



Te kauhiri a-rohe o
matamata-piako
district council



PŪRONGO Ā-TAU ANNUAL REPORT SUMMARY 2022/23

MIHI - MAI I TŌ KOUTOU MANUHUIA | WELCOME - MESSAGE FROM THE MAYOR

Kia ora koutou

I am pleased to present to you the Matamata-Piako District Council Annual Report Summary for 2022/23. You can also read the full Annual Report 2022/23 on our website.

It has been a tough year and our District has faced its fair share of challenges in this difficult economic climate with the impacts of rising inflation, ongoing staff shortages, supply chain issues and the fallout from the Covid pandemic. The prolonged wet weather events experienced particularly during January and February 2023, also impacted Council's day to day operations with flooding, fallen trees and damage to infrastructure. We were very fortunate to escape the most extreme weather that other districts endured.

Our Annual Report is a chance to reflect on how we managed these challenges, celebrate the progress we have made on some new and ongoing projects and acknowledge the work we have ahead of us.

A highlight for myself and my fellow elected members has been the significant strides we have taken in our ongoing projects. Morrinsville's additional water supply is right on track. This will allow us to treat and supply additional water to support the growing community and make the town's water supply more resilient. This is timely as the experts are predicting a long dry summer.

We were excited to secure government funding toward fast-tracking a number of projects to make it safer and easier to walk, bike and use public transport in our district. A particular highlight is the planning of the perimeter path at Morrinsville Recreation Ground. This is a direct outcome from the community's involvement in developing the Morrinsville Recreation Master Plan last year, and we expect to see this complete in the coming months.

We also completed smaller projects to enhance the wellbeing of those living in and visiting our district. Upgrades to the Te Aroha boat ramp saw improved dump station facilities, surfacing of the formerly gravel car park and realigning the Hauraki Rail Trail for safer movement through the reserve. Our Pride of Place initiative is gradually making headway to create more vibrant and welcoming town centres. In Matamata, we installed bike racks throughout the town centre and Council collaborated with local groups to host the community event, Bike Day Out.

Another memorable highlight was the opening of the new Thomas Park playground in Morrinsville – a collaborative effort from Council, an anonymous donor, local Iwi and our community. It has been wonderful seeing locals from across our district and visitors enjoying these wonderful facilities.

Looking ahead, we find ourselves entering a crucial phase as we embark on shaping our Long Term Plan. We will have to make some tough decisions on investing in our infrastructure. That is going to mean some big conversations with the community about what is affordable and what services may need to change. We're prepared to face these challenges head on, but will need your input to ensure our decisions are reflecting the wants and needs of the community.

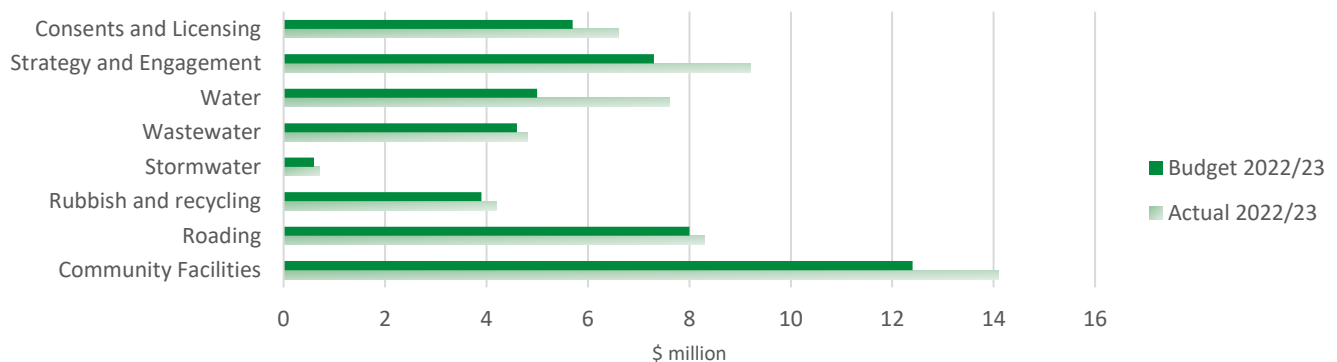


Adrienne Wilcock
Mayor

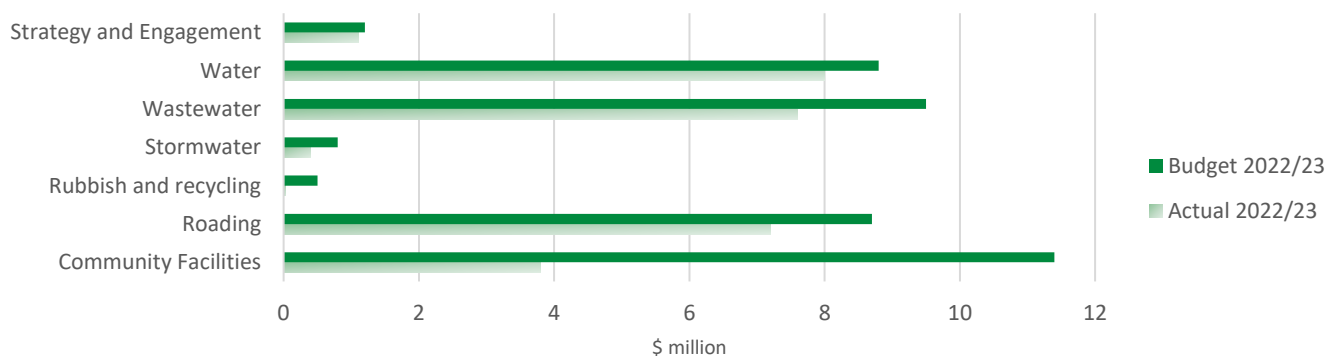
TE RĀPOPOTONGA Ā-PŪTEA | FINANCIAL SUMMARY

