

Mihi

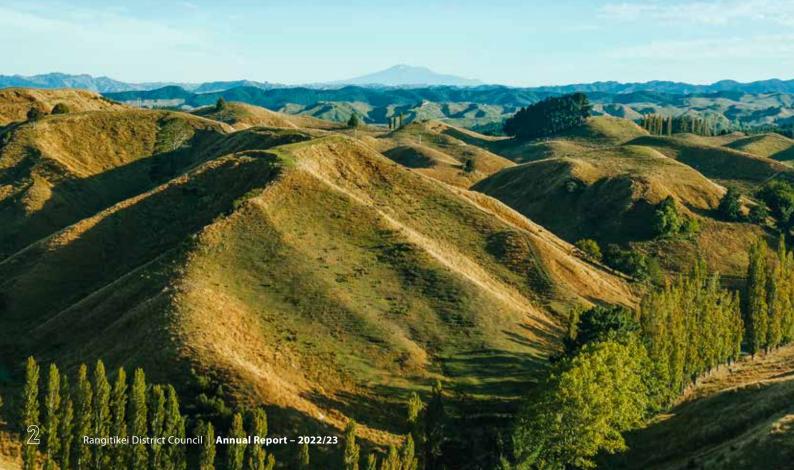
E ngā mana, e ngā reo, e ngā rau rangatira mā o te rohe o Rangitīkei, tēnā koutou katoa.

Mihi mahana tēnei o te Kaunihera o Rangitīkei kia tātou katoa e noho ana ki roto i te rohe nei, nau mai, whakatau mai rā. The Rangitikei District Council acknowledges all those who live within our District.

We send a warm welcome to you all.

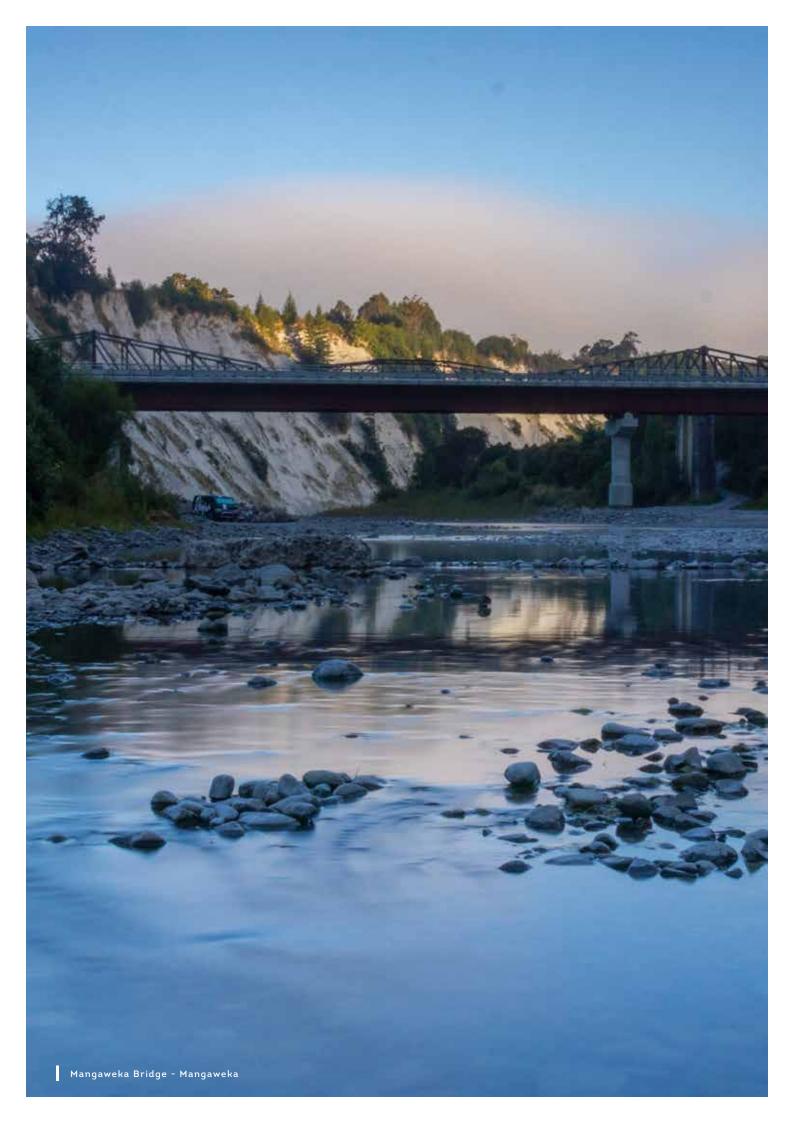
Whakataka te hau ki te uru,
Whakataka te hau ki te tonga,
Kia mākinakina ki uta,
Kia mātaratara ki tai,
E hī ake ana te atakura,
He tio, he huka, he hau hū,
Tīhei Mauriora!

Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with
a sharpened air
A touch of frost, a promise of a
glorious day!



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The Annual Report

The Annual Report is an essential accountability document.

It sets out to explain the Council's performance in year one of the 2021-31 Long Term Plan and against the various legislative and accounting requirements under which the Council is required to operate.

This Annual Report is prepared according to Sections 98 and 99 and Part 3 of Schedule 10 of the Local Government Act 2002. The Annual Report measures the Council's performance for the period 1 July 2022 to 30 June 2023. As well as financial results, the Annual Report includes results of the performance measures set out in the 2021-31 Long Term Plan.

Financial Performance

The statement of comprehensive revenue and expense shows operating expenditure was \$0.84 million more than budget and operating revenue was above budget by \$0.13 million, resulting in an operating profit before gains and losses on PPE and investments of \$5.4 million against a budget of \$6.14 million. The profit after tax was \$5.4 million.

More detailed analysis of variances is presented in note 27 of the financial statements and in the commentary on the various groups of activities.

Financial Position

Council had net assets of \$745 million, largely represented by property, plant and equipment.

Council has a strong cash position of \$13.17 million as at 30 June 2022. This is mainly as a result of a significant underspend in capital works this year.

Opportunities for Māori to contribute to Council decision-making

Council continues to have our iwi advisory board, Te Roopuu Ahi Kaa, as an integral part of the organisation.

The role and responsibilities of Te Roopuu Ahi Kaa are set out in their terms of reference. Members of Te Roopuu Ahi Kaa sit on Councils Standing Committees, with voting and speaking rights, which is another opportunity for Māori and iwi to contribute to the decision making of Council.

A budget is allocated for the Māori Community Development Programme and is to be distributed by Te Roopuu Ahi Kaa in accordance with its own processes. This programme is designed to increase the capacity of Māori to contribute to local decision-making and strengthen relationships between iwi organisations/marae and Council.

Council introduced two Māori Wards for 2022 Local Government Elections to represent Tiikeitia ki Uta (Inland) Māori Ward and Tiikeitia ki Tai (Coastal) Māori ward by one councillor each. Māori wards are a mechanism through which councils can ensure that Māori communities are represented on council and, in doing so, both achieve better representation of Māori in council decision-making and improve the visibility of Māori issues within council thinking and processes.



2022/2023 Highlights

XXX

Sponsorship, Funding and Grants

XXX

"In the Annual Report documentation, can we please have a section somewhere to acknowledge sponsorship e.g. JBS Dudding Trust – there is a requirement we acknowledge them in any annual report as a provider of a grant."



Independent Auditor's Report

To the readers of Rangitikei District Council's annual report for the year ended 30 June 2023

AUDIT NEW ZEALAND Mana Arotake Aotearoa

AUDIT NEW ZEALAND Mana Arotake Aotearoa

AUDIT NEW ZEALAND Mana Arotake Aotearoa

Who Are We?

