

PŪRONGO Ā-TAU |

ANNUAL REPORT

SUMMARY

2021/22



te kaunihera ā-rohe o
matamata-piako
district council



WELCOME – MESSAGE FROM THE MAYOR

I am honoured to have been elected as Mayor of the Matamata-Piako District and want to extend my thanks to everyone who voted for me.

Local government is facing a number of challenges right now, with major reforms underway. But I want to assure the community that I am ready to lead our district through those challenges to get the best possible outcomes for this community. I'm surrounded by a team of passionate Councillors, with a mix of experience and fresh ideas which includes the addition of our Māori ward Councillor from Te Toa Horopū ā Matamata-Piako Ward.

This is the first Annual Report that reports on our progress on the 2021 – 2031 Long Term Plan (LTP). The LTP was a plan grounded in reality, with higher rates increases than in previous years – reflecting the true costs of delivering our services to the standards that our residents and ratepayers expect.

While no one likes rates increases, I like to think that people valued that we were really transparent in the planning process, and gave the community lots of opportunities to influence our plans. We tried hard to strike a balance between keeping rates affordable, while still driving the community forward – and this Annual Report shows we're delivering on that.

Our revenue and patronage at our facilities around the district was down due to COVID-19 lockdowns and restrictions – but they were still higher than we had predicted, and the facilities continue to get positive feedback from the community. We are starting to see the visitors return to the district and are looking forward to seeing these facilities start to thrive again.

2021/22 saw two major projects wrapped up, with the re-opening of Headon Events Centre in Matamata and the opening of the Morrinsville River Walk extension. Both of these projects were years in the making and experienced delays due to COVID-19, so seeing them both up and running and well used feels like a major achievement! There were several other, smaller projects completed as well, which you'll find documented throughout this report.

2021/22, as 'year one' of the LTP, also saw the ground work underway for a number of larger projects that will continue over the years to come. The Governance Group was established for the Te Aroha Spa project, and a Project Manager appointed. We made good progress on the additional water supply for Morrinsville. We co-designed a master plan for the Morrinsville Rec Grounds, which will guide our planning and spending in years to come. And we kicked off the Pride of Place project, which aims to get all three of our town centres buzzing. I'm excited to watch these projects progress over the next 12 months.

In reflecting on the last year, I want to thank the outgoing Mayor and Councillors. Their forward thinking and practical decision making have left us in good stead to tackle the challenges ahead – and with rising inflation, supply chain issues, a tight labour market and reforms from central government, I have no doubt that the next few years will be challenging. But I'm looking forward to working alongside this community to face those challenges together, and ensure Matamata-Piako continues to grow and thrive.

Mayor Adrienne

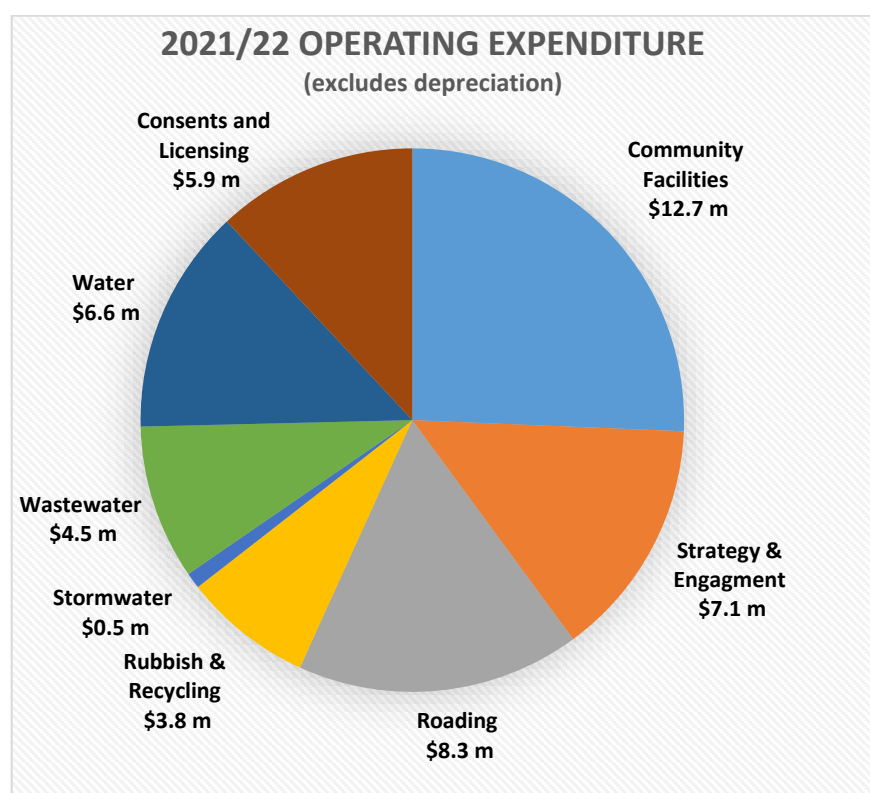


This summary has been prepared in accordance with PBE FRS 43 (summary financial statements), and does not include all of the information provided in the full Annual Report, and for this reason cannot be expected to provide a complete understanding of Council's performance as provided by the Annual Report. The financial statements contained in the Annual Report comply with GAAP (Generally Accepted Accounting Practice). The financial statements in the Annual Report have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) Accounting Standards. The Annual Report has been audited by our independent auditors, Audit New Zealand. They have issued an unmodified audit opinion. The financial statements and this summary were authorised for issue by Council on 26 April 2023. The Annual Report 2021/22 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha. If you would like a copy of the Annual Report you can download it at mpdc.govt.nz. Specific disclosures included in the summary financial statements have been extracted from the full financial statements.

