our youth also assisted with the organisation of the Maniapoto Bio Diversity Project and planning for the Waitomo District Young Citizenship Achievement Awards.

Our efforts to deliver a consistently high level of public service and customer service can be observed through the positive results of our resident satisfaction survey. Our targets were exceeded in terms of the number of residents who are satisfied with Council's efficiency (89%), Council is capable and competent (88%) and Council has good financial management (86%).

Resident satisfaction continues to improve across all services we deliver with the most notable ones being recycling and landfill facilities, animal control services, library facilities and service and quality public amenities and parks and reserves.

The Brook Park Incorporated Society is making significant headway with the development and improvements to the popular Park. Volunteers worked with Council to re-locate the band rotunda which now sits at within the scenic environment. A mountain bike trail has been formed and winds its way through the park. A community Guy Fawkes event is planned for the 14th November and we look forward to showcasing Brook Park to residents and visitors to our town.

Our investment in Inframax Construction Limited (ICL) continues to show positive results which is very encouraging and will provide benefits to the wider district in the medium term. ICL has reported a net profit after tax of \$987,077 which is a 79% increase over last year; net assets of the company have increased by 96% and average shareholder funds increased by \$843,000 (94%) over 2013/14.

This is a remarkable achievement for ICL and once again we would like to congratulate the Board, Management and Staff on the hard work that has gone into making this happen.

In conclusion, during the 2014/15 financial year we have kept our focus on prudent and sustainable financial management practices while leading our communities towards a vibrant and thriving future and we will continue with our endeavours into the future.

We have a committed elected Council and staff working collectively to achieve great outcomes for our ratepayers and the community as a whole.



BRIAN HANNA
MAYOR



CHRIS RYAN
CHIEF EXECUTIVE



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF WAITOMO DISTRICT COUNCIL AND GROUP'S
SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015**

The summary annual report was derived from the annual report of the Waitomo District Council (the District Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 8 to 12:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as summary statement of service performance) of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 18 November 2015.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): *Summary Financial Statements*.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 28 October 2015 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council or any of its subsidiaries.

Melissa Youngson
DELOITTE
On behalf of the Auditor-General
Hamilton, New Zealand
18 November 2015

THROUGH THE YEAR – SOME STATISTICS



89% of residents are satisfied that our Councillors are approachable and interact with the Community.



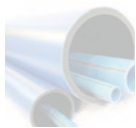
1,014km of roading managed and maintained by Council.



\$11,539,788 is the value of building consents issued during the year.



1,035,820m³ is the amount of water we produced.



1,156,748m³ is the amount of waste water treated at Te Kuiti Waste Water Treatment plant.



3,698 is the total number of dogs registered for the year.



36,197 people visited the Library, **34,846** books were checked out and the internet was accessed **17,734** times.



76% of our Key Performance Indicators achieved.



1,618 is the average number of customer service calls we received each month.



96% of Residents satisfied with the Council's communications.



\$340m is our total asset value.

KEY ACHIEVEMENTS BY ACTIVITY GROUP

Council has 10 Groups of Activities. This section contains a summary of key achievements and projects carried out within each Group in the 2014/15 year.

Governance: Leadership and Investments

- Preparation, consultation and adoption of the 2015-25 Long Term Plan.
- Actively participated in the Waikato Mayoral Forum (including the Mayors and Chief Executives of Local authorities within the Waikato region) and opportunities to collaborate in planning, purchasing and service delivery options.
- Completion of the 2015 Residents Satisfaction Survey.

Community Service

- Completion of Centennial Park Playground upgrade.
- Relocation of Band Rotunda to Brook Park.
- Drainage of Centennial Park completed as recommended by NZ Sports Turf Institute.



CENTENNIAL PARK

- Commencement of the upgrade of Rora Street gardens. This project will be completed in 2015/16.
- Piopio Public toilet renewal/replacement was commenced with continuing investigations into the provision of a new toilet facility in Benneydale.
- Renewal works associated with the library building completed.

- The restoration associated with the external framework of the three Te Kuiti Railway Buildings was completed and the internal refurbishment of Building 3 was also completed in the 2014/2015 financial year.



