




2022/23
SUMMARY ANNUAL REPORT
WHAKARĀPOPOTO PŪRONGO-Ā-TAU

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2022/23



Everything we do at Waitomo District Council is linked to our vision.

“WAITOMO - a vibrant district”

Our aim is to make the District an attractive place that people will want to come and visit, work and live in. The intention is to enhance the livability of our District, facilitate our communities to be vibrant and thriving and to do this in a financially prudent and sustainable manner. Waitomo District Council has set areas of focus to drive this vision and guide our efforts. These are:

- provide value for money,
- support our communities, and
- enable a thriving community.

We have made excellent progress in our focus areas in the 2022/23 year.

Key highlights are included in the following pages with further detail of our achievements in the activity areas included in the 'Service Performance' section of the full Annual Report available at www.waitomo.govt.nz/council/publications

INTRODUCTION

KŌRERO WHAKATAKI

FROM THE MAYOR AND CHIEF EXECUTIVE

The 2022/23 year had its highs and lows for our Council and our community, but we all remain dedicated to striving toward Waitomo being a vibrant district. Impacts from COVID and from storm events made this 2022/23 year a particularly challenging one.

For the first time under this Council a State of Emergency was declared in January 2023 as heavy rain caused flooding in parts of Te Kuiti and rivers throughout the district to rise. We recall the generous support from the community and iwi for those impacted, and the exceptional performance of Emergency Services, Civil Defence, contractors, and our staff as this event unfolded.

COVID measures were relaxed this year as the spread of the virus diminished. Council operations returned to normal.

Much of our focus on infrastructure has been on catching up with repairs to our roads especially following heavy damage by Cyclone Dovi in February 2022. At year end, several roads still required significant repair work, but contracts to fix them were close to being awarded.

We have learnt from this unusually wet and storm filled year. Stormwater infrastructure in Te Kuiti showed its weak spots and action has been taken to get it into better condition to counter potential damage from future events.

During the year Council approved an \$8.8 million upgrade of Te Kuiti's drinking water network to increase storage capacity and complete improvements that will make the system much more reliable.

We opened the Gallagher Recreation Centre in February 2023; a \$9 million build delivered on time and on budget. A partnership between Council, the Ministry of Education and Te Kuiti High School was brought together in 2022 to enable this public facility to be

delivered. It is well patronised. Thanks must go to those organisations that helped fund this Centre.

In the 2021 /22 year our Council was allocated \$3.5 million of stimulus funding from Government to apply to community projects. Some of this funding was allocated to support projects in this financial year, including our unique "Rangatahi Pathways Initiative." This initiative, designed locally, supports our students to achieve the mission of entering further education or training, or securing a job, immediately after leaving school.

Our financial statements outline our position as at 30 June 2023. We have run an operating surplus and maintained external debt at under \$30 million.

Our subsidiary company Inframax Construction Limited has performed well and delivered an after-tax profit of \$0.98 million, this is a very positive result after a challenging few years.

October 2022 saw four new councillors elected. They have added energy and new perspectives which has been really positive. Our special thanks to the four outgoing councillors for their service.

We acknowledge those who have supported the Council and our communities over this past year. This includes the many volunteers involved in community groups and well-being activities. You make our district special. Thank you.



John Robertson
Mayor



Ben Smit
Chief Executive

Our Impact on the District

Here's a sample of our performance and what we delivered last year across the district.



We received **4,677 Service Requests**

Customer Service handled **10,756 calls**

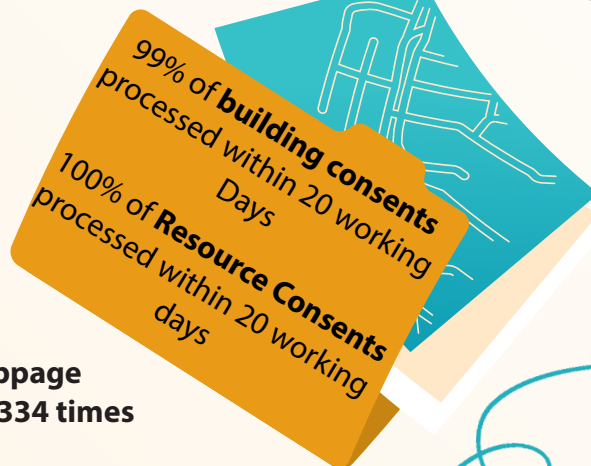
347 Rate Rebates were processed



We have **5,777 followers on Facebook**

We have produced **80 Media Releases**

There were **100,187 Facebook Page visits**



99% of building consents processed within 20 working Days

100% of Resource Consents processed within 20 working days

There were **246 new members to the library**



Our Online webpage was visited **16,334 times**

There were **702 participants of our library programmes and events**



We received **899 water related Service Requests**



There were **4,196 visits to the i-SITE**

493 WDC service visits to i-SITE



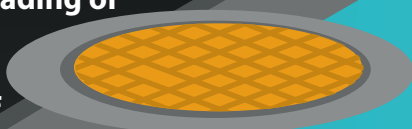
We have **3,137 registered Dogs**



847 requests were received relating to roads and footpaths.
812 were responded to within 10 days

Rehabilitated **52 km of unsealed road** and maintenance **grading of 1,041 km**

Resurfacing of **33.1 km of sealed roads**



A State of Emergency was declared for our District on 28 January 2023 in response to the severe weather and flooding.

