


Wairoa District Council

SUMMARY ANNUAL REPORT

2009-2010



Adopted 14 December 2010

 *Te Wairoa Hōpūpū Hōnengenenge
Matangirau*



JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Welcome to readers of the Wairoa District Council Annual Report.

The delay in adopting these accounts is sincerely regretted.

Overall Council completed the year with a surplus of \$916,000 (2009 - \$334,000).

A 2% increase in rates revenue (\$173,000), increase in subsidies (\$1,912,000) and improved investment income (\$93,000) were partially offset by increases in operating costs (\$1,456,000) and decreases in fees and charges of \$77,000.

Working capital remained essentially the same at \$18,776,000 (2009 - \$18,876,000) as did net cash flow from Operations, \$5,993,000.

Capital Expenditure increased to \$5,804,000 (\$2009 - \$4,411,000) and there was a net increase in financial assets of \$1,422,000.

All the above led to a decrease in cash balances of \$959,000.

Performance Management

Of the 184 identified service levels and targets, 145 were achieved, a new score of 78% compared with 72% last year.

Quality Roothing and Services (Wairoa) Limited

Quality Roothing and Services (Wairoa) Limited Annual Report shows an operating surplus before tax of \$842,000. The after tax profit was \$569,000 which represents a 10.9% return on equity of \$5.23 million. A dividend of \$140,000 has been provisionally declared.

Mahia Community Waste Water Scheme

Resource Consents for both Mahia Beach and Opoutama Schemes were submitted by the Ministry of Health deadline of 31 December 2009.

Council requested and HBRC approved the referral of the Mahia Beach Scheme directly to the Environment Court. The hearing was held on November 1-5. A decision is awaited.

The Resource Consent for the Opoutama Scheme was combined with a Notice of Requirement for a designation to establish a new road access route and these hearings were held 30-31 August 2010. There are appeals and these are currently being mediated.

Roothing

670m	new roads added to inventory
1.46km	rehabilitated roads
19.76km	resurfaced roads
9.7km	unsealed road metal buildup

Stormwater

830m open drains piped

We acknowledge the contribution of Councillors, Staff, Consultants and Contractors in completing the year's work programme.



L Probert JP
MAYOR



P J Freeman
CHIEF EXECUTIVE OFFICER

COMMUNITY OUTCOMES

The Local Government Act 2002 requires Council to report measures taken and progress made towards achieving the community outcomes stated in the LTCCP at least once every three years

Survey results relating to Outcomes:

Is Wairoa a better place to live than it was three years ago? (All Outcomes)				Is Wairoa District generally a safe place to live? (A safe and secure community)			
	2008	2009	2010		2008	2009	2010
Yes	33%	38%	31%	Yes, definitely	41%	36%	33%
The Same	53%	51%	54%	Yes, mostly	50%	54%	58%
Worse	8%	6%	12%	Not really	7%	8%	6%
Unable to comment	6%	5%	4%	No, definitely not	1%		1%
				Unsure	1%	2%	2%

Satisfaction with the way in which Council involves the public in the decisions it makes. (Strong leadership and a sense of belonging; Supportive, caring and valued communities)				Quality of Life (All Outcomes)			
	2008	2009	2010		2008	2009	2010
Very satisfied	7%	10%	11%	Very Good	38%	35%	38%
Satisfied	52%	44%	53%	Good	45%	50%	44%
Neither satisfied nor dissatisfied	24%	26%	21%	Fair	14%	13%	13%
Dissatisfied	14%	9%	9%	Poor	3%	2%	4%
Very dissatisfied	2%	4%	3%	Don't know			1%
Don't know	1%	7%	4%				

Community Spirit. (Supportive, caring and valued communities)				Natural Environment (An environment that is appreciated, protected and sustained for future generations)			
	2008	2009	2010		2008	2009	2010
Very good	33%	36%	32%	Very satisfied	25%	23%	23%
Good	42%	46%	45%	Satisfied	46%	53%	54%
Neither good nor bad	20%	15%	17%	Neither satisfied nor dissatisfied	13%	9%	11%
Not very good	2%	3%	5%	Dissatisfied	13%	8%	9%
Poor	1%		1%	Very dissatisfied	3%	4%	1%
Don't know	2%			Don't know		3%	2%

