



**2021/22**

**SUMMARY ANNUAL REPORT**

**WHAKARĀPOPOTO PŪRONGO-Ā-TAU**

FRONT COVER: BRIDGE, TE KUITI

CHRISTO DE BEER

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2021/22



**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 liveability 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 2021/22 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](http://www.waitomo.govt.nz/council/publications)**

**INTRODUCTION**  
**KŌRERO WHAKATAKI**

## **FROM THE MAYOR AND CHIEF EXECUTIVE**

This report covers the first year of delivery on the 10 Year Plan 2021-2031 with our vision for Waitomo as a vibrant district. This year has proven to be a very successful year but a challenging one for us all. We have moved into the recovery stage from the COVID-19 global pandemic which continues to impact us as a community and individuals. Adding to this we have also experienced severe weather events during the year which presents another challenge on our recovery pathway.

In the face of these challenges, we have been able to deliver a substantial amount of capital projects, work programmes and levels of service. Contractor, materials, and staff shortages have made delivery of some projects and services very difficult. We have not been able to deliver all the capital works that we sought to.

Our community partnership programme Mayor's Taskforce for Jobs has been successful in assisting with sustainable local employment. Other highlights this year were completion of Te Ara Tika, commencement of the King Country Sports and Recreation centre and completing the Three Waters Reform Stimulus fund projects which added in total \$3.5 million of investment into our 3 waters infrastructure. These investments will benefit our communities now and for the next generations to come.

The Three Waters Reform programme continues to be progressed by central government with the creation of transitional entities that are working alongside councils through the transition period.

Elected members acknowledge the efforts of the Chief Executive and his team for both delivering on our business as usual programmes and for responding to these extra demands.

The affordability of rates continues to be at the forefront of elected member minds. In the year under review, the actual rates collected dropped by -0.84% for 2021/22 which was lower than forecasted in 10 Year Plan 2021-2031 at -0.54%. Our focus will continue to be on delivering services effectively and efficiently.

Annual reports for councils are extensive. We report on the performance of each service we provide followed by the overall financial statements which details our financial position as at 30 June 2022. We are pleased to report that for the financial year ending 30 June 2022 Council's external debt is now down to \$28.2 million. Some of this is due to deferred capital works, and some due to Council reducing cash on hand.

Our benchmark graphs show the Council is in a stable position for the significant change ahead. We will continue to work together and maintain this stability while maximising the government funding opportunities to deliver real change in our communities.

Special mention to previous Chief Executive Chris Ryan for his involvement in the success of the WDC over his 15 years of service.

We acknowledge the residents and ratepayers of our district for their support and continued participation in our community activities this year.

A handwritten signature in blue ink, appearing to read 'John Robertson'.

John Robertson  
**Mayor**

A handwritten signature in blue ink, appearing to read 'Ben Smit'.

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 **4377 Service Requests**

Customer Service handled **13,686 calls**

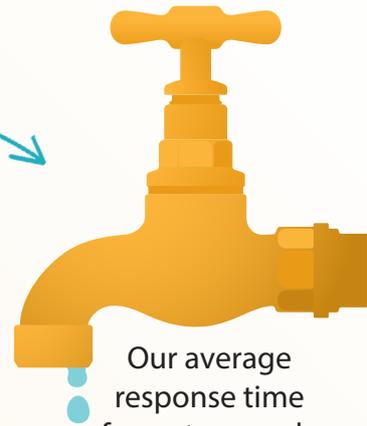
**311 Rate Rebates** were processed

There are **over 2800 members of the library**

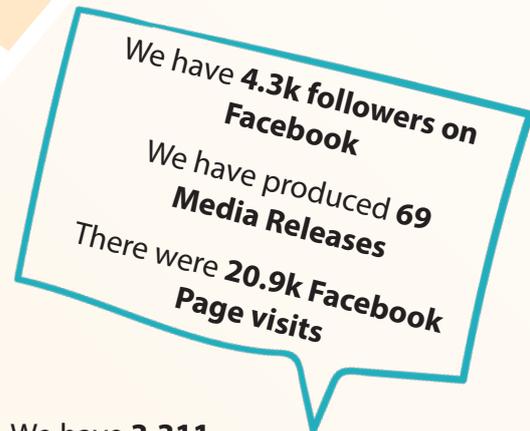


Our Online Library was accessed **5443 times**

There are more than **20,000 physical items available for loan** to our members



Our average response time for water supply related **urgent call outs** was **one hour**



There were **1797 visits to the i-SITE**

**283 WDC service visits** to i-SITE



We have **3,311 registered Dogs**



Resurfacing of **27 km of sealed roads**



Rehabilitated **54 km of unsealed road** and maintenance **grading of 830 km**

Maintained **170 bridges**

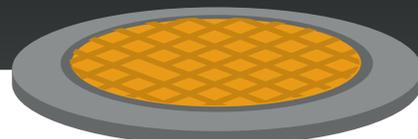
Maintained and/or replaced **366 signs and markers** and **166 signposts**



We constructed **1,311 m of new footpaths**

Length of pipes laid was **4,059m**

Reactive & planned road maintenance **rural roads 460 km sealed and 548 km unsealed**



533 requests were received relating to roads and footpaths. **486 were responded to within 10 days**

# 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**

*A place that provides safe, reliable and well managed  
We work with you to collectively focus on the right things at the right time for the greater benefit of the District.*

## OUR FOCUS 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 developing a new cell to extend the landfill capacity and installation of gas collection that will reduce operational costs.