The Western Waikato Emergency Response to this event was externally assessed as successful.

Roading emergency works annual spend for all events was \$4,604,993, funded mostly by Waka Kotahi.

OUR COMMUNITY OUTCOMES

Our Community Outcomes and Priority Areas describe what we aim to achieve for our community and what the community can expect us to work towards.

These outcomes and focus areas shaped the development of the 2021-31 10 Year Plan. All our activities contribute to the overall achievement of our community outcomes and our vision -

Waitomo – a vibrant district



Our outcomes are:



A Prosperous District

We will continue to enable a thriving and sustainable economy.



A District for People

We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



A District that cares for its Environment

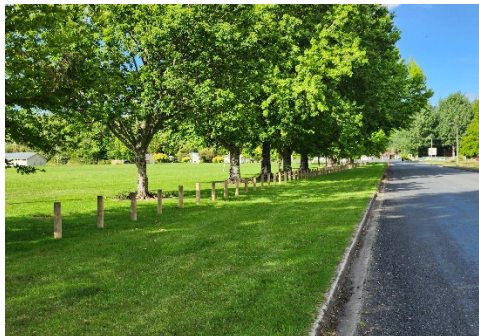
We plan for the wise use and management of all land and resources, now and for future generations.



A District that works with You

We work with you to collectively focus on the right things at the right time for the greater benefit of the District.

OUR PRIORITY AREAS



Provide value for money

Residents and ratepayers get best value for money because we find efficient and effective ways to deliver fit-for-purpose infrastructure, assets and services that meet legislative requirements.

We will continue with our renewal and maintenance programmes for our core infrastructure to prevent major repairs or replacements thereby minimising the costs for our current and future generations.

We are reconsidering developing a new cell to extend the landfill capacity and installation of gas collection as dropping waste volumes make out of district disposal a potentially more viable option.

We have commenced delivery of some of the projects funded by Central Governments 'Better-off' fund. These projects were selected based on the Town Concept Plans (TCPs) and feedback we have received from the community on the needs for our district. Without this additional funding some of the key moves in the TCPs could not progress.

Support our communities

We will continue to support a safe, vibrant community where people want to live and feel safe.

We have distributed funding for community projects through our Community and Partnerships Fund. The grants provide community assistance for the 'not for profit' sector to meet local needs and create a strong social base within the community.

Our collaboration with community partners has continued through the Vibrant Waitomo framework, Council have recommitted to this initiative endorsing the revised Strategy in June 2023.

Council adopted the Waitomo Housing Strategy in June 2023. The Strategy can be seen as the starting point for connecting with a range of organisations and agencies that can influence positive change. A Housing Taskforce will be formed in the coming year to assist with the delivery of the actions to address the District's housing issues.

Enable a thriving community

We will continue to enable the growth of our local economy by effectively promoting our District's local businesses and projects.

We support a thriving community by having a fit-for purpose District Plan and Council infrastructure, adequate and appropriate housing for people to live, opportunities for our rangatahi to be employed or have further education and a livable community environment.



