

**CENTRAL OTAGO DISTRICT COUNCIL SUMMARY ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

\$NZ 000's	Actual 2008/09	Estimate 2008/09	Actual 2007/08	Comments
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**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2009**

	-			
Total revenue (excluding valuation gains)	37,167	27,350	35,232	Includes rates, income from core activities, dividends, interest and capital contributions
Valuation gains	-	-	46	
Total expenditure (excluding finance costs and valuation losses)	29,375	26,787	27,772	Includes employee expenses, depreciation and other operating expenses
Finance costs	-	216	-	
Valuation losses	334	-	38	
<b>Net surplus</b>	<b>7,458</b>	<b>347</b>	<b>7,468</b>	

[see below for explanation of variances]

**SUMMARY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

Public Equity 1 July	499,764	493,115	489,196	
Net surplus/(deficit) for the year	7,458	347	7,468	
Transfer of realised revaluation gains	143	-	-	
Property plant and equipment - revaluation gain taken to equity	100,872	-	3,109	
Financial assets at fair value valuation gain/(loss) taken to equity	103	-	(18)	
Share equities - revaluation gain/(loss) taken to equity	(28)	-	9	
Transfer to/(from) reserves	-	(4)	-	
<b>Public Equity 30 June</b>	<b>608,312</b>	<b>493,458</b>	<b>499,764</b>	Net assets owned by ratepayers

**SUMMARY STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2009**

<b>Total Ratepayers equity</b>	<b>608,312</b>	<b>493,458</b>	<b>499,764</b>	Net assets owned by ratepayers represented by:
Represented by:				
Total current assets	14,426	7,050	13,827	assets expected to be converted to cash within the next 12 months.
Total non current assets	598,050	490,860	490,567	assets expected to be held for longer than 12 months
Total assets	612,476	497,910	504,394	
Less:				
Total current liabilities	4,103	4,391	4,520	items due for repayment within 12 months
Total non-current liabilities	61	61	110	items due for repayment after 12 months
Total liabilities	4,164	4,452	4,630	
<b>Net Assets</b>	<b>608,312</b>	<b>493,458</b>	<b>499,764</b>	

**SUMMARY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2009**

Net cash inflow (outflow) from operating activities	7,384	8,011	8,476	Includes rates, receipts from customers, subsidies financial contributions and payments to suppliers and employees
Net cash inflow (outflow) from investing activities	(1,734)	(9,474)	(6,480)	Includes capital expenditure and investments
Net cash inflow (outflow) from financing activities	-	-	-	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,650</b>	<b>(1,463)</b>	<b>1,996</b>	
Opening cash balance	4,162	4,619	2,166	
<b>Closing cash balance</b>	<b>9,812</b>	<b>3,156</b>	<b>4,162</b>	

The information included in the Summary Financial Report has been extracted from the full audited financial report and authorised for use by the Corporate Services Manager on 28 October 2009.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The Council is a public benefit entity as defined in the NZ equivalents to International Reporting Standards (NZ IFRS) and is an individual entity in respect to the financial statements.

### Accounting Policies

#### Basis of Preparation

The Council has prepared the summary financial report in order to provide users with a succinct overview of Council performance. The specific disclosures included in the summary financial report have been extracted from the full audited financial report also dated 28 October 2009.

The full financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and in compliance with the NZ equivalents to International Reporting Standards (NZ IFRS). Readers who require a knowledge of these policies to assist in understanding this report are referred to the full Annual Report. The financial statements are presented in NZ dollars.

#### Changes in accounting policies

The accounting policies have been applied consistently to all periods presented in these financial statements, with the exception of parks and reserves and property assets, which are now accounted for on a revaluation basis.

#### Notes: ["k" represents \$000)

At balance date capital commitments amounted to \$90k (2008 \$26k), and operating commitments amounted to \$27,590k (2008 \$33,367k).

The probability of community buildings on Council land being vested in Council has been assessed as nil for 2009, whereas in 2008 the value of these buildings was included as contingent assets (\$10,433k). A contingent liability has been included for Council's insurer RiskPool indicating further calls may be made on Council to fund leaky building costs (2008 nil).

During the year Councillors, Community Board members and key management staff, as part of a normal customer relationship, were involved in minor transactions with the Council, such as payment of rates and transfer station fees. Specific transactions are included in the full Annual Report.

Capital expenditure of \$9,154k was incurred during the year (2008 \$12,518k), the more significant items being roading \$3,166k, water \$1,769k and wastewater \$940k. Capital expenditure was \$4,606k less than estimated; the main areas of under expenditure being property development \$3,774k, water \$802k and wastewater \$880k.