Health Services. (A lifetime of good health and wellbeing)				Education Services (A strong, thriving and prosperous economy)			
	2008	2009	2010		2008	2009	2010
Very satisfied	23%	26%*		Very satisfied	12%	10%*	
Satisfied	44%	37%		Satisfied	46%	46%	
Neither satisfied nor dissatisfied	12%	13%		Neither satisfied nor dissatisfied	9%	12%	
Dissatisfied	14%	16%		Dissatisfied	13%	14%	
Very dissatisfied	6%	4%		Very dissatisfied	4%	5%	
Don't know	1%	4%		Don't know	16%	13%	

* Satisfaction levels not monitored in

Summary Financial Report for the year ended 30 June 2010

The information contained in this report has been extracted from the audited Annual Report of the Wairoa District Council for ended 30 June 2010. An unqualified audit report was signed on 14th December 2010. Ernst and Young, on behalf of the Auditor-General, have reviewed this summary report and have confirmed that it fairly and consistently represents the full Annual Report for the year ended 30 June 2010.

A Summary Report cannot be expected to provide as complete an understanding of the financial and non-financial performance of the Council as the full Annual Report. A copy of the full report is available from Wairoa District Council, Coronation Square, Wairoa

(PO Box 54 Wairoa) or by visiting the Wairoa District Council website at www.wairoadc.govt.nz.

The financial statements comprise the Wairoa District Council and its Council Controlled Trading Organisation, Quality Rooding and Services (Wairoa) Ltd

Changes in Accounting Policies: All accounting policies have been applied on a consistent basis throughout the year.

Overview

The summary financial statements comply with FRS 43: Summary Financial Statements.

The financial statements are prepared in New Zealand dollars. The financial statements are rounded to the nearest whole dollar.

The summary financial statements were authorised for issue on 14 December 2010, by the Mayor, Les Probert, and the Chief Executive Officer, Peter Freeman. The summary financial statements were not adopted within the statutory timeframe.

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The full financial statements were authorised for issue on 14 December 2010. The Wairoa District Council is a public benefit entity. The full financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Summary of Council Revenue

	\$	%
Rates	8,744,342	40.44%
Subsidies	9,285,325	42.95%
Petrol Tax	60,104	0.28%
Fees and Charges	1,733,801	8.02%
Investment Income	1,790,313	8.28%
Miscellaneous Income	7,546	0.04%
	<u>21,621,431</u>	<u>100.00%</u>

Subsidies and Rates make up over 80% of the revenue of Council. The bulk of subsidies are received from Land Transport New Zealand to subsidise the cost of maintaining the local roading infrastructure. Council receives petrol tax as its share of the regional income based on the relative rating income of local authorities in the East Coast region. Fees and charges are the costs charged directly to consumers of Council services including the Landfill. Investment Income includes income from interest on investments and dividends from Quality Rooding and Services (Wairoa) Limited. Rates are charged to all residents owning land within the Wairoa District, and include uniform charges for running Council, and for services such as water and sewerage. Targeted rates are charged for roading, stormwater, parks and reserves and services.

Summary of Council Expenditure for the year ended 30 June 2010

	\$	%
Water Services	3,074,336	14.89%
Solid Waste	872,693	4.23%
Transport	12,026,252	58.23%
Community Facilities	1,969,727	9.54%
Planning & Regulatory	1,342,706	6.50%
Leadership & Governance	1,195,132	5.79%
Investments	82,121	0.40%
Corporate	89,759	0.42%
	<u>20,652,727</u>	<u>100.00%</u>

Water Services includes the cost of supplying and reticulating water to residents, and collecting stormwater and sewerage. Waste Management includes the collection of rubbish and recyclables, the management of the Landfill and control of litter. Transport includes the cost of maintaining local roads, and parking facilities plus the safe operation of the airport. Community facilities includes maintaining cemeteries, parks and reserves, pensioner housing plus funding of the library, museum, community centre and community halls. Planning and Regulatory includes planning, health, building, livestock and dog control plus bylaw enforcement, liquor licensing, safer communities and emergency management. Leadership and governance includes community representation, maori liaison, and economic development. Investments includes commercial and sundry properties, funds management and dividends. Corporate includes management, administration, finance, asset information and information systems.

