



# Ashburton District Council

## Annual Report Summary

### 2019/20

# From the Chief Executive & Mayor

**Kia ora, welcome to our summary of the 2019/20 year. Undoubtedly, the single biggest challenge we, along with many others in our community and throughout the country, faced this year was the impact of the Covid-19 pandemic.**

The ripple effect this had on our business will continue for some time to come. While we worked hard to ensure our essential services continued to be delivered, with staff working from home and remotely during lockdown, COVID-19 affected our delivery of some services to the community. The EA Networks Centre, Ashburton Museum and the Ashburton Library were shut for seven weeks while New Zealand was in level three and four lockdown. This, in turn, reduced our revenue by \$588,000 in these activities.

We were heartened to see how quickly our community rallied through the pandemic. The way in which our residents continued with their business as usual, volunteered their time and supported one another is admirable. Through initiatives such as the Covid-19 Economic Recovery Advisory Group; and the Caring for Communities Welfare Recovery Group, we are all working collectively to understand areas of need and ensure that the district is well positioned to come out of this stronger than ever.

Alongside Covid-19, our work delivering services to the community has continued. This year we focused on ensuring our community is well informed about the work we do and included over 125 media releases, 196 videos and 5 significant consultations where we heard from over 500 people. Our major projects continued with solid progress made on the Library and Civic Centre, Ashburton CBD and the governments Three Waters Reform discussions.

There is much unknown about the final outcome of this reform, and what this will mean for the future delivery of Three Waters

services in the district. We will continue to keep the community informed of how this progresses and will consult with you before any major decisions are made.

Our operating result for the year resulted in a deficit of \$1.9 million before taxation and other comprehensive income. Total revenue was \$5.3 million below a budget of \$68.6 million.

Our financial performance in 2019/20 has seen us meet the goals of our financial strategy which focuses on prudence, stability, service and planning for the future. We have met eight of the ten goals of the government's mandatory financial affordability performance benchmarks. Primarily due to the impact of the Covid-19 pandemic we did not meet the balanced budgets and operations control benchmarks.

Finally, we would like to thank the hard-work, skills and efforts of many, including elected members, staff and volunteers this year. We look forward to working together in 2020/21 and beyond to continue to make Ashburton the district of choice for lifestyle and opportunity.



Hamish Riach  
Chief Executive



Neil Brown  
Mayor

*Hamish Riach*     *Neil Brown*

# Our district

## General

Population	35,400
Live in the town of Ashburton <sup>1</sup>	20,300
District area	6,175km <sup>2</sup>

## Open Space

Council owned open spaces	444ha
Sports fields	119ha
Neighbourhood playgrounds	28

## Infrastructure


Total roads	2,613km
Sealed roads	1,512km
Unsealed roads	1,101km
Bridges	186
Footpaths	245km
Council water supplies	12
Water pipes	497km
Wastewater pipes	185km
Stormwater pipes	44km
Stockwater races	2,028km

## Rating Information

Rating system	Capital value
Rateable properties	15,432
Total rateable value	\$18,821,361,800
Average rateable value	\$1,225,429
Date of district valuation	July 2018
Rates revenue	\$37,406,000
Total revenue	\$63,155,000

<sup>1</sup> Statistics New Zealand, Subnational Population Estimates

# Service performance

	Achieved	Not Achieved	Not applicable
 Drinking water	7	3	-
 Wastewater	8	-	-
 Stormwater	7	-	1 <sup>2</sup>
 Stockwater	4	-	-
 Transportation	6	4	-
 Waste reduction & recovery	1	2	-
 Community governance & decision making	3	1	-
 Economic development	1	1	1 <sup>3</sup>
 Community services	3	-	-
 Parks & open spaces	5	2	-
 Recreation facilities	5	6	-
 Regulatory functions	17	4	-
<b>TOTAL</b>	<b>67</b> (73%)	<b>23</b> (25%)	<b>2</b> (2%)

<sup>2</sup> Median response time to callouts was unable to be measured as there were no callouts in 2019/20.  
<sup>3</sup> Total visitor guest nights in our district was unable to be provided as Statistics New Zealand no longer undertakes the Accommodation Survey which is where this information was sourced.

# Local infrastructure

## ASHBURTON TOWN CENTRE UPGRADE

2019/20 has seen the Ashburton town centre upgrade start to become a reality. Work commenced in January 2020 to replace the drinking, stormwater and wastewater infrastructure. This has been completed along Cass Street, and along the eastern sections of Havelock, Tancred and Burnett Streets. It is expected the full project will be completed before Christmas 2021.



## DRINKING WATER

We provide twelve community drinking water supplies across the district, servicing approximately 10,500 homes and businesses.