#### Statement of Financial Performance variances:

Revenue exceeds budget by \$9,817k for the year, which includes additional revenue from profit on property development sales (\$2,906k), and vested assets (\$5,705k).

Of the \$2,706k unfavourable variance between actual and budgeted expenditure, community buildings (\$415k), parks and reserves (\$418k), commercial and other property (\$480k), environmental services (\$397k) and democracy (\$300k) represent the major items.

#### Statement of Equity/Financial Position variances:

Council does not include the estimated increase or decrease arising from the revaluation of Council assets in preparing its estimates. Council's property and parks and reserves assets were revalued for the first time this year, resulting in a gain of \$54,731k. The gain on the revaluation of roads and bridges was \$46,476k, due to an increase in costs and network length since the last valuation in 2006. The annual

revaluation of utilities assets resulted in a decrease in water and wastewater asset values of \$2,926k, and an increase in stormwater asset values of \$2,591k. The upward revaluation of stormwater assets is due to an increase in the known length of pipe, and an increase in the unit cost of pipe.

Cash and Cash Equivalents, Current Available for Sale Financial Assets, and Property Plant and Equipment are all higher than estimated.

Users of the summary financial report should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full financial report of the Council.

Users who require additional information are encouraged to access the full Annual Report of the Council on the Council's website [www.codc.govt.nz](http://www.codc.govt.nz). Users who do not have access to the website can request a printed version from the address following:

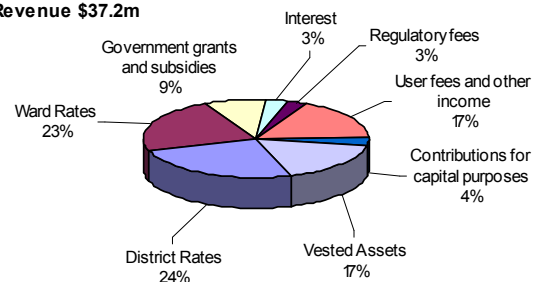
Corporate Services Manager  
Central Otago District Council  
P.O.Box 122  
Alexandra

Central Otago District Council is a public benefit entity as defined under NZ IFRS. The information in this report has been prepared in accordance with FRS 43: Summary Financial Statements. This summary of financial information comes from the full version of the Annual Report for the year ended 30 June 2009 (see above for how to get a full report).

The full financial report and this summary received an unqualified audit opinion.

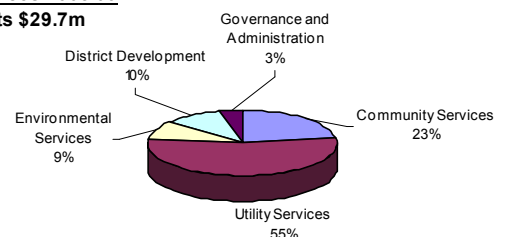
### Revenue Sources 2008/09

Total Revenue \$37.2m



### Costs of Services 2008/09

Total costs \$29.7m



## COMMUNITY SERVICES

This relates to activities which make a positive difference to the well-being of the community, albeit in different ways. For example, civil defence and rural fire contribute to a safe community, whereas cemeteries provision assists with peace of mind for people, knowing their loved ones will rest in peaceful, well kept environments.

Council also provides facilities and services which have a social and cultural benefit to the community, such as halls, libraries and parks.

A healthy community is sustained by provision of swim centres and parks.

Finally, Council enhances the social well-being of the district by providing elderly persons' housing and grants, both ensuring that all sections of the community benefit from living in Central Otago.

Performance Measures	Achievements		
<p>➤ Satisfaction with the condition and availability of the District's parks and reserves, libraries and swim centres is maintained or improved upon from previous Resident Opinion Surveys.</p>	% satisfied parks and reserves		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	95	95
	Cromwell	97	93
	Earnscliffe/Manuherikia	95	91
	Maniototo	95	91
	Roxburgh	100	100
	District	96	94
	% satisfied library services		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	98	99
	Cromwell	99	95
	Earnscliffe/Manuherikia	98	99
Maniototo	96	96	
Roxburgh	97	93	
District	98	97	
% satisfied community housing			
	<u>2008/09</u>	<u>2007/08</u>	
	93	95	
The satisfaction rating is based on 6 questions to tenants. The slight drop in satisfaction does appear out of step with condition of units. We have increased maintenance spend, insulated all but one block of flats, in Ranfurly, sealed carparks and responded to all requests for repairs. A turnover of tenants does mean each year that different tenants may have different subjective satisfaction levels.			
% satisfied swim centres			
	<u>2008/09</u>	<u>2007/08</u>	
Alexandra	92	95	
Cromwell	89	96	
Earnscliffe/Manuherikia	89	94	
Maniototo	92	93	
Roxburgh	76	83	
District	90	94	
<p>➤ An "at current level or better" standard of community housing will be provided to contribute to the need for social housing in the community with annual surveys of tenants completed to confirm satisfaction levels.</p>			