INTERNAL WORK BUILDING 3

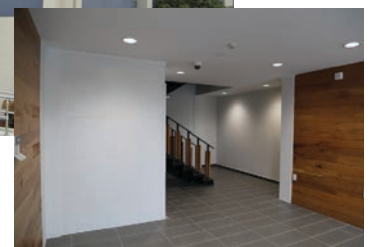


EXTERNAL WORK BUILDING 2

- The refurbishment of 28 Taupiri Street upper level prior to the relocation of the Te Kuiti Community House commenced with partial funding granted from Lotteries Board.



NEW ENTRANCEWAY AND FOYER, 28 TAUPIRI STREET



- Design for the courtyard upgrade at the Waitomo Cultural and Arts Centre commenced.

Community Development

- Administration of the Community Development Fund.
- Delivery of district events, the Great NZ Muster and Waitomo District Christmas Parade.



WHITE RIBBON FLOAT ENTRY 2014 CHRISTMAS PARADE

- Participation and support of youth engagement projects.
- Support of district promotion via the Hamilton and Waikato Regional Tourism organisation.
- Development of an Economic Development Action Plan.

Regulation

- The Public Amenities, Water Services and Land Transport Bylaws were reviewed in accordance with the requirements of the Local Government Act.
- Council maintained its membership of the Waikato Building Consent Group.
- Continued implementation of the Waitomo District Provisional Local Alcohol Policy.



REGULATORY SIGN - MANGAOKEWA RIVER

Solid Waste Management

- Completion of development of Cells 2 and 3 at the landfill to ensure viability of the site and to maintain capacity up to the 232 000 tone consent.
- Construction of a roof over the recycling area at the landfill to create a recycle shed in order to promote recycling and provide a customer friendly, all weather recycling service.



- Completion of high wall shaping at the landfill which involves the removal and shaping of earth above the landfill space for safety purposes.

Stormwater Drainage

- Stormwater mains replacement in Ngatai Street, Hospital Road and Duke Street.
- Stormwater mains in Cotter Street identified as in need of replacement under the minor capital works project. This work was commenced and will be completed in 2015/16.

Resource Management

- Continued effective administration of the Resource Management Act 1991 and the District Plan so as to facilitate responsible development within the District.

Sewerage and Treatment and Disposal of Sewerage

- Completion of the Te Kuiti Waste Water Treatment Plant, that was officially opened on the 3rd March 2015.



TIWHA BELL WITH MAYOR BRIAN HANNA

- Areas of significant storm water inflow into the waste water reticulation were identified and rectified. These include:
 - Two manholes in Hill Street,
 - Colin Brooke Place,
 - Te Kuiti Landfill, and
 - Te Kumi Pump Station.
- Improvements to asset information - the first part of the accurate survey data for the sewer network was obtained and updated in Council's GIS system. This will greatly assist in the identification and management of critical assets and help prioritise work programmes accordingly.

Water Supply

- The main focus for 2014/15 was the completion of phases one and two of the major upgrade of the Te Kuiti Water Treatment Plant. This included the new pump station and buffer tanks and the construction of the new main building.



NEW WASTE WATER TREATMENT PLANT TANKS

- Renewal of the Water Take Resource Consent as part of the Water Treatment Plant upgrade was commenced and will be completed in the 2015/16 year.

- A water meter reading programme for Te Kuiti was implemented along with bulk reticulation monitoring. This has resulted in the identification and elimination of a considerable number of leaks. This programme is ongoing.
- Completion of the construction of a raw water storage dam at Mokau to help ensure security of supply.



RAW WATER STORAGE DAM - MOKAU

Roads and Footpaths

- Pavement rehabilitation on Aria Road (749m), Kopaki Road (1,022m), and Totoro Road (578m).
- 40.4km of road reseals.
- Unsealed roads re-metalling was completed on approximately 40km of unsealed roads.
- 568m of footpath renewals/repairs.
- Renewal of Kawhia Harbour Bridge #14.
- 290 square metres of new retaining wall built.
- Emergency repair work worth \$1.25 million was done at slip and erosion sites, including the following large sites:
 - Oparure Road wash out,
 - Tawa Street slip,
 - Gribbon Road slip,
 - Mangarino Road slip, and
 - Point Road erosion.



SLIP REPAIR - MANGARINO ROAD

PERFORMANCE SUMMARY

Council has a range of performance targets that allow the measurement, over time, of whether or not the performance in the delivery of services has been properly focused on WDC's priorities.

Sixteen of our performance measures are calculated through our annual Resident Satisfaction Survey. The remainder of our performance measures are calculated through a range of different methods.

