

Expenditure for the year was \$24.6m compared with the budget of \$24.6m.	\$8m Capital Works were completed during the year.	Council has a positive net operating surplus of \$0.5m versus a budget of \$0.4m.	Total assets of \$349m.
Income for the year was \$25m compared to the budget of \$25m.	Net Debt of \$10.6m versus budget of \$13.4m.		

An Overview of our Financial Performance

Council has had a pleasing financial result with an operating surplus of \$0.5m versus a budgeted operating surplus of \$0.4m. This was despite several unforeseen events beyond Council's control which impacted on operating expenditure.

Operating Revenue
 Total Revenue was \$25.1m compared to a budget of \$25.1m. The following movements made up the performance:
 • Greater financial assistance than budgeted (\$0.4m);
 • Unanticipated Reserves and Development Contributions (\$0.5m);
 • Vested assets (\$256,000);
 • A gain on derivative contracts (\$0.4m);
 • Offset by lower fees and charges than budget (\$0.8m) mainly in building and planning (\$0.4m) due to a downturn in economic activity; and
 • A lower distribution from the holding company (\$175,000).

Operating Expenditure
 Operating expenditure was \$24.6m compared to a budget of \$24.6m. This is indicative of a well-controlled fiscal environment given that Council faced several significant storm events during 2013/2014. Main Drivers of the lower operating expenditure were:
 • The October 2013 Inangahua River flooding necessitated remedial work to direct the river away from the landfill (\$130,000);
 • Over Easter 2014, Cyclone Ita brought heavy rain and winds to the Buller coastal area. This caused damage to roads and clean-up effort in Westport and Karamea in Roading (\$250,000) and Parks and Reserves (\$85,000);
 • A further significant rainfall event (May 2014) caused damage to the Karamea Highway.
 Lower depreciation to budget (\$619,000).
 • Finance costs less than budgeted due to the repayment of debt (\$56,000).
 • Planned reduction in building and planning operating expenditure totalling (\$223,000) to offset the lower income received.
 • There was no requirement to adjust for a budgeted impairment of investments in Buller Holdings (\$696,000).

However these reductions in expenditure were offset by:
 • Loss on the revaluation of investment property (\$55,000);
 • Loss on the sale of leasehold land (\$70,000);
 • Assets written-off (\$669,000).

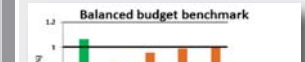
Capital Expenditure
 Council spent \$8m on infrastructure assets compared to a budget of \$10.7m. Of this \$3.6m improved the level of service for the community and \$4.4m replaced existing assets. A budget of \$2.5m is to be carried forward to complete the Westport and Karamea water supply upgrades. This was offset by unbudgeted expenditure for the construction of a rock wall in the Inangahua River (\$189,000) and a budget over run on the construction of the Pensioner Housing in Karamea (\$145,000).

Increases in Levels of Service
 • \$2.8m was spent on drinking water supply upgrades (mainly in Westport and Karamea).
 • Construction and fitout of Karamea housing for the elderly (\$54,000).

Replacement of Assets
 Replacement of assets were mainly in the following areas:
 • Rural fire vehicle for Seddonville (\$153,000)
 • Roading (\$2,019m)
 • Water (\$0.5m)
 • Wastewater (\$0.3m)
 • Stormwater (\$147,000)
 • Solid Waste (\$242,000)
 • Community Services (\$640,000)
 • Property Management, Amenities and Reserves (\$182,000)
 • Support Services, IT Services (\$176,000)

Financial Prudence Benchmarks
 On 1 May 2014 the Government (Financial Reporting and Prudence) Regulations 2014 were introduced. These regulations seek to assist in identifying local authorities where further enquiry is warranted in relation to their financial management, and promote prudent financial management by local authorities. There are three categories: affordability, sustainability and prudence.

Council has included some benchmarks and explanations as to why a benchmark has not been met from each of the categories in this Summary Annual Report:



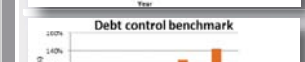
Council has showed a definite improvement in its financial discipline over time.
 2010/2011: Higher expenses associated with Westport water, Reefion water, Westport sewerage, NIS theatre and Buller Recreation Limited. Expenditure relating to the transfer of operations to Westport Harbour Limited.
 2011/2012: Impairment of Council's shareholding in Buller Recreation Ltd, changes in accounting treatment of Council maintenance expenditure, assets write-offs and loss on derivative contracts.
 2012/2013: Grant for the fitout and associated assets to the Coaltown Trust. Costs associated with high profile mining consents.
 2013/2014: One-off events such as extra repairs and maintenance as a result of Cyclone Ita. Also lower income from Fees and charges due to an economic slowdown.



Higher net debt to that forecasted in the LTP for years 2012/2013 and 2013/2014 is due to acceleration of the Westport Water supply drinking water upgrade.



More than 35% of Council's income has come from income other than rates.