Performance Measures	Achievements		
<p>➤ Attendance figures at Council managed swim centres.</p>	swimmer use		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	97,574	78,530
	Cromwell	23,773	17,073
	Ranfurly	3,508	5,046
	Roxburgh	1,259	1,699
	District	126,114	102,348
	From June – November 2008 the Cromwell Pool was closed due to fire damage. The decrease in figures for Ranfurly and Roxburgh was due to the poor weather over the season.		
	% satisfied cemeteries		
		<u>2008/09</u>	<u>2007/08</u>
Alexandra	99	97	
Cromwell	93	91	
Earnscliffe/Manuherikia	97	89	
Maniototo	87	97	
Roxburgh	100	94	
District	96	94	
<p>➤ The level of satisfaction with Council managed cemeteries will be maintained or improved upon as indicated by ratings obtained in the Resident Opinion Survey.</p>			

## DISTRICT DEVELOPMENT SERVICES

Council has an important role to play in achieving a thriving, diverse, sustainable economy. Indirectly it contributes to economic growth through the provision of infrastructure and services that make the district attractive to businesses, residents and visitors. It also has a direct role to play as a funder for economic development initiatives and promoter of the district.

Council aims to achieve this through its District Development unit that encompasses Tourism Central Otago, supported by Visitor Information Centres and local promotion groups, economic and community development functions. And, of course, Council recently launched an exciting new initiative – the regional identity – to assist in this.

This group of activities also includes Council's investment properties (such as the National Bank building, Alexandra) and the airports.

While recognising that economic growth is important to the district, Council is also conscious that the community has other outcomes it is seeking to achieve, and so economic well-being will be balanced with environmental, social and cultural well-being.

PERFORMANCE MEASURES	ACHIEVEMENTS		
<p>➤ Satisfaction with how the region is marketed as a tourism destination by residents and ratepayers of the District will be rated as "at or better" than levels indicated in previous Resident Opinion Surveys.</p>	% satisfied Tourism Central Otago		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	79	82
	Cromwell	85	86
	Earnscliffe/Manuherikia	88	88
	Maniototo	90	98
	Roxburgh	86	87
	District	84	87

Performance Measures	Achievements		
<p>➤ Satisfaction with the service received from Council Visitor Information Centres will be rated "at or better" than levels indicated in previous Resident Opinion Surveys.</p>	% satisfied visitor information centres		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	96	96
	Cromwell	98	98
	Earnscliffe/Manuherikia	91	100
	Maniototo	97	98
	Roxburgh	97	97
District	96	97	
<p>➤ Resident awareness of, use of, and satisfaction with, the "Central Otago - A World of Difference" brand will be improved upon each year as shown through results obtained in the Resident Opinion Survey.</p>	% awareness of the brand "Central Otago – A World of Difference"		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	83	80
	Cromwell	85	79
	Earnscliffe/Manuherikia	88	79
	Maniototo	93	83
	Roxburgh	73	77
District	85	80	

## UTILITIES SERVICES

This group relates to services Council provides and assets it manages to assist the district continue to function effectively and safely.

Roading ensures people can travel safely and business can function, contributing to the economic well-being of the district.

Water, wastewater, stormwater and waste management contribute towards a sustainable environment, and contribute to social well-being by assisting with keeping the community healthy.

Public toilets do the same, plus assist economic well-being by ensuring tourists and other visitors are well catered for.