The majority of our results are better than or consistent with previous year's results. This year we achieved 48 out of our 63 measures, compared to 47 last year.

The following table shows the overall performance of the ten groups of Activities with green being achieved and red not achieved.

Governance	100%	
Regulation	100%	
Community Service	92%	8%
Community Development	83%	17%
Stormwater Drainage	80%	20%
Sewerage and Treatment and Disposal of Sewerage	75%	25%
Solid Waste	75%	25%
Resource Management	67%	33%
Water Supply	50%	50%
Roads and Footpaths	33%	67%

Areas where our performance has significantly improved or has remained at a high standard include:

- Regulatory Services, which was the most significant area of improvement. Environmental Health, Building Control and Animal Control all considerably increased their satisfaction ratings and also improved on the percentage of visits to both food and liquor retail premises and dog owner's properties.
- Governance: Leadership and Investments again this year produced excellent results with all four of its performance measures achieved. A key achievement was 95% of residents surveyed satisfied with the provision of Council communications against a target of 55%.
- Performance of the Community Services activity was to a high standard again with 11 out of 12 performance targets achieved during the year. 92% of residents surveyed were satisfied with the quality of library facilities and services.

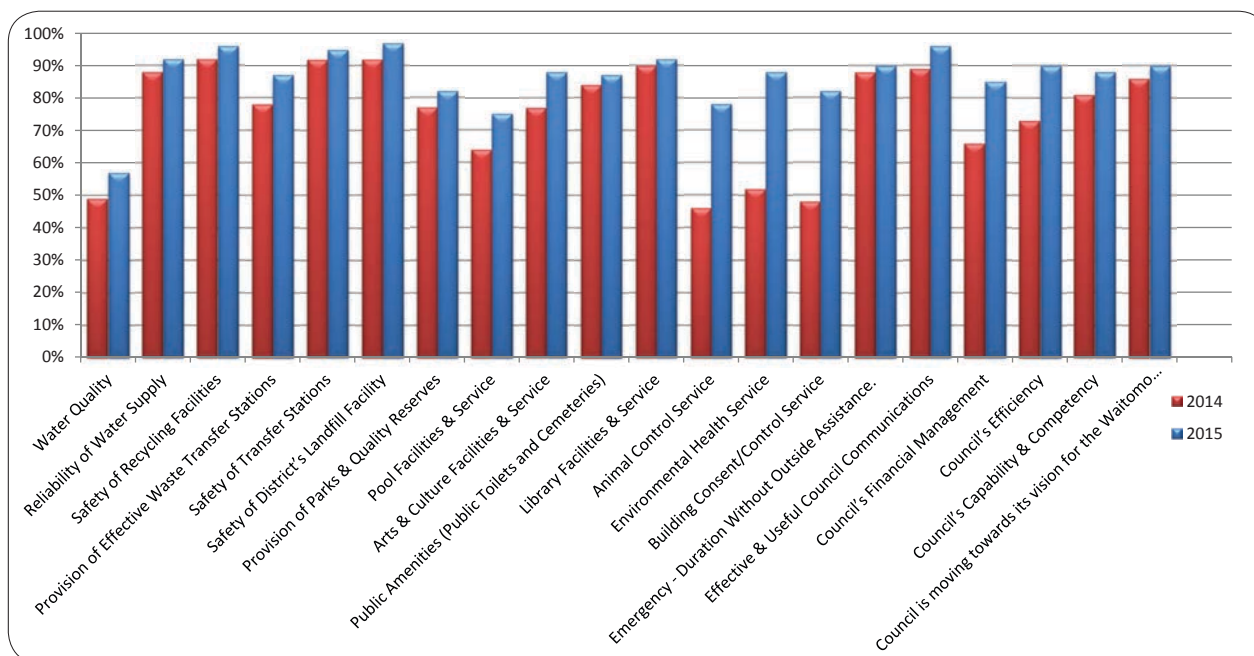
There are also areas where our performance has fallen short of the target.

- For Roads and Footpaths four out of six measures were not achieved which related to service requests received for the year. However, the total number of service requests has decreased compared to the previous year.
- Water Supply Services did not achieve four out of eight measures although 57% of residents surveyed indicated that they were satisfied with the district's water quality, compared to 48% last year.
- Resource Management did not achieve one out of three targets. The target number of days to process a notified consent (80 days) was not met however the consents were granted within the legislative time period.
- In the Sewerage activity the target of two or less sewage overflow events per year at any one waste scheme was not met. A total of 21 service requests were received over the four schemes that related mostly to blockages caused by prohibited items entering the sewerage pipes.