District Profile

The Rangitīkei District comprises 4,500 square kilometres of mainly lush, rural land. It is a diverse district, ranging from the sand plains on the south coast – which stretch inland almost as far as Bulls – to the magnificent hill country of the upper Rangitīkei. The District is characterised by its hills, which comprise 50% of the land.

The Rangitīkei River is one of New Zealand's longest rivers, starting in the Kaimanawa Ranges and flowing out to the Tasman Sea.

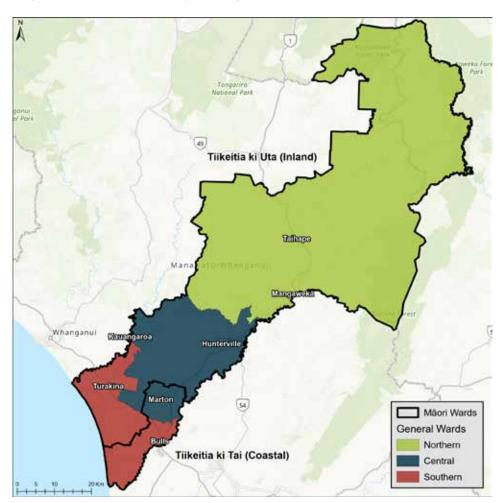
Demographic and Social Features

The 2018 Census showed a usually resident population of 15,027 (compared to 14,019 at the 2013 Census). This showed an increasing population reversing the trend for a declining population since 1996. There were 3,936 Māori recorded in the 2018 Census (compared with 3,270 in 2013).

However, the most recent estimated population for the District, as at June 2022, is 16,100 an increase of 1,073 in the last four years. The number of occupied private dwellings at the 2018 Census was 5778 compared with 5773 in the 2013 Census. The number of unoccupied private dwellings was 933 compared with 912 in 2013. The 2018 Census recorded 12 dwellings under construction.

Rangitīkei District Council

The Rangitīkei District Council is a territorial authority governed by the Local Government Act 2002. The Council was formed in 1989 by the amalgamation of the Rangitīkei County Council, Marton Borough Council and Taihape Borough Council, along with parts of the Kiwitea and Taupō County Councils.



Mission Statement

Council's Role

The Rangitīkei District Council undertakes services for the residents and ratepayers of the Rangitīkei. In everything it does, the Council has regard for the principles of equity and the principles of the Treaty of Waitangi.

The Local Government Act 2002 defines the purpose of local government is to:

"... enable democratic local decision-making and action by, and on behalf of communities and:

... promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

The role of a local authority is to:

- give effect, in relation to its district or region, to the purpose of local government and;
- perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment"

(Sections 10 and 11 of the Local Government Act 2002)

To give effect to this role, the Council has allocated its services between nine Groups of Activities, which describe the services (and levels of service) the Council provides:

















All of the Council's day-to-day business and long-term planning is centred on these activities and the budget requirements to keep them operational. Often sub-activities will fall out from the main activity and complement, in one way or another, the central activity.

Council Operations

The Council appoints a Chief Executive to be in charge of the Council operations and delegates certain powers of management to him as required under Section 42 of the Local Government Act 2002.

The Chief Executive appoints staff to carry out all of the Council's significant activities.

Division of Responsibility between the Council and Management

A key to the efficient running of the Council is that there is a clear division between the role of the Council and that of Management. The Council of the Rangitīkei District concentrates on setting policy and strategy, and then reviews progress. Management is concerned with implementing the Council policy and strategy.

The Council's most recent Representation Review was completed in April 2022. The key change was the implementation of two Māori Wards and resulted in the following representation arrangement.

- Mayor plus 11 councillors elected from 5 wards.
- The two Community Boards (Rātana and Taihape) were also unchanged.

| Ward | Number of Councillors per Ward |
|---------------------------|--------------------------------|
| Northern General | 2 |
| Central General | 5 |
| Southern General | 2 |
| Tiiketia ki Uta (Inland) | 1 |
| Tiiketia ki Tai (Coastal) | 1 |

While many of the Council's functions have been delegated, the overall responsibility for achieving the mission statement of the Council and the purposes of local government rests with the Council. The Council maintains effective systems of internal control, which includes the policies, systems and procedures established to provide measurable assurance that specific objectives of the Council will be achieved.

Statement of Compliance and Responsibility

Compliance

The Council and Management of the Rangitīkei District Council confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Council and Management of the Rangitīkei District Council accept responsibility for the preparation of the annual Financial Statements and of the Statement of Service Performance, and the judgements used in them.

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

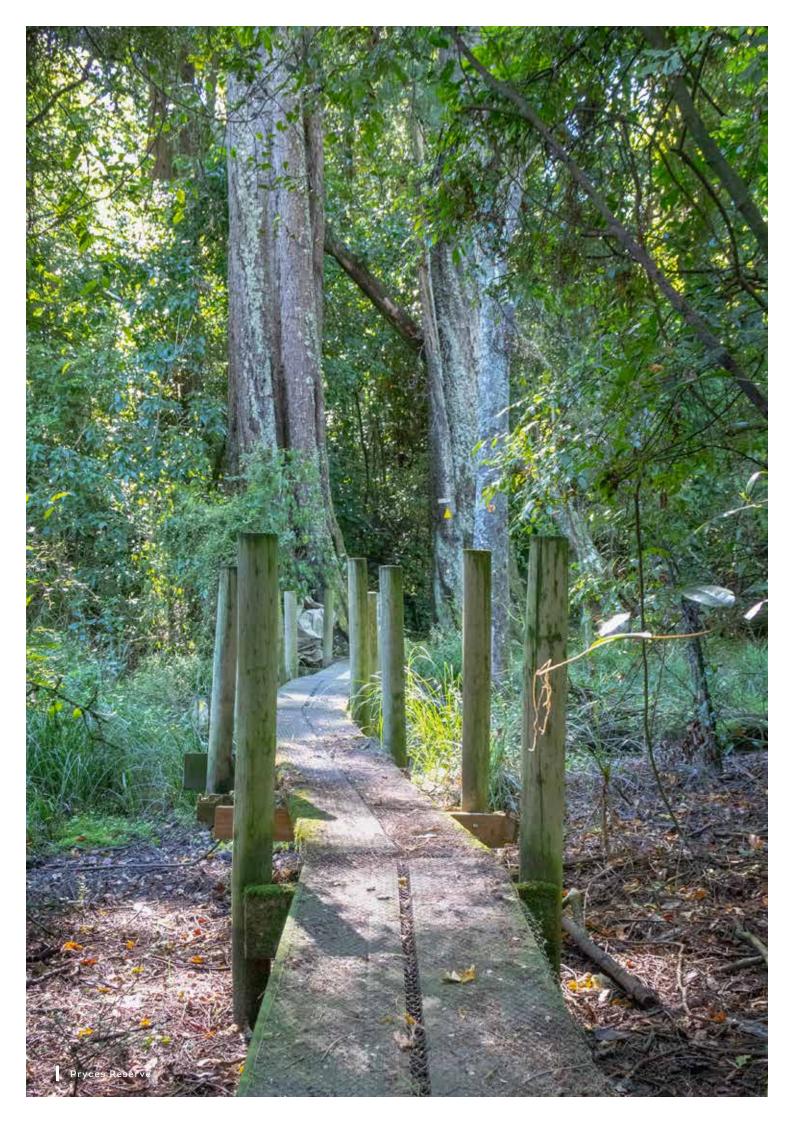
In the opinion of the Council and Management of the Rangitīkei District Council, the annual Financial Statements for the year ended 30 June 2022 fairly reflect the financial position and operations of the Rangitīkei District Council.