We are also refreshing our Town Concept Plans due to many changes we are impacted by. This will provide a clear pathway forward on where we should focus our future investments in each town.

### Support our communities

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

We have entered a community partnership project with the Ministry of Education and Te Kuiti High School Board of Trustees to construct and operate the King Country Indoor Sports and Recreation Centre.

We will distribute 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.

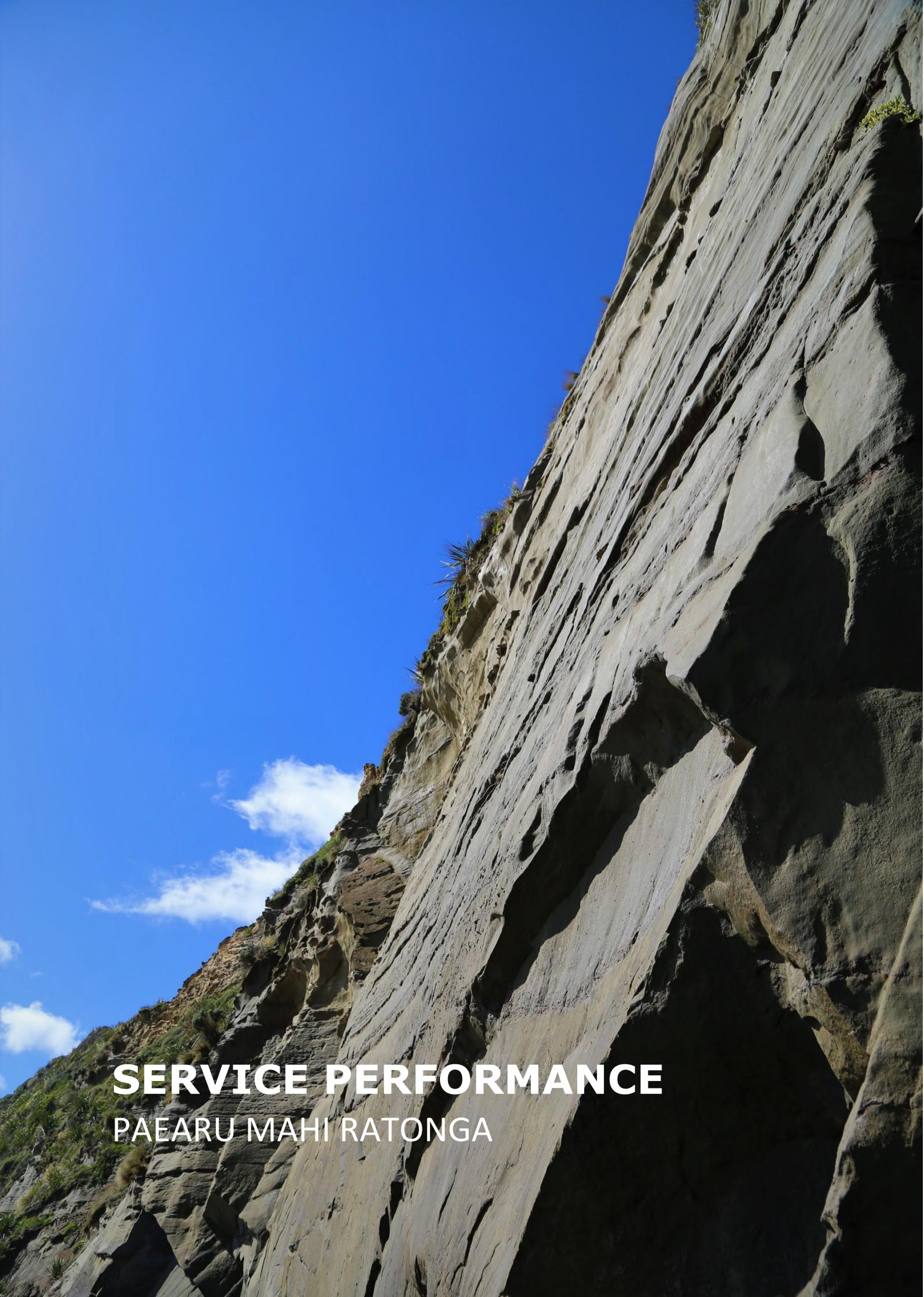
Our collaboration with community partners continues through the Vibrant Safe Waitomo framework. The activities, events, and community projects help in creating a caring, safe, and vibrant place to live.

### 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 will be working on a Development Plan for the Te Kuiti Aerodrome, which has potential as a strategic hub, development opportunities also exist for transport activities.

