

Ōtorohanga District Council

Summary Annual Report for the year ended 30 June 2024

COMMENTS FROM THE MAYOR AND THE CHIEF EXECUTIVE

E ngā mana, e ngā reo, a ngā hāpori a te rohe o Ōtorohanga, tēnā koutou katoa.

It is with pleasure that we present our Summary Annual Report for the 2023/24 year. Council set a bold new direction in the 2021 Long Term Plan (LTP) and it has been very satisfying to see the continued implementation of that work programme. While this Summary Annual Report completes the reporting cycle for the 2021 LTP, many of our projects will continue into the next three years and this has been reflected in the 2024 Long Term Plan which was adopted by Council in June.

The key focus areas for Council this past year have been:

- After significant community engagement, adopting our 2024 Long Term Plan, which is centred around ‘People, Place and Partnerships’,
- Continuing to build our relationships with iwi/Māori as we move toward upholding partnership under Te Tiriti o Waitangi.
- Enhancing the ways we communicate and engage with our community through a mixture of kanohi ki te kanohi (face to face), and electronic channels
- Adopting the Kāwhia, Aotea & Opārau Concept Plan and the Rural Concept Plan
- Continuing to implement the Ōtorohanga Town Concept Plan, including progressing the Multipurpose Hub, Reserve Management Strategy/Plan, and a Development Plan for Huipūtea Reserve (which is of immense importance to Ngāti Maniapoto)
- Adopting an Economic Wellbeing Strategy
- Contributing to the development of the Ōtorohanga District Housing Plan
- Advancing our journey of continuous improvement by focusing on our systems and processes, and preparing for a CouncilMARK reassessment in late 2024

We have focused on getting key plans and strategies in place and laying a roadmap for future partnerships and projects. While we don't want to be an organisation that develops a bunch of plans and strategies that then lay on shelves gathering dust, it is important that we work with our community to plan for the future. It is also important that we implement these plans, and this year we have got underway implementing the Ōtorohanga Town Concept Plan which has seen a number of key projects kicked off.

Our ambitious three year capital works program is largely complete with only one significant wastewater project carrying forward into next year.

The election of a new government in October 2023 has seen new reforms replacing the major reforms of the Labour government. As staff and elected members scramble to stay on top of what is coming next, we are grateful that we belong to a sector that collaborates rather than competes. We have two strong national organisations in Local Government NZ and Taituarā, and, as a small Council, we rely heavily on them to keep us updated on the reform programme, leading advocacy on things that matter and making submissions on behalf of the sector. This past year we have increased our representation at sector forums, involving Community Board members as well as Councillors in these national conversations.

An area of central government change that Council took a stronger interest in this past year was the Māori Wards legislation. Council created the Rangīātea Ward in the 2022 election, and this representation has been working really well for us. We made a submission against the changes the government were proposing and a group of us went to Wellington to speak to our submission. In the end the legislation was passed, so we have made the decision to keep the Rangīātea Ward, which means we must hold a binding poll on this matter at the 2025 local body elections.

Growth in general has slowed down over the last 12 months, but we are noticing activity picking up again in both resource consents and building consents with recent interest rate drops. Building



activity at Westridge has continued to drip feed steadily for stage 1, with stage 2 titles to be issued soon (followed by building consents for stage 2). Waikeria Prison building consent work has also been steady, and there will be a push in October for final inspections and all building work to be “signed off”, ahead of the formal opening planned for November.

Under the expert eye of independent Chair, Peter Stubbs, our Risk and Assurance Committee has gone from strength to strength. Now with a full annual workplan, this Committee is doing a lot of heavy lifting and making recommendations to Council that really add value to decision-making.

Council’s financial position remains strong despite these challenging economic conditions. As signalled in our 2021 LTP, we have taken on debt to fund some of our large infrastructure projects that will benefit multiple generations. We extended the term of the loan to the Kiwi House so that they may complete their redevelopment project, and we were paid back the loan we made to facilitate the Westridge subdivision. We also achieved or partly achieved 64% of our non-financial performance measures.