Actual 2021/22 \$000		Budget 2022/23 \$000	Actual 2022/23 \$000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
74,149	Revenue	64,070	88,189
(66,837)	Expenses	(61,896)	(74,074)
(1,168)	Finance costs	(1,372)	(2,183)
6,144	Net surplus/(deficit)	802	11,932
Other comprehensive revenue and expense			
9,843	Financial assets at fair value through other comprehensive revenue and expense	-	3,656
89,860	Property, plant and equipment revaluation	23,869	59,796
99,703	Total other comprehensive revenue and expense	23,869	63,452
Summary statement of changes in equity for the year ended 30 June			
770,219	Adjusted balance at 1 July	719,134	876,338
105,847	Total comprehensive revenue and expense	24,671	75,384
876,066	Balance at 30 June	743,805	951,722

2022/23 OPERATING EXPENDITURE (excludes depreciation)



2022/23 CAPITAL EXPENDITURE



Statement of comprehensive revenue and expense

Explanations for major variations between the actual results for the year and the budget in Council's Annual Plan for 2022/23 are as follows:

The financial statements show a surplus of \$11.9 million compared to a budgeted surplus of \$802,000. There are a four key factors that have had a significant impact on this result, both positively and negatively, being growth, regulation, inflation, and Mother Nature.

- Over the past four years, our district has been through a period of unprecedented growth. The financial impact in the 2022/23 year has been the most significant to date, including assets vested in Council through the subdivision process of \$14.3 million, and development contributions received of \$8.3 million (with both items reflected as income in Council's books). In response to this level of development, Council incurred additional net costs of \$945,000 in 2022/23 to keep up with the huge demand for processing of building and resource consents, while at the same time the income from new building consents dropped off towards the end of the year as economic conditions declined. Notably, assets vested in Council over the past four years have totalled almost \$30 million, which then become assets that Council must maintain and fund the replacement of over time, adding to costs and rate requirements over time.
- Continuing from last year, Council is seeing significantly increasing costs of complying with stricter water quality and monitoring standards since the establishment of the new national Water Regulator, Taumata Arowai in 2021. While some of these costs were one-off in nature, we expect the costs of supplying water generally will continue to grow as more regulations are rolled out.
- Council has experienced significant inflationary cost increases across all activities - particularly power (\$708,000 increase on the prior year), insurance, chemicals, fuel, salary and minimum/living wage increases. The biggest impact on Council's bottom line is the inflationary increases to construction costs that have pushed up the replacement cost of Council's infrastructure assets significantly, increasing our depreciation expense for the year by \$5.1 million compared to budget. Interest rate increases have also pushed up borrowing costs.
- While our district sustained only minor damage compared to other districts when Cyclone Gabrielle passed through in February 2023, the clean-up and repairs cost approximately \$558,000 across our Roding, 3 Waters, Parks and Reserves and other activities of Council.

Actual 2021/22 \$000		Budget 2022/23 \$000	Actual 2022/23 \$000
Summary statement of financial position as at 30 June			
22,421	Current assets	9,584	22,749
905,420	Non-current assets	805,825	990,995
927,841	Total assets	815,409	1,013,744
16,982	Current liabilities	16,637	23,274
34,793	Non-current liabilities	54,967	38,748
51,775	Total liabilities	71,604	62,022
439,243	Accumulated funds	440,060	473,709
436,823	Other reserves	303,745	478,013
876,066	Equity	743,805	951,722
Summary statement of cash flows for the year ended 30 June			
15,782	Net from operating activities	17,173	20,826
(20,330)	Net from investing activities	(39,670)	(33,532)
11,500	Net from financing activities	23,227	7,000
6,952	Net increase/decrease in cash held	730	(5,706)
3,186	Opening cash balance	622	10,138
10,138	Closing cash balance	1,352	4,432

Statement of financial position

Explanations for major variations between the actual results for the year and the budget in Council's Long Term Plan for 2022/23 are as follows:

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

Current assets at 30 June 2023 were higher than budgeted, largely due to more cash and term deposits being held at year end and higher receivables and accrued income, particularly due to development contribution invoices issued in June. Non-current assets were significantly higher than budget due to a few major factors. Inflationary pressures and market conditions have pushed up the replacement cost and valuation of Council's Rooding, three water and building 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 significantly 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. Non-current liabilities were lower than budgeted, with external borrowing down both due to higher than anticipated cashflows from development contributions which offset capital borrowing requirements, and the capital programme not progressing as quickly as budgeted. In addition, Council's interest rate swap portfolio was budgeted as a liability but with increased interest rates it now has a positive value, and is recognised as an asset in Council's books.