We will continue our involvement with Te Waka – The Waikato Regional Economic Development Agency. Key areas are Regional Business Support and Māori Economic Development this year focusing on Leadership, Housing, and Wellbeing.



**SERVICE PERFORMANCE**  
PAEARU MAHI RATONGA

# PERFORMANCE SUMMARY

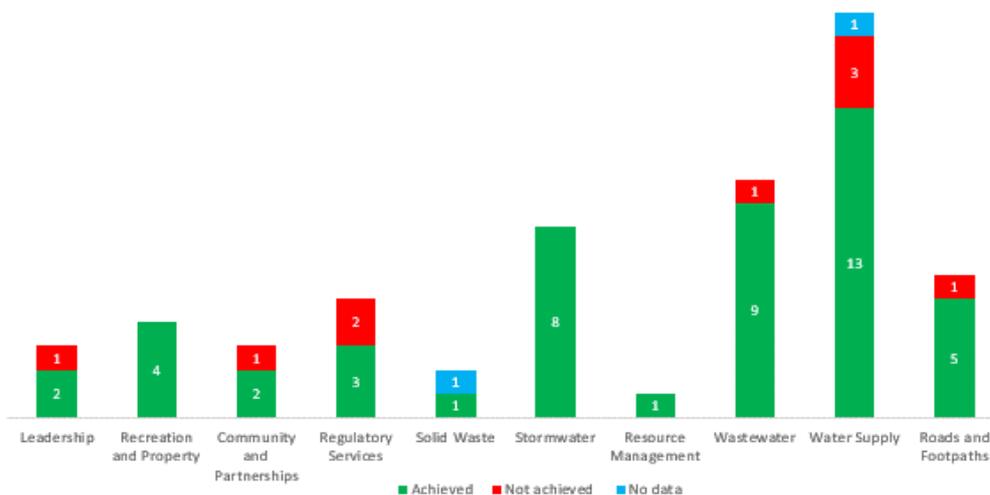
This section provides a summary of how we performed against our service commitments for 2021/22.

Our 2021-31 10 Year Plan divided the business into 10 activity groups that contribute to the delivery of our community outcomes. Each group has performance measures that show how well we are delivering our services to the community.

Of the 59 measures that we use to track performance, the summary graph below shows that:

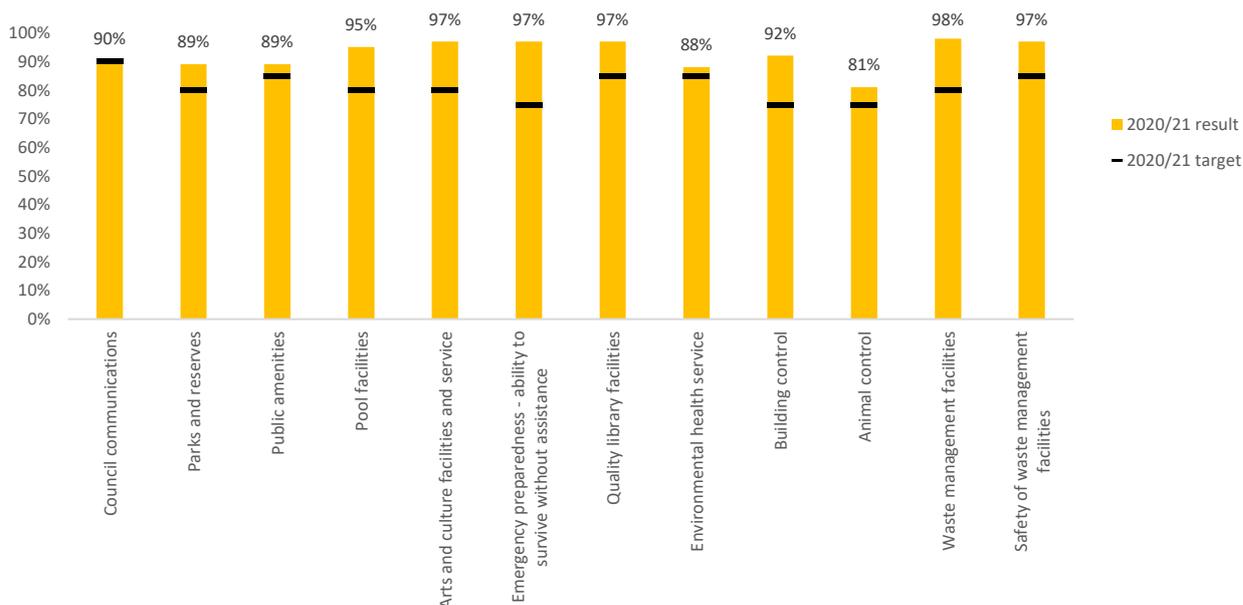
- We have met the target for 48 measures (81%).
- We have not met the targets for 9 measures (15%).
- We do not have data available for 2 measures (4%).