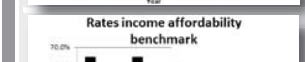
This graph indicates that despite increased debt, Council is operating well within the benchmark.



Benchmarks achieved



Benchmarks not achieved



Benchmarks not achieved



Benchmarks not achieved

Our Key Performance Measures

Target	Actual	Achieved
Democracy		
90% attendance by Council members at 2013/2014: 94% attendance by members at Council meetings (2012/2013: 89%).		●
Community Services		
Maintain or increase active library members 2013/2014: 3,259 active members, membership increase of 3.7% (2012/2013: by 0.4% per annum.	3,143, a decline of 3.2%.	●
Occupancy of NBS cinema – 25% per month. 2013/2014: 28.5% occupancy per month (2012/2013: 17.04%).		●
All Council grants and national funding distributed in accordance with policies. 2013/2014: National funding distributed 98% (2012/2013: 96%). Council grants distributed 99.4% (2012/2013: 94%).		●
Regulatory Services		
Process all building consent within 20 working days and LIM's within 10 working days. 2013/2014: 352 building consents issued, 99.43% within statutory timeframe days and LIM's within 10 working days. 2012/2013: 450 consents, 99%, 147 LIM's 100% (2012/2013: 172 LIM's: 100%).		●
Process non-notified resource consents within 20 days. 2013/2014: 1000 achieved within statutory timeframes (2012/2013: 100%).		●
Investigate all annual related complaints: 100%. 2013/2014: 399 complaints investigated; 100% achieved (2012/2013: 418 complaints: 100% achieved).		●
Amenities & Reserves		
Weekly safety and maintenance inspections 2013/2014: 100%. The contractor completed weekly safety checks on all playground equipment 100%. 2013/2014: 100% achieved (2012/2013: 100%).		●
90% occupancy for elderly housing. 2013/2014: 98.3% occupancy of elderly housing (2012/2013: 97%).		●
Roading & Urban Development		
Annually audit 10% of the roading network. 2013/2014: Audit covered 92.22km which is 15% of the network. The audit found that the road was in a well maintained condition (2012/2013: 46km: 8%).		●
Average sealed road NASSRA roughness less than 120. 2013/2014: Road roughness survey was completed in May 2014 and resulted in roughness of 87.2 (2012/2013: 87.9).		●
Water Supplies		
Seven water supplies will comply with 2013/2014: The Council programme in the Long Term Plan allows for all seven Drinking Water Standards 2005 (revised water supplies, with the exception of Mokihini, to be upgraded to meet the Drinking Water Standards in accordance with the Health Act, this will, however, only be achievable if Council receives financial assistance. 2013/2014: As at balance date Reefion and Punakaiki were not fully compliant as upgrades had not been finally commissioned. 2013/2014: The Waingarua and Ngakawau/Hector water supplies have funding approved and the upgrades will be completed in 2014/2015.		●
Karamea CAP funding application was successful and now community consultation is programmed for September 2014.		●
No confirmed E coli contamination. 2013/2014: A total of 17 E-coli tests were recorded showing contamination (14 from Punakaiki, 4 from Reefion) (2012/2013: 21 tests showed contamination). 2013/2014: For the Reefion and Punakaiki water supply transgressions there was a permanent 'boil water' notice in place during commissioning and operational issues, which have since been resolved. 2013/2014: Water was supplied for 99.9% of the time (mainly only) (2012/2013: 99.6%).		●
Water supplied 99% of the time. 2013/2014: There were 7 occasions when water was provided on low pressure because of repairs being undertaken (2012/2013: 2 occasions).		●
Solid Waste		
Reduce total amount of waste (tonnes) sent to landfill by 5% per annum. 2013/2014: Reduction over the last 12 months is 12% (2012/2013: residual waste reduced by 1%).		●
Wastewater & Stormwater		
No more than one blockage per kilometre of pipeline 2013/2014: 0.253 blockages per kilometre of pipeline (2012/2013: 0.32 blockages per kilometre).		●
No more than 10 overflows throughout the 2013/2014: 2 overflows during the last twelve months, as a result of blocked property connection pipes (2012/2013: 13 sewerage overflows).		●

Benchmark achieved ● Benchmark not achieved ●

Independent Auditor's Report

To the readers of Buller District Council's and Group's Summary Annual Report for the year ended 30 June 2014

The summary annual report was derived from the annual report of the Buller District Council (the District Council) and group for the year ended 30 June 2014. 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:
 • the summary statement of financial position as at 30 June 2014;
 • the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
 • 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 Performance Measures) 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 29 October 2014.

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 audit 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 29 October 2014 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.