SERVICE PERFORMANCE
PAEARU MAHI RATONGA

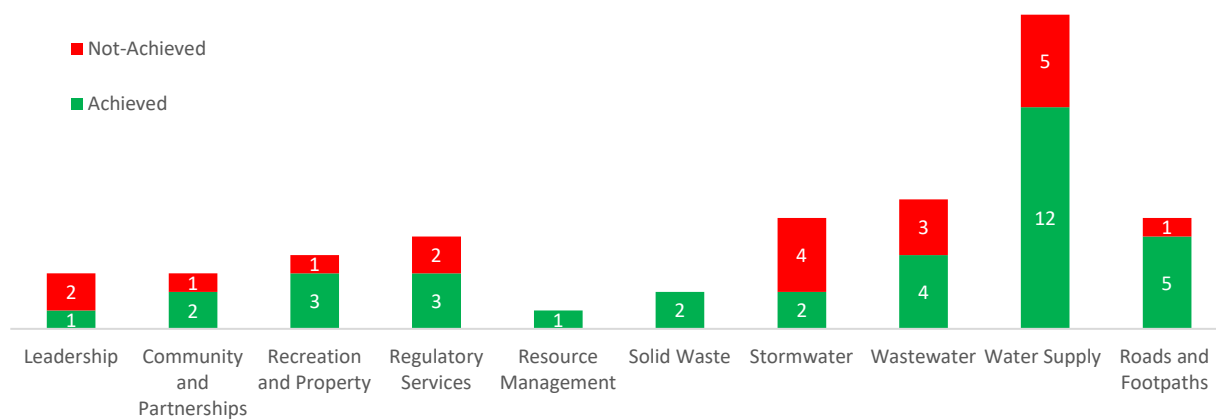
PERFORMANCE SUMMARY

This part of the Annual Report covers the services we provide and how we performed against our service commitments for 2022/23.

Our 2021-31 10 Year Plan divided the business into 10 activity groups that contribute to the delivery of our community outcomes.

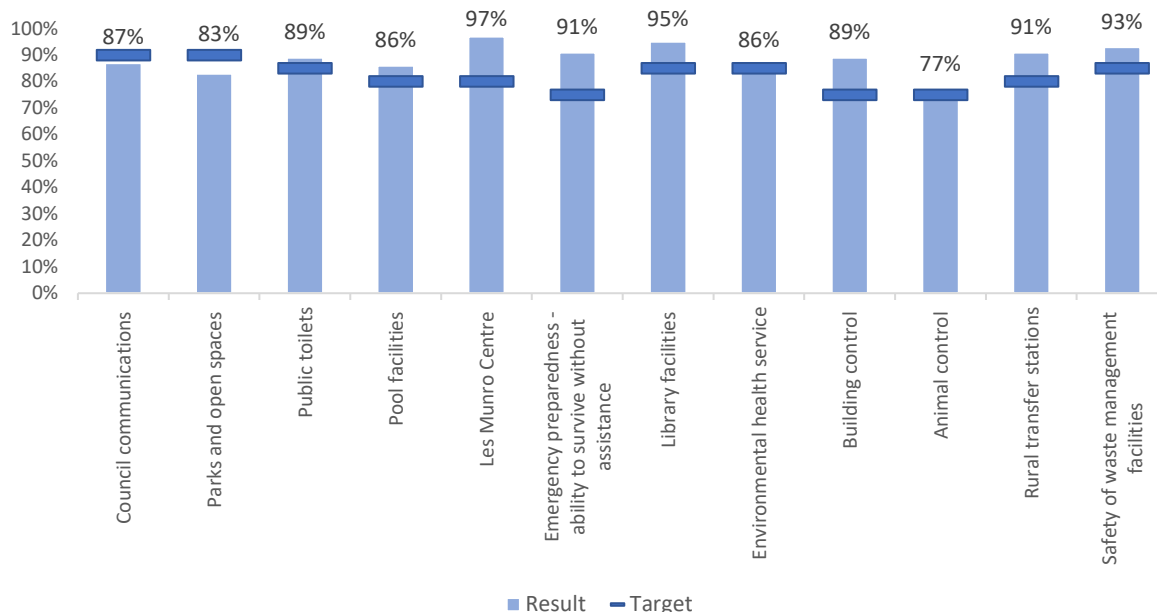
Of the 54 measures that we use to track performance, the summary graph below shows that we have met the target for 35 measures and have not met the targets for 19 measures.

PERFORMANCE RESULTS SUMMARY BY GROUPS OF ACTIVITIES



Our Resident’s survey was undertaken in 2023. Below is a summary of these results. Overall, every activity has met or exceeded the satisfaction targets.

PERFORMANCE AGAINST RESIDENT SURVEY



The full Annual Report provides more detail for each of these activity groups including an overview of the year that has been.





FINANCES
PŪTEA

OUR FINANCIAL PERFORMANCE

This section of the report gives an overview of our financial performance for the year ended 30 June 2023. This overview provides an explanation to our financial statements and notes on pages 62 to 117 in the full Annual Report.

OVERALL RESULTS

For the financial year WDC reported a net surplus of \$4.16 million compared to a budgeted surplus of \$12.8 million.

(\$000's)	2023 COUNCIL BUDGET	2023 COUNCIL ACTUAL	2022 COUNCIL ACTUAL
Total Revenue	47,335	46,545	44,224
Total Expenditure	34,505	42,384	36,864
Net surplus	12,830	4,161	7,360

Total revenue of \$46.5 million was less than forecast as capital expenditure was not fully spent for road repairs from recent storm events, structural bridge renewals and minor improvements. The associated subsidy revenue on this expenditure was therefore not received as forecast. The road repairs programme will continue in the 2023/24 year. Partly offsetting this, fees and charges and income from construction services was above forecast as \$3.9 million was recognised for construction services for the Gallagher Recreation Centre. Additional subsidy and grants revenue were also received for Mayors Taskforce for Jobs Recovery programme, Water Reforms Better Off funding and to fund Water Reform transition expenditure.