## PERFORMANCE RESULTS SUMMARY BY GROUPS OF ACTIVITIES



Our Resident’s survey is now undertaken every two years, the last survey was in 2021. 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 2022. This overview provides an explanation to our financial statements and notes on pages 60 to 115 in the full Annual Report.

### OVERALL RESULTS

For the financial year WDC reported a net surplus of \$7.4 million compared to a budgeted surplus of \$2.9 million.

(\$000's)	2022 COUNCIL BUDGET	2022 COUNCIL ACTUAL	2021 COUNCIL ACTUAL
Total Revenue	35,743	44,224	37,848
Total Expenditure	32,812	36,864	29,719
<b>Net surplus/(deficit)</b>	<b>2,931</b>	<b>7,360</b>	<b>8,129</b>

(\$000's)	2022 COUNCIL BUDGET	2022 COUNCIL ACTUAL	2021 COUNCIL ACTUAL
<b>Elements of Net Surplus is comprised of:</b>			
<b>Cash items</b>			
Subsidies, grants and contributions for capital expenditure	5,676	8,281	5,362
Waka Kotahi subsidy applied to loan repayment	0	0	599
Gains on the sale of assets	0	57	158
Rates funding for loan repayment	37	46	200
Operational performance	(1,757)	2,277	1,996
Operational expenditure funded by loans	1,263	(421)	(382)
<b>Total cash items</b>	<b>5,219</b>	<b>10,240</b>	<b>7,933</b>
<b>Non-cash items</b>			
Gains on valuations of investment property and forestry assets	0	331	1,348
Losses on asset disposals	0	(725)	(358)
Depreciation expense not funded	(2,288)	(2,486)	(794)
<b>Total non-cash items</b>	<b>(2,288)</b>	<b>(2,880)</b>	<b>196</b>
<b>Net Surplus</b>	<b>2,931</b>	<b>7,360</b>	<b>8,129</b>

Set out in the table above is a summary of the main items that combine to contribute to the total net surplus of \$7.4 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 performance has also contributed to the net surplus, this includes additional revenue received that was more than forecast such as trade waste and landfill disposal fees and the forecast expenditure not fully spent during the year. This reduced expenditure was the result of the pandemic response to COVID 19 which has delayed progress on a number of projects and the Three Waters Reform Programme which diverted organisational resources from planned work programmes. These savings increased the balance of council created reserves at year end and also were used to offset the need to borrow externally, thereby providing further savings in finance costs.

During the year loan funding was recognised for the district plan development and the King Country Indoor Sports and Recreation Centre.

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.



## CAPITAL EXPENDITURE

The 2021/22 approved capital budget was \$10.3 million, the actual spend for the capital portfolio was \$13.3 million. Included in the actual spend, is additional expenditure for the Three Waters Reform Programme, the service concession asset for the right of use of the King Country Indoor Sports and Recreation Centre, the purchase of carbon credits, and the projects that were deferred to 2021/22 from the previous financial year.

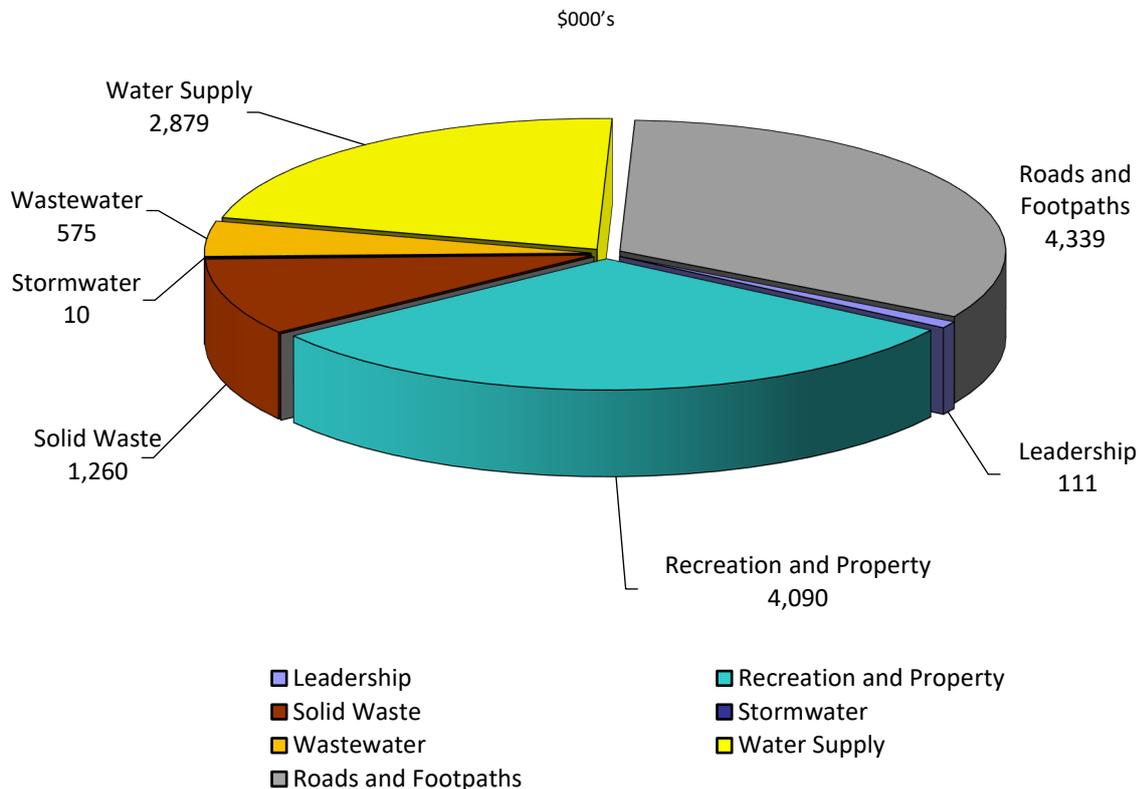
Some capital expenditure projects that were not completed during the year will be deferred to the 2022/23 year. Delays in these projects occurred due to internal resourcing, the impact of issues with global supply chains on availability of supplies and contractor availability.