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).

Changes in accounting policies

PBE IPSAS 41 Financial Instruments

The Council have adopted PBE IPSAS 41 Financial Instruments for the year ending 30 June 2023. Information about the impact of adopting PBE IPSAS 41 is disclosed in Note 25. In accordance with the transitional provisions in PBE IPSAS 41, the Council have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application). The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes are:

- Receivables (Note 7) – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- Other financial assets (Note 11) – This policy has been updated to reflect:
 - the new classification categories;
 - the measurement and recognition of loss allowances based on the new expected credit loss model; and
 - the removal of impairment loss considerations for equity investments as PBE IPSAS 41 no longer requires identification of impairment for equity investments measured at fair value through other comprehensive revenue and expense. Also, on disposal, the accumulated gains/losses are no longer transferred to surplus/(deficit) but are transferred to general reserve.
- The derivatives accounting policies (Note 10) – Derivatives remain unchanged as Council has no hedged instruments and therefore do not need to apply the hedging requirements of PBE IPSAS 41.

PBE FRS 48 Service Performance Reporting

The Council have adopted PBE FRS 48 Performance Reporting for the year ending 30 June 2023. The main impact of the new standard is that additional information has been disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

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

Capital commitments

At 30 June 2023, Council have commitments of \$6.7 million for projects where contracts have been entered into but goods or services have not been received (2022: \$4.5 million).

Contingent liabilities

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.

New Zealand Mutual Liability Riskpool scheme

Matamata-Piako District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

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 of AA+ and from Standard and Poor's of AAA, and a foreign currency rating from both agencies of AA+.

As at 30 June 2023, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 70 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 2023, LGFA had borrowings totalling \$17.7 billion (2022: \$15.8 billion).

The LGFA's borrowing of \$17.7 billion is made up of the following:

	\$'000
Fair value of bonds on issue	16,678,000
Accrued interest on bonds on issue	83,656
Bills on issue	792,000
Treasury stock lent to counterparts under bond repurchase agreements	130,043

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.

Events after balance date

Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes 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 (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.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

Council has been given indication that the Waikato Water Service Entity is intended to go live from 1 July 2025. Once this is confirmed by Cabinet, the go-live date will be set through an Order in Council process.

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.



TE RĀPOPOTANGA INENGA MAHI |

PERFORMANCE SUMMARY

Council's full service performance information for the 2022/23 year is contained in Section 3 of the Annual Report. The service performance section describes the range of services that Council provides for the community, and reports on how effectively Council has delivered on those services over the last financial year, 1 July 2022 to 30 June 2023.

Our delivery of services to the community takes place within the overall context of Council's purpose as set in the Local Government Act 2002, namely to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future. Our reporting on the delivery of services, contained within this Annual Report, is one of the responsibilities mandated under the same act.

Our delivery of services is guided by the broad picture of what we seek to achieve as a Council, as encapsulated in our Community Outcomes and detailed in our Long Term Plan. These five key goals are Connected Infrastructure, Economic Opportunities, Healthy Communities, Environmental Sustainability and Vibrant Cultural Values.

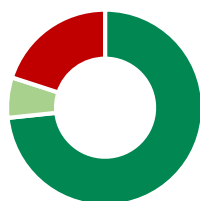
Council's services are organised into eight activity groups.



In the Long Term Plan a number of measures and targets are set for each activity. In the Annual Report Council's performance against these measures is reported on. In 2022/23 we reported against 57 measures across the eight activity groups. Of these we achieved our target on 33 measures, partially achieved the target on two, did not achieve our target on 21, and did not report against one measure.

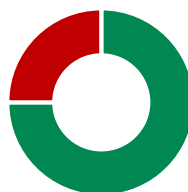
Achieved	Result or results for a measure have reached or exceeded target
Partially achieved	For measures that contain more than one measurement, at least one result has reached or exceeded target, and at least one result has not reached target
Not achieved	Result or results for a measure have not reached target
Not reported in current year	For measures which are scheduled to be reported on less frequently than yearly, as determined in the Long Term Plan

Performance Reporting Summary



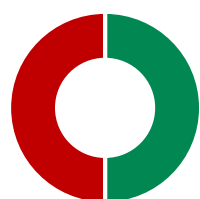
Community Facilities and Property service reporting is about how effectively Council has provided a range of cultural, recreation, health and housing services for the community.

15 measures - **11** achieved, **1** partially, **3** not achieved.



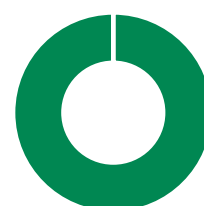
Stormwater service reporting is about how effectively Council has provided our District with stormwater services that protect people and properties from flooding and that manage the quality of our environment.

4 measures – **3** achieved, **1** not achieved.



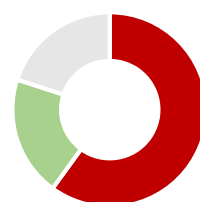
Strategy and Engagement service reporting is about how effectively Council has engaged with our community around events, decision making, and emergency preparedness.