- ▶ Eleven out of twelve drinking water supplies comply with bacteria compliance.
- ▶ All target response times to faults or unplanned work were met by contractors.
- ▶ Seven of the eight bore heads have now been raised to achieve compliance with DWSNZ bore water security. The final bore in Rakaia will be raised later in 2020.
- ▶ We had intended to build a reservoir for the Methven and Methven Springfield water schemes. The investigations took longer than expected and has only progressed to the detailed design phase. This project is now on track to be completed by the end of July 2021.
- ▶ We had planned a number of watermain renewals across the year, however, many of these were deferred or incorporated into the Ashburton town centre project.



## WASTEWATER

We provide three community wastewater schemes in the Ashburton District, servicing over 9,600 homes and businesses in Ashburton, Methven and Rakaia.



- ▶ All target response times to faults and unplanned work were met by contractors.
- ▶ Sewermain renewals were completed on Cameron Street and Chalmers Avenue.
- ▶ The Ashburton river crossing and pump project is well underway, due to be finished later in 2020.
- ▶ Initial site survey work and geotech investigations have been completed for the construction of the Ashburton relief sewer main. The timing of this project is awaiting confirmation of government support towards funding through the three waters reform.



## STORMWATER

We provide urban stormwater collection and disposal networks in Ashburton, Methven and Rakaia. Lake Hood and Hinds have small systems of swales and open drains.



- ▶ We had planned to construct a stormwater main and undertake the design of an attenuation and treatment facility on West Street. Due to the town centre project these projects were delayed and will be rescheduled as part of the Long-Term Plan 2021-31.



## STOCKWATER

In the Ashburton District there are five stockwater areas making up the stockwater race network of 2,058 km, supplying more than 1,340 properties on the Canterbury plains.



- ▶ There have been a steady stream of closure requests across the year, with 29.6 km of the network closed this year.
- ▶ The Water Race Network Advisory Group has now begun a trial of supplying stockwater through irrigation infrastructure.
- ▶ Floods in December 2019 resulted in the Cracroft intake on the Rangitata River becoming inoperable. An informal arrangement was made to extract water from the MHV Ltd race, and we are now in the process of making this arrangement permanent, including changing the consent.



## TRANSPORTATION

With one of the largest roading networks in the country, maintaining our roads is our most expensive job.



- ▶ We resurfaced 154 lane-km of roads. We also rehabilitated 10.8 lane-km of sealed rural roads, and applied 49,930 m<sup>3</sup> of road metal to 316 km of unsealed roads.
- ▶ We undertook a review of a number of speed limits across the district, and following public consultation, hearings and deliberations, reduced the speed limit on a number of roads, including to reduce the speed limit to 40 km/h outside all urban schools and 60 km/h outside all rural schools.



## WASTE REDUCTION & RECOVERY

Our rubbish and recycling service includes kerbside collections, resources recovery parks and community recycling facilities.



- ▶ During the Covid-19 lockdown, kerbside collections were able to continue as an essential service, however, recycling was sent to landfill as it was unable to be sorted. This resulted in additional costs of \$56,570 due to the additional 407 tonnes (or about 80 truckloads) of recycling sent to Kate Valley.



# Public services

## COMMUNITY GOVERNANCE & DECISION-MAKING

- ▶ Ten policies were reviewed and adopted by Council and we received feedback from 541 community members on the five topics we discussed with the community this year. We also advocated to central government on our community's behalf through twelve submissions made on topics that affect our district.
- ▶ In 2019/20 we gave out more than \$1.19 million in grants to community groups and organisations.
- ▶ Each year we undertake a survey of our community to get feedback on the activities and services we provide. This year we used a new provider – Key Research, who collected responses by inviting 4000 residents to complete an online survey across the year. We received feedback from 950 residents.



## ECONOMIC DEVELOPMENT

Economic development includes the Council-managed activities of commercial property, forestry and economic development, along with tourism delivered by the Council-Controlled Organisation (CCO) Experience Mid Canterbury.

- ▶ Work has begun on the development of 50 sections at the Ashburton Business Estate – the titles are expected by the end of 2020 / early 2021.
- ▶ We undertook earthquake strengthening and replaced the roof of the Tinwald Memorial Hall.
- ▶ This year we employed an in-house Economic Development Manager to implement the actions in the Economic Development Strategy.
- ▶ In response to the Covid-19 pandemic we set up an Economic Recovery Advisory Group and the Caring for Communities Welfare Recovery Group to support the economic and social recovery needs of our district.



## COMMUNITY SERVICES

We provide a range of services for the community, including public conveniences, memorial halls, reserves, camp grounds, Elderly Persons Housing, and community safety measures.

- ▶ With funding from the Ministry of Business, Innovation and Employment – Tourism Infrastructure Fund, we replaced the toilets at the Rakaia Salmon site.
- ▶ We now have a dedicated administrator who attends board meetings and acts as a direct contact within Council for the Reserve Board committee members.



## PARKS & OPEN SPACES

We manage and maintain 86 parks and reserves throughout the district.