Andy Watson

Mayor 2023

Peter Beggs

Chief Executive xx month 2023



Section 2: Significant Activities

Including Funding Impact Statements by Significant Activity

Community Outcomes

Community outcomes are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

As part of developing the 2021-31 Long Term Plan, Council reviewed its outcomes; they are described below.

- 1 Infrastructural service levels Ensuring services meet appropriate standards and are affordable.
- **Economic development** Facilitating growth through infrastructure investment, an enabling regulatory framework and collaboration.
- 3 Future-looking community facilities Ensuring community facilities are future-fit and appropriately managed.
- **4 Earthquake-prone buildings** Reducing the people-risk from Council-owned earthquake-prone buildings and providing a leadership/support role for other earthquake-prone buildings.
- 5 Communication/engagement and collaboration Ensuring communities are well-informed and engaged in decision-making, and productive partnerships are established/maintained.
- 6 Rates level/affordability/value Ensuring rate levels are prudent and value to ratepayers demonstrated.
- 7 Environment/climate change Responsiveness to expectations from the community and Government for more sustainable use of resources, a reduced carbon footprint, and planning for projected impacts in weather and sealevel changes.
- **Regulatory performance** Implementing an enabling regulatory framework which is explicit on whether (and how) Council will exercise any statutory discretion available to it.
- 9 Community resilience Advocating for, working in partnership and supporting groups which are concerned with the well-being of the District's communities.

The table below illustrates how each of the community outcomes relates to the groups of activities.

| Group of activities | Community outcomes | | | | | | | | |
|---|--------------------|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Community Leadership | | • | | | • | • | • | | |
| Roading and Footpaths | • | • | | | | | | | |
| Water supply | • | • | | | | | | | |
| Sewerage and the treatment and Disposal of Sewage | • | • | | | | | | | |
| Stormwater Drainage | • | • | | | | | | | |
| Community and Leisure Assets | | | • | • | | | | | |
| Rubbish and Recycling | | | | | | | • | | |
| Environmental and Regulatory Services | | • | | • | | | | • | |
| Community Well-being | | • | | | • | | • | | • |

Council has not undertaken any specific measurement during the year of progress towards the achievement of those outcomes.

Identified effects of activities on the social, economic, environmental or cultural well-being of the community

The provision of a safe, convenient and well-maintained network of roads and footpaths contributes to (particularly) economic well-being by facilitating access by those conducting business within the District; it also contributes to social well-being by allowing people to connect easily with one another.

However, road deaths, noise, vibrations and emissions to air from road traffic are negative impacts on social and environmental well-being.

The provision of a reliable, safe water supply contributes particularly to social well-being; the ability to provide commercial quantities of water and stock water contribute to the community's economic well-being. Malfunctioning plants impact negatively on these well-beings.

Treatment and disposal of wastewater contributes to environmental well-being by minimising impacts on aquatic life and social well-being by ensuring disposal does not impact on residents' health. Malfunctioning treatment plants and broken or blocked reticulation impact negatively on social and environmental well-being,

Parks and reserves, libraries, and swimming pools contribute to the community's social well-being by providing recreational and educational opportunities.

Well-managed and accessible waste transfer stations reduce the likelihood of fly-tipping and this contributes to environmental well-being.

Animal control, building control and planning control contribute to personal and public health and safety, i.e. social well-being.

The youth development activity contributes to social well-being by providing opportunities for youth to collaborate with others and engage in meaningful dialogue with the Council.

The hui in Te Roopuu Ahi Kaa and representation from that Komiti on Council's standing committees contribute to the community's cultural well-being by promoting dialogue and understanding.

Performance Reporting

In the Activities that follow, performance reporting against the **Target (or Intended Level of Service)** is detailed as follows:

Achieved
Required actions have been completed

Or where a long-term level of service is targeted, the results for the year are in keeping

with the required trend to achieve the intended level of service

Not achievedNone of the required actions have been undertaken

Or the result for the year is less than half of the intended level of service

Or where a long-term level of service is targeted, the results for the year are contrary to

the required trend to achieve the intended level of service

Not measured

A measure which Council is required to report upon, but did not undertake relevant

activities, so cannot report results

* In the levels of service statements which follow, denotes a mandatory measure prescribed by the Secretary of Internal Affairs under section 261B of the Local Government Act 2002.

Community Leadership

This activity focuses on the governance functions of Council, in particular leadership and planning and is concerned with local democratic decision-making.



A major focus is getting the 'right' information to the community, clearly and concisely, so that people have an opportunity to understand the Council's view on the critical issues and decisions for the District.



Council adopted its 2023/24 Annual Plan on 22 June 2023.



Local Body Elections were held successfully in October 2022. Voter turnout was 46%.



The draft Community Spatial
Plan was developed and
consulted on in 2022/23. Council
received 187 submissions.

Highlights for 2022/23

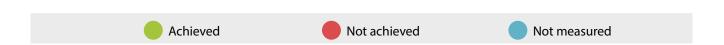
- **Local Body Elections** these elections were held successfully in October 2022. Voter turnout was 46%, which was higher than the national average of 40.44%. A successful induction programme was carried out for the new Council.
- **2023/24 Annual Plan** Following a special consultative process Council adopted its 2023/24 Annual Plan on 22 June 2023, at that meeting the rates resolution for 2023/24 was adopted; alongside the Schedule for Fees and Charges.
- **Regional collaboration** Council has been a member of the Regional Working Group on Climate Change and will continue its involvement through 2023/24; our Mayor also attends the Regional Transport Committee; and is part of the Accessing Central NZ meetings.
- **Preparation of Order Papers** Order Papers for Council, Committees, Boards, Community Committees and other meetings have continued to be delivered to ensure that decision-making was compliant and useful. During the year staff asked the Community Boards and Community Committees to review their Terms of Reference.
- **Delegations to Position Policy** this Policy was adopted to replace the outdated Delegations Register.
- **Community Spatial Plan** The draft Community Spatial Plan was developed and consulted on in 2022/23. Council received 187 submissions and is due to adopt the final Community Spatial Plan in late 2023.

Level of Service

Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through.

| PERFORMAN MEASURE | NCE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|------------------------------------|--|--|--|---|--|
| Councils inten | | | ke decisions that ar | e robust, fair, timely | ı, legally compliant | and address critical issues, and that |
| On-time completion of, or substantially undertaken annual plan actions | | 90% or more Annual Plan Actions completed | 75% | 67.9% | The achievement of Annual Plan Actions has improved from the 2021/22 result. Activities with lower completion of actions included roading actions that were affected by Waka Kotahi funding and contractor availability and three waters actions that are ongoing due to the need for further investigation, third party input, or resource consenting. | |
| Completion of programme | of capital | | 85% or more of the planned capital programme | 67% | 49.08% | Council's achievement of the capital program has improved from 2021/22. Delays in capital programmes include: * Roading: Weather events and contractor availability have required prioritisation of maintenance/repairs. * Three waters: Projects have been delayed for reasons outlined above including ongoing investigation, stakeholder input, and consenting. |
| Māori responsiveness framework: | Governance and relationships | | 80% or more overall satisfaction | 80% | 100% | Five responses from TRAK members were received. Three members expressed satisfaction across all |
| Satisfaction ratings from each member | Culture and identity | | _ | 60% | 92% | areas. One member stated they do not know to all questions as |
| of Te Roopuu Ahi Kaa about the effectiveness | Prosperity and well- being | | | 60% | 67% | they have not been to enough meetings. One member stated satisfaction on governance and relationships, with the remaining |
| of each framework outcome area. | Resources and infrastructure | | - | 60% | 75% | neutral. |
| Councils inten | ided level of se | rvice is to: Pro | vide a high custom | er experience that s | atisfies the needs o | f the community |
| Customer views of their experience (both the customer service and service provided) with Council. HappyOrNot system | | 500 Responses Customer Satisfaction Index: Improvement on previous year | 4,459 responses 85% Very Happy across all results on all units. | 2,265 responses 83% very happy across all results on all units. | Happy Or Not units are available for customers to give feedback at the High Street office in Marton as well as the libraries in Marton and Taihape and Te Matapihi in Bulls. | |