In the 2021/22 we invested \$13.3 million in capital projects.

Some key projects undertaken were:

- Construction commenced on King Country Indoor Sports and Recreation Centre.
- Upgrade of the effluent field in preparation for Mokau public toilets.
- Completion of the Te Ara Tika pedestrian overbridge project and amenity areas.
- Backflow installation project in Te Kuiti, Mokau and Piopio completed.
- Backup generators installed at water and wastewater treatment plants.
- Mokau water treatment plant sand filter and UV upgrade completed, commissioning is underway.
- Resurfaced 27km of sealed roads.
- Unsealed roads received 54km of rehabilitation and 95km were re-metalled.
- Waimiha Road pavement rehabilitation completed.
- A total of 1311m of new footpaths were constructed during the year.

## TOTAL CAPITAL EXPENDITURE BY ACTIVITY 2021/22



# FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

## ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2022

What is the purpose of this statement?

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](http://legislation.govt.nz).

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

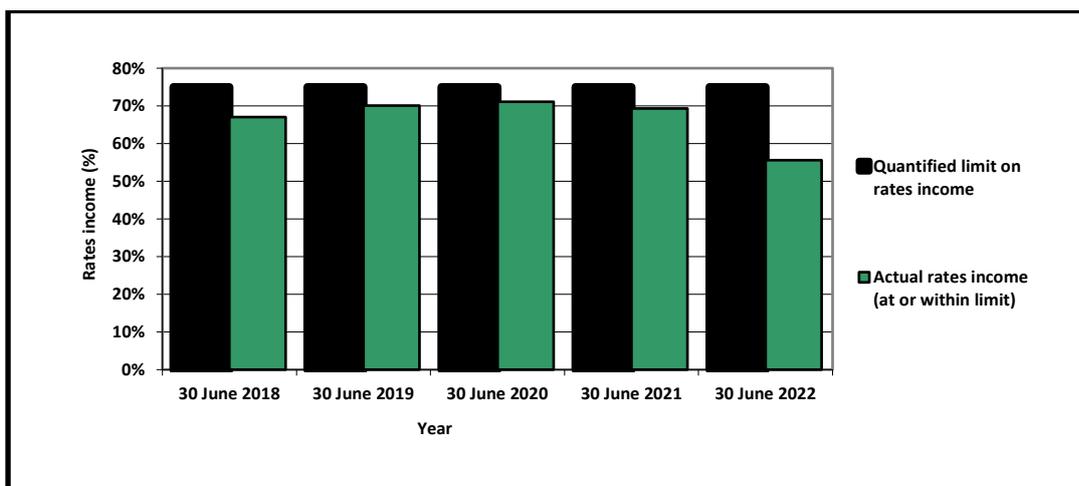
### RATES AFFORDABILITY BENCHMARK

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

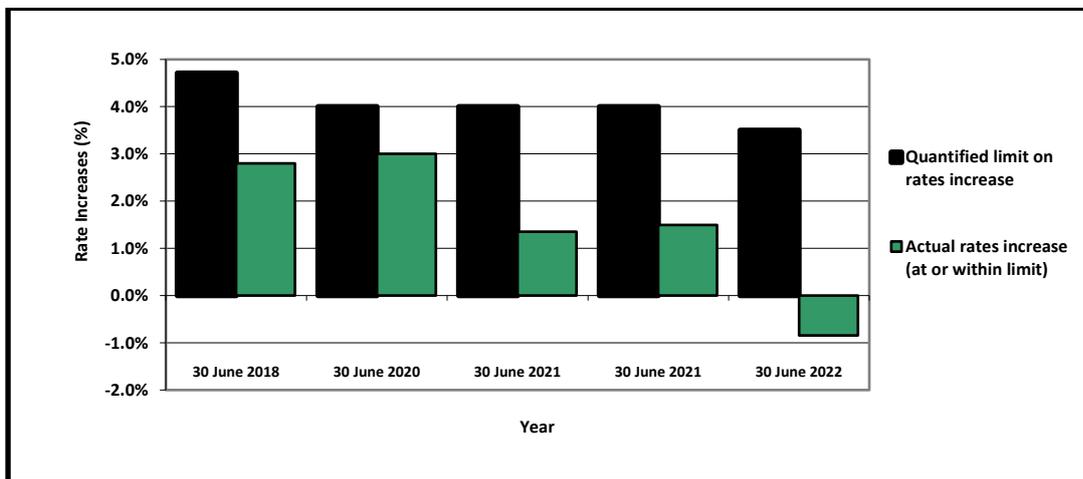
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan.