We continue to strive to strike the balance between affordability and desirability, and we were very pleased to be able to adopt our 2024 Long Term Plan this year with one of the lowest rates increases in the country. We have a responsibility to ensure that we are building and maintaining infrastructure and delivering services

that are required to keep our community functioning and thriving. We also owe it to you – our community – to ensure we are running a “tight ship” internally, so our focus on improving our organisational efficiency is a high priority for us. We have not achieved all of this on our own. We are lucky to live in a community that supports us, gives us constructive feedback, and works alongside us to make the district a fabulous place. In closing we are reminded of the powerful whakataukī (Māori proverb):

“Nāu te rourou, nāku te rourou, ka ora ai te iwi.”

With your food basket (contribution), and my contribution, the people will prosper.

Ngā mihi nui, Max and Tanya

Max Baxter

MAYOR

Tanya Winter

CHIEF EXECUTIVE

28 November 2024





Summary Financial Statements

ŌTOROHANGA DISTRICT COUNCIL
SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
FOR THE YEAR ENDED 30 JUNE 2024

Actual 30 June 2023 (000's)		Budget 30 June 2024 (000's)	Actual 30 June 2024 (000's)
	Revenue		
14,687	Rates revenue	15,792	15,714
9,622	Other income	8,040	17,597
24,309	Total income	23,832	33,311
	Expenses		
482	Finance Costs	190	807
24,492	Other Expenditure	25,155	27,431
24,974	Total expenditure	25,345	28,238
(665)	Surplus/(deficit) for the year	(1,513)	5,073
	Other Comprehensive Revenue and Expenses		
3,033	Gain/(loss) on property revaluation	56,167	4,622
731	Fair value movement of unlisted shares	-	(124)
3,764	Total other comprehensive revenue and expenses	56,167	4,498
3,099	Total Comprehensive Revenue and Expenses for the year	54,654	9,571

ŌTOROHANGA DISTRICT COUNCIL
SUMMARY BALANCE SHEET
AS AT 30 JUNE 2024

Actual 30 June 2023 (000's)		Budget 30 June 2024 (000's)	Actual 30 June 2024 (000's)
	Assets		
11,202	Total current assets	6,790	7,400
404,020	Total non-current assets	391,624	420,586
415,222	Total assets	398,414	427,986
	Liabilities		
13,050	Total current liabilities	4,305	16,237
488	Total non-current liabilities	509	494
13,538	Total liabilities	4,814	16,731
401,684	Net Assets	393,600	411,255
	Equity		
165,960	Accumulated comprehensive revenue and expenses	165,478	171,098
235,724	Reserves	228,122	240,157
401,684	Total equity attributable to ODC	393,600	411,255



**ŌTOROHANGA DISTRICT COUNCIL
SUMMARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

Actual 30 June 2023 (000's)	Note	Budget 30 June 2024 (000's)	Actual 30 June 2024 (000's)
392,100	Balance at 1 July	338,946	401,684
6,485	Adjustments on adoption of PBE IPSAS 41	-	-
398,585		338,946	401,684
3,099	Total comprehensive revenue and expense for the year	54,654	9,571
401,684	Balance at 30 June	393,600	411,255

**ŌTOROHANGA DISTRICT COUNCIL
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

Actual 30 June 2023 (000's)		Budget 30 June 2024 (000's)	Actual 30 June 2024 (000's)
7,260	Net cash provided by Operating Activities	10,016	5,423
(12,276)	Net cash used in Investing Activities	(6,872)	(8,358)
2,000	Net cash provided by/(used in) Financing Activities	-	3,000
(3,016)	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	3,144	65
	Made up as follows:		
(3,016)	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	3,144	65
5,223	Cash, cash equivalents and bank overdrafts at the beginning of the year	1,385	2,207
2,207	Cash and cash equivalents at the end of the year.	4,529	2,272

Explanation of major variances against budget

Explanations for major variations from the Council estimate figures in the 2023/24 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expenses

Total other income was \$9,557,000 over budget. This is due to a number of factors, with the biggest being vested assets of \$7,075,000 over budget in the 2023/24 year. Subsidies were also \$2,418,000 over budget, due to carry over of subsidy from the previous year.

Other expenses is \$2,276,000 over budget. This is due to depreciation and amortisation being \$528,000 over budget due to a revaluation of infrastructural assets in the prior year, as well as

other expenses being over budget by \$2,375,000. This is due to road maintenance from carried over work, as well increases in other expenses due to contract increases. This is offset by Employee Benefit Expenses being under budget by \$627,000 due to staff vacancies.