10 measures – **5** achieved, **5** not achieved.



Wastewater service reporting is about how effectively Council has planned for and provided wastewater services that protect the health of the people and waterways in our District.

4 measures – **4** achieved.



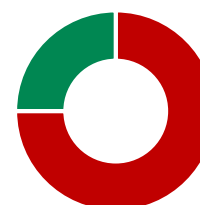
Roading service reporting is about how effectively Council has maintained the network of local roads and footpaths so that they provide a safe and efficient manner of travel for all users.

5 measures – **1** partially achieved, **3** not achieved, **1** not reported on this year.



Water service reporting is about how effectively Council has supplied our residents with clean, safe drinking water, and how well we have managed this resource sustainably.

5 measures – **3** achieved, **2** not achieved.



Rubbish and Recycling service reporting is about how effectively Council has provided kerbside and transfer station services and encouraged diversion of waste from landfill.

4 measures – **1** achieved, **3** not achieved.



Consents and Licensing service reporting is about how effectively Council has carried out its regulatory functions in order to safeguard the health and wellbeing of people and the environment.

10 measures – **6** achieved, **4** not achieved.

TE PĀNUI WHĀKINGA MŌ TE TAU MUTUNGA O 30 HUNE 2023 | ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2023

Te kaupapa o tēnei whakamārama | 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.

Te Pou Taraawaho o te Whai Pūtea ki te Rēti | Rates affordability benchmark

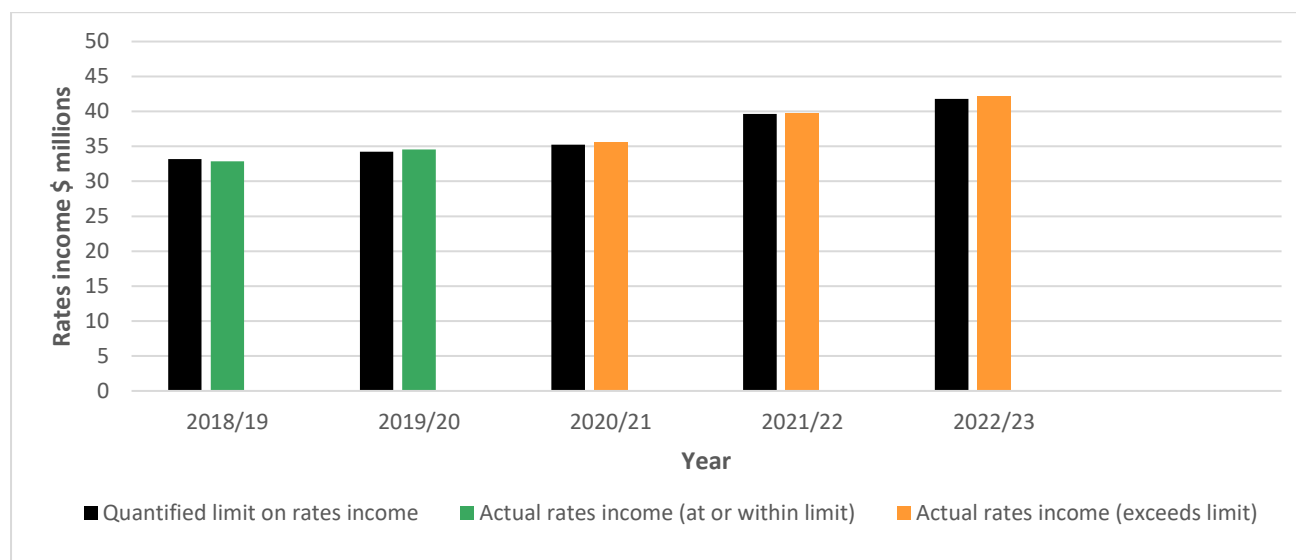
The Council meets the rates affordability benchmark if:

- 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.



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.

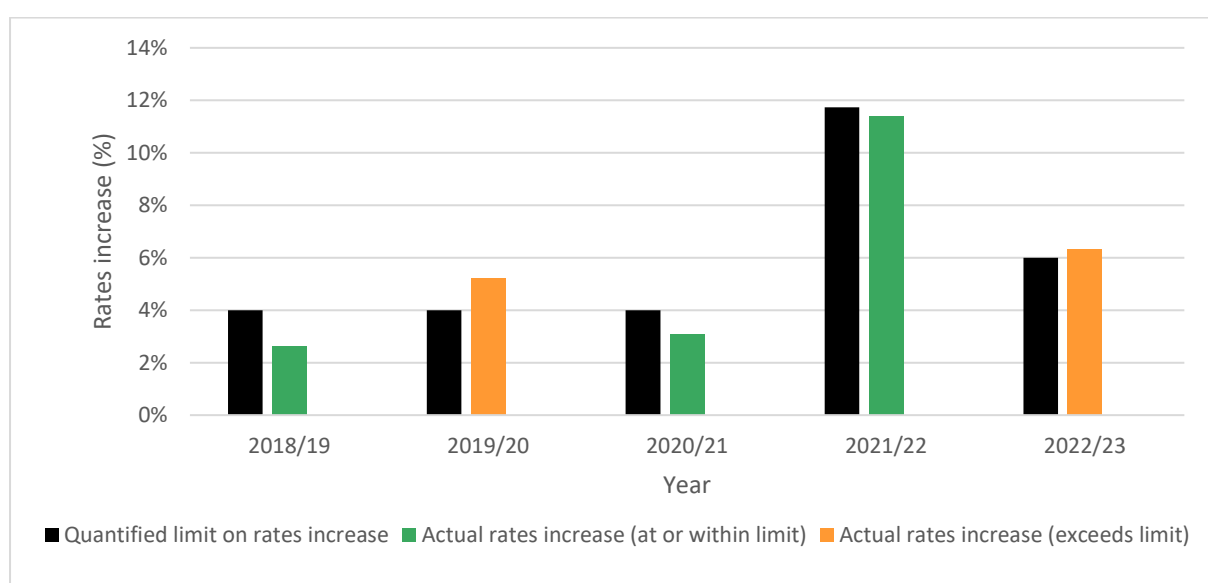
Comment:

The limit on rates income for 2022/23 was set at \$41.8 million. Actual rates income (excluding penalties and metered water revenue) was \$42.2 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 builds/improvements) that will be captured in time for the calculation of the rates strike at 1 July the following financial year. It is very difficult to estimate with any certainty. The amount of growth in the rating base at 1 July 2022 exceeded the level expected, resulting in slightly more rates income than budgeted. The same happened in the previous years.

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.



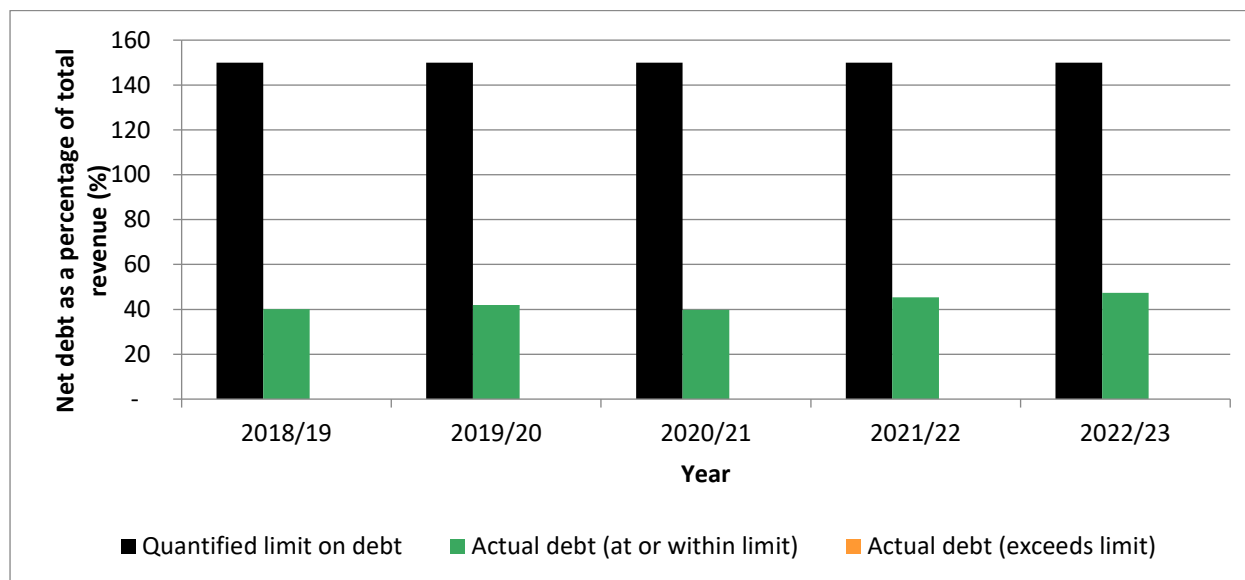
Comment:

The actual rates increase (excluding penalties and metered water revenue) for 2022/23 was 6.3%, compared to the Financial Strategy limit of 6%, due to growth in the rating base at 1 July 2021 exceeding the level expected, resulting in rates increasing more than budgeted. For 2021/22, total rates increased 11.37% on the prior financial year, so within the limit set out in the Financial Strategy for 2021/22 of 11.73%.

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.

Te Pou Taraawaho o te Whai Pūtea ki te Nama | 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.



Comment:

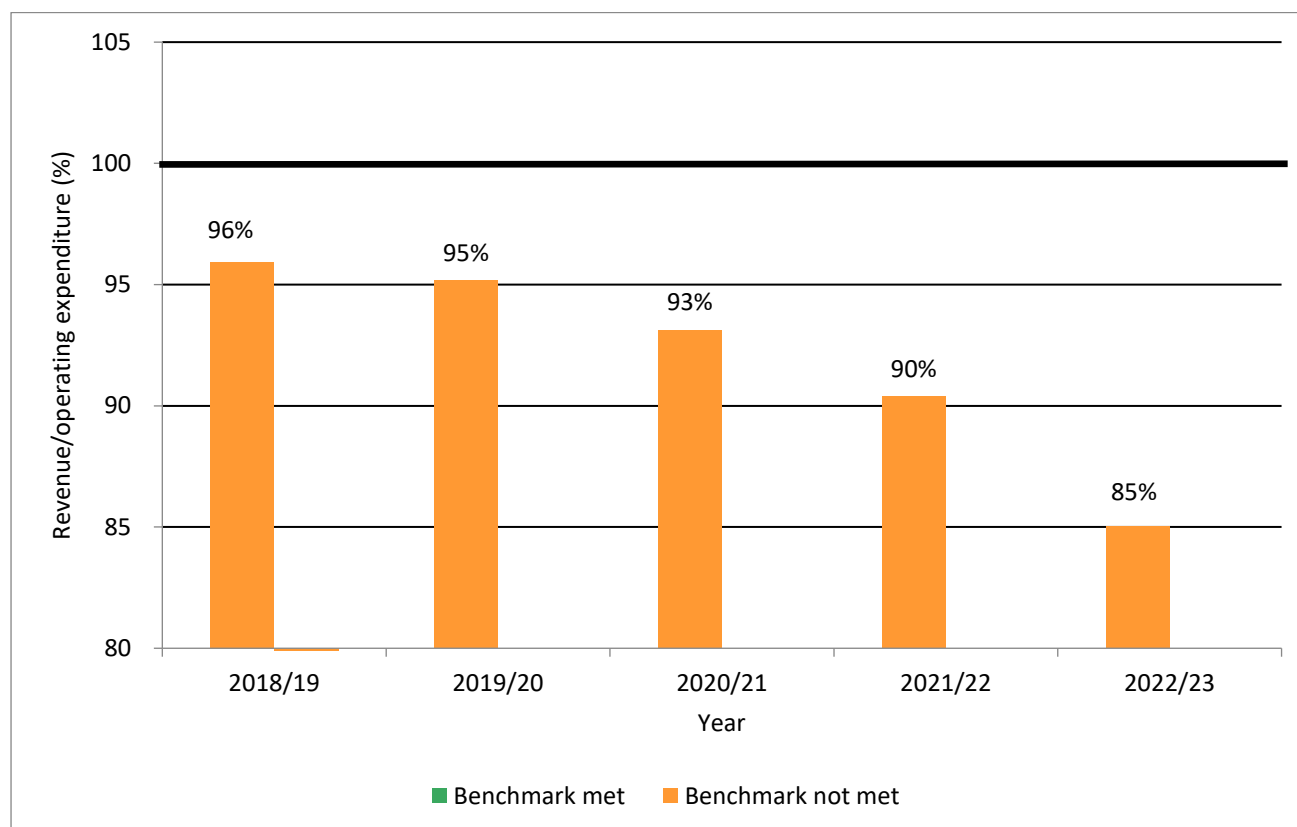
Council's net debt as a percentage of total revenue sits at 47% at 30 June 2023 and has remained well below the limit of 150% for the last five years. The limit of 150% is considered (by independent professionals) to be a prudent limit for a council of our size and nature.

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.

Te Pou Taraawaho o te Whakataurite i te Tahua | 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.

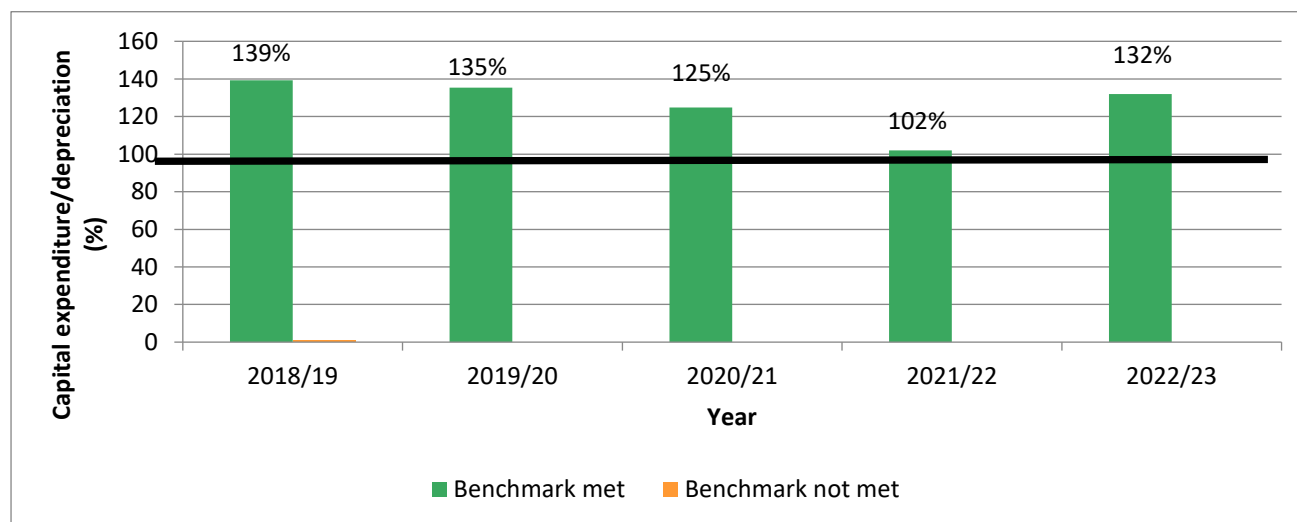


Comment:

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.