PERFORMANCE MEASURES	ACHIEVEMENTS
<p>➤ Reliable, potable drinking water supplies with adequate fire fighting capacity will be provided, measured by Drinking Water Standards 2005 assessed by pass/fail rates of tests to NZ Drinking Water Standards, Fire Service hydrant tests, and the percentage of time water is available, all at or above current levels.</p>	<ul style="list-style-type: none"> <li>Water availability across all schemes was 99.99%, with this 3 schemes were 100% being Ranfurly, Patearoa and Pisa Village.</li> <li>747 water tests were taken</li> <li>There were 2 failed tests; 1 at Alexandra and 1 at Omakau. Both were sampling errors.</li> </ul> <p>The New Zealand Fire Service tested 122 hydrants in the following towns:</p>

Performance Measures	Achievements		
<p>➤ Public health will be protected by providing a reliable wastewater disposal network that complies with Resource Consent requirements, measured by full compliance with ORC discharge resource consent conditions.</p> <p>➤ Satisfaction with Council waste management facilities (transfer stations, collection services and landfills) is "at or better" than indicated in previous Resident Opinion Surveys.</p> <p>➤ The weight of material diverted by Central Otago Wastebusters is "at or better" than the previous year.</p> <p>➤ A smooth and safe sealed roading network will be provided, where all roads with a daily average traffic of over 200 vehicles per day are sealed.</p>	Town	No. of hydrants	Failed
	Alexandra	0	0
	Cromwell	38	0
	Clyde	0	0
	Omakau	4	0
	Roxburgh	10	1
	Ranfurly	10	0
	Naseby	19	1
	1 hydrant was reported to have a fault.		
	There were 24 breaches of resource consent conditions across the district.		
	<ul style="list-style-type: none"> <li>1 in Alexandra</li> <li>4 in Bannockburn</li> <li>9 in Cromwell</li> <li>1 in Lake Roxburgh Village</li> <li>4 in Naseby</li> <li>2 in Omakau</li> <li>1 in Ranfurly</li> <li>2 in Roxburgh</li> </ul>		
	% satisfied waste collection		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	99	98
	Cromwell	96	91
	Earnscliffe/Manuherikia	96	97
	Maniototo	94	94
	Roxburgh	98	96
	District	97	95
	% satisfied waste disposal (transfer stations)		
	<u>2008/09</u>	<u>2007/08</u>	
Alexandra	97	96	
Cromwell	98	92	
Earnscliffe/Manuherikia	96	97	
Maniototo	86	90	
Roxburgh	81	97	
District	95	94	
tonnage diverted from landfill			
	<u>2008/09</u>	<u>2007/08</u>	
2,429 tonnes	1,871 tonnes		
This reflects 20% of the total waste stream to Victoria Flats landfill. These figures do not include diversions to WasteBuster's resale shop or diversions at transfer stations for cleanfill, greenwaste and scrap metal.			
Conroys Road has only been given possible approval for funding from NZTA in the 2009-12 NZ Transport Programme and further investigation and funding approval is now required from NZTA before subsidy can be confirmed. This will delay the project until at least 2010/11. If subsidy is not available Council may proceed with the project as an unsubsidised seal extension in 2010/11.			

Performance Measures	Achievements		
<p>➤ Gravel roads will be maintained to provide a smooth safe riding surface, where regular evasive action is not required owing to potholes, corrugations and excessive or large loose aggregate. The pavement will be shaped with consistent and adequate camber to shed water. Measurement will be via benchmarking surveys and the Resident Opinion Survey.</p> <p>➤ Activities within the roading corridor will be managed through analysis of causative factors and overall crash data to ensure the road environment is not a contributing cause to crashes, measured as the percentage of crashes where road environment is not a contributing factor.</p> <p>➤ Safe, convenient and attractive footpaths and cycleways will be provided as appropriate, as measured by satisfaction and usage statistics from the Resident Opinion Survey.</p>	% satisfied gravel roads		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	84	88
	Cromwell	86	78
	Earnsleugh/Manuherikia	74	70
	Maniototo	48	42
	Roxburgh	63	67
	District	77	74
	There were 7 crashes which had a road factor identified, but this was not the primary cause of the crash.		
	% satisfied footpaths		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	76	70
	Cromwell	83	77
	Earnsleugh/Manuherikia	77	82
	Maniototo	62	70
Roxburgh	74	69	
District	77	74	
% satisfied cycleways			
	<u>2008/09</u>	<u>2007/08</u>	
Alexandra	82	65	
Cromwell	71	68	
Earnsleugh/Manuherikia	76	65	
Maniototo	85	85	
Roxburgh	71	65	
District	77	70	

### ENVIRONMENTAL SERVICES

This group of activities consists of regulatory services, i.e. things Council must do by law. They contribute strongly to Council's three community outcomes:

- thriving economy
- sustainable environment
- safe and healthy community

because the activities are:

- dog control and registration
- liquor licensing
- environmental health (such as checking restaurants, hairdressers etc.)
- building control
- planning