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 of 56% of operating expenditure in 2021/22.

### 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 3.5% for the year ending June 2022 (Local Government Cost Index + 2%). Actual rates decrease from 2020/21 to 2021/22 was -0.8%. 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

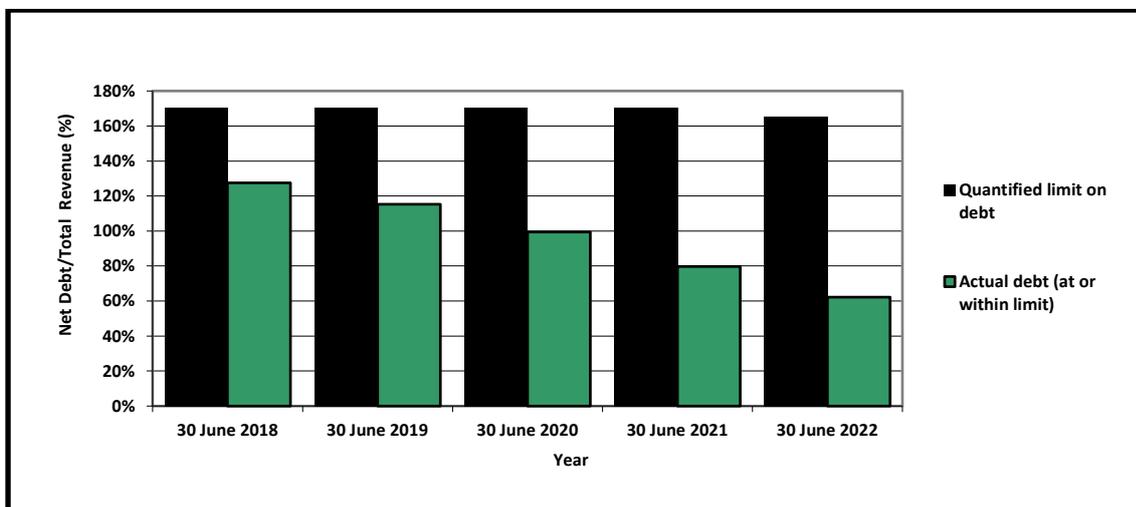
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. There are two quantified limits described in the long-term plan.

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 2021/22 year.

The financial statements at 30 June 2022 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.

Three Waters Service Delivery Reforms. In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear.

Council continues to recognise its three waters assets at 30 June 2022 in accordance the accounting policies set out in the full Annual Report on pages 71 to 72. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities. 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 29 November 2022 by the Mayor and Chief Executive. An unmodified audit report was issued and signed as part of the Annual Report on 29 November 2022. Deloitte have audited this Summary Report and have issued an unmodified opinion on 7 December 2022.

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 2021/22 Annual Report can be viewed and downloaded from our website [www.waitomo.govt.nz/council/publications](http://www.waitomo.govt.nz/council/publications).

## SUMMARY OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2022

For the financial year WDC reported a net surplus of \$7.4 million compared to budgeted surplus of \$2.9 million.

(\$000's)	COUNCIL			GROUP	
	2022 BUDGET	2022 ACTUAL	2021 ACTUAL	2022 ACTUAL	2021 ACTUAL
<b>Total Revenue and Gains/(Losses)</b>	<b>35,743</b>	<b>44,224</b>	<b>37,848</b>	<b>70,579</b>	<b>61,902</b>
Total Other Expenses	31,694	35,886	28,521	63,660	52,457
Finance Costs	1,118	978	1,198	1,104	1,306
<b>Surplus/(Deficit) Before Tax</b>	<b>2,931</b>	<b>7,360</b>	<b>8,129</b>	<b>5,815</b>	<b>8,139</b>
Income tax expense/(revenue)	0	0	0	(319)	187
<b>Surplus/(Deficit)</b>	<b>2,931</b>	<b>7,360</b>	<b>8,129</b>	<b>6,134</b>	<b>7,952</b>
<b>Other Comprehensive Revenue and Expenditure</b>					
Revaluation of property, plant and equipment and quarry assets	0	105,326	14,513	106,959	15,094
Gains/(Losses) from cashflow hedges	0	1,706	1,403	1,706	1,403
Revaluation of available for sale assets	0	(2,413)	0	0	0
Income tax relating to components of other comprehensive revenue and expense	0	0	0	(124)	(142)
<b>Total Other Comprehensive Revenue and Expense</b>	<b>0</b>	<b>104,619</b>	<b>15,916</b>	<b>108,541</b>	<b>16,355</b>
<b>Total Comprehensive Revenue and Expense</b>	<b>2,931</b>	<b>111,979</b>	<b>24,045</b>	<b>114,675</b>	<b>24,307</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