Total expenditure of \$42.4 million was more than forecast mostly due to the recognition of construction services expenditure of \$3.9 million and additional depreciation expense of \$1.4 million due to the revaluation of most asset classes at 30 June 2022 which increased the value of these assets and the corresponding depreciation expense. Additional operational expenditure was incurred for first response road maintenance costs after damage from severe weather events and for professional fees for managing the road network. Increased costs were also recognised for operational and reticulation maintenance for water supply, increased electricity costs and losses on asset disposals.

(\$000's)	2023 COUNCIL BUDGET	2023 COUNCIL ACTUAL	2022 COUNCIL ACTUAL
Elements of Net Surplus is comprised of:			
Cash items			
Subsidies, grants and contributions for capital expenditure	16,192	8,561	8,282
Fees and charges revenue for capital expenditure	0	33	0
Gains on the sale of assets	0	154	57
Rates funding for loan repayment	206	234	46
Operational performance	(838)	(1,021)	2,277
Operational expenditure funded by loans	(997)	(577)	(421)
Total cash items	14,563	7,384	10,240
Non-cash items			
Gains on valuations of investment property and forestry assets	0	55	331
Losses on asset disposals	0	(356)	(725)
Depreciation expense not funded	1,733	2,922	2,487
Total non-cash items	(1,733)	(3,223)	(2,881)
Net Surplus	12,830	4,161	7,360

Set out in the table above is a summary of the main items that combine to contribute to the total net surplus of \$4.16 million for the year.

Included in the surplus are revenues for asset funding such as subsidies, grants and contributions for capital expenditure, gains on the sale of assets and rates funding applied to loan repayment. These revenues are applied to the cost of improving and renewing assets and the associated loan repayments which are not accounted for in the surplus.

Operational reserve funding was utilised during the year to fund increased operational costs in wastewater and water supply and also for solid waste as waste disposal fees were less due to reduced waste volumes.

The 2022/23 Annual Plan also forecast reserve funding as some operational spends and initiatives were delayed in prior years, some additional funding for reserves was also planned for rates affordability reasons. During the year loan funding was recognised for the district plan development.

Non-cash items included in the surplus include the gains on valuations of investment property, losses on asset disposals and the depreciation expense not funded by rates. These items are recorded for accounting purposes and are not supported by underlying cash revenue or expenditure.

Further details on the revenue and expenditure items that have contributed to the surplus are provided within each of Group of Activities and in note 35 of the full Annual Report.

OUR FINANCIAL STRATEGY

Our 2021-31 10 Year Plan includes a financial strategy that sets out the important financial aspects of Council's planned direction and how it intends to manage its financial performance.

The Financial Strategy can be read in full in the 2021-31 10 Year Plan or on our website.

DEBT

Council borrows externally to fund assets or services that will provide benefit well into the future. We ended the financial year with an external debt position of **\$28.3 million**, which was significantly lower than the forecast target in the 2021-2031 10 Year Plan of **\$39.1 million** and the 2022/23 Annual Plan forecast of \$35.0 million.

We have been able to maintain debt at a similar level to the previous year as the capital expenditure programme was not fully spent particularly for repairs to the roading network from severe weather events and the cell development and highwall stabilisation at the landfill.



Social basketball at the Gallagher Recreation Centre

CAPITAL EXPENDITURE

The 2022/23 approved capital budget was \$23.6 million, the actual spend for the capital portfolio was \$16.2 million. Included in the actual spend is the service concession asset for the right of use of the Gallagher Recreation Centre, the purchase of carbon credits, and the projects that were deferred to 2022/23 from the previous financial year.