TE RĀPOPOTONGA Ā-PŪTEA | FINANCIAL SUMMARY

	Restated Actual 2020/21*	Budget 2021/22	Actual 2021/22
	\$000	\$000	\$000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
Revenue	71,958	61,466	74,149
Expenses	(61,884)	(57,715)	(66,837)
Finance costs	(1,127)	(1,150)	(1,168)
Net surplus/(deficit)	8,947	2,601	6,144
Other comprehensive revenue and expense			
Financial assets at fair value through other comprehensive revenue and expense	6,128	-	9,843
Property, plant and equipment revaluation	100,683*	21,394	89,860
Total other comprehensive revenue and expense	106,811	21,394	99,703
Summary statement of changes in equity for the year ended 30 June			
Balance at 1 July	654,461	693,044	770,219
Total comprehensive revenue and expense	115,758*	23,995	105,847
Balance at 30 June	770,219	717,039	876,066

* Some balances from the 2020/21 financial statements have been restated. Refer to the prior period adjustments disclosure in note 5 for more detail.



Explanations for major variations between the actual results for the year and the budget in Council's Long Term Plan for 2021-22 are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The financial statements show a surplus of \$6.1 million compared to a budgeted surplus of \$2.6 million. There are a few factors that have had a significant impact on this result, both positively and negatively;

- In a continuing theme from the last three years, this year's financial results reflect the unprecedented level of development happening within our district. This was in the form of assets vested in Council through the subdivision process of just over \$6 million, and development contributions received being \$1.8 million higher than budgeted (with both items reflected as income in Council's books). In response to this level of development, Council incurred additional net costs of \$300,000 to keep up with the huge demand for processing of building and resource consents, as well as additional resource and financial pressure on a number of activities across Council to support this level of development activity.
- The New Zealand economy has shifted significantly over the last year, with the highest levels of inflation we have seen in many years, and interest rates starting to climb again. These economic factors have impacted our bottom line significantly in two ways; increasing construction costs have pushed up the replacement cost of Council's infrastructure assets significantly, increasing our depreciation expense for the year by \$3.8 million compared to budget. And the turnaround in longer dated interest rates saw the book valuation of Council's interest rate swap portfolio increase by just over \$3 million over the year, which increases the reported surplus for the year.
- Council was the fortunate recipient of a \$500,000 private donation that Council has since allocated to revitalise the Thomas Park playground in Morrinsville.

In terms of Council's business as usual activities, there are two continuing areas of operating pressure;

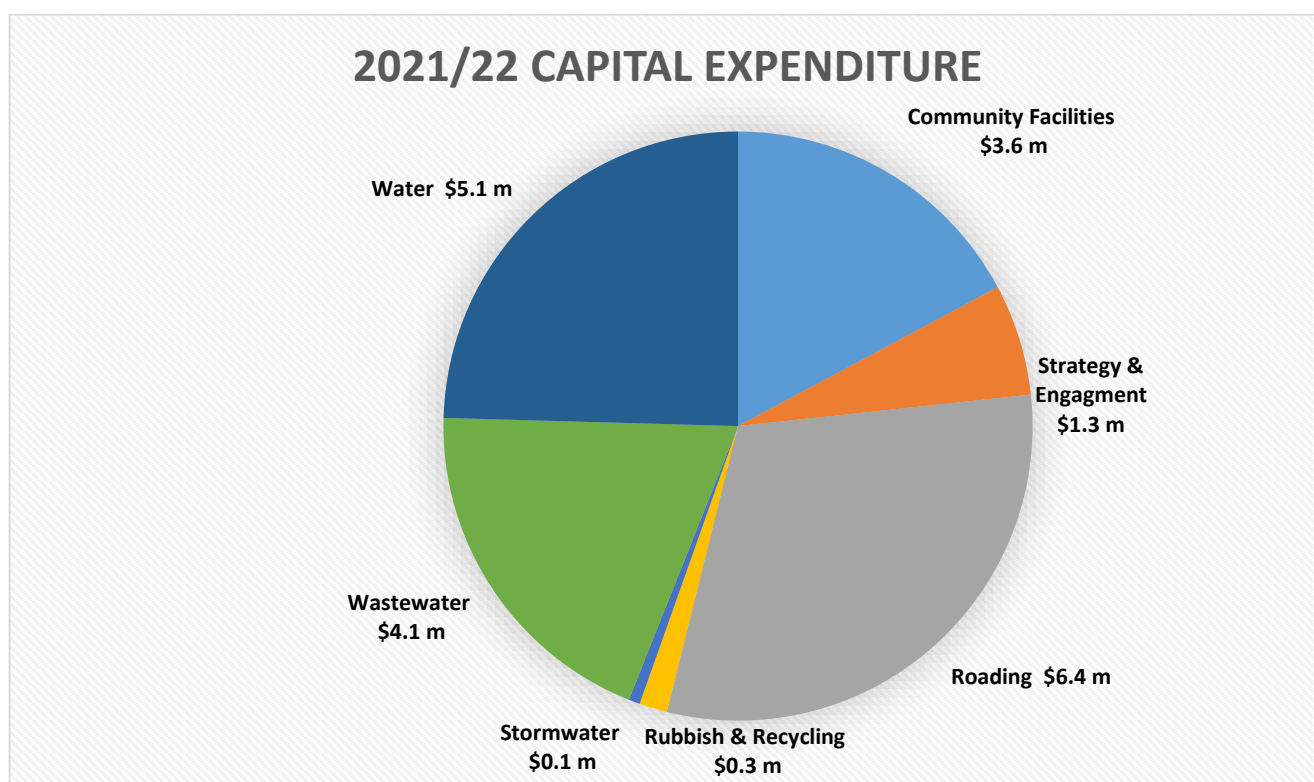
- In the Water activity, treatment plant costs have continued to escalate including compliance costs and chemicals, resulting in spending \$750,000 higher than budgeted. These additional compliance costs are being driven by higher standards required by the new Water Regulator, Taumata Arowai, and higher chemical costs are a result of the current market conditions. Coupled with increasing costs is that the volume of metered water for the year was significantly less than budgeted (in part due to water restrictions over the summer period), resulting in less income of \$561,000, and an overall deficit for this activity of \$1.3 million.
- For rubbish and recycling, the budgeted income from the sale of rubbish bags was \$229,000 under budget, and fees from the Transfer Stations were \$174,000 less than budgeted. This is a difficult area to budget with any certainty given the income stream is dependent on consumer behaviour.