- ▶ We installed adult exercise equipment in the Ashburton Domain this year.
- ▶ Restoration work was undertaken on the Cenotaph (war memorial) in Baring Square West.
- ▶ To coincide with the upgrade of the public toilets at the Rakaia salmon site, we consulted with the community and have now begun improvements to the full area – including landscaping, playground equipment, and interpretative signage. This was partially funded by the Rakaia Lions.



## RECREATIONAL FACILITIES

- ▶ The Burty Challenge, run through the school summer holidays, was expanded to include the Tinwald Domain, Tinwald Pool and Braebrook playground, along with the Ashburton Library, Museum and EA Networks Centre.
- ▶ Satisfaction amongst our community with the Ashburton Museum's services and programmes continues to increase, with a 5% increase in satisfaction, up to 94%.
- ▶ This year we took over the School Holiday Programme which was previously run by the Canterbury West Coast Sports Trust at the EA Networks Centre. Each day, over 40 children attended the programme.



# Regulatory functions

## REGULATORY COMPLIANCE

- ▶ This year we processed 766 Land Information Management (LIM) reports, processed 582 building consents, 814 Code of Compliance Certificates, 195 resource consents, 50 subdivision plans, and inspected 239 swimming pool fences.
- ▶ We also met with all 111 alcohol licensed premises and 109 registered food premises, registered 6,891 dogs, responded to 652 reports of found, wandering or barking dogs, and responded within two hours to all 467 occasions where noise control were called.



## REGULATORY SERVICES

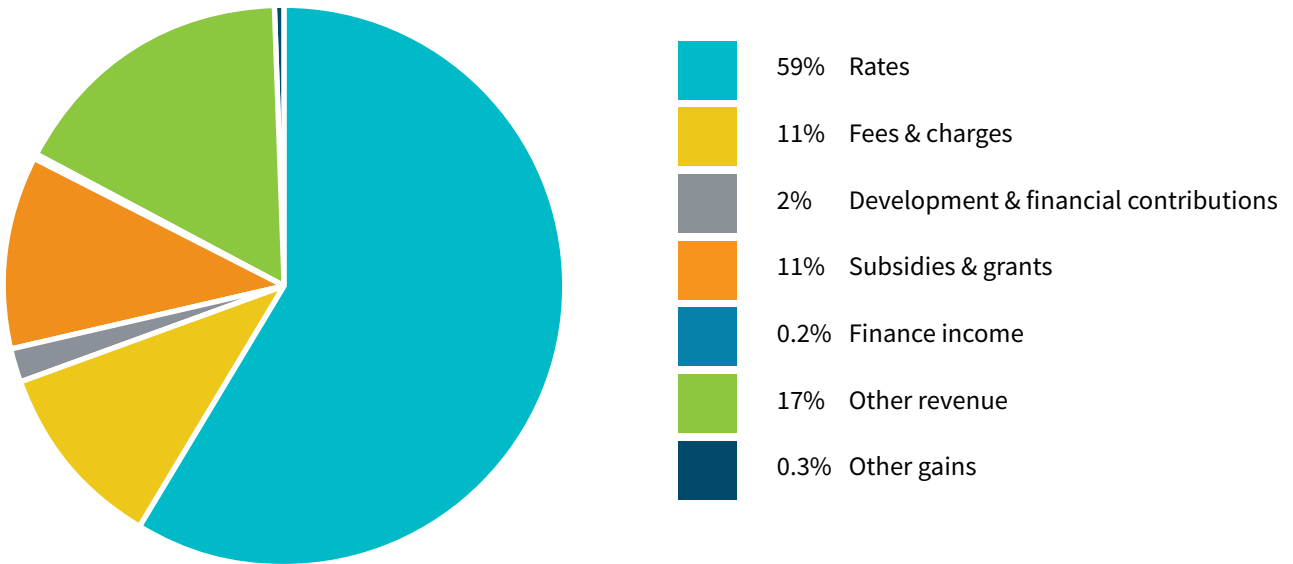
- ▶ Held a successful recruitment for an additional 30 civil defence volunteers. Due to Covid-19 their training was delayed, but will now commence in October 2020.
- ▶ Our staff helped during the Covid-19 pandemic lockdown in a number of ways including supporting meals-on-wheels deliveries, cleaning and administration tasks at the Covid-19 Community Based Assessment Centre at the hospital, and ringing all those aged over 70 years in our community.