Summary of Council Assets as at 30.06.2010

	\$	%
Property, Equipment and Intangibles	169,207,470	86.86%
Investment Properties	277,000	0.14%
Investment in Subsidiaries	1,250,000	0.64%
Cash and Cash Equivalents and other		
Financial Assets	19,624,659	10.07%
Trade and other Receivables	4,314,912	2.21%
Other Assets	140,795	0.08%
	<u>194,814,836</u>	<u>100.00%</u>

Council property includes land and buildings, vehicles, furniture and office equipment plus infrastructure assets such as roading, bridges, and water reticulation, and computer software. Investment properties is the enterprise building that houses the information centre. Investment in subsidiaries is the initial investment Council made in subsidiary Quality Roothing and Services (Wairoa) Limited. Cash and cash equivalents and financial assets includes cash, investments, and assets held for sale. Trade and other receivables includes all accounts outstanding as at year end. Other assets includes inventories, loans and other receivables, and forestry, a biological asset.

Summary of Council Liabilities as at 30.06.2010

	\$	%
Trade and Other Payables	5,217,735	85.89%
Landfill Aftercare	599,020	9.86%
Employee Benefit Liabilities	258,368	4.25%
	<u>6,075,122</u>	<u>100.00%</u>

Trade and other payables includes all accounts owing to creditors at year end. Landfill Aftercare is the liability Council has for ongoing maintenance of the Landfill. Employee benefit liabilities represents the liability for annual leave, long service leave, gratuities, sick leave and accrued pay.

Explanation of major variances against budget

Explanation for major variations from WDC's estimated figures in the 2009/2019 Long Term Council Community Plan and the 2009/2010 Annual Plan are as follows:-

Income Statement	2010	
	LTP and Annual Plan	%
	\$	%
2010 plan net surplus	819081	
Higher (lower) subsidy revenue (regional projects, emergency works)	2777111	
Higher (lower) income from investments	636478	
Higher (lower) income from fees & charges (water production, waste management)	-26994	
Higher income from rates	45404	
Increase in costs due to additional roading work, operating deficits from production of water and sewerage	-3382772	
Capital gain on asset sales		
Loss on revaluation of woodlots	-53001	
Gain on revaluation of Wairoa Landfill Aftercare provision	102746	
Other	-2350	
2010 actual net surplus	<u>915703</u>	
Capital expenditure		
2010 plan	5655837	
Projects deferred or cancelled		
Additional projects approved	148258	
Projects under/over spent		
Actual expenditure 2009	<u>5804095</u>	

Summary Financial Statements for the year ending 30-06-2010

	COUNCIL 2010 ACTUAL \$	COUNCIL 2010 ANNUAL PLAN \$	COUNCIL 2009 ACTUAL \$	GROUP 2010 ACTUAL \$	GROUP 2009 ACTUAL \$
Summary Statement of Comprehensive Income					
Rates Revenue	8,744,342	8,698,938	8,571,312	8,744,342	8,571,312
Other Revenue	12,877,089	9,492,844	10,949,025	18,247,475	18,068,406
Total Operating Revenue	21,621,431	18,191,782	19,520,337	26,991,817	26,639,718
Total Finance Expense	0	0	24,166	123,512	232,782
Total Operating Expense (excluding finance expense)	20,652,727	17,372,701	19,171,860	25,341,894	26,003,669
Increase/decrease in biological asset	(53,001)	0	(4,396)	(53,001)	(4,396)
Capital Gain on Asset Sales	0		14,391	20,264	14,391
Operating Surplus/ (Deficit) before taxation	915,703	819,081	334,306	1,493,674	413,262
Taxation	0	0	0	(272,605)	(86,768)
Net Surplus / (Deficit) after taxation	915,703	819,081	334,306	1,221,069	326,494
Gain on revaluation of Infrastructural assets	0	0	0	0	362,208
	915,703	819,081	334,306	1,221,069	688,702