Personnel costs were \$636,000 more than budgeted for the year, due to increasing annual leave balances of staff, and due to some unbudgeted positions including for activities under pressure from the significant level of development in the district, and for the Domain House Beauty operation and the Placemaking activity.

	Restated Actual 2020/21*	Budget 2021/22	Actual 2021/22
	\$000	\$000	\$000
Summary statement of financial position as at 30 June			
Current assets	13,932	12,883	22,421
Non-current assets	797,500*	750,042	905,420
Total assets	811,432	762,925	927,841
Current liabilities	11,628	11,927	16,982
Non-current liabilities	29,585	33,959	34,793
Total liabilities	41,213	45,886	51,775
Accumulated funds	437,181	462,461	439,243
Other reserves	333,038*	254,578	436,823
Equity	770,219	717,039	876,066

Summary statement of cashflows for the year ended 30 June			
Net from operating activities	19,248	17,742	15,782
Net from investing activities	(20,354)	(25,437)	(20,330)
Net from financing activities	-	7,699	11,500
Net increase/decrease in cash held	(1,106)	4	6,952
Opening cash balance	4,292	618	3,186
Closing cash balance	3,186	622	10,138

* Some balances from the 2020/21 financial statements have been restated. Refer to the prior period adjustments disclosure in note 5 for more detail.



Explanations for major variations between the actual results for the year and the budget in Council's Long Term Plan for 2021-22 are as follows:

STATEMENT OF FINANCIAL POSITION

Council's statement of financial position continues to show a healthy financial footing, despite some of the increasing economic pressures on our operations.

Current assets were higher than budgeted largely due to additional cash being held from the pre-funding of debt due to mature in April 2023 and higher receivables and prepayments at 30 June 2022. Non-current assets were significantly higher than budget due to a few major factors. Firstly, inflationary pressures and market conditions have pushed up the replacement cost and valuation of Council's Roding and Three Water assets significantly over the year. In addition we've had a higher level of assets being vested in Council than budgeted over this and previous years as well. And the value of Council's investment in the Waikato Regional Airport has increased \$16 million since the budget was adopted.

Current liabilities were slightly higher than budgeted, particularly payables due to the timing of projects and contract payments falling due, and employee entitlements were higher due to increased annual and long service leave balances. Non-current liabilities were largely in line with budget, notwithstanding the pre-funded debt that is due to be repaid in April 2023.

ADDITIONAL DISCLOSURES AND ACCOUNTING POLICIES

Matamata-Piako District Council (the Council) is a local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

1. Changes in accounting policies

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 Cash Flow Statements requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. No further disclosure has been required in respect of this amendment this year, as Council's financing activities are limited to secured borrowings, for which the non-cash movement for accrued interest is trivial.

There have been no other changes to accounting policies during the financial year.

2. Capital commitments

At 30 June 2022, Council have commitments of \$4.5 million for projects where contracts have been entered into but goods or services have not been received (2021: \$5.45 million).

3. Contingent liabilities

Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency rating from Fitch Ratings and Standard and Poor's of AAA and a foreign currency rating of AA+.

As at 30 June 2022, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 68 local authority guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2022, LGFA had borrowings totalling \$15.8 billion (2021: \$13.6 billion).

The LGFA's borrowing of \$15.8 billion is made up of the following (\$'000's):

Fair value of bonds on issue	\$15,105,000
Accrued interest on bonds on issue	\$87,681
Bills on issue	\$565,000
Treasury stock lent to counterparts under bond repurchase agreements	\$31,671

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Te Aroha wastewater resource consent

Under the resource consent issued by Waikato Regional Council for the Te Aroha Wastewater Treatment Plant during 2016, if Council fails to meet annual nitrate discharge conditions as per the consent, then an annual sum of \$15,000 will be payable to the local Wetlands Trust.