Te Pou Taraawaho o ngā Whakaratonga whai take nui | 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.

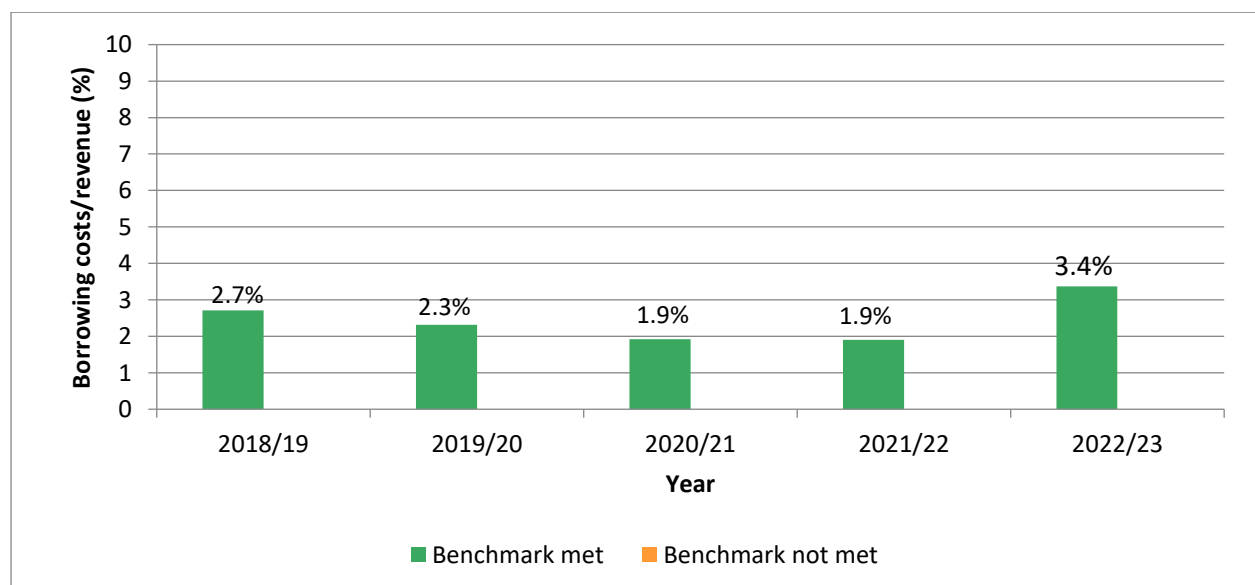


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 127% of depreciation.

Te Pou Taraawaho o te tiaki nama | 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.

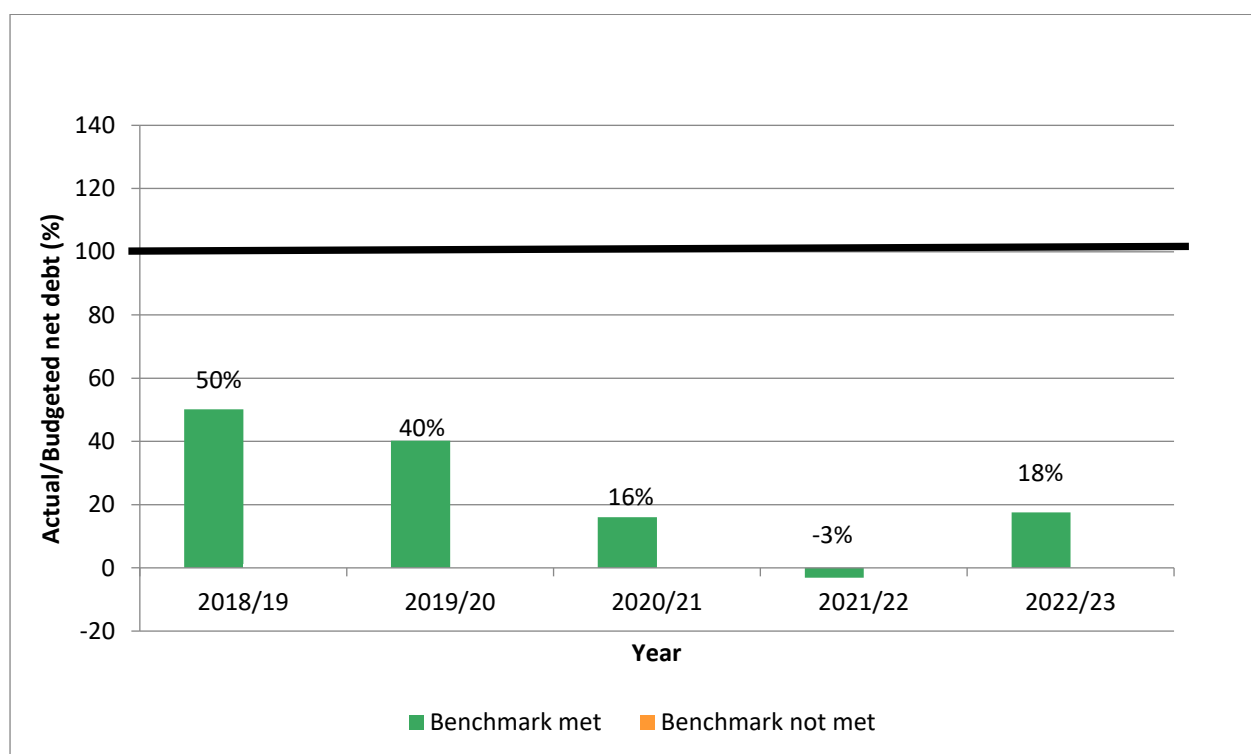


Comment:

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.