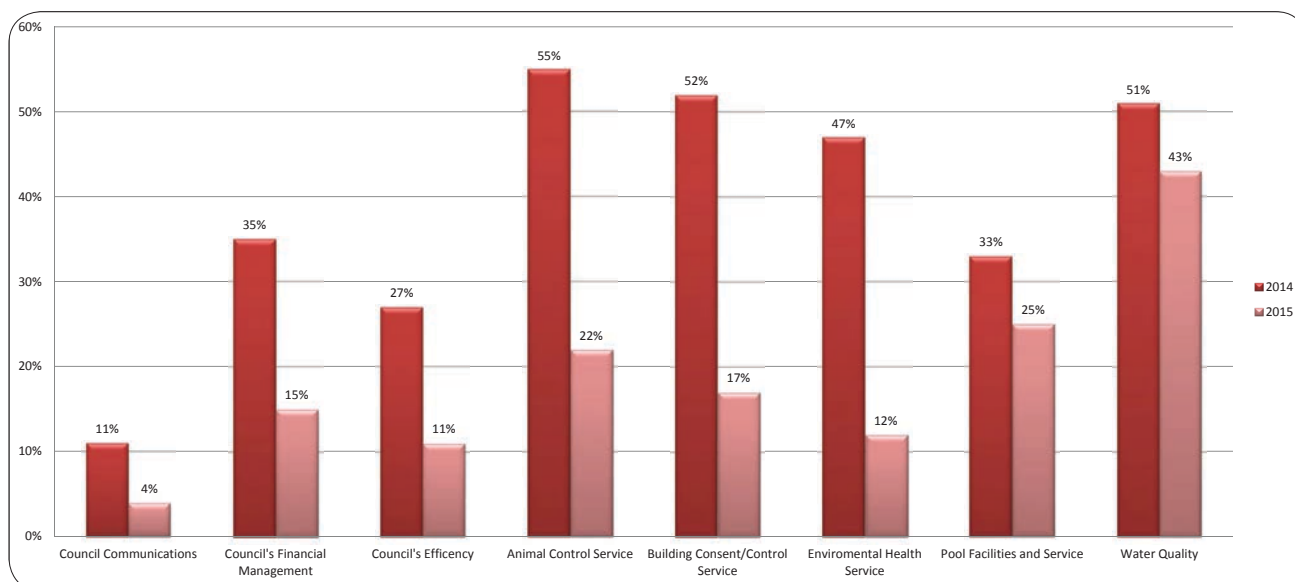
Results of the 2015 Resident Satisfaction Survey

Council carries out a Resident Satisfaction Survey each year which seeks to gauge the opinion of residents on a wide range of services and activities delivered by Council.

The graph below shows how the overall satisfaction results from the 2015 Residents Satisfaction Survey carried out in May 2015 compare with the 2014 survey. All of the activity areas had an increase in satisfaction levels compared with 2014 which is an excellent result.



The graph below highlights the activity areas that have had the most notable decrease in dissatisfaction levels with Council's services over the last two years. Dissatisfaction levels measure those residents that indicate they are either dissatisfied or very dissatisfied with Council's services. Our regulatory services; Animal Control, Building Consent/Control and Environmental Health experienced the most improvement.



Further details on how Council performed against its performance measures can be found in the Statements of Service Performance within the activity sections of the full Annual Report.

FINANCIAL OVERVIEW

The financial statements at 30 June 2015 comprise the Waitomo District Council (Council) and its wholly owned subsidiary Inframax Construction Limited incorporated in New Zealand, and its wholly owned subsidiary Independent Roadmarkers Taranaki Ltd incorporated in New Zealand (Group).

The Council is a public benefit entity for the purposes of reporting under Public Benefit Entity Standards. The full set of financial statements complies with NZ GAAP and other applicable financial reporting standards, as appropriate for public benefit entities. These Financial Statements have been prepared in accordance with Tier 1 PBE accounting standards.

The summary financial statements have been extracted from the corresponding full Annual Report which was authorised for issue on 28 October 2015 by the Mayor and Chief Executive. An unqualified audit report was issued and signed as part of the Annual Report on 28 October 2015. Deloitte have audited this Summary Report and have issued an unmodified opinion on **18 November 2015**. The Summary Report was authorised for issue on **18 November 2015** by the Mayor and Chief Executive.