* Mandatory



Not achieved Not measured Rangitīkei District Council | **Annual Report – 2022/23**

Achieved

Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023 **Community Leadership**

| community Ecaacismp | | | |
|--|-----------------------------------|-----------------------------------|---------------------------|
| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 1,143 | 1,262 | 1,353 |
| Targeted rates | 78 | 84 | 84 |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | - | 55 | 33 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 1,221 | 1,401 | 1,470 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 688 | 781 | 875 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 532 | 619 | 645 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,220 | 1,400 | 1,520 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 1 | 1 | (50) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | _ | | _ |
| Development and financial contributions | | | |
| Increase (decrease) in debt | (2) | (2) | _ |
| Gross proceeds from sale of assets | (2) | - | _ |
| Lump sum contributions | _ | _ | _ |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | (2) | (2) | |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | _ | _ | _ |
| - to improve the level of service | _ | _ | _ |
| - to replace existing assets | _ | - | _ |
| Increase (decrease) in reserves | _ | - | (50) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | - | - | - |
| | | | |
| Surplus (deficit) of capital funding (C - D) | (2) | (2) | (50) |
| Funding balance ((A - B) + (C - D)) | (1) | (1) | 0 |
| Note: Depreciation expense not included above | - | - | - |

Roading and Footpaths

This activity covers Council's roading network (including bridges), footpaths and street lighting.

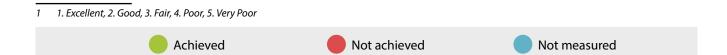
A safe roading network for users (including cyclists, pedestrians and mobility scooter users) traveling throughout the District is important for the transport of goods and people. This activity is the most significant for rates expenditure. It also receives a subsidy from central government, with a Financial Assistance Rate (FAR) of 63%.

Highlights for 2022/23:

Level of Service

Provide a sustainable network which is maintained in accordance with each road's significance for local communications and the local economy, taking into account the One Roading Network Classification and funding subsidies.

| PERFORMANCE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|---------|--|---|--|--|
| Councils intended level of service significance for local communica subsidies | | | | | |
| *Road condition The average quality of ride on a sealed local road network measured by smooth travel exposure | | 90% or more | 96% | 95% | Smooth Travel Exposure was completed by WDM in May 2023. |
| *Road maintenance The percentage of the sealed road network that is resurfaced | • | 6% or more | 4.9% | 5.6% | This year the programme for structural asphalt repairs has increased in the urban areas due to the deterioration of the sites. These sites have a wide carriageway but are short in length. This is an expensive option that comes with a longer life. Chip seal achieved = 39.27km. |
| | | | | | Asphalt achieved = 0.318km The budget was over-spent but under achieved. Cost Adjustment Factors have had an impact on the achievement length. |
| The percentage of the unsealed road network which is re-metalled during the year | | 12,000m³ or more | 11,933m ³ 99% | 9186m³ 76% | 11,933m³ was placed on the unsealed network, against the annual target of 12,000 m3 The amount of metal required depends on factors including weather conditions. The normal application of gravel also is undertaken in different weather to sealed roads – as it is best applied in moderately wet conditions. |
| *Footpaths The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant document e.g. Annual Plan, Asset Management Plan. | | 90% of footpaths make up category 1 or 2 ¹ | 94% Grade 1 and 2 condition rating. | CBD 95.3% 93% non-CBD (measurement was for grade 1, 2 and 3) | The footpath survey was carried out in March 2023. |



| PERFORMAN | ICE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|---|---|--|---|---------------------|---------------------|---|
| | *Road safety The change from the previous financial year in the number | | No fatal crashes on the Council roading network | 2 | 0 | Council accesses crash reporting that includes police notes on the accident and |
| of fatalities and serious injury crashes on the local road network expressed as a number | | 10 or less 6 serious injury crashes on the Council roading network | | 6 | 6 | possible contributing factors. No crash records indicated poor road condition as a contributing factor. Officers monitor crash information for any trends in crashes to identify locations where work could be undertaken to improve safety and ease of navigating roads. |
| | | is to: Be respo | | y expectations over | r the roading netwo | ork and requests for service |
| The percentage | After hours callouts | | 95% responded to in 12 hours | 100% | 98% | |
| of customer service requests | Working hours callouts | | 95% responded to in 6 hours | 100% | 97% | |
| relating to roads and footpaths to which the territorial authority responds within the time frame specified in the Long Term Plan. Results will be presented as the median. | Resolution | • | 85% of callouts resolved within one month | 83% | 97% | Due to the weather conditions during this financial year, the resolution of some Request for Service had to be delayed to accommodate more urgent works. |
| | Requests concerning potholes (Target: 95% responded to in 6 hours) | | Specified reference to callouts relating to potholes | 95% | 92% | |

^{*} Mandatory

Achieved

Not achieved Not measured

Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023 **Roading and Footpaths**

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
|---|-----------------------------------|-----------------------------------|---------------------------|
| Courses of annuating funding | (4000) | (4000) | (4000) |
| Sources of operating funding General rates, uniform annual general charge, rates penalties | 129 | 143 | 144 |
| | | | |
| Targeted rates | 7,318 | 7,851 | 7,941 |
| Subsidies and grants for operating purposes | 4,260 7 | 4,143 7 | 7,112 |
| Fees and charges | / | / | - |
| Internal charges and overheads recovered | 140 | 144 | 102 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 140 | 144 | 193 |
| Total operating funding (A) | 11,854 | 12,288 | 15,390 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 6,697 | 6,722 | 11,204 |
| Finance costs | 93 | 138 | 445 |
| Internal charges and overheads applied | 4,129 | 3,070 | 3,233 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 10,919 | 9,930 | 14,882 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 935 | 2,358 | 508 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 11,682 | 8,076 | 5,276 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 6,840 | (1,785) | 3,864 |
| Gross proceeds from sale of assets | - | - | _ |
| Lump sum contributions | _ | _ | _ |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 18,522 | 6,291 | 9,140 |
| Annilination of contact for the | | | |
| Application of capital funding Capital expenditure | | | |
| - to meet additional demand | 8,325 | 208 | |
| - to improve the level of service | 5,923 | 4,425 | - 1,325 |
| - to improve the level of service - to replace existing assets | 5,209 | 4,423 | 8,323 |
| | 3,209 | 4,013 | 0,323 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | | |
| Total applications of capital funding (D) | 19,457 | 8,648 | 9,648 |
| Surplus (deficit) of capital funding (C - D) | (935) | (2,357) | (508) |
| Funding balance ((A - B) + (C - D)) | - | 1 | - |
| | | | |

The Council does not fully fund depreciation on roading. This is because a subsidy is received on capital renewals from Waka Kotahi (New Zealand Transport Agency) which is used to reduce the cost to the Council.