4. Events after balance date

Water services reform programme

The New Zealand Government is implementing water services reform that is intended to ensure all New Zealanders have safe, clean and affordable water services. Government believe this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022 which contains the water entities' ownership, governance and accountability arrangements. This act received royal assent on 14 December 2022.
- The Water Services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament.
- Water Services Economic Efficiency and Consumer Protection Bill, which will provide the economic regulation and consumer protection framework for water services. It is currently at select committee stage.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

Council continues to recognise its three waters assets in accordance the accounting policies set out in note 12 to the financial statements. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

5. Prior period adjustments

When reviewing the 1 July 2021 valuation report, it has been identified that our fair value assessment as at 30 June 2021 did not take into consideration all the information available to Council, and that as at 30 June 2021 a revaluation of the roading assets should have occurred. As a result, the carrying value of roading assets within property, plant and equipment, and the property, plant and equipment revaluation movement were materially understated. The comparative figures for 30 June 2021 have been restated and the following table summarises the impact of the prior period error on the financial statements:

30 June 2021	As previously reported \$000	Adjusted \$000	As restated \$000
Summary statement of comprehensive revenue and expense			
Property, plant and equipment revaluations	29,395	71,288	100,683
Total other comprehensive revenue and expense	35,523	71,288	106,811
Summary statement of changes in equity			
Total comprehensive revenue and expense	44,470	71,288	115,758
Balance at 30 June	698,931	71,288	770,219
Summary statement of Financial Position			
Non-current assets	726,212	71,288	797,500
Total assets	740,144	71,288	811,432
Other reserves	261,750	71,288	333,038
Equity	698,931	71,288	770,219

TE RĀPOPOTANGA INENGA MAHI | PERFORMANCE SUMMARY

In 2021/22 we focused on maintaining our services to support our community while making sure cost increases were kept affordable. We delivered our extensive range of activities, services and projects to similar levels as detailed in the Long Term Plan 2021-31, and to a similar standard as previous years.

Our performance measures are measured through an Annual Customer Survey and other surveys, external data reports and our customer request management system. Overall we achieved 31 out of 61 of our measures (51%), this is a decrease of over 17% from last year. Three were not measured this financial year, and two were partly achieved / not achieved. Details of how we performed for each of our activities is outlined in the Annual Report. The graph below is a summary of each of our activity groups.

CUSTOMER SURVEY

The purpose of our Annual Customer Survey is to gauge residents' perception of performance for our services and facilities. The survey is undertaken by an independent research company who conduct telephone and online interviewing of randomly selected residents. The sample size is selected based on the latest population demographic information from Census. This year our sample size was 400 randomly selected residents, from the three wards – Matamata, Morrinsville and Te Aroha, with weighting applied for age and gender. This sample group gave us a margin of error of +/- 4.90% at the 95% confidence interval. In other words, if this survey were to be repeated again with a different set of randomly selected respondents at a similar time, there would be a very high probability that the results would be within 5% of the original results.

COMMUNITY FACILITIES AND PROPERTY

Council activities focused on recreational and cultural opportunities in the district. This includes providing services and assets such as Libraries, Swimming Pools, Parks and Reserves, Public Amenities, Housing for older persons, and Council offices.

INFRASTRUCTURE

Represents many of the responsibilities that Council has historically managed, including Roothing, Rubbish and Recycling, Stormwater, Wastewater (sewage and the grey water that goes down your drains) and Water.

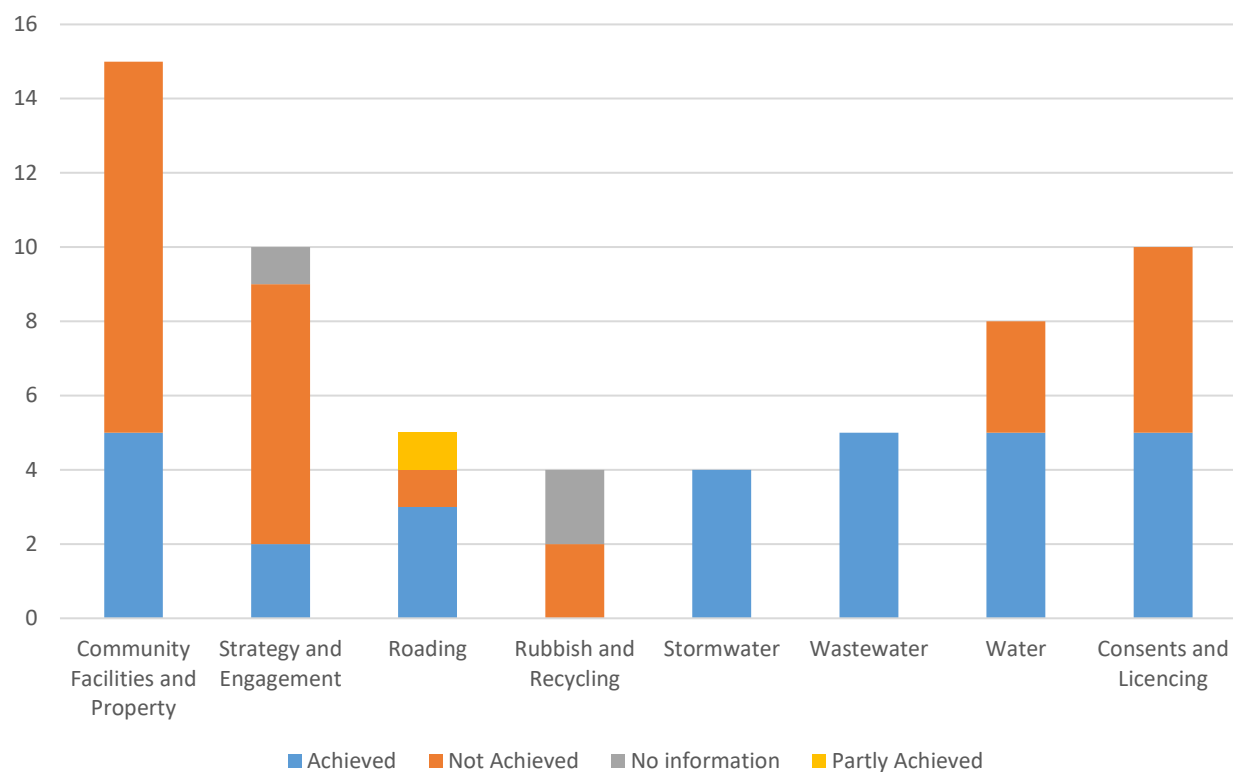
STRATEGY AND ENGAGEMENT

This is about making good decisions for the future of our community. The activities responsible for this are Civil Defence, Communications and Events, Community Leadership and Strategies and Plans.