The information included in the Summary Report has been prepared in accordance with FRS 43:

Summary Financial Statements.

The comparative amounts within the full Statement of Financial Position and the Statement of Changes in Equity have been restated. The restatement is due to the duplication of sewerage, water and stormwater assets as described on page 12. Certain comparative information has also been reclassified with the first time adoption of the PBE standards. Further information regarding these changes can be found under Note 42 of the full Annual Report.

A Summary Report cannot provide as complete an understanding of the financial and non-financial performance of Waitomo District Council as the full Annual Report.

For further detailed information please refer to the following sections in the full Annual Report: Financial Statements pages 62 to 133, Report of the Audit Office pages 9-11 and Our Activities pages 23-60. A full copy of the Annual Report is available from Waitomo District Council Office, Te Kuiti Public Library or on our website: www.waitomo.govt.nz.

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

Summary Statement of Comprehensive Revenue and Expense for the year end 30 June 2015

\$000's	Council			Group	
	2015 COUNCIL BUDGET	2015 COUNCIL ACTUAL	2014 COUNCIL ACTUAL	2015 GROUP ACTUAL	2014 GROUP ACTUAL
Rates excluding targeted water supply rates	17,749	17,484	16,931	17,472	16,931
Other Revenue including Gains/(Losses)	10,858	12,223	11,147	35,707	39,790
Total Revenue and Gains/(Losses)	28,607	29,707	28,078	53,179	56,721
Employee Benefit Expenses	4,117	4,083	3,757	10,941	12,287
Depreciation and Amortisation Expense	6,105	5,509	5,433	6,215	6,530
Finance Costs	3,102	2,471	2,311	3,050	2,918
Other Expenses	12,717	12,465	12,586	27,020	30,551
Total Expenses	26,041	24,528	24,087	47,226	52,286
Surplus/(Deficit) Before Tax	2,566	5,179	3,991	5,953	4,435
Income Tax Expense/(Revenue)	0	0	0	(94)	(152)
Surplus/(Deficit)	2,566	5,179	3,991	6,047	4,587
Revaluation of Property, Plant and Equipment	0	6,108	2,112	6,257	2,112
Gains/(Losses) from Cash Flow Hedges	0	(1,089)	383	(1,089)	383
Revaluation of Available for Sale Assets	0	0	2,600	0	0
Total Comprehensive Revenue and Expense	2,566	10,198	9,086	11,215	7,082

Operating Revenue was \$1.1 million more than budget due to:

- Interest revenue was \$0.11 million more than budget.
- Fees and Charges were \$0.80 million more due to additional trade waste revenue being received. The additional revenue is from exceedance charges where nutrient levels are more than the allowable limits.
- Other revenue was \$0.50 million more due to contributions for carpark renewals, railway security fencing and the Piopio Hall.
- These increases in revenue were offset by rates revenue being less than budget by \$0.27 million. This was the result of excluding rates revenue on Council owned properties. The budget figure includes the rates revenue paid on Council owned properties.
- Subsidies and grants were also \$0.13 million less than budget. This is the net result of no subsidy being received on Te Kuiti Water Treatment Plant upgrade due to delays in the project and additional grant revenue being received for the redevelopment of the Te Kuiti Railway Station Buildings.

Expenditure was \$1.5 million less than budget due to:

- Finance costs were \$0.63 million less than budget due to a reduced public debt level than what was budgeted for and interest rates were less than anticipated at the time the budget was prepared.
- Depreciation costs were \$0.6 million less than budget due to;
 - The delay in the completion of the Te Kuiti Water Treatment Plant upgrade.
 - Depreciation on the Te Kuiti Waste Water Treatment Plant assets was also less than anticipated.
 - Roads depreciation was also lower than expected as a result of the revaluation at 30 June 2014.
- Community Service costs were \$0.59 million less than budget due to rates paid on Council owned properties being excluded. The budget figure includes rates on Council owned properties. Repairs and maintenance expenditure was also less than budget as this work is only carried out as required.
- Community Development costs were \$0.26 million more than budget due to additional rates and penalty remission applications being processed during the year.