Rangitīkei District Council - Capital Works **Roading and Footpaths**

| Catagory | Designated projects for 2022/23 | 2023 LTP Y2 (\$000) | 2023 Actua (\$000) |
|---------------------------------------|-----------------------------------|---------------------------|--------------------------|
| Category | Designatea projects for 2022/25 | (\$000) | (\$000 |
| RENEWALS | (to replace existing assets) | | |
| Unseald road metalling | Programmed renewals | 457 | 516 |
| Sealed road rehabilitation | Programmed renewals | 824 | 1,640 |
| Drainage | Programmed renewals | 619 | 811 |
| Structure components | Programmed renewals | 598 | 434 |
| Footpath renewals | Programmed renewals | 244 | 354 |
| Bridge and Structures renewals | Programmed renewals | 88 | 368 |
| Road to Zero | Programmed renewals | 0 | 451 |
| Traffic service renewals | Programmed renewals | 271 | 220 |
| Sealed road surfacing | Programmed renewals | 915 | 1,762 |
| Minor improvements | Programmed renewals | 4,042 | 1,767 |
| Total renewals | | 8,058 | 8,323 |
| CAPITAL | (to improve the level of service) | | |
| Marton Rail Hub | • | 208 | 885 |
| Development | | 258 | 440 |
| Mitigation Sealing | | 126 | (|
| Total capital | | 592 | 1,325 |
| Borrowing | | | |
| For the year ended 30 June 2023 | | | |
| Balance of borrowing at start of year | | - | 11,116 |
| Funds borrowed during the year | | - | 3,864 |
| Funds repaid during the year | | - | |
| Balance of borrowing at end of yea | r | - | 14,980 |
| Proportion of internal borrowing to | o all borrowing at 30 June | 0% | 0% |
| Portion of finance costs attributable | e to internal borrowing | - | |

This activity ensures the District's towns of Taihape, Mangaweka, Hunterville, Marton, Bulls and Rātana have a reticulated drinking water supply.



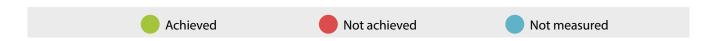
Council also administers rural water schemes on behalf of subscriber/owner committees in Hunterville, Erewhon, Omatane and Pūtōrino

Highlights for 2022/23:

Level of Service

Provide a safe and compliant supply of drinking water

| PERFORMANCE MEASURE | оитсо | 2021/22 ME TARGET | 2021/22 RESULT | 2020/21 RESULT | NARRATIVE |
|---|-------------------------------------|--|------------------------|------------------------------------|---|
| Councils intended le | vel of service is to | : Provide a safe and com | npliant supply of dr | inking water | |
| water water The extent stand to which the (bact | rinking lards eria oliance | No Incidents of non-compliance with bacteria compliance criteria (6/6) | Compliant (6/6) | Compliant (6/6) | All plants and supply networks compliant. |
| with: water water with: | rinking Jards Ozoa Oliance | No Incidents of non-compliance with protozoa compliance criteria (6/6) | Non-compliant (2/6) | Non-compliant (2/6) | Non-compliance is often caused by data collection issues such as spikes in electricity, and does not indicate that public health was ever at risk. Hunterville Urban WTP was non-compliant due to cartridge filter differential pressure. |
| Councils intended le | vel of service is to | : Provide reliable and efi | ficient urban water | supplies | |
| *Maintenance of the reticulation network The percentage of r water loss from Counetworked urban reticulation system | c eal | Less than 40% | 42% | 37% | There is scope for this to appear elevated if industry is operating at night by increasing night flows. |
| *Demand Managen The average consur of drinking water pe per resident within District | nption er day | 600 litres per resident per day | 448 | 559 litres per resident per day | |
| Councils intended leve | el of service is to: B | e responsive to reported i | faults and complain | ts* | |
| Council for ur attends a call o | _ | 0.5 hours | 0.1 hours | 0.1 hours | |
| call out in response to a fault or unplanned Resol | gent 🛑 | 24 hours | 1.6 hours | 1.4 hours | |
| interruption | | 24 hours | 0.1 hours | 0.2 hours | |
| following Resol median of no times are urger measured. outs | n- | 96 hours | 4.2 hours | 3.4 hours | |



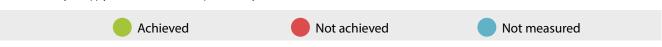
| PERFORMAN MEASURE | NCE | ОUТСОМЕ | 2021/22 TARGET | 2021/22 RESULT | 2020/21 RESULT | NARRATIVE |
|---|--|----------------|---|----------------------------|---|--|
| *Customer satisfaction The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council | | • | ≤20 complaints per 1000 connections | 71.75/1000 | 67.6/1000 | Council is aware of ongoing concerns about the water supply, particularly in Marton. Work has commenced on the Marton Water Strategy to improve the odour and taste of the Marton water supply by the end of 2024. |
| Councils inter | nded level of sei | vice is to: Ma | intain compliant, re | eliable and efficient | rural water supplie | S |
| Where the Council attends a call out in response to a fault or unplanned interruption to its water supply for rural water schemes, | Attendance time: from the time that the Council receives notification to the time that service personnel reach the site | | 48 hours | 0.1 hours (normal) | 0.2 hours (urgent) 0.1 hours (normal) | 15 requests were received for rural water supplies, all which were non-urgent. |
| the following median times are measured: | Resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption | | 96 hours | 6.4 hours (non- urgent) | 21.6 hours (urgent) 1.9 hours (normal) | 15 requests were received for rural water supplies, all which were non-urgent. |

^{*} Mandatory

Urgent: Callouts are considered urgent where there is full loss of water supply.

Normal: Callouts are considered normal for all other matters where there is no full loss of water supply.

¹ a. drinking water clarity, b. drinking water taste, c. drinking water odour, d. drinking water pressure or flow, e. continuity of supply, and f. The Council's response to any of these issues



Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023 **Water Supply**

| • • • | 2022 | 2022 | 2022 |
|--|------------------------|------------------------|----------------|
| | 2022 Long Term Plan | 2023 Long Term Plan | 2023 Actual |
| | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | - | - | - |
| Targeted rates | 5,731 | 6,149 | 6,259 |
| Subsidies and grants for operating purposes | - | - | 264 |
| Fees and charges | 58 | 60 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | 44 |
| Total operating funding (A) | 5,183 | 5,789 | 6,567 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,483 | 2,558 | 3,093 |
| Finance costs | 309 | 318 | 683 |
| Internal charges and overheads applied | 1,152 | 1,320 | 1,260 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 3,944 | 4,196 | 5,036 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 1,845 | 2,013 | 1,531 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 2,410 | _ | _ |
| Development and financial contributions | 2,410 | | |
| Increase (decrease) in debt | (1,069) | 3,804 | 479 |
| Gross proceeds from sale of assets | (1,009) | 3,004 | 479 |
| Lump sum contributions | _ | _ | _ |
| · | - | - | - |
| Other dedicated capital funding | <u>-</u> | <u>-</u> | |
| Total sources of capital funding © | 1,908 | 1,341 | (585) |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 2,080 | 5,185 | 1,603 |
| - to replace existing assets | 1,106 | 630 | 407 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 3,186 | 5,815 | 2,010 |
| | | | |
| Surplus (deficit) of capital funding (C - D) | (1,845) | (2,011) | (1,531) |
| Funding balance ((A - B) + (C - D)) | 0 | 2 | 0 |
| Note: Depreciation expense not included above | 2,015 | 2,179 | 2,090 |

Rangitīkei District Council - Capital Works

Water Supply

| | | 2023 | 2023 |
|--|--|----------------------------------|-------------------|
| Category | Designated projects for 2022/23 | LTP Y1 (\$000) | Actua. (\$000, |
| RENEWALS | (to replace existing assets) | | |
| Water renewals | Programmed renewals | 426 | 132 |
| Water schemes renewals | Programmed renewals | 204 | 275 |
| Total renewals | | 630 | 407 |
| CAPITAL | (to improve level of service) | | |
| New Bore | | 5,000 | 503 |
| New Strategy | | 103 | 1,058 |
| Water Upgrades | | 83 | 42 |
| Total capital | | 5,186 | 1,603 |
| Borrowing | | | |
| For the year ended 30 June 2023 | | | |
| Balance of borrowing at start of year | | - | 14,585 |
| Funds borrowed during the year | | - | 479 |
| Funds repaid during the year | | - | - |
| Balance of borrowing at end of year | | - | 15,064 |
| All borrowing is managed through the (| Council's treasury function which borrows exterr | nally to maintain sufficient lic | quidity for |

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function, are funded by a mix of internal and external funds.

| Proportion of internal borrowing to all borrowing at 30 June | 0% | 0% |
|--|----|----|
| | | |

Portion of finance costs attributable to internal borrowing

Sewerage and the Treatment and Disposal of Sewage



This activity provides a reticulated wastewater disposal service for the towns of Taihape, Mangaweka, Hunterville, Marton Bulls, Rātana and Koitiata.