CONSENTS AND LICENSING

Focuses on our regulatory functions we have an obligation to perform under legislation. These are Animal Control, Building Consents and Monitoring, Licensing and Enforcement, and Resource Consents and Monitoring.

Summary of Performance Measures



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.

Rates affordability benchmark

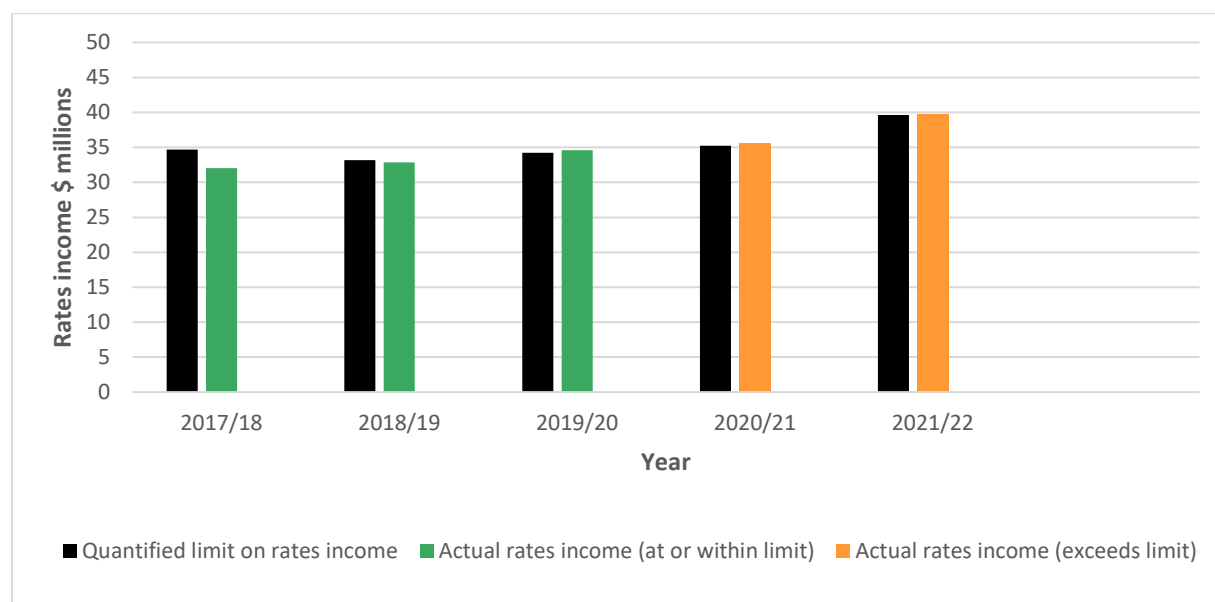
The Council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates;
- 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 from the financial strategy included in the 2021-31 LTP is: Annual rates income¹ will not increase by more than 6%, other than for year 1 (2021/22) and year 3 (2023/24) where the forecast increases are 11.73% and 11.81% respectively.



Comment:

The limit on rates income for 2021/22 was set at \$39.644 million. Actual rates income (excluding penalties and metered water revenue) was \$39.683 million. In the process of preparing the annual budget, Council makes an assumption for the additional value expected to be added to the rating base (ie due to subdivisions or new

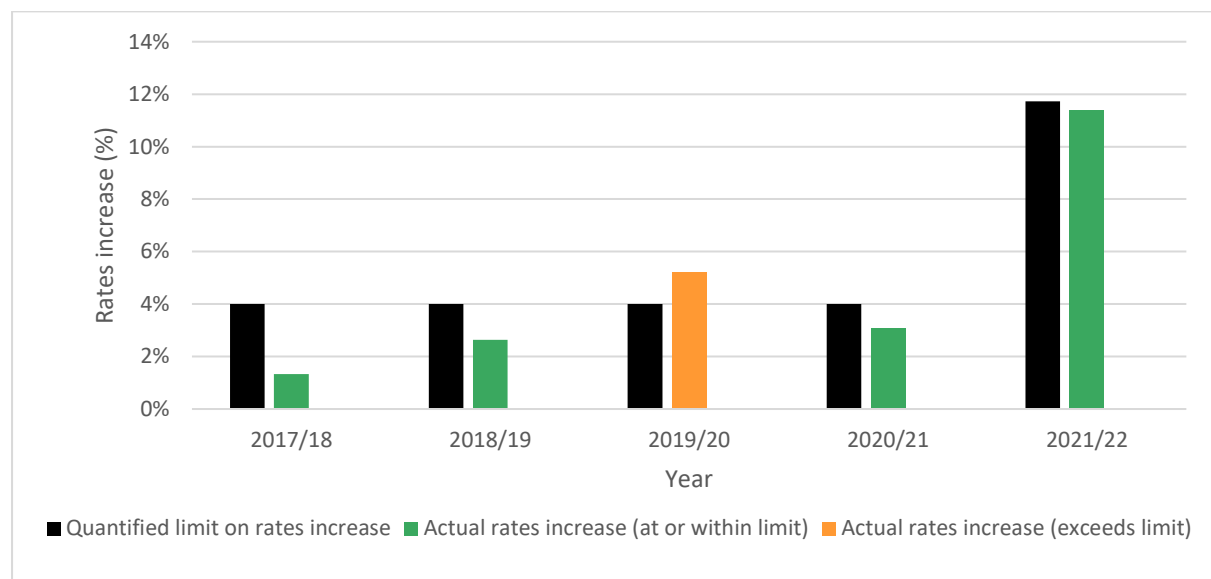
¹ For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded as the level of revenue received is not within Councils' direct control.

builds/improvements) that will be captured in time for the calculation of the rates strike at 1 July the following financial year. The amount of growth in the rating base at 1 July 2021 exceeded the level expected, resulting in slightly more rates income than budgeted. The same happened for the previous year.