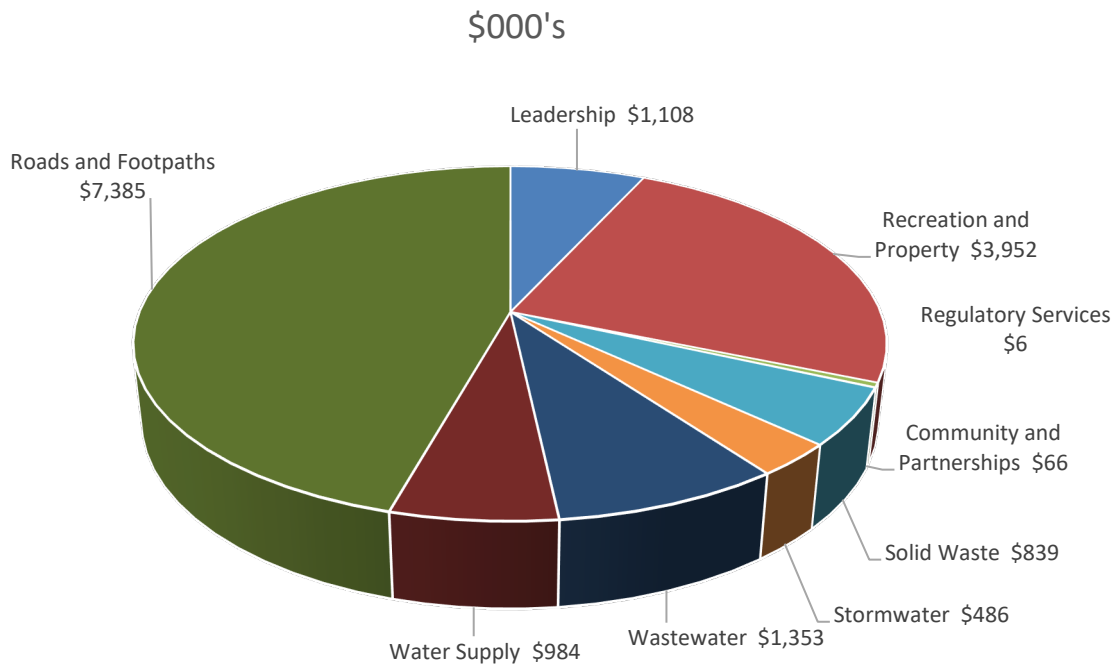
Some capital expenditure projects that were not completed during the year will be deferred to the 2023/24 year. Delays occurred due to internal resourcing, severe weather events and reprioritisation of projects.

In the 2022/23 we invested \$16.2 million in capital projects.

Some key projects undertaken were:

- Construction completed of the Gallagher Recreation Centre
- Installation of the new Mokau public toilets.
- Roothing network repairs of \$2.8 million related to the severe weather events.
- Resurfaced 33.1km of sealed roads.
- Unsealed roads received 52km of rehabilitation.
- Waimiha Road pavement rehabilitation completed, and Seddon and Lawrence Streets commenced.

TOTAL CAPITAL EXPENDITURE BY ACTIVITY 2022/23



FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2023

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement. The regulations can be found on the New Zealand legislation website legislation.govt.nz.

In addition to the benchmarks below there remaining six are available in the full Annual report.