PERFORMANCE MEASURES	ACHIEVEMENTS					
<p>➤ Resource and Building Consent processing times will be reduced through improvement of processes.</p> <p>➤ Resource and Building Consent processing times will be reduced through improvement of processes.</p>	Resource consent processing times					
	Application Type	Total number of applications	Number processed within time	% 2008/09	% 2007/08	
	Non-notified – 20 working days	310	267	86	76	
	Non-notified with hearing 40 working days	25	12	48	38	
	Notified (no hearing) – 50 working days	1	0	0	33	
	Notified with hearing – 70 working days	42	33	79	72	
	Building consent processing					
	Number of Consents received			<u>2008/09</u>	<u>2007/08</u>	
				847	945	
	Required processing timeframe for issuing consents (working days)			20	20	
	Number processed within required time			843	823	
	Processed within required time %			99.53	87.09	
	Average processing time in working days			5	11	
	Improvement is evident in both resource and building consent processing times. Improvements are continuing to be much through Systems Thinking work.					
	<p>➤ Improved satisfaction with public safety in relation to dogs will be achieved by an improvement in dog enforcement, evidenced by results obtained through the Resident Opinion Survey.</p> <p>➤ Reported issues relating to unsatisfactory or unsafe building practices requiring referral to a higher authority for resolution are maintained or reduced.</p> <p>➤ Negative feedback received in relation to District Plan and resource consent processes is reduced when compared with previous years.</p>	% satisfied dog control				
			<u>2008/09</u>	<u>2007/08</u>		
Alexandra			67	67		
Cromwell			62	61		
Earnsleugh/Manuherikia			60	65		
Maniototo			66	67		
Roxburgh			79	85		
District			65	66		
One claim resolved through mediation. No new claims in 2008/09.						
Currently working on systems thinking approach to processing. Feedback is very positive.						

## GOVERNANCE AND ADMINISTRATION SERVICES

This group consists of the functions that enable the service departments to perform their duties.

It includes the administration buildings in which staff are housed, plus support services such as word processing, computing and customer services, as well as finance, rates, the Chief Executive Officer etc.

Another important component of this group is the cost of running the political processes of the Council, its Committees and the Community Boards.

PERFORMANCE MEASURES	ACHIEVEMENTS		
➤ Satisfaction with Council and Community Board decision making is "at or better" than indicated in previous Resident Opinion Surveys.	% satisfied with council		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	80	78
	Cromwell	94	89
	Earnscliffe/Manuherikia	82	81
	Maniototo	84	94
	Roxburgh	86	84
	District	86	84
	% satisfied with community boards		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	80	80
	Cromwell	89	87
	Earnscliffe/Manuherikia	84	84
	Maniototo	83	94
Roxburgh	86	81	
District	84	84	
➤ Satisfaction with the levels and content of communications from Council and Community Boards, is "at or better" than indicated in previous Resident Opinion Surveys.	% satisfied with clarity of consultation		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	71	70
	Cromwell	82	73
	Earnscliffe/Manuherikia	67	74
	Maniototo	63	75
	Roxburgh	67	74
	District	72	73
	% satisfied with effectiveness of consultation		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	71	68
	Cromwell	78	74
	Earnscliffe/Manuherikia	71	71
	Maniototo	64	78
Roxburgh	68	74	
District	72	72	

Performance Measures	Achievements		
➤ Council Service Centres provide prompt, courteous and competent service at levels "at or better" than levels indicated in previous Resident Opinion Surveys.	% satisfied customer service		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	91	89
	Cromwell	89	88
	Maniototo	94	94
	Roxburgh	96	96
	District	91	90
	% satisfied admin issues dealt with effectively		
		<u>2008/09</u>	<u>2007/08</u>
	Alexandra	84	78
	Cromwell	87	80
	Maniototo	80	87
	Roxburgh	96	88
	District	86	80
NOTE: Alexandra and Earnscliffe/Manuherikia are served by the same service centre			

## Audit Report

### To the readers of Central Otago District Council's summary annual financial statements, performance information and the other requirements for the year ended 30 June 2009

We have audited the summary financial statements, performance information and the other requirements.

#### Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 29 October 2009, on:

- the full financial statements; and
- the performance information;
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

#### Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Central Otago District Council.

#### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.



John Mackey, Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
29 October 2009

**Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements**

This audit report relates to the financial statements, performance information and the other requirements of Central Otago District Council for the year ended 30 June 2009 included on Central Otago District Council's website. Central Otago District Council is responsible for the maintenance and integrity of Central Otago District Council's website. We have not been engaged to report on the integrity of Central Otago District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 29 October 2009 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.