Balance Sheet

Total current assets are up on the budgeted figure by \$610,000. This is mainly due to an increase in the receivables of \$2,598,000 above budget, offset by cash being \$2,257,000 under budget.

Non-current assets are up on budget by \$28,962,000 due to the revaluation of 3 waters assets during the previous year which occurred after the budget was set. This also includes an increase in Investments of \$7,044,000 over budget



due to an increase in the value of unlisted shares after adoption of PBE IPSAS 41.

Total current liabilities are \$11,932,000 above budget. This is predominantly due to short term borrowings of \$9,000,000, as well as timing of payments at year end, particularly with some significant capital projects beginning at year end.

Statement of Cash flows

Cash flows from operating activities were down on budget by \$4,593,000, mostly as a result of decreased receipts from rates revenue of \$2,369,000, as well as increased payments to suppliers and employees of \$2,197,000.

Cash flows from investing activities were \$1,486,000 above budget due to the increased amount carried over as work in progress from the prior year.

Cash flows from financing activities is \$3,000,000 over budget. This is due to borrowings that were not budgeted during the year.

Basis of Preparation

These summary financial statements and summary statement of service performance (the Summary Report) have been prepared in accordance with PBE FRS-43: Summary Financial Statements. The Summary Report cannot provide as complete an understanding as the full Annual Report which is available at the Council Offices and District Libraries. This Summary report is for the year ended 30 June 2024. All figures are in New Zealand dollars rounded to the nearest \$1,000.

The Summary Report has been extracted from the full Ōtorohanga District Council 2023/24 Annual Report which was authorised for issue on 22 October 2024. The full financial statements received an unmodified audit opinion dated 22 October 2024. The Summary Report was authorised by the Ōtorohanga District Council on 26 November 2024.

The full financial statements included in the full Annual Report have been prepared in accordance with NZ GAAP and they comply with Tier 2 Public Benefit Entity (PBE) Standards.

The primary objective of Ōtorohanga District Council is to provide goods or services for the community or social benefit rather than

making a financial return. The Ōtorohanga District Council is an individual entity for reporting purposes.

Ōtorohanga District Council has been determined to be a Tier 2 Public Benefit Entity and therefore has applied reduced disclosure requirements as it sees fit.

Summary of Other Notes

Reserves

	Actual 2024 (000's)	Actual 2023 (000's)
Restricted reserves	2,954	3,104
Fair value through Other Comprehensive Revenue and Expense Reserve	7,217	7,092
Asset Revaluation Reserves	225,553	229,961
Total Reserves	235,724	240,157

The movement in restricted reserves related to subdivision financial contributions received with resource consents and interest earned on those restricted reserves.

The movement in the fair value through other Comprehensive Revenue and Expense reserve relates to the adjustment of the carrying value of Councils investments, particularly in regards to the Waikato Regional Airport Limited and the Local Government Funding Agency.

The movement in the asset revaluation reserves related to revaluations of three waters assets undertaken during the prior year, as well as the land and buildings in the current year.

Property, plant and equipment

Current year revaluations

In the current financial year, the land and building valuations were completed by Quotable Value. The total fair value of the land and building assets at 30 June 2024 was \$39,879,700 (2023: \$35,766,005).

Events after balance sheet date

There have been no subsequent events that would impact on these financial statements.



Summary of Significant Activities

Summary of Significant Service Levels and Performance Targets

Activity	Number of Performance Targets	Achieved	Partially Achieved	Not Measured	Not Achieved
Land Transport	5	1	-	-	4
Water Supply	5	1	3	-	1
Wastewater Treatment and Disposal	4	2	1	-	1
Flood Protection	1	1	-	-	-
Stormwater Management	4	3	-	1	-
Waste Management and Minimisation	2	1	-	-	1
Community Facilities and Services	11	7	-	-	4
Regulatory Services	8	5	-	-	3
District Development	4	3	-	-	1
Governance and Support Services	3	2	1	-	-

Land Transport

The Land Transport target achieved included percentage of sealed road network resealed. Targets not achieved include footpath network condition, average quality of ride on sealed roads, change in total number of fatalities and serious injuries, and service request responses.

Water Supply

The Water Supply targets achieved were related to average consumption per day per resident. Not achieved was for complaints for water received. Partially achieved relates to the compliance with Bacterial and Protozoal standards, the percentage of water loss from the network and attendance and resolution times for urgent and non-urgent call-outs.