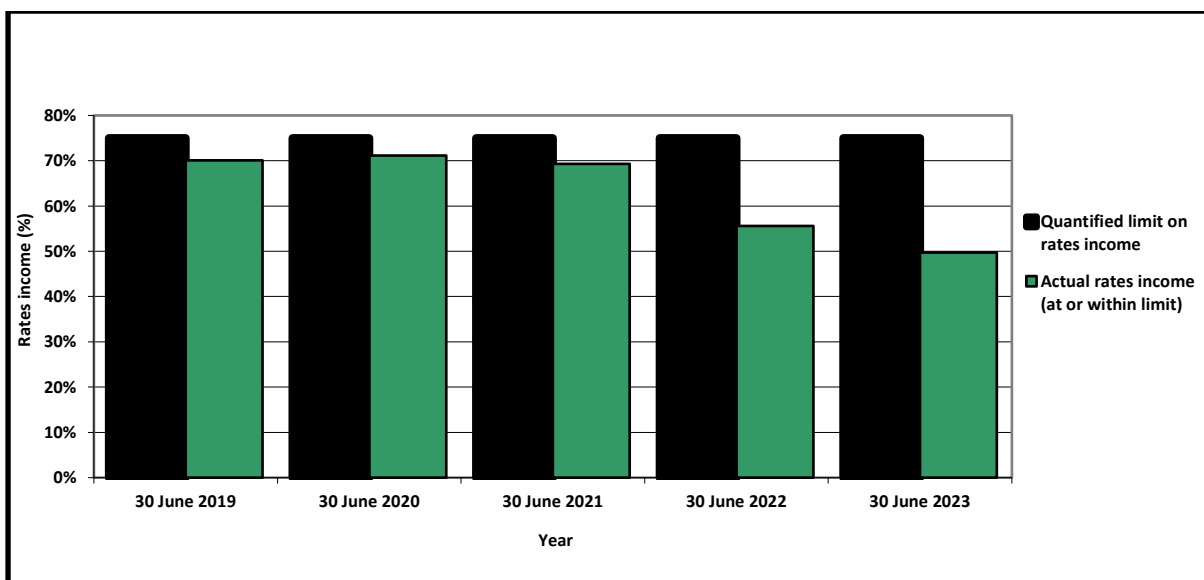
RATES AFFORDABILITY BENCHMARK

The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

RATES (INCOME) AFFORDABILITY

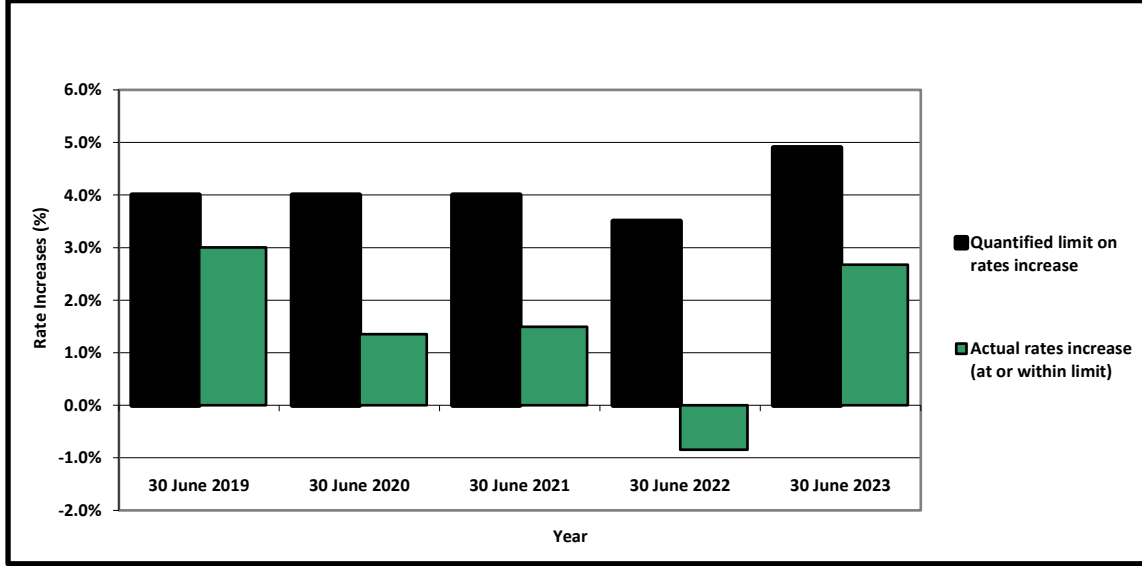
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan.



The quantified limit on rates income is that total rates revenue will be limited to 75% of total operating expenditure. Total rates revenue excludes rates penalties. Rates income was 49% of operating expenditure in 2022/23.

RATES (INCREASES) AFFORDABILITY

The following graph compares the Council’s actual rates increases with a quantified limit on rates increases in the financial strategy included in the Council’s 2021-31 Long Term Plan. The quantified limit for rates increases is 4.9% for the year ending June 2023 (Local Government Cost Index + 2%). Actual rates increase from 2021/22 to 2022/23 was 2.7%. For the years June 2019 to June 2021 the rates limit was 4% as set out in the 2018-28 Long Term Plan.



DEBT AFFORDABILITY BENCHMARK

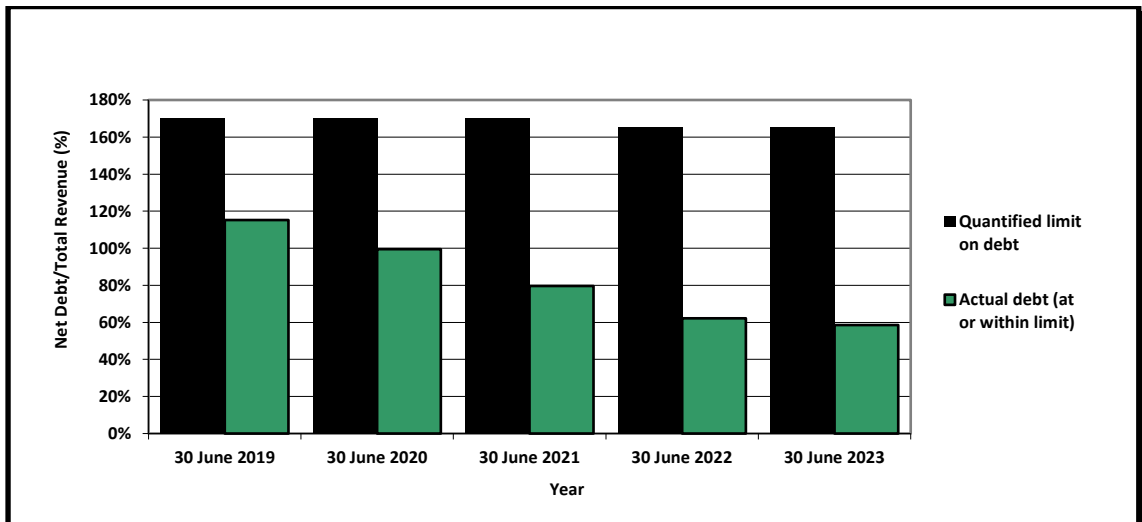
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. There are two quantified limits described in the long-term plan.