(\$000's)	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Current Assets	8,667	8,786	11,427	13,515	16,242
Non Current Assets	381,126	498,548	390,954	506,587	395,384
<b>Total Assets</b>	<b>389,793</b>	<b>507,334</b>	<b>402,381</b>	<b>520,102</b>	<b>411,626</b>
Current Liabilities	24,830	21,251	22,273	26,711	26,391
Non Current Liabilities	22,593	14,548	20,552	16,688	23,207
<b>Total Liabilities</b>	<b>47,423</b>	<b>35,799</b>	<b>42,825</b>	<b>43,399</b>	<b>49,598</b>
<b>Net Assets</b>	<b>342,370</b>	<b>471,535</b>	<b>359,556</b>	<b>476,703</b>	<b>362,028</b>
<b>Total Equity</b>	<b>342,370</b>	<b>471,535</b>	<b>359,556</b>	<b>476,703</b>	<b>362,028</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2022

(\$000's)	COUNCIL		GROUP	
	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
<b>Total Equity</b>				
Balance at 1 July	359,556	335,511	362,028	337,721
Total Comprehensive Revenue and Expense for the year	111,979	24,045	114,675	24,307
<b>Balance at 30 June</b>	<b>471,535</b>	<b>359,556</b>	<b>476,703</b>	<b>362,028</b>

## SUMMARY CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

(\$000's)	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Net Cash Inflow from Operating Activities	10,415	11,529	14,758	12,509	14,646
Net Cash Outflows from Investing Activities	(10,346)	(9,544)	(9,610)	(10,605)	(10,239)
Net Cash Inflow/(outflow) from Financing Activities	(69)	(6,012)	(3,012)	(5,527)	(2,900)
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>	<b>0</b>	<b>(4,027)</b>	<b>2,136</b>	<b>(3,623)</b>	<b>1,507</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	4,243	6,379	4,243	6,522	5,015
<b>Cash at Bank and In Hand</b>	<b>4,243</b>	<b>2,352</b>	<b>6,379</b>	<b>2,899</b>	<b>6,522</b>

## **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 **\$28.2 million**, which was significantly lower than the forecast target in the 2021-2031 10 Year Plan of **\$39.5 million**. This was a reduction in total borrowings of \$6 million since 30 June 2021.

We have been able to significantly reduce debt this year due to a cash surplus bought about in part by reduced operating costs and unspent capital expenditure adding to our planned debt repayment.

See Total borrowing cost graph on page 12.

### **CAPITAL EXPENDITURE**

The 2021/22 approved capital budget was \$10.3 million, the actual spend for the capital portfolio was \$13.3 million. Included in the actual spend, is additional expenditure for the Three Waters Reform Programme, the service concession asset for the right of use of the King Country Indoor Sports and Recreation Centre, the purchase of carbon credits, and the projects that were deferred to 2021/22 from the previous financial year.

Some capital expenditure projects that were not completed during the year will be deferred to the 2022/23 year. Delays in these projects occurred due to internal resourcing, the impact of issues with global supply chains on availability of supplies and contractor availability.

In the 2021/22 we invested \$13.3 million in capital projects.



## 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 \$6.1 million**.

Inframax Construction Ltd reported a net loss after tax of \$0.8 million for the year ended 30 June 2022. This was due to increased expenditure for direct contract expenses and employee benefit expense and the impairment of assets.

The subsidiary was eligible and received the wages subsidy which supported the subsidiary operations during ongoing uncertainty in the contracting environment. Despite challenging operating conditions, revenue was above forecast. The equity position of the subsidiary reduced to \$11.6 million with a decrease in the equity ratio to 57%.

At 30 June 2022, total equity for the Group was **\$476.7 million**, an increase of \$114.7 million from the prior year. This increase in equity reflects the following net asset increases:

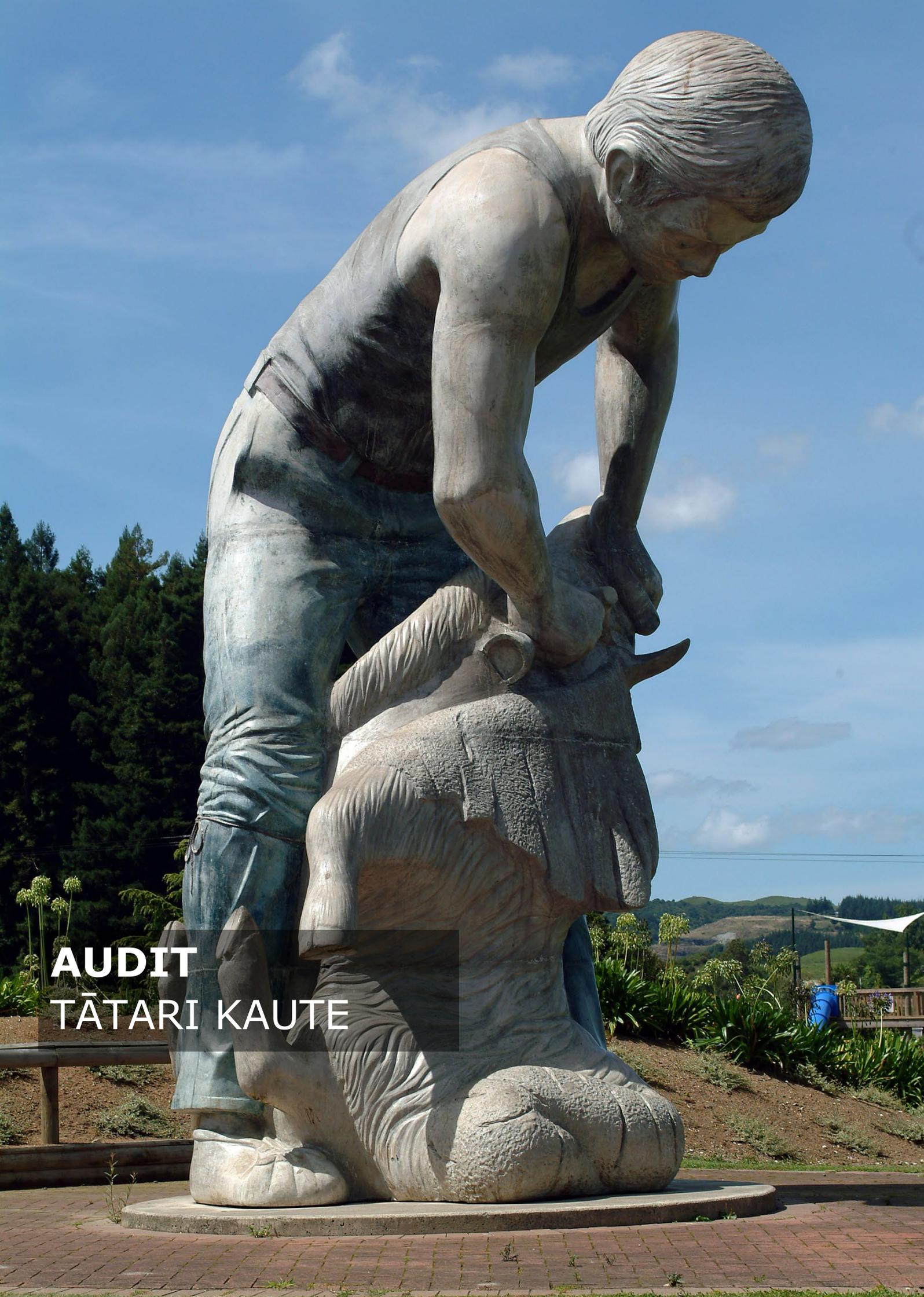
- The Group's after tax surplus of \$6.1 million.
- Current assets decrease of \$2.7 million arising from a decrease in cash and cash equivalents at balance date for the repayment of borrowings and was partly offset by an increase in receivables owing.
- Non current assets increase of \$111.2 million arising mostly from the revaluation of roads, solid waste, land and buildings, water, wastewater and stormwater assets.
- Non current liabilities decrease of \$6.5 million due mainly to a reduction in overall Council's borrowings and a reduction in the non current portion of derivative financial instruments.

### Events after balance date

On 12 September 2022, the NZ Government removed the Covid-19 Protection Framework. This included the removal of the 'traffic light system', vaccine mandates and all mask wearing requirements except in healthcare or aged residential care facilities.

On 6 October 2022, Council approved the decision to proceed with the Te Kuiti Water Supply Resilience Improvements project which includes the construction of a new reservoir at the Hetet Reservoir in Te Kuiti and a new rising main. The estimated cost of the project is \$8.85 million which will be loan funded. The contract is expected to be let in the 2023 calendar year.

The Select Committee's report on the Water Services Entities Bill has been released, this is the first step in a suite of legislation to enact the three waters reforms. This bill establishes four publicly owned water services entities that will come into effect from 1 July 2024.

A large, detailed bronze sculpture of a man in overalls leaning over a bull's head. The man is depicted with realistic musculature and is wearing a dark tank top and light-colored overalls. He is leaning forward, with his hands resting on the bull's head. The bull's head is the central focus, with its horns and textured fur clearly visible. The sculpture is set on a circular concrete base. The background features a clear blue sky with some light clouds, a line of green trees, and a distant landscape with rolling hills and a white canopy structure. The overall scene is bright and sunny.

**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 2022

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 2022.

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 2022;

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 2022;

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 2022 in our auditor's report dated 29 November 2022.

Without modifying our opinion, we draw attention to page 17, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.



### **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

A handwritten signature in blue ink that reads "Bruno Dente".

**Bruno Dente,**  
for Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand  
7 December 2022









[www.waitomo.govt.nz](http://www.waitomo.govt.nz)