Summary Statement of Financial Position as at 30 June 2015

\$000's	Council			Group	
	2015 COUNCIL BUDGET	2015 COUNCIL ACTUAL	2014(restated) COUNCIL ACTUAL	2015 GROUP ACTUAL	2014(restated) GROUP ACTUAL
Current Assets	5,978	8,158	6,316	14,020	12,099
Non Current Assets	330,357	332,423	321,604	335,544	325,345
Total Assets	336,335	340,581	327,920	349,564	337,444
Current Liabilities	9,558	15,143	4,563	20,669	10,403
Non Current Liabilities	50,504	37,828	45,945	41,615	50,976
Total Liabilities	60,062	52,971	50,508	62,284	61,379
Net Assets	276,273	287,610	277,412	287,280	276,065

Statement of Changes in Equity for the year end 30 June 2015

\$000's	Council			Group	
	2015 COUNCIL BUDGET	2015 COUNCIL ACTUAL	2014(restated) COUNCIL ACTUAL	2015 GROUP ACTUAL	2014(restated) GROUP ACTUAL
Total Equity					
Balance at 1 July	0	277,412	270,525	276,065	271,182
Prior Period Adjustment*	0	0	(2,199)	0	(2,199)
Adjusted Balance at 1 July	273,707	277,412	268,326	276,065	268,983
Total Comprehensive Revenue and Expense for the year	2,566	10,198	9,086	11,215	7,082
Balance at 30 June	276,273	287,610	277,412	287,280	276,065

* During the 2014/15 year, the Council discovered that \$2,236,000 of assets were duplicated in the 30 June 2012 asset valuation for sewerage, water and storm water asset classes. A prior year adjustment of \$2,199,000 was made to opening revaluation reserve and adjusted through the carrying value of these asset classes. A further adjustment of \$37,000 has been made to opening revaluation and opening accumulated funds to remove the depreciation expense on the duplicate assets. Further information regarding the prior period adjustment can be found under note 42 of the full Annual Report.

Total equity was \$11.3 million more than expected due to:

- The surplus was \$2.6 million more than budget.
- The increase in revaluation reserve of \$5.8 million as a result of the revaluation of water, waste water, stormwater and land and buildings assets.
- The gain on revaluation of assets available for sale reserve for the increase in value of the investment in Inframax Construction Ltd of \$2.6 million in the 2013/14 year also contributed to this result as the gain was not included in the budgets.

Current assets were \$2.2 million more due to a higher level of cash and cash equivalents at balance date than was anticipated at the time the budget was prepared. This was offset slightly by a reduced level of Receivables than what was expected.

Current liabilities were \$5.5 million more than budget due to a greater portion of borrowings being recognised as current than when the budget was prepared.

Non current assets were \$2.1 million more than expected due to the increase in the value of Other Financial Assets from the valuation of Inframax Construction Ltd of \$2.6 million in the 2013/14 year. Property, plant and equipment was more than budget due to the asset revaluations.

Non current liabilities were \$12.7 million less than budget due to a lesser portion of borrowings being recognised as non current than when the budget was prepared. Derivative financial instruments were also \$0.58 million more than expected.

Summary Components of Equity

\$000's	Council			Group	
	2015 COUNCIL BUDGET	2015 COUNCIL ACTUAL	2014(restated) COUNCIL ACTUAL	2015 GROUP ACTUAL	2014(restated) GROUP ACTUAL
Accumulated Funds	204,380	203,593	200,100	203,591	199,230
Total Other Reserves at 30 June	3,510	9,850	9,083	7,250	6,483
Revaluation Reserves	68,383	74,167	68,229	76,439	70,352
Total Equity	276,273	287,610	277,412	287,280	276,065

Summary Statement of Cash Flows for the year ended 30 June 2015

\$000's	Council			Group	
	2015 COUNCIL BUDGET	2015 COUNCIL ACTUAL	2014 COUNCIL ACTUAL	2015 GROUP ACTUAL	2014 GROUP ACTUAL
Net Cash Inflow from Operating Activities	10,400	11,501	11,288	11,113	13,314
Net Cash InFlow from Investing Activities	(12,385)	(11,247)	(10,144)	(10,810)	(11,910)
Net Cash Inflow from Financing Activities	1,985	1,248	(360)	759	552
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	0	1,502	784	1,062	1,956
Cash, cash equivalents and bank overdrafts at the beginning of the year	171	955	171	(982)	(2,938)
Cash, cash equivalents and bank overdrafts at the end of the year	171	2,457	955	80	(982)

Council Debt

WDC borrows money to pay for large projects that will provide services to the community for a long period of time. This ensures that today's ratepayers pay only for the services and assets which they use now and not for benefits that will be received by the community in the future.