It includes the reticulation, treatment and disposal of wastewater.

Highlights for 2022/23:

Level of Service

Provide a reliable reticulated disposal system that does not cause harm or create pollution within existing urban areas.

| PERFORMANCE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|---|--------------------|---|--------------------|-------------------|--|
| Councils intended level of se existing urban areas | rrvice is to: Pro | vide a reliable, retic | ulated disposal sy | stem that does no | t cause harm or create pollution within |
| *Discharge compliance Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of a) abatement notices b) infringement notices c) enforcement orders, and d) convictions | | No abatement notices | 0 | Achieved | No abatement notices received during the reporting year. |
| | • | No infringement notices | 1 | Achieved | An infringement notice was received on 8 December 2022, referring to non-compliance for the Taihape Wastewater Treatment Plant in October of that year. Council approved additional capital works in the 23/24 financial year to improve the performance of the plant. |
| | | No enforcement orders | 0 | Achieved | No enforcement orders received during the reporting year. |
| | | No convictions | 0 | Achieved | No convictions during the reporting year. |
| *System and adequacy The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system | | Fewer overflows than 3 per 1000 connections | 0.22 | 1.41 | |
| Councils intended level of serv | vice is to: Be res | ponsive to reported i | faults and complai | nts | |
| * Fault response time Where the Council attends to sewage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median times are measured: | | Attendance urgent 0.5 hours | 0.1 hours | 0.1 hours | |
| | | Attendance non-urgent 24 hours | 0.1 hours | 0.2 hours | |
| | | Resolution urgent 24 hours | 1.4 hours | 1.9 hours | |
| a. attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and b. resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption | | Resolution non- urgent 96 hours | 1.9 hours | 1.3 hours | |
| · | | | | | |
| | Achieved | | Not achieve | ed | Not measured |

| PERFORMANCE MEASURE | ОUТСОМЕ | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|---|---------|--|-------------------|-------------------|--|
| *Customer satisfaction The total number of complaints received by the Council about any of the following: a. sewage odour | | Fewer requests than 6 per 1000 connections | 12.92 | 10.2 | Under this mandatory DIA measure, all requests for service for wastewater are counted as complaints, including multiple requests for service alerting Council to the same issue. |
| b. sewerage system faults c. sewerage system blockages, and | | | | | |
| d. the Council's response to issues with its sewerage system | | | | | |
| Expressed per 1000 connections to the | | | | | |
| Councils sewerage system. | | | | | |

^{*} Mandatory

Urgent: Callouts are considered urgent where sewage is evident.

Non-urgent: Callouts are considered non-urgent for all other matters where sewage is not evident.

Achieved Not achieved Not measured

Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023

Sewerage and the Treatment and Disposal of Sewage

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
|--|-----------------------------------|-----------------------------------|---------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | (300) | (300) | - |
| Targeted rates | 2,704 | 2,902 | 2,640 |
| Subsidies and grants for operating purposes | | | 588 |
| Fees and charges | 100 | 103 | 51 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 2,504 | 2,705 | 3,279 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 782 | 807 | 904 |
| Finance costs | 137 | 217 | 342 |
| Internal charges and overheads applied | 473 | 210 | 402 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,392 | 1,234 | 1,648 |
| Surplus (deficit) of operating funding (A - B) | 1,112 | 1,471 | 1,631 |
| Surplus (deficit) of operating funding (A - b) | 1,112 | 1,471 | 1,031 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 9,578 | 6,299 | 2,715 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | |
| Total sources of capital funding (C) | 9,578 | 6,299 | 2,715 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 7,200 | 7,156 | 3,337 |
| - to replace existing assets | 3,490 | 614 | 1,009 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | | - | |
| Total applications of capital funding (D) | 10,690 | 7,770 | 4,346 |
| Surplus (deficit) of capital funding (C - D) | (1,112) | (1,471) | (1,631) |
| Funding balance ((A - B) + (C - D)) | - | - | - |
| Note: Depreciation expense not included above | 1,112 | 1,470 | 1,688 |

2023

2023

Rangitīkei District Council - Capital Works

Sewerage and the Treatment and Disposal of Sewage

| Category | Designated projects for 2022/23 | 2023 LTP Y2 (\$000) | 2023 Actual (\$000) |
|---------------------------------------|---------------------------------|---------------------------|---------------------------|
| RENEWALS | (to replace existing assets) | | |
| Wastewater | Treatment and reticulation | 614 | 1,009 |
| Total renewals | | 614 | 1,009 |
| CAPITAL | (to improve level of service) | | |
| Treatment Plants Upgrade | | 7,156 | 3,337 |
| Total capital | | 7,156 | 3,337 |
| Borrowing | | | |
| For the year ended 30 June 2022 | | | |
| Balance of borrowing at start of year | | - | 8,310 |
| Funds borrowed during the year | | - | 2,715 |
| Funds repaid during the year | | - | - |
| Balance of borrowing at end of year | | - | 11,025 |

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function, are funded by a mix of internal and external funds.

| Proportion of internal borrowing to all borrowing at 30 June | 0% | 0% |
|--|----|----|
| | | |

Stormwater Drainage

This activity provides for the disposal of storm water in Taihape, Mangaweka, Hunterville, Marton, Bulls, and Rātana.



Highlights for 2022/23:

•

Level of Service

Provide a reliable collection and disposal system to each property during normal rainfall.

| PERFORMANCE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|-------------------|--|---------------------|-------------------|---|
| Councils intended level of rainfall | service is to: | Provide a reliable | e collection and d | isposal system to | each property during normal |
| *Discharge compliance Compliance with the | | No abatement notices | Not measured | Not measured | Discharge compliance is a mandatory measure set by the |
| Council's resource consents for discharge from its stormwater | | No infringement notices | Not measured | Not measured | Department of Internal Affairs therefore must be reported on. However, as Council has |
| system measured by the number of: | | No enforcement orders | Not measured | Not measured | no stormwater consents the measurement in essence cannot be measured. |
| a. abatement notices b. infringement notices c. enforcement orders, and d. convictions Received by the Council in relation to those resource consents. | • | No convictions | Not measured | Not measured | · measurea. |
| *System adequacy The number of flooding events¹ that occurred in the District. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system). Note: This is a District-wide assessment | | Fewer requests than 5 per 1000 connected properties | 0 | 0 | There were no flooding events. The district experience one rain event that caused widespread surface flooding. Fortunately, no habitable floors got inundated in the district. |
| Councils intended level of ser | rvice is to: Be I | responsive to report | ted faults and comp | plaints | |
| *Customer satisfaction The number of complaints received by the Council about the performance of its stormwater system, expressed per 1000 properties connected to the Council's stormwater system. | | Fewer requests than 5 per 1000 connected properties | 8.01/1000 | 10.4/1000 | The high number of complaints reflects the extraordinary rain event that occurred across the district. The Rangitikei District experienced a particularly wet summer and winter during this financial year. |
| *Response time The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site. | | Two hours or less | Not measured | Not measured | No flooding events occurred in the reporting period. |
| * Mandatory | | | | | |