# Financial performance

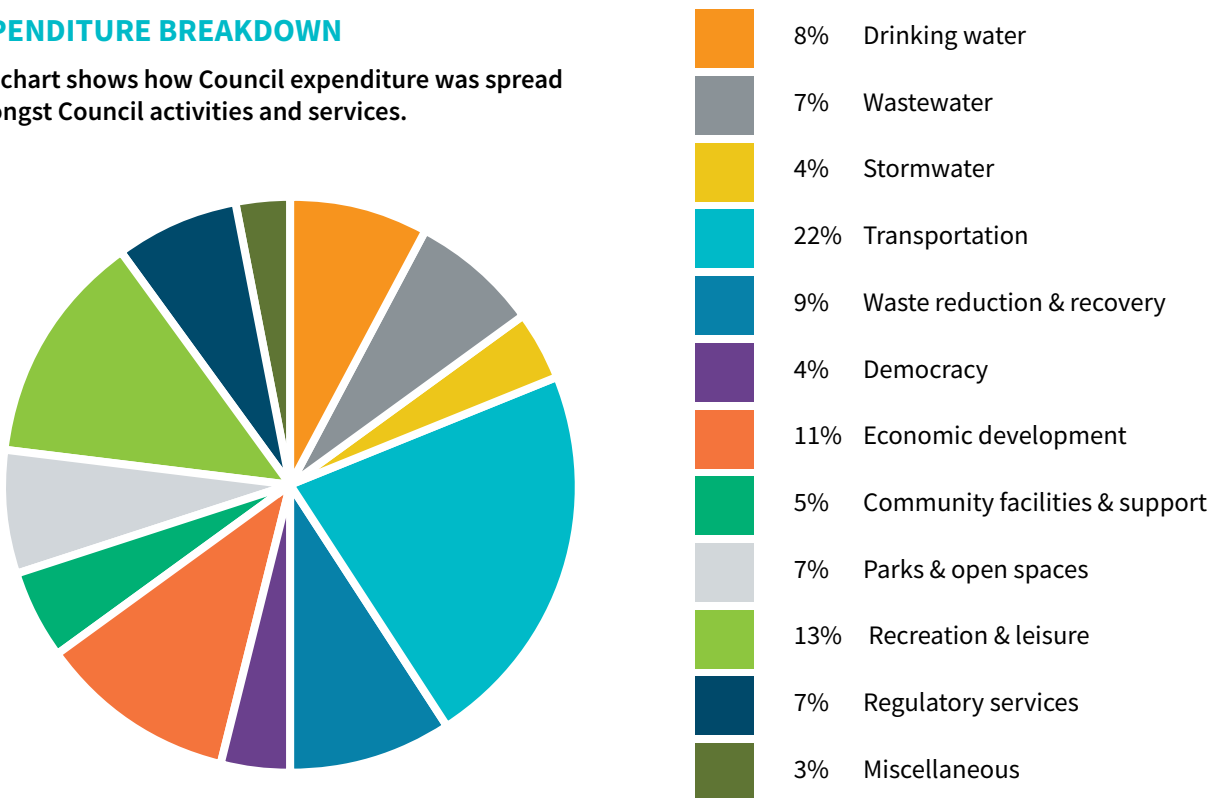
## REVENUE SUMMARY

The chart shows Council's sources of revenue for the 2019/20 year.



## EXPENDITURE BREAKDOWN

The chart shows how Council expenditure was spread amongst Council activities and services.





# Financial statements

## STATEMENT OF ACCOUNTING POLICIES

**The Ashburton District Council (the Council) is a territorial local authority established under the Local Government Act 2002 and qualifies as a public benefit entity (PBE) under the New Zealand equivalents to the International Public Sector Accounting Standards (IPSAS).**

The group consists of the Ashburton District Council and its wholly owned subsidiaries Ashburton Contracting Limited (Council Controlled Trading Organisation) and Experience Mid Canterbury (Council Controlled Organisation) and its in-substance subsidiary the Ashburton Community Water Trust. Its 20% equity share of its associate Rangitata Diversion Race Management Limited and its 33% equity share of its associate Eastfield Investments Limited are equity accounted. All Ashburton District Council subsidiaries and associates are incorporated and domiciled in New Zealand.

The financial statements of the Council and group are for the year ended 30 June 2020. The Council and group financial statements have been prepared in accordance

with the requirements of the Local Government Act 2002 (LGA), which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards. The functional currency of Ashburton District Council is New Zealand dollars and accordingly the financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000).

The financial statements were authorised for issue by Council on 23 December 2020. The summary financial statements do not include all disclosures provided in the full financial statements and cannot be expected to provide a complete understanding as provided by the full financial statements in the Annual Report 2019/20. A full copy of this report is available at [ashburtondc.govt.nz](http://ashburtondc.govt.nz) > Our Council > Plans and Strategies > Annual Report or from Council offices. The financial statements presented in this summary financial report have been audited by Audit New Zealand.



## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Revenue</b>					
Rates	37,406	37,101	35,244	37,406	35,244
Fees, charges	6,796	8,044	7,677	6,796	7,677
Development and financial contributions	1,382	1,359	1,382	1,382	1,349
Subsidies and grants	6,931	8,000	9,011	6,931	9,011
Finance income	120	626	674	256	788
Other revenue	10,486	12,421	14,976	28,795	35,123
Other gains	202	1,044	2,194	202	2,199
<b>Total revenue</b>	<b>63,323</b>	<b>68,595</b>	<b>71,125</b>	<b>81,768</b>	<b>91,391</b>
<b>Expenditure</b>					
Personnel costs	16,132	15,736	14,508	24,936	23,894
Depreciation and amortisation	16,169	15,605	15,586	17,409	16,796
Finance costs	1,453	1,946	1,741	1,651	1,931
Other expenses	27,545	26,118	26,236	35,499	35,191
Other losses	3,930	-	5,989	3,932	6,022
<b>Total expenses</b>	<b>65,229</b>	<b>59,405</b>	<b>64,060</b>	<b>83,427</b>	<b>83,834</b>
Share of associate's surplus/(deficit)	-	-	-	(72)	(52)
Surplus/(deficit) before taxation	(1,906)	9,190	7,066	(1,731)	7,505
Income tax expense/(revenue)	16	-	(10)	(47)	192
Surplus/(deficit) after taxation	(1,922)	9,190	7,076	(1,684)	7,313
Share of joint venture surplus/(deficit)	-	-	-	(841)	(734)
Surplus after tax and joint venture	(1,922)	9,190	7,076	(2,525)	6,579
<b>Other comprehensive revenue</b>					
<i>Items that will be reclassified to surplus/(deficit)</i>					
Financial assets at fair value	12	-	12	12	12
<i>Items that will not be reclassified to surplus/(deficit)</i>					
Gain/(loss) on infrastructure revaluation	24,673	18,010	(19,447)	24,673	(19,447)
Gain on land and buildings revaluation	-	-	-	159	69
Deferred tax on revaluation of buildings	-	-	-	(26)	(19)
<b>Total other comprehensive revenue</b>	<b>24,685</b>	<b>18,010</b>	<b>(19,435)</b>	<b>24,818</b>	<b>(19,385)</b>
<b>Total comprehensive revenue and expense</b>	<b>22,763</b>	<b>27,200</b>	<b>(12,359)</b>	<b>22,293</b>	<b>(12,806)</b>



## SUMMARY OF REVENUE AND EXPENDITURE VARIANCES

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Explanations for major variations (>\$1 million) from the Council's budget figures in its 2019/20 Annual Plan are as follows:

### REVENUE VARIANCES

#### ***Fees and charges are \$1.248 million below budget***

The main variances are in building consents, and levies which were \$0.7 million below budget, and fees and charges through the EA Networks Centre were \$0.6 million below budget. Building consents and levies reflected the reduced number of consents and values. EA Network Centre income was largely as a result of the Covid-19 April lockdown and the slow recovery of patronage with both May and June receipts being well below budget.

#### ***Subsidies and Grants were \$1.069 million below budget.***

Total subsidies from the New Zealand Transport Agency (WAKA KOTAHI) were \$1.7 million below budget. This is due to the delay in completing subsidisable roading and footpath work partially as a result of the Covid-19 lockdown that prevented work being done, and also other renewals transferred to the CBD upgrade, the bulk of which is being incurred in the 2020/21 year.

Offsetting this is the receipt of \$0.429 million of subsidy towards the cost of the new Rakaia public conveniences.

#### ***Other revenue was \$1.9 million below budget.***

The main variances were vested assets received at \$3.2 million against actual vested assets received of \$2.3 million, and land sales \$3 million against a budget of \$4.7 million.

### EXPENDITURE VARIANCES

#### ***Other expenses were \$1.428 million above budget***

There were a number of areas where costs were greater than budget. These included maintenance in water supplies up \$0.408 million and wastewater maintenance up \$0.173 million.

#### ***Other losses were \$3.2 million against a zero budget***

These losses are non-cash losses not budgeted for. They include a loss on changes in fair value of interest rate swaps (\$1.087 million) and \$1.273 million on loss of disposal of property plant and equipment.

#### ***Other comprehensive revenue***

Gains on infrastructure revaluations were \$6.663 million greater than budget. The revaluations were much higher than the values estimated at the time of preparing the 19/20 annual plan budget.