Summary Statement of Changes in Equity

Equity opening balance	187,824,010	184,764,316	187,489,704	191,237,707	190,549,005
Net Surplus /(Deficit)	915,703	819,081	334,306	1,221,069	326,494
Gain on revaluation of Infrastructural assets	0	0	0	0	362,208
Equity closing balance	188,739,713	185,583,397	187,824,010	192,458,776	191,237,707
Comprising:-					
Accumulated Funds and Retained Earnings	122,108,556	119,057,043	121,550,680	124,837,084	123,973,843
Revaluation Reserves	50,528,245	51,159,753	50,756,530	51,518,779	51,747,064
Special Fund Reserves	16,102,913	15,297,511	15,516,800	16,102,913	15,516,800
Sinking Fund Reserves	0	69,090		0	0
	188,739,713	185,583,397	187,824,010	192,458,776	191,237,707

Summary Statement of Financial Position

Current Assets	23,984,161	18,132,847	22,093,856	26,979,008	25,747,361
Non-current Assets	170,830,675	174,206,185	169,894,544	173,762,640	172,913,521
Total Assets	194,814,836	192,339,032	191,988,400	200,741,648	198,660,882
Current Liabilities	5,217,735	4,293,539	3,217,800	5,693,365	4,742,159
Non-current Liabilities	857,388	2,462,096	946,590	2,589,507	2,681,016
Total Liabilities	6,075,123	6,755,635	4,164,390	8,282,872	7,423,175
Total Equity	188,739,713	185,583,397	187,824,010	192,458,776	191,237,707

Summary Cash Flow Statement

Cash Flow from Operating Activities	5,993,232	4,432,128	5,993,151	6,338,709	8,166,795
Cash Flow from Investing Activities	(6,952,331)	(5,159,326)	(5,358,693)	(7,554,760)	(5,924,436)
Cash Flow from Financing Activities	0	902,900	(230,000)	(30,126)	(487,805)
Net Increase/(Decrease) in Cash and Cash Equivalents	(959,099)	175,702	404,458	(1,246,176)	1,754,554
Plus Opening Cash and Cash Equivalents	6,470,220	2,553,380	6,065,762	7,763,452	6,008,898
Closing Cash and Cash Equivalents	5,511,121	2,729,082	6,470,220	6,517,276	7,763,452

In the opinion of Council and management of Wairoa District Council, the summary financial report for the year ended 30 June 2010 fairly reflects the financial position and operations of Wairoa District Council.



Chief Executive
Peter Freeman
14th December 2010



Mayor
L Probert
14th December 2010

Summary of Performance Measures

Activity Group	Achieved	Not Achieved	Not Measured
Transport, Water, and Waste			
Water Reticulation and Production	7	3	1
Storm Water and Drainage	3	4	
Sewerage	2	5	
Waste Management	11	4	
Roads	9	3	
Airport	5	1	
Community Services			
Cemeteries	3		
Parks and Reserves	6	1	
Library	5	2	
Community Support	4	1	
Pensioner housing	9		
Planning and Regulatory			
Resource Planning	5	1	
Environmental Health	5	1	
Dog Control	5	2	
Livestock Control	8		
Bylaw Compliance general	4		
Building inspection	5	3	
Liquor Control	4	1	
Emergency Management	7	1	
Leadership and Governance			
Community Representation	10		
Maori Liaison	7		
Economic Development	5	1	
	129	34	1

Community Survey Results	2010			2009		
	Very Satisfied/Fairly Satisfied	Not very Satisfied	Don't know	Very Satisfied/Fairly Satisfied	Not very Satisfied	Don't know
Water Services	84%	15%	2%	91%	6%	3%
Stormwater and Drainage	63%	37%		57%	35%	8%
Sewerage	83%	12%	5%	93%	4%	3%
Waste Management	64%	30%	7%	66%	31%	3%
Roads	69%	30%	1%	81%	17%	2%
Parks and Reserves	79%	12%	9%	83%	12%	5%
Library	95%	2%	3%	96%	2%	2%
Dog Control	56%	42%	3%	62%	33%	5%
Mayor and Councillors	89%	9%	2%	89%	8%	3%