The rules for the mandatory measures define a 'flooding event' as an overflow from a territorial authority's stormwater system that enters a habitable floor

Not achieved

Achieved

Not measured

Rangitīkei District Council -

Funding Impact Statement For the Year Ended 30 June 2023

Stormwater Drainage

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
|---|-----------------------------------|-----------------------------------|---------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | - | - | - |
| Targeted rates | 634 | 681 | 691 |
| Subsidies and grants for operating purposes | _ | - | - |
| Fees and charges | 15 | 15 | - |
| Internal charges and overheads recovered | _ | _ | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | 23 |
| Total operating funding (A) | 649 | 696 | 713 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 95 | 98 | 162 |
| Finance costs | 23 | 34 | 44 |
| Internal charges and overheads applied | 149 | 142 | 202 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 267 | 274 | 408 |
| Surplus (deficit) of operating funding (A - B) | 382 | 422 | 305 |
| Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 418 | 95 | (37) |
| Gross proceeds from sale of assets | _ | _ | - |
| Lump sum contributions | _ | _ | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 418 | 95 | (37) |
| Application of capital funding Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 700 | 412 | 175 |
| - to replace existing assets | 100 | 104 | 93 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 800 | 516 | 268 |
| Surplus (deficit) of capital funding (C - D) | (382) | (421) | (305) |
| Funding balance ((A - B) + (C - D)) | 0 | 1 | 0 |
| Note: Depreciation expense not included above | 382 | 421 | 615 |

Rangitīkei District Council - Capital Works

Stormwater Drainage

| | | 2023 LTP Y2 | 2023 |
|---------------------------------------|---------------------------------|----------------|-------------------|
| Category | Designated projects for 2022/23 | (\$000) | Actual (\$000) |
| RENEWALS | (to replace existing assets) | | |
| District | Drain renewals | 104 | 93 |
| Total renewals | | 104 | 93 |
| CAPITAL | (to improve level of service) | | |
| District | Upgrades | 309 | 38 |
| District | Strategy Development | 103 | 137 |
| Total capital | | 412 | 175 |
| Borrowing | | | |
| For the year ended 30 June 2023 | | | |
| Balance of borrowing at start of year | | - | 760 |
| Funds borrowed during the year | | - | (37) |
| Funds repaid during the year | | - | - |
| Balance of borrowing at end of year | | - | 723 |

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function, are funded by a mix of internal and external funds.

| Proportion of internal borrowing to all borrowing at 30 June | 0% | 0% |
|--|----|----|
| | | |
| Portion of finance costs attributable to internal borrowing | _ | _ |

Community and Leisure Assets

This activity includes Council's community assets – halls, community buildings, public toilets, swimming pools, property, parks and reserves, libraries, cemeteries and community housing.



This group of activities provides opportunities for recreational, leisure and cultural pursuits and for social participation and interaction within the Rangitikei District.

Highlights for 2022/23:

•

Level of Service

Provide a fit for purpose range of community and leisure assets.

| PERFORMANCE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|------------------|--|--------------------|---|--|
| Councils intended level of se | rvice is to: Cor | mpliance with releve | ant standards | | |
| All swimming pools have poolsafe accreditation | | Maintain accreditation | 100% | Poolsafe accreditation received May 2022. | Poolsafe accreditation received May 2023 -valid to May 2024. |
| Council complies with criteria in rental warrant of fitness programme for community housing | • | All units (100%) achieve at least 95% compliance | 92% | Of the 63 units inspected, 3 units did not meet compliance due to hot water temperatures exceeding 60 degrees. | Of the 71 housing units inspected during April/May, 4 units did not meet compliance due to hot water temperatures exceeding 60 degrees while 1 unit did not meet compliance due to the tenant turning off their hot water. One unit was not inspected due to the tenant being away for an extended period. |
| New public toilet buildings are well designed, safe and visible and Compliance with SNZ4241:1999 and CPTED (safer design guidelines) for new or refurbished toilets | | 100% compliance | 100% compliance | 100% compliance | New dry vault toilets were installed at the Tutaenui Reservoir Reserve and the Springvale Suspension Bridge. Both facilities comply with SNZ 4241:1999 and CPTED principles. |
| Playground compliance with NZ Standards | | 80% compliance | 100% compliance | Council undertake safety audits every 2 months and inspections twice a week. Urgent issues are resolved immediately, while non- urgent needs are scheduled for maintenance. | An independent audit was undertaken during the 22/23 financial year of all playground sites throughout the district. This will enable us to make informed replacement and funding decisions. Any issues are rectified when identified, as well as any additional requests for maintenance. |

Achieved Not achieved Not measured

| PERFORMANCE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|-------------------|---|---|--|---|
| Councils intended level of ser | rvice is to: Libi | rary services are we | lcoming and provid | le a space for social | l interaction and learning |
| Customer rating of library facilitates | | Customer Satisfaction Index (provided via the HappyOrNot system): • 90% | 82% overall. This consists of: 86% of 616 responses at Te Matapihi 81% of 783 responses at Taihape 82% of 2845 responses at Marton Library. | 91% overall. This consists of: 87 % of 313 responses at Te Matapihi 90% of 446 responses at Taihape 94% 0f 1,294 responses at Marton Library | At Te Matapihi we continue to get negative feedback from a member of the public who has been trespassed from the facility for anti-social behaviour in 2022 and continues to access that site. We have noticed that during the school holidays there is a definite increase in negative feedback. An example from Marton library in April shows that during the school holiday period is the only time any negative feedback was received. This may indicate that it is children scoring their unhappiness if they have been asked to reconsider their behaviour. |
| The number of library outreach activities and events delivered | | 5 per year for each library | Marton Library 10+ per month Bulls Library 10+ per month Taihape Library 5+ per month | Marton Library: 10+ Bulls Library: 10+ Taihape Library: 5+ Plus online story-times | Each month we are holding regular book, lego, colouring, knitting groups. Other events include movies, author visits, and staff making school visits. Staff seek feedback and tailor programmes to suit local communities. During school holidays our regular programmes change to activities for younger/school age customers which are very popular. |
| Councils intended level of ser | rvice is to: Pro | vide parks and spoi | rts fields that are fit | for purpose | |
| Number of complaints about Council owned parks and sports fields | | 10 or less per year | 1 | 3 | It is to be expected that the community will contact Council with queries or concerns about parks and sports fields. While a number of calls were received about parks and sports fields, only one complaint was referred to the Resolution Co-ordinator. |

^{*} Mandatory



Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023

Community and Leisure Assets

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
|--|-----------------------------------|-----------------------------------|---------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 4,409 | 4,783 | 3,998 |
| Targeted rates | - | - | - |
| Subsidies and grants for operating purposes | 119 | 98 | 507 |
| Fees and charges | 130 | 134 | 117 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 657 | 676 | 1,225 |
| Total operating funding (A) | 5,315 | 5,691 | 5,847 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,413 | 2,330 | 2,736 |
| Finance costs | 217 | 281 | 460 |
| Internal charges and overheads applied | 809 | 1,025 | 1,232 |
| Other operating funding applications | - | - | 37 |
| Total applications of operating funding (B) | 3,439 | 3,636 | 4,465 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 1,876 | 2,055 | 1,382 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 6,589 | 553 | 3,195 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 6,589 | 553 | 3,195 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | 300 | - | - |
| - to improve the level of service | 2,400 | 1,700 | 3,646 |
| - to replace existing assets | 5,766 | 907 | 931 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 8,466 | 2,607 | 4,577 |
| Surplus (deficit) of capital funding (C - D) | (1,877) | (2,054) | (1,378) |
| Funding balance ((A - B) + (C - D)) | (1) | 1 | - |
| Note: Depreciation expense not included above | 1,876 | 2,054 | 2,449 |