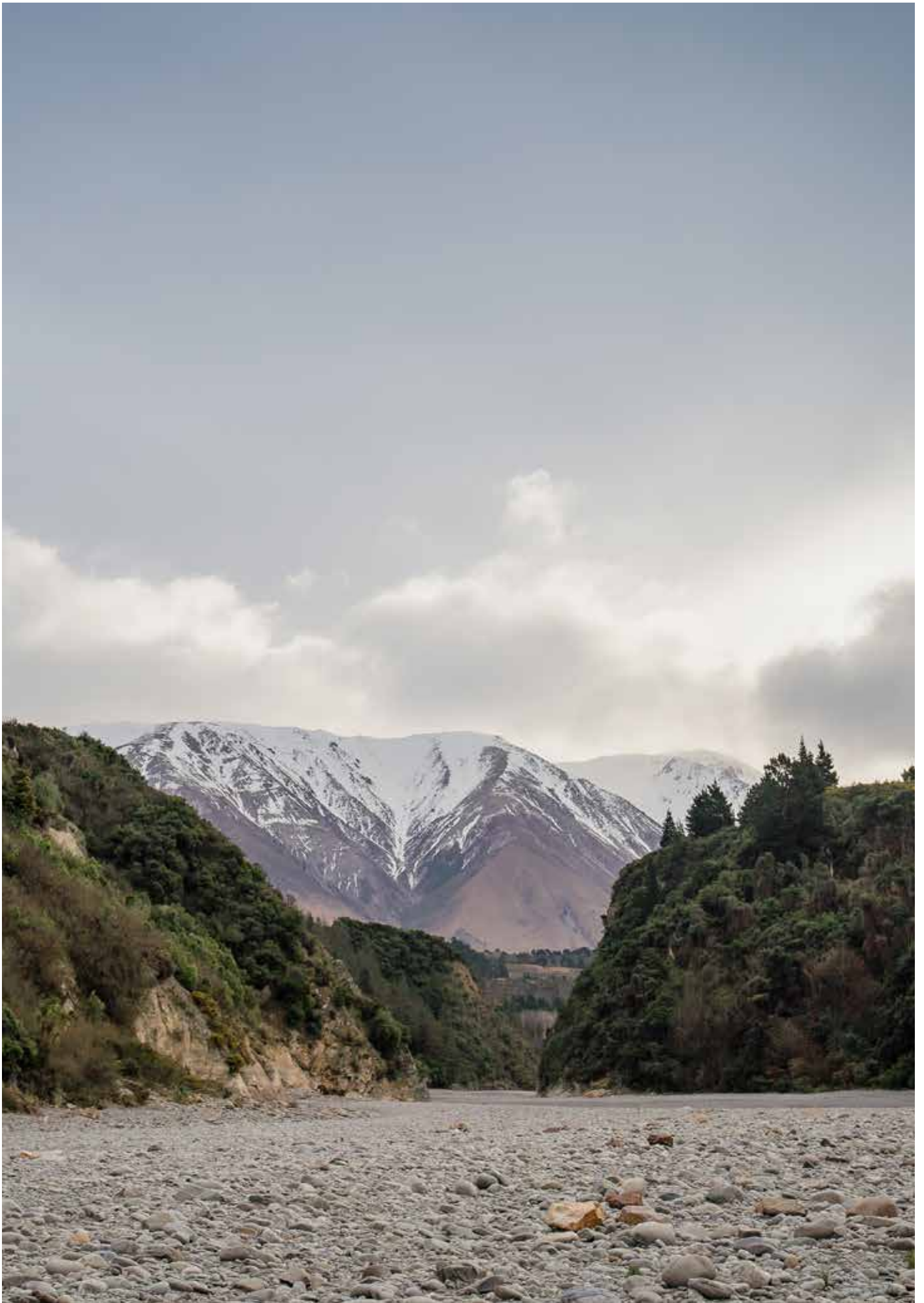
#### ***Balance sheet variances greater than \$5 million***

#### ***Property Plant and Equipment is \$67.8 million below budget.***

The budget for 2019/20 was prepared before the 30 June 2019 valuation of infrastructural assets. The 2019 valuation resulted in a write down of \$19.4 million of value (mainly as a result of bridges being revalued down). In addition there is a large value of work in progress of \$16.5 million in asset additions on major projects not completed as at 30 June 2020. Further, the capital expenditure programme for the year was not completed and has resulted in a Council approved carry-over of capital expenditure of \$14.5 million from the 19/20 year to the 20/21 year.

#### ***Borrowings are \$14.6 million below budget***

Total borrowings (both current and non-current) as at 30 June 2020 were \$42.1 million against a budget of \$56.8 million. Internal borrowings were used during the year (instead of external borrowings) and many capital expenditure projects were not completed resulting in budgeted loans no longer required in the 19/20 year.



# Impact of Covid-19

**On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as Covid-19, with the outbreak declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020.**

The next day the country was put into Alert Level 4 and effectively lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

## **Impact on work programmes**

While lockdown prevented delivery of on the ground services, during Level 4 and Level 3 most of our staff were able to work from home either in a business as usual mode, or focused on the Covid-19 response and training. During Level 2, most of our business activity resumed with the required health and safety protocols in place and our staff began returning to their usual place of work. Level 1 predominantly saw a return to pre Covid-19 activity.

Work on most of our major capital projects resumed on 28 April 2020 following the move to Level 3. The lockdown has delayed the completion date of many of our capital projects. Significant capital projects that were delayed by 4-6 weeks include the CBD redevelopment project, the Ashburton wastewater river crossing pipeline project and the Ashburton wastewater pump station project.