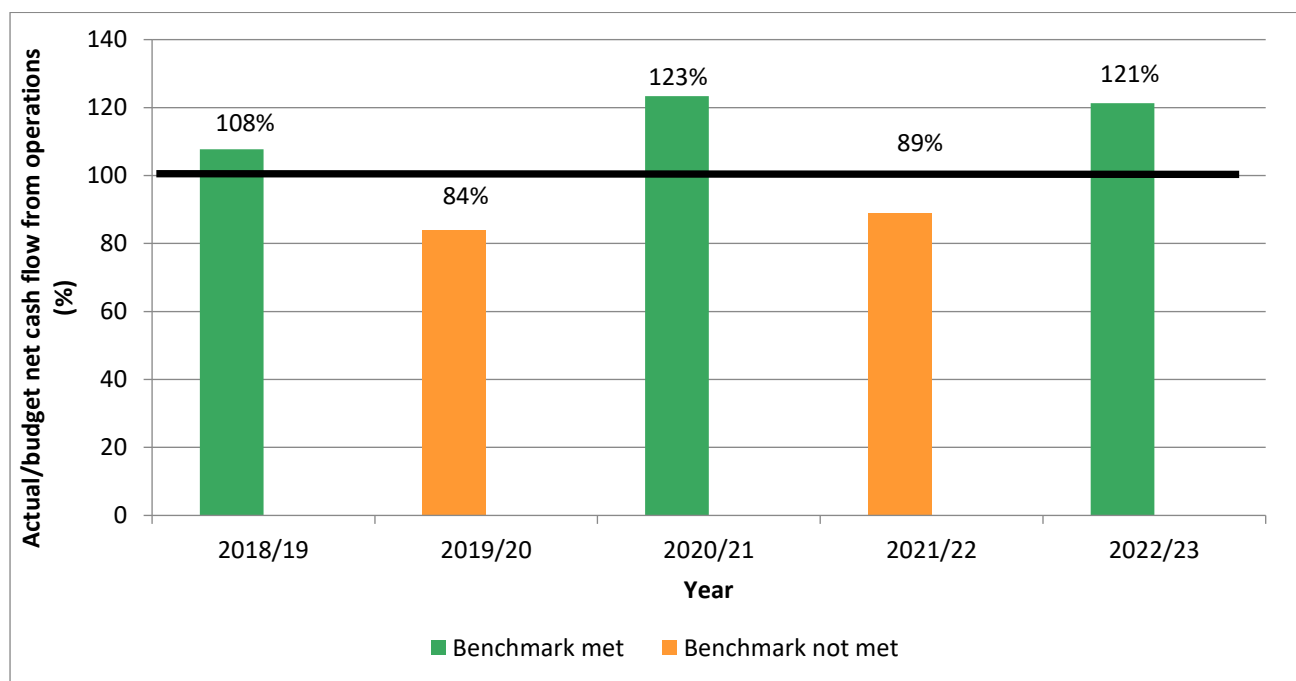


Comment:

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.



TE PANUI O TE TAUTUKUNGĀ |

STATEMENT OF COMPLIANCE

Compliance

Council and management of Matamata-Piako District Council confirm that all statutory requirements in relation to this Annual Report Summary have been met including those outlined in the Local Government Act 2002, and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Responsibility

The Council and management of Matamata-Piako District Council accept:

Responsibility for the preparation and completion of the Annual Report Summary and the related assumptions, estimates and judgements. The Council and management adopted the Annual Report Summary as presented here on 25 October 2023.

Responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting.

In the opinion of the Council and management of Matamata-Piako District Council, the Annual Report Summary for the year ended 30 June 2023 fairly reflects the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.



Adrienne Wilcock, Mayor

25 October 2023



Don McLeod, Chief Executive

25 October 2023

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 Summary comply with GAAP (Generally Accepted Accounting Practice). The financial statements in the Annual Report Summary have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) Accounting Standards. The Annual Report Summary has been audited by our independent auditors, Audit New Zealand, on behalf of the Auditor-General. They have issued an unmodified audit opinion. The financial statements and this summary were authorised for issue by Council on 25 October 2023. The Annual Report Summary 2022/23 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 Summary you can download it at mpdc.govt.nz. Specific disclosures included in the summary financial statements have been extracted from the full financial statements.

Independent Auditor's Report

To the readers of Matamata-Piako 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 Matamata-Piako District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 3 to 16:

- 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 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 2023 in our auditor's report dated 25 October 2023.

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 no relationship with, or interests in the District Council.



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