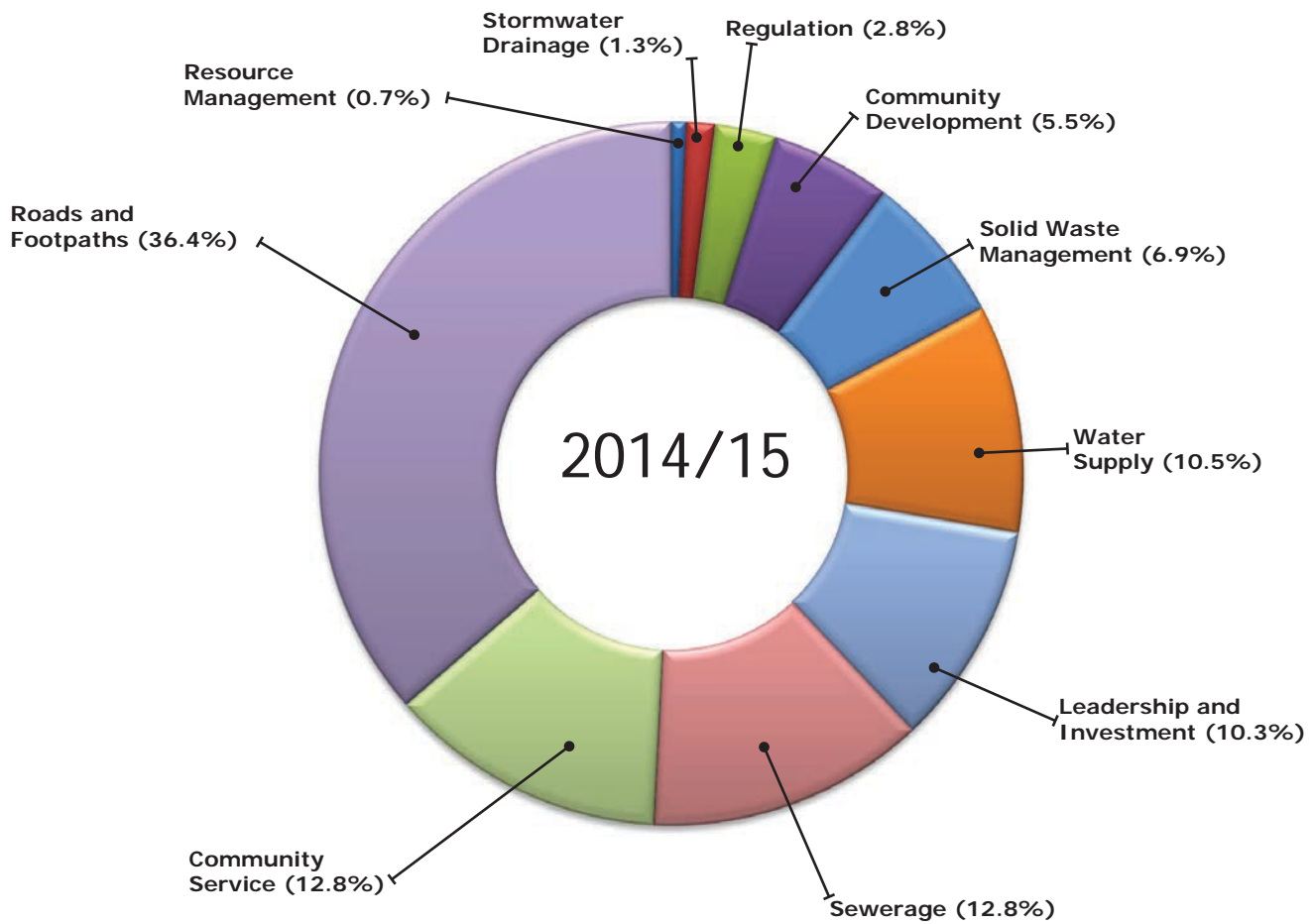
Debt was forecast in the Exceptions Annual Plan 2014/15 to be \$54 million and \$52.1 million in the 2012-22 Long Term Plan. **Actual debt was \$46.14 million at 30 June 2015.**

The following table illustrates favourable trends in the levels of debt over the last 3 financial years as follows:

	2013	2014	2015
Forecast Public Debt (LTP)	\$48,086,000	\$49,890,000	\$52,120,000
Actual Public Debt	\$45,182,000	\$44,865,000	\$46,140,000
\$ Trend	-2,904,000	-5,025,000	-5,980,000
% Trend	-6.0%	-10.0%	-11.5%

These trends show that actual debt has continued to reduce against forecast levels over the last 3 years. Despite the significant capital investment and upgrades carried out as planned our relative increase in debt levels has been low indicating Council's prudent financial and debt management.