Wastewater Treatment and Disposal

The Wastewater Treatment and Disposal targets achieved related to dry weather overflows and complaints per 1,000 connections. The not achieved measure related to compliance with resource consents. Median response times for overflows was partially achieved as attendance time was not achieved but resolution time was.

Flood Protection

The Flood Protection target achieved was regarding the maintenance and renewal of the flood protection.

Stormwater Management

The Stormwater Management targets achieved were for number of flooding events in the district, number of complaints received and compliance with resource consents. The not measured target related to median response time to attend a flooding event, as there were no flooding events to respond to.



Waste Management and Minimisation

The achieved Waste Management target related to satisfaction with kerbside collection services, while the increase in recycling volumes was not achieved.

Community Facilities and Services

Overall across all community activities a total of 11 performance targets exist, of which 7 were achieved. Those achieved included satisfaction surveys related to parks & reserves, libraries and housing for the elderly. There were also measures related to the number of complaints received about cemeteries, as well as occupancy rates for housing for the elderly, maintenance of the Aotea seawall and civil defence community response plans. The not achieved measures related to swimming pool compliance, number of complaints received about public conveniences, civil defence exercise evaluation scores and number of participants in Library programmes.

Regulatory Services

There are eight performance measures across Regulatory Services, which covers Building Control, Planning & Development, Environmental Health, and Animal Control. Of these measures, five were achieved and three were not achieved. These related to processing times for resource consents and processing times for building consents and known dogs registered.

Some of the targets achieved for Regulatory Services included complaints about roaming dogs, swimming pool inspections and Council's accreditation, food premise monitoring and noise complaints.

District Development

There are four performance measures for Community Development, of which three were achieved during the year. The achieved measures related to community groups and organisations fulfilling their funding obligations, the scoping of external funding opportunities and the economic development agencies fulfilling their funding obligations. The measure not achieved related to the measure regarding reviews of bylaws and policies.

Governance and Support Services

Governance and Support Services covers Democracy, Iwi Liaison and Support Services. There are three performance targets across Governance and Support Services, and two of these were achieved during the year.

The achieved measures related to residents satisfaction with Council communication and the rating of Iwi leaders of their relationship with Council. The partially achieved measure relates to public 'meet the Council' sessions.





Statement of Compliance

The Council and Management of Ōtorohanga District Council confirm that all the statutory requirements of the Local Government Act 2002, regarding financial management and borrowing, have been complied with.

Statement of Responsibility

The Council and Management of Ōtorohanga District Council accept responsibility for the preparation of the annual Summary Financial Statements and the judgements used in them.

The Council and Management of Ōtorohanga District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Management of Ōtorohanga District Council, the Summary Financial Statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Ōtorohanga District Council.

Max Baxter
MAYOR

Tanya Winter
CHIEF EXECUTIVE

28 November 2024

Ōtorohanga District Statistics

Area and Population

Area (Square kilometres)	1,976
Population (2023 Census figures)	10,410

Communities

	Area	Population
Ōtorohanga	507 ha	3,180
Kawhia	161 ha	378
Rural	196,932 ha	6,852
	197,600 ha	10,410

Valuation

Rateable Properties (No. of)	5,206
Non Rateable Properties (No. of)	386
Rateable Capital Value	\$6,550,663,450
Date of Last revision of Values	1 Oct 2022

Rates and Rating 2023/24

Total Rates (Excluding GST)	\$15,714,445
System of Rating	Capital Value

Public Debt Outstanding as at 30/06/24

Public Debt Outstanding	\$9,447,613
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Date of Constitution of District

1 November 1989

Contact Information

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ŌTOROHANGA DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The summary of the annual report was derived from the annual report of Ōtorohanga District Council (the "District Council") for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 3 to 7:

- the summary balance sheet as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance (referred to as summary of significant activities).

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 2024 in our auditor's report dated 22 October 2024.

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 carried out engagements in the areas of long-term plan and completion of a limited independent assurance engagement on trustee reporting. Other than this engagement, we have no relationship with, or interests in the District Council.

A handwritten signature in black ink, appearing to read "M. Laing", written over a horizontal line.

Matt Laing
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand
28 November 2024