Maintenance work at the EA Networks Centre was brought forward and completed during the Level 3 closure, which has removed the need for a later planned closure.

## **Impact on financial reporting and budgeting**

The effect of the lockdown period was most strongly felt in the revenue of the EA Networks Centre, which was closed to the public during Level 4 and Level 3. While the EA Networks Centre was open to the public during Level 2, there was not a return to a pre Covid-19 level of patronage. The lockdown caused a decrease of \$423,000 in revenue for the year to 30 June 2020. The numbers coming into the EA Networks Centre post balance date have not completely returned to the pre-Covid-19 levels, so the 2020/21 revenue may also be lower than expected. The lockdown period also created delays on capital projects, which led to \$409,000 of additional payments to contractors due to contract variations.

The potential future impacts of Covid-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. To mitigate this potential issue, in April 2020 the Council reassessed its draft 2020-2021 Annual Plan, and chose to reduce the rate income for the 2020/21 year. Our Long-Term Plan had predicted that the average rates increase for 2020/21 would be 5%, but the Council agreed to reduce this to 2.5%. This reduction was achieved by examining all budgets and identifying areas where costs could be frozen or reduced.

Council also agreed to reduce the rates penalty from 10% to 5% for the first two instalments of the 2020/21 year, and waived the "only one rates penalty remission in any 24 month period" rule for the 2020/21 year.

## STATEMENT OF FINANCIAL POSITION

As at 30 June	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Current assets</b>					
Cash and cash equivalents	7,346	8,787	10,586	7,468	9,548
Receivables	5,877	4,041	6,958	9,787	12,671
Other financial assets	-	-	-	-	-
Local Authority stocks and bonds	2,137	3,112	2,124	2,137	2,124
Inventories	70	91	75	1,766	1,409
Income tax receivable	-	-	-	-	-
Property inventory	306	159	306	306	306
Property intended for sale	479	-	870	479	870
<b>Total current assets</b>	<b>16,215</b>	<b>16,190</b>	<b>20,919</b>	<b>21,943</b>	<b>26,928</b>
<b>Non-current assets</b>					
Receivables	-	-	-	-	9
Deferred taxation asset	25	-	41	298	301
Other financial assets	1,047	935	967	1,058	978
Investment in council controlled organisations	4,595	4,595	4,595	-	-
Investment in associate	1,795	1,795	1,795	2,856	2,964
Property inventory	2,695	2,450	2,836	2,695	2,836
Investment properties	33,044	37,628	34,633	33,044	34,633
Forestry assets	5,554	5,280	5,795	5,554	5,795
Intangible assets	1,170	1,203	831	2,173	1,308
Property, plant and equipment	747,455	815,229	722,288	758,714	732,763
Work in progress	16,514	-	4,668	16,514	4,668
Share of joint venture	-	-	-	4,422	5,264
<b>Total non-current assets</b>	<b>813,894</b>	<b>869,115</b>	<b>778,449</b>	<b>827,328</b>	<b>791,519</b>
<b>Total assets</b>	<b>830,109</b>	<b>885,305</b>	<b>799,368</b>	<b>849,271</b>	<b>818,447</b>
<b>Current liabilities</b>					
Payables and deferred revenue	12,155	9,676	10,505	12,933	12,108
Employee benefit liabilities	1,519	1,628	1,161	2,413	1,954
Landfill aftercare liability	15	15	15	15	15
Borrowings	25,136	3,100	15,135	27,495	15,563
Tax payable	-	-	-	76	183
Derivative financial instruments	-	-	-	-	-
<b>Total current liabilities</b>	<b>38,825</b>	<b>14,419</b>	<b>26,816</b>	<b>42,932</b>	<b>29,823</b>
<b>Non-current liabilities</b>					
<b>Non-current liabilities</b>					
Payables and deferred revenue	410	-	440	410	447
Employee benefit liabilities	364	462	334	426	385
Landfill aftercare liability	158	156	141	158	141
Deferred taxation liability	-	-	-	678	878
Derivative financial instruments	3,199	813	2,111	3,199	2,111
Borrowings	17,000	53,662	22,136	18,279	23,767
<b>Total non-current liabilities</b>	<b>21,131</b>	<b>55,093</b>	<b>25,162</b>	<b>23,150</b>	<b>27,729</b>
<b>Total liabilities</b>	<b>59,956</b>	<b>69,512</b>	<b>51,978</b>	<b>66,082</b>	<b>57,552</b>
<b>Equity</b>					
Ratepayers equity	461,136	477,948	463,348	472,749	475,564
Other reserves	309,017	337,845	284,042	310,440	285,331
<b>Total equity</b>	<b>770,153</b>	<b>815,793</b>	<b>747,390</b>	<b>783,189</b>	<b>760,895</b>
<b>Total liabilities and equity</b>	<b>830,109</b>	<b>885,305</b>	<b>799,368</b>	<b>849,271</b>	<b>818,447</b>