Total interest expense includes interest on borrowings and finance leases.

Total revenue includes rates revenue and penalties, government grants and subsidies for operating and capital expenditure, interest revenue, gains on sale of assets, and other revenue. Total revenue excludes gains or losses from change in value of investment property and available for sale non-current assets, gains on derivatives, gains on forestry and revenue on acquisition of property plant and equipment at nominal value.

Net debt will not exceed 165% of total revenue

The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is net debt will not exceed 165% of total revenue. A value of less than 165% indicates compliance with the prudential limit.



SUMMARY FINANCIAL STATEMENTS

The following pages present in summary, the financial results for the 2022/23 year.

The financial statements at 30 June 2023 comprise the Waitomo District Council (Council) and its wholly owned subsidiary Inframax Construction Limited incorporated in New Zealand (Group). Waitomo District Council has designated itself as a public benefit entity for the purposes of financial reporting.

The full financial statements included in the full Annual Report have been prepared in accordance with NZ GAAP and they comply with Tier 1 Public Benefit Entity (PBE) Standards. The summary annual report has been prepared in accordance with Public Benefit Entities Financial Reporting Standard No.43 Summary Financial Statements (PBE FRS 43). The presentation currency of the financial statements is New Zealand dollars and values are rounded to the nearest thousand dollars.

The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.

Council continues to recognise its three waters assets at 30 June 2023 in accordance the accounting policies set out in the full Annual Report on pages 66 to 77. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

The summary financial statements have been extracted from the corresponding full Annual Report which was authorised for issue on 31 October 2023 by the Mayor and Chief Executive. An unmodified audit report was issued and signed as part of the Annual Report on 31 October 2023. Deloitte have audited this Summary Report and have issued an unmodified opinion on 14 November 2023.

The statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements. The full financial statements contained within the 2022/23 Annual Report can be viewed and downloaded from our website www.waitomo.govt.nz/council/publications.

SUMMARY OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2023

For the financial year WDC reported a net surplus of \$4.16 million compared to a budgeted surplus of \$12.8 million.

(\$000's)	COUNCIL			GROUP	
	2023 BUDGET	2023 ACTUAL	2022 ACTUAL	2023 ACTUAL	2022 ACTUAL
Total Revenue and Gains/(Losses)	47,335	46,545	44,224	75,431	70,579
Total Other Expenses	33,247	41,077	35,886	69,088	63,660
Finance Costs	1,258	1,307	978	1,664	1,104
Surplus/(Deficit) Before Tax	12,830	4,161	7,360	4,679	5,815
Income tax expense/(revenue)	0	0	0	387	(319)
Surplus/(Deficit)	12,830	4,161	7,360	4,292	6,134
Other Comprehensive Revenue and Expenditure					
Revaluation of property, plant and equipment and quarry assets	19,311	180,555	105,326	181,410	106,959
Gains/(Losses) from cashflow hedges	0	390	1,706	390	1,706
Revaluation of financial assets at FVTOCRE	0	4,190	(2,413)	0	0
Income tax relating to components of other comprehensive revenue and expense	0	0	0	0	(124)
Total Other Comprehensive Revenue and Expense	19,311	185,135	104,619	181,800	108,541
Total Comprehensive Revenue and Expense	32,141	189,296	111,979	186,092	114,675

SUMMARY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

(\$000's)	COUNCIL			GROUP	
	2023 BUDGET \$000	2023 ACTUAL \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
Current Assets	8,187	7,262	8,786	14,150	13,515
Non Current Assets	435,730	689,849	498,548	694,943	506,587
Total Assets	443,917	697,111	507,334	709,093	520,102
Current Liabilities	20,099	14,777	21,251	20,447	26,711
Non Current Liabilities	23,552	21,503	14,548	25,851	16,688
Total Liabilities	43,651	36,280	35,799	46,298	43,399
Net Assets	400,266	660,831	471,535	662,795	476,703
Total Equity	400,266	660,831	471,535	662,795	476,703

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023

(\$000's)	COUNCIL		GROUP	
	2023 ACTUAL \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
Total Equity				
Balance at 1 July	471,535	359,556	476,703	362,028
Total Comprehensive Revenue and Expense for the year	189,296	111,979	186,092	114,675
Balance at 30 June	660,831	471,535	662,795	476,703