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's Long Term Plan.

The quantified limit from the financial strategy included in the 2021-31 LTP is: Annual rates increases² will not be more than 6%, other than year 1 and 3 where the limits are set at 11.73% and 11.81% respectively.



Comment:

For 2021/22, total rates increased 11.37% on the last financial year, so within the limit set out in the Financial Strategy for 2021/22 of 11.73%. For 2020/21, total rates increased 3.06% on the last financial year, so within the Financial Strategy limit of 4%. The actual rates increase (excluding penalties and metered water revenue) for 2019/20 was 5.2%, compared to the Financial Strategy limit of 4%, due to growth in the rating base at 1 July 2019 exceeding the level expected, resulting in rates increasing more than budgeted.

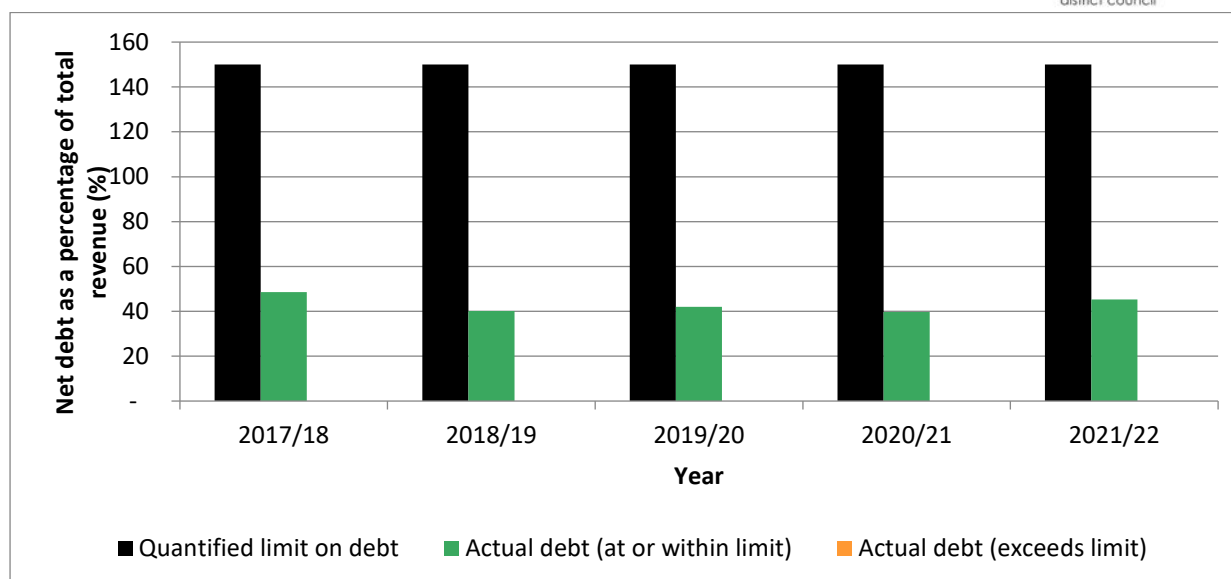
Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is: Net debt as a percentage of total revenue will not exceed 150%³.

² For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded as the level of revenue received is not within Councils' direct control.

³ Consistent with our Liability Management Policy;

- Net debt is calculated as external debt less cash, bank deposits and investments realisable in the short term
- Total revenue excludes development and financial contributions, vested and found assets and other gains.