## STATEMENT OF CASH FLOWS

For the year ended 30 June	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Cash flows from operating activities</b>					
Receipts from customers	59,753	59,740	62,795	78,689	82,267
Interest received	188	626	731	324	846
Dividends received	925	971	1,419	604	664
Payments to suppliers and employees	(42,037)	(39,196)	(39,407)	(58,662)	(57,171)
Sale of council subdivisions	1,981	3,670	-	1,981	-
Interest paid	(1,453)	(1,946)	(1,741)	(1,649)	(1,931)
Net GST (paid)/received	862	-	(372)	797	(412)
Income tax	(16)	-	10	(247)	(443)
Net cash flow from operating activities	20,203	23,865	23,435	21,837	23,820
<b>Cash flows from investing activities</b>					
Sale of property, plant and equipment	191	200	119	191	257
Sale/maturing of shares and investments	137	-	10,945	137	10,945
Advances repayments	-	-	-	-	-
Purchase of property, plant and equipment	(28,636)	(43,974)	(26,295)	(31,146)	(27,724)
Purchase of intangible assets	-	(244)	-	(17)	(11)
Purchase of shares and investments	-	-	(10,000)	-	(10,007)
Related party loan	-	-	-	-	-
Advances	-	-	-	473	(534)
Net cash flow from investing activities	(28,308)	(44,018)	(25,231)	(30,362)	(27,074)
<b>Cash flows from financing activities</b>					
Loans raised	20,000	15,338	12,000	22,000	12,433
Loan repayments	(15,135)	(2,565)	(12,135)	(15,555)	(12,624)
Net cash flow from financing activities	4,865	12,773	(135)	6,445	(191)
<b>Net increase/(decrease) in cash held</b>	(3,240)	(7,380)	(1,931)	(2,080)	(3,445)
Add opening cash resources	10,586	16,169	12,514	9,548	12,991
<b>Total closing cash resources</b>	7,346	8,789	10,583	7,468	9,546



## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the year ended 30 June	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
Balance at 1 July	747,390	788,592	759,752	760,896	773,702
Total comprehensive income	22,763	27,201	(12,359)	22,293	(12,807)
Balance at 30 June	770,153	815,793	747,390	783,189	760,895

## OPERATING AND CAPITAL COMMITMENTS

	Council 2020 Actual \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Operating</b>				
Roading	1,573	934	1,573	934
Footpaths	26	21	26	21
Wastewater/stormwater/water maintenance	108	3	108	3
Solid waste management	19,460	19,794	19,460	19,794
Public Conveniences	-	-	-	-
Information Technology	178	260	178	260
Parks	124	-	124	-
Parking	-	-	-	-
EA Centre- Gymnasium	65	108	65	108
Property	7,020	285	7,020	285
Total operating commitments	28,553	21,405	28,553	21,405
Less than one year	11,539	4,263	11,539	4,263
Between one and two years	3,504	3,289	3,504	3,289
Between two and five years	6,168	6,335	6,168	6,335
Greater than five years	7,342	7,518	7,342	7,518
	28,553	21,405	28,553	21,405
<b>Capital</b>				
Ashburton Contracting Limited Property Plant & Equipment	-	-	186	-
Roading	17,053	3,221	17,053	3,221
Footpaths	-	99	-	99
Wastewater/stormwater/water	278	71	278	71
Information Technology	-	242	-	242
Parks	145	-	145	-
Commercial property	130	414	130	414
Total capital commitments	17,606	4,047	17,792	4,047

## CONTINGENT ASSETS AND LIABILITIES

	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Contingent Liability	-	-	-	-
Performance Bonds	-	-	200	148
Guarantees	-	-	-	1,729
Total contingent liabilities	-	-	200	1,877





## Independent Auditor's Report

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

The summary of the annual report was derived from the annual report of the Ashburton District Council and Group (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 3 to 7 and pages 9 to 16:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

### Opinion

In our opinion:

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

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2020 in our auditor's report dated 23 December 2020. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to

the disclosures about the impact of Covid-19 on the District Council as set out in the full annual report in note 50 on pages 202 to 203 to the financial statements. An extract of some this information is included in the summary of the annual report on page 13. We drew specific attention to the following matter due to the significant level of uncertainty caused by Covid-19:

- ***Investment property***

Note 20 on page 157 of the full annual report describes the material valuation uncertainties highlighted by the valuers, related to estimating the fair value of the District Council's investment property.

### **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

### **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS-43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.



Dereck Ollsson  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
23 December 2020

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Copies of the full Annual Report can be found online at [ashburtondc.govt.nz](http://ashburtondc.govt.nz) or from the **Council administration office, 5 Baring Square West Ashburton**. You can also phone 03 307 7700 or email [info@adc.govt.nz](mailto:info@adc.govt.nz).