John Mackey
 Audit New Zealand
 On behalf of the Auditor General
 Christchurch, New Zealand
 7 November 2014

Summary Financial Statements for the Year Ended 30 June 2014

	Parent 2013/2014 Actual \$'000	Parent 2013/2014 Budget \$'000	Parent 2012/2013 Actual \$'000	Group 2013/2014 Actual \$'000	Group 2012/2013 Actual \$'000
Summary Statement of Comprehensive Income for the Year Ended 30 June 2014					
Total Operating Revenue 1, 3	25,116	25,071	26,584	29,376	30,914
Total Operating Expenditure 2, 4	24,623	24,639	25,508	29,498	29,830
Net Surplus (Deficit) Before Taxation	492	432	1,076	(123)	1,086
Income Tax Expense	0	0	0	(89)	(30)
Net Surplus (Deficit) After Taxation	492	432	1,076	(34)	1,116
Other Comprehensive Income - Increase in Asset Revaluation & Other Reserves	8,744	14,300	8	9,107	8
Total Comprehensive Income	9,236	14,732	1,084	9,073	1,124

	2014	2013	2012	2011	2010
Summary Statement of Changes in Equity for the Year Ended 30 June 2014					
Equity As At 1 July	309,906	310,947	308,821	308,209	307,085
Total Comprehensive Income	9,236	14,732	1,084	9,073	1,124
Equity At The End Of The Year	319,141	325,679	309,906	317,282	308,209
Accumulated Funds	171,120	173,541	171,741	168,217	169,364
Reserves	3,836	2,405	2,723	3,836	2,723
Asset Revaluation Reserve	144,185	149,733	135,441	145,229	136,122
Total Equity	319,141	325,679	309,906	317,282	308,209

	2014	2013	2012	2011	2010
Summary Statement of Financial Position As At 30 June 2014					
Total Current Assets	18,131	20,870	20,072	20,990	22,577
Total Non Current Assets	331,240	343,568	321,447	329,024	319,769
Total Assets	349,371	364,438	341,519	350,014	342,346
Total Current Liabilities	4,593	7,759	3,854	5,564	4,701
Total Non Current Liabilities	25,637	31,000	27,760	27,168	29,436
Total Equity	319,141	325,679	309,906	317,282	308,209
Total Liabilities And Equity	349,371	364,438	341,519	350,014	342,346

	2014	2013	2012	2011	2010
Summary Statement of Cash Flows For The Year Ended 30 June 2014					
Net Cash Inflow (Outflow) from Operating Activities	6,918	7,137	4,690	8,420	6,480
Net Cash Inflow (Outflow) from Investing Activities	(4,548)	(12,303)	(7,218)	(5,117)	(8,325)
Net Cash Inflow (Outflow) from Financing Activities	(1,955)	3,937	2,626	(1,955)	2,626
Net Increase (Decrease) in Cash Held	415	(1,233)	98	1,348	781
Opening Cash Balance At 1 July	2,084	2,812	1,986	3,341	2,560
Closing Cash Balance	2,499	1,581	2,084	4,689	3,341

- 1 - Includes derivative contract gains: 371 0 469 371 469
- 2 - Includes finance costs of: 1,505 1,561 1,322 1,505 1,248
- 3 - Includes gains on revaluations of investment land 0 270 0 0 0
- 4 - Includes loss on revaluations of investment land 505 0 132 505 132

Notes to the Summary Financial Statements

- Part 6 Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of information contained in its full financial report.
- Figures reported in the summary are presented in New Zealand dollars and are rounded to the nearest thousand dollars amount.
- Comparative information for the previous reporting period is shown for all items disclosed in the summary financial statements, except when such information is not disclosed in the full financial statements.
- The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 29 October 2014. This summary has been prepared in accordance with FRS 43 (PBE): Summary Financial Statements.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The report dated 29 October 2014 has received an unqualified audit report. A copy of the financial report may be obtained from the Council's Offices or on the Council's website (www.bullerdc.govt.nz).
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unmodified auditor's report is included with this summary.
- The information included in the summary financial report has been extracted from the audited full annual report and authorised for issue by the Chief Executive on 7 November 2014.
- Council's summary financial report has been prepared in accordance with NZ GAAP.
- Council's full financial statements have been prepared in accordance with NZ IFRS. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.
- There have been no changes in accounting policies for the period.
- Post Balance Date Events
 There are no significant events occurring after balance date that impact on the reported financial information for the year ended 30 June 2014 for Buller District Council and the Group (2013: nil).
- Contingent Liabilities
 Contingent Liabilities for the Council and Group are as follows:
 • Council has a suspensory loan as at 30 June 2014 of \$400,000 owing to Housing New Zealand. If Council decides not to proceed with planned pensioner housing upgrades then this amount is required to be paid back (2013: \$400,000).
 • Council has provided the Coaltown Trust with a guarantee for \$500,000.
 • Council has no outstanding lease hold claims for which Council may be liable (2013: no leaky home claims).
 • There was a claim against Council in 2012/2013 by a commercial property owner. The owner claimed a building that they purchased in 2007 should not have been signed off as meeting earthquake standards by Council when it issued a building consent for alterations performed on the building in 2007. The matter is being handled by Council's insurers and Council's exposure is limited to the excess on Council's insurance policy.
 • Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for a significant share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation. Westport had \$651,000 in Bonds outstanding with Westpac (2013: \$64,000