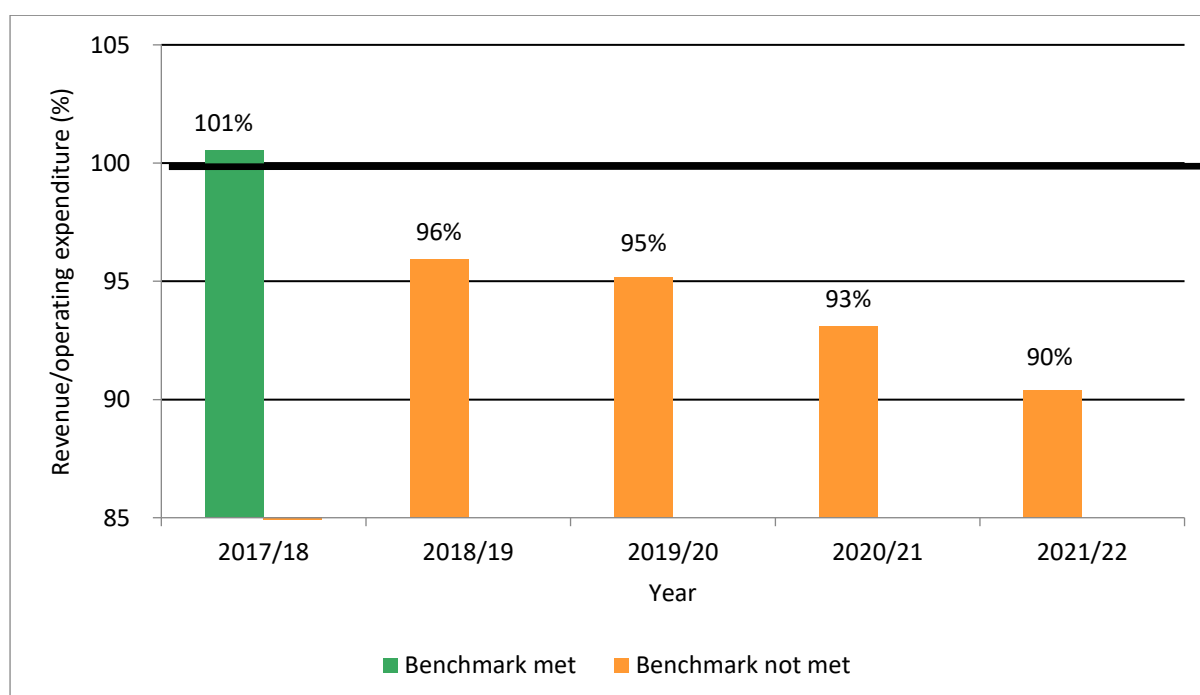


Comment:

Council's net debt as a percentage of total revenue sits at 45% at 30 June 2022 and has remained well below the limit of 150% for the last five years. The limit of 150% is considered (by independent professionals) to be a prudent limit for a council of our size and nature.

Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested and found assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

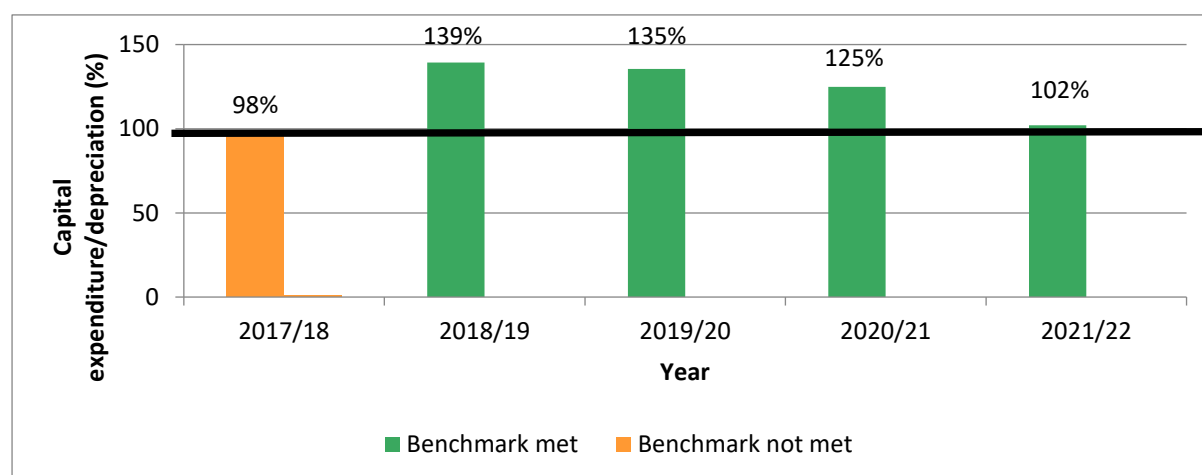


Comment:

When budgeting, Council aims for operating expenses to be covered by operating revenue - to "break even". For accounting purposes, when we replace assets like pipes and reseal roads, the old replaced assets are "disposed of" and the "loss" from doing so is recorded as "operating expenses". Council does not rate to cover this. At the same time, operating revenue also includes subsidies that Council receives to maintain and replace roading in the district. This revenue is included in operating, however the cost is not reflected as an operating expense - it is capital expenditure.

Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

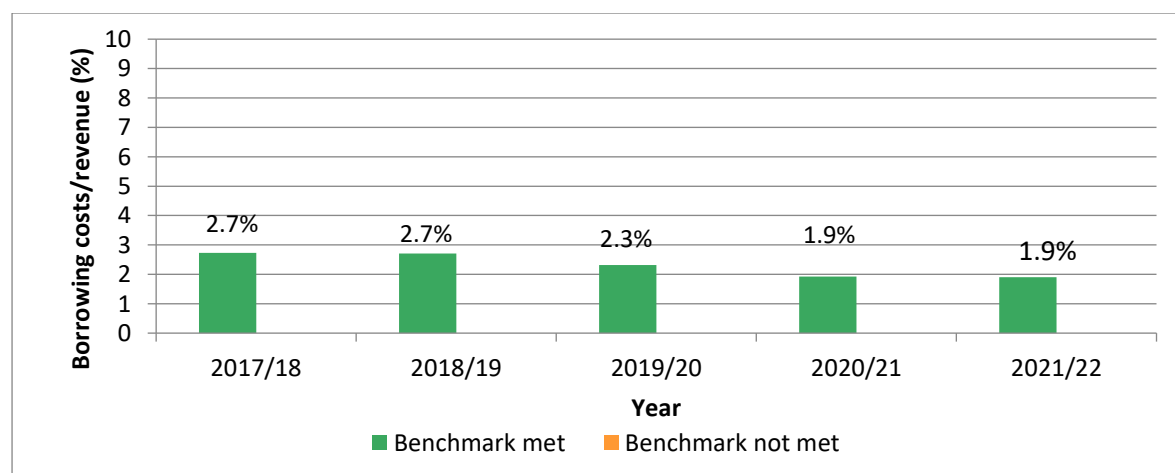


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 120% of depreciation.

Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

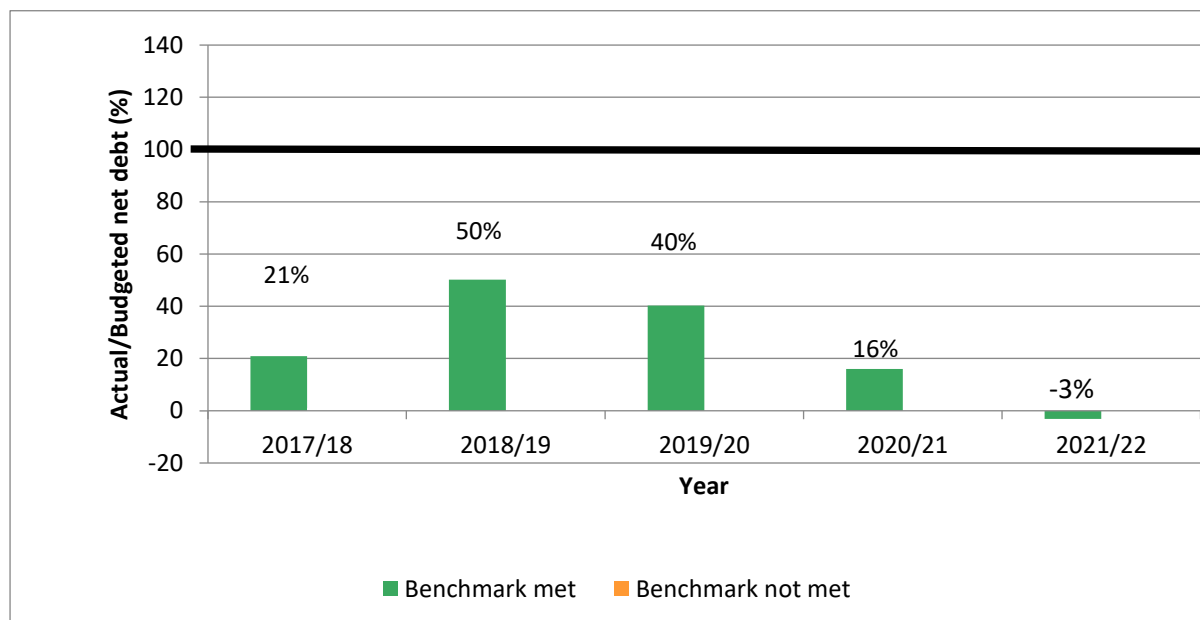


Comment:

Council's borrowing costs are sustainable and well under the 10% limit.

Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

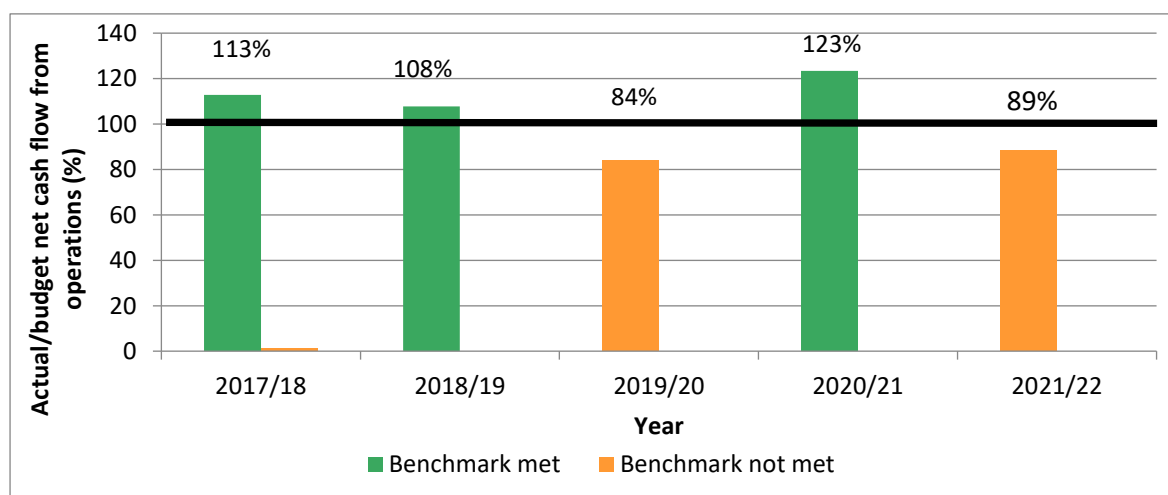


Comment:

Debt over the last five years has been lower than budgeted due to delayed capital spending, and maturing investments/surplus cash have been used to repay debt or internally fund capital work. Council's investment in the Waikato Regional Airport has also increased significantly since the planned net debt was set out in the adopted LTP.

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Comment:

Council's actual cashflow from operations has exceeded our budgeted cashflow from operations in three of the last five years.

Independent Auditor's Report

To the readers of Matamata-Piako 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 Matamata-Piako District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 3 to 15:

- 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 additional disclosures and accounting policies; and
- the performance summary.

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 26 April 2023.

Uncertainty over the financial impact of three waters reform

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the water services reform programme. Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

Our audit was completed late

Our auditor's report on the full annual report also includes a paragraph acknowledging that our audit was completed later than required by section 98(7) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

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.

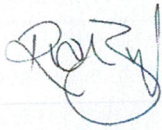
Auditor's responsibility

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.

In addition to reporting on the summary and full annual reports, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed and assurance reviews of certain procurement processes which are compatible with those

independence requirements. Other than these engagements we have no relationship with or interests in the District Council.

A handwritten signature in blue ink, appearing to read 'R van Zyl', with a stylized flourish at the end.

René van Zyl,
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
26 April 2023