SUMMARY CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

(\$000's)	COUNCIL			GROUP	
	2023 BUDGET \$000	2023 ACTUAL \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
Net Cash Inflow from Operating Activities	21,065	11,488	11,529	14,130	12,509
Net Cash Outflows from Investing Activities	(23,613)	(12,274)	(9,544)	(15,129)	(10,605)
Net Cash Inflow/(outflow) from Financing Activities	2,548	(13)	(6,012)	1,478	(5,527)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	0	(799)	(4,027)	479	(3,623)
Cash, cash equivalents and bank overdrafts at the beginning of the year	3,203	2,352	6,379	2,899	6,522
Cash at Bank and In Hand	3,203	1,553	2,352	3,378	2,899

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding Impact Statement for 2021 to 2023 for Whole of Council (\$000's)	AP 2021/22	Actual 2021/22	AP 2022/23	Actual 2022/23
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,256	9,373	9,683	9,749
Targeted rates	11,345	11,292	11,564	11,499
Subsidies and grants for operating purposes	5,480	6,421	5,560	8,340
Fees and charges	3,818	8,309	4,126	7,848
Interest and Dividends from Investments	9	34	12	84
Local authorities fuel tax, fines, infringement fees and other receipts	161	220	198	253
Total operating funding (A)	30,069	35,649	31,143	37,773
Applications of operating funding				
Payments to staff and suppliers	24,814	28,095	25,667	32,258
Finance costs	1,118	978	1,258	1,307
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	25,932	29,073	26,925	33,565
Surplus (deficit) of operating funding (A-B)	4,137	6,576	4,218	4,208
Sources of capital funding				
Subsidies and grants for capital expenditure	5,674	8,189	16,151	8,561
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(96)	(2,347)	1,423	1,307
Gross proceeds from sale of assets	0	758	0	221
Lump sum contributions	0	0	41	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	5,578	6,600	17,615	10,089
Applications of capital funding				
Capital expenditure - to meet additional demand	0	0	0	0
Capital expenditure - to improve the level of service	2,211	6,117	4,300	4,508
Capital expenditure - to replace existing assets	8,139	7,147	19,314	11,671
Increase (decrease) in reserves	(635)	(88)	(1,781)	(1,882)
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	9,715	13,176	21,833	14,297
Surplus (deficit) of capital funding (C-D)	(4,137)	(6,576)	(4,218)	(4,208)
Funding Balance ((A-B)+(C-D))	0	0	0	0

GROUP PERFORMANCE

The Group consists of the Council and its 100% owned subsidiary, Inframax Construction Ltd. The Group's overall performance for the year was an **after tax surplus of \$4.3 million**.

Inframax Construction Ltd report a net profit after tax of \$0.98 million for the year ended 30 June 2023. This was a positive result for the company and is a reflection of the hard work and effort of the Board, management and staff. Despite challenging conditions including wet weather during the construction season, resourcing constraints from a national skills shortage and the impacts of high level of inflation on expenditure, the result is a considerable improvement on the previous years' net loss. Revenue increased to \$40 million, a 16% increase on the prior year, as the company successfully secured several key contracts including the road maintenance contract for Ruapehu district.

The equity position of the company increased to \$12.6 million, with an equity ratio of 52%.

At 30 June 2023, total equity for the Group was **\$662.8 million**, an increase of \$186.1 million from the prior year. This increase in equity reflects the following net asset increases:

- The Group's after tax surplus of \$4.3 million.
- Current assets increased by \$0.7 million arising from an increase in cash and cash equivalents at balance date and the recognition of the derivative financial instruments asset.
- Current liabilities decreased by \$6.3 million due mostly to the reclassification of Council borrowings to non-current liabilities.
- Non-current assets increased by \$188.3 million arising mostly from the revaluation of roads and solid waste assets and the recognition of the service concession asset for the right to use the Gallagher Recreation Centre.
- Non-current liabilities increased by \$9.2 million due mainly to the reclassification of Council's borrowings from current to non-current liabilities.

Events after balance date

Council and Group

There were no events after balance date requiring disclosure.

A large, detailed bronze sculpture of a man in overalls, leaning over and slaughtering a pig. The man's muscles are intricately carved, and his expression is one of intense focus. The pig is positioned below him, with its head being cut. The sculpture is set on a circular concrete base in an outdoor setting with a blue sky, green hills, and trees in the background.

**AUDIT
TĀTARI KAUTE**

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAITOMO DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The summary of the annual report was derived from the annual report of the Waitomo District Council (the "District Council") and subsidiaries (the "Group") for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 10 to 20:

- the summary statement of financial position as at 30 June 2023;
- 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 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

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 2023 in our auditor's report dated 31 October 2023.

Without modifying our opinion, we draw attention to page 17, which outlines developments in the Government's water services programme. The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities.

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in the pages noted above remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

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 a limited independent assurance engagement on certain matters stated in the District Council's Debenture Trust Deed. Other than this engagement, we have no relationship with, or interests in the District Council or its subsidiaries



Bruno Dente,
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand
14 November 2023







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