How Your Rates Were Spent

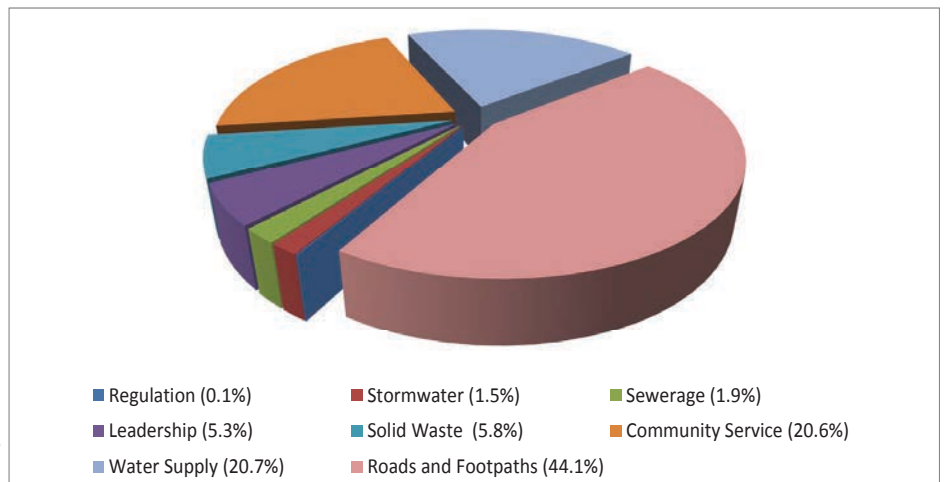


Capital Projects

We invested \$10.66 million in Capital Projects

Some key projects undertaken were:

- Road Maintenance and renewals,
- Emergency Roadworks,
- Development of Cell 2 and 3 at the Landfill,
- Extensive external works to all three Railway Station Buildings and internal restoration of Building 3,
- Refurbishment of upper floor of 28 Taupiri Street,
- Safety upgrades at the District pound,
- Railway security fencing,
- Carpark renewals adjacent to the Cultural and Arts Centre,
- Purchase of land for soakage field for Mokau Public Toilets,
- Stormwater renewals in Duke and George Streets and Hospital Rd Te Kuiti, and
- Completion of phase 1 and 2 of the Te Kuiti Water Treatment Plant Upgrade.



Overall Group Performance

The Group consists of Waitomo District Council and its 100% owned subsidiary Inframax Construction Limited and Inframax Construction Limited's 100% owned subsidiary Independent Roadmarkers Taranaki Limited.

The Group's overall performance for the year was an after-tax **profit of \$6.0 million.**

The initiatives put in place over the last several years have been successful and show in the improved financial performance of the subsidiary.

Inframax Construction Ltd and Independent Roadmarkers Taranaki Ltd have reported a net profit before tax of \$0.87 million for the year ended 30 June 2015. This is a positive result given the tough market conditions that these companies continue to operate under and is well up on the previous years combined net profit before tax of \$0.38 million.

This result is a reflection of the hard work and effort of the Board of Directors and Management.

Statement of Financial Position

At 30 June 2015 total equity for the Group was \$287 million.

There was an \$11.2 million increase in equity reflecting net asset increases due to:

- The Group's after tax profit of \$6.0 million.
- Current assets increased by \$1.9 million mainly due to an increase in cash and cash equivalents and inventory and this has been offset by a decrease in receivables.
- Current liabilities increased by \$10.3 million mainly due to an increase in the current portion of borrowings offset by a decrease in payables.
- Non current assets increased by \$10.2 million due mostly to an increase in property, plant and equipment and investment property.
- Non current liabilities decreased by \$9.4 million due mainly to a decrease in non current borrowings offset by an increase in derivative financial instruments.