Rangitīkei District Council - Capital Works

Community and Leisure Assets

| | | 2023 LTP Y2 | 2023 Actual |
|---------------------------------------|---|----------------|----------------|
| Category | Designated projects for 2022/23 | (\$000) | (\$000) |
| RENEWALS | (to replace existing assets) | | |
| Swim Centres | Pool Covers, General Upgrades | 122 | 34 |
| Libraries | Books, Furniture | 105 | 81 |
| Community Housing | Building Alterations | 180 | 419 |
| Domains | Amenities renewals | 200 | 123 |
| Public Toilets | Renewals | - | 69 |
| Halls | Renewals | - | 205 |
| Cemeteries | Renewals | 300 | - |
| Total renewals | | 907 | 931 |
| | | | |
| CAPITAL | (to improve level of service) | | |
| Domains | Building and Parks Upgrades | 1,200 | 3,005 |
| Public Toilets | Toilet Upgrades | - | 111 |
| Halls | Community Centres and Civic Centre Upgrades | 500 | 530 |
| Total capital | | 1,700 | 3,646 |
| Borrowing | | | |
| For the year ended 30 June 2023 | | | |
| Balance of borrowing at start of year | | - | 7,381 |
| Funds borrowed during the year | | - | 3,195 |
| Funds repaid during the year | | - | - |
| Balance of borrowing at end of year | | - | 10,576 |
| Proportion of internal borrowing to a | all borrowing at 30 June | 0% | 0% |
| Portion of finance costs attributable | to internal borrowing | - | - |

Rubbish and Recycling

This group of activities is focused on the appropriate disposal of refuse in the District, an activity where central government is increasingly determining national standards that Council must meet.



Council does not collect – other than from public litter bins – or dispose of rubbish within the District: this is handled by independent businesses. Council owns a network of waste transfer stations, whose operation is contracted out.

Highlights for 2022/24:

•

Level of Service

Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textiles and greenwaste. Special occasions for electronics (e-waste). Council intends to continue the operation (under contract) of existing urban waste transfer stations – Rātana, Bulls, Marton, Hunterville, Mangaweka and Taihape.

| PERFORMANCE MEASURE | OUTCOME | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|---------|--|-------------------|-------------------|--|
| Councils intended level of service is to: Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textile and green waste. special occasions for electronics (e-waste). Council intends to continue the operation (under contract) of existing urbar waste transfer stations – Rātana, Bulls, Marton, Hunterville, Mangaweka, and Taihape. | | | | | |
| Waste to landfill (tonnage) | | Less than 5,500 tonnes to landfill | 5,649 tonnes | 5,898 tonnes | More tyres and green waste were recycled than previous years, resulting in a decrease in waste to landfill. |
| Recycling available at Waste Transfer Stations throughout the District. | | Bulls, Marton, Taihape, Hunterville, Rātana provide for recycling of; glass, metal, paper, plastics (1-5), cans/tins. | Outcome met | Outcome met | Solid Waste has been brought back in-house and this has resulted in an increase and efficiency in recycling. |

^{*} Mandatory



Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023 **Rubbish and Recycling**

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
|--|-----------------------------------|-----------------------------------|---------------------------|
| | (3000) | (3000) | (5000) |
| Sources of operating funding | 4.44 | 454 | 455 |
| General rates, uniform annual general charge, rates penalties | 141 | 151 | 155 |
| Targeted rates Subsidies and grants for operating purposes | 932 | 1,000 | 1,013 |
| Fees and charges | 649 | 669 | 875 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | 10 |
| Total operating funding (A) | 1,722 | 1,820 | 2,053 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,463 | 1,509 | 2,262 |
| Finance costs | 1 | 1 | 2 |
| Internal charges and overheads applied | 195 | 245 | 389 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,659 | 1,755 | 2,653 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 63 | 65 | (600) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (64) | (66) | 600 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | |
| Total sources of capital funding (C) | (64) | (66) | 600 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | - | - | - |
| - to replace existing assets | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | | <u> </u> | |
| Total applications of capital funding (D) | - | - | |
| Surplus (deficit) of capital funding (C - D) | (64) | (66) | 610 |
| Funding balance ((A - B) + (C - D)) | (64) | (66) | 60 |
| Note: Depreciation expense not included above | 64 | 66 | 69 |

Rangitīkei District Council - Capital Works **Rubbish and Recycling**

| Category | Designated projects for 2022/23 | 2023 LTP Y2 (\$000) | 2023 Actua (\$000) |
|---------------------------------------|---------------------------------|---------------------------|--------------------------|
| RENEWALS | (to replace existing assets) | | |
| Total renewals | | - | |
| CAPITAL | (to improve level of service) | | |
| Total capital | | - | |
| Borrowing | | | |
| For the year ended 30 June 2023 | | | |
| Balance of borrowing at start of year | | - | 1,381 |
| Funds borrowed during the year | | - | 600 |
| Funds repaid during the year | | - | |
| Balance of borrowing at end of year | | - | 1,981 |

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function, are funded by a mix of internal and externa funds.

| Proportion of internal borrowing to all borrowing at 30 June | 0% | 0% |
|--|----|----|
| Portion of finance costs attributable to internal borrowing | - | - |

Environmental and Regulatory Services

This group of activities covers the areas where Council ensures compliance with statutory requirements in the areas of planning, development and building, liquor and other licensing, animal control and environmental health.

During the year, there has been continued collaboration with neighbouring councils (both at a regional level and within a central New Zealand cluster associated with the Ministry of Business, Innovation and Employment ¹) over common approaches in managing Building Control Authority functions.

¹ This Ministry includes the former Department of Building and Housing.



Animal Control Services continues under a shared services arrangement with Manawatū Districts.



Officers have completed all assessments of potential earthquake prone buildings 218 in total.



The Council Building Control Authority (BCA) remains accredited and was audited in February 2023.

Highlights for 2022/23:

- **Building Accreditation** The Council Building Control Authority (BCA) remains accredited and was audited in February 2023. The audit findings by IANZ included 10 General non-compliance, 4 recommendations and 5 advisory notes, all of these matters have been addressed and our next audit is now due Feb 2025. Online electronic building consent applications is now well embedded and is working well with all consents now being received via the portal.
- Implementation of the Building (earthquake-prone buildings) Amendment Act Officers have completed all assessments of potential earthquake prone buildings 218 in total, of which 105 had been identified as potentially earthquake prone, 9 of these have been either remediated or the engineering report has indicated they above the 34% NBS. Officers are now continuing final decision on the remaining 17 buildings. A total of 79 buildings have been issued with final earthquake prone notices.
- **Animal Control** Council continued to provide animal control services for both Rangitīkei and Manawatū districts under a shared services arrangement.
- Food Act and Health Act Council continuous to provide this service under contract from Manawatū District Council.

Level of Service

Provide a legally compliant service.

| PERFORMAN MEASURE | ICE | ОUТСОМЕ | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|--|------------------|--|---|--|---|
| Councils inter | nded level of se | rvice is to: Pro | vide a legally comp | liant service | | |
| Timeliness of processing building consents and resource consents | Building consents | • | 100% processed within statutory timeframes | 96.52% 305 out of 316 building consents were processed within timeframes | 91.52% | 305 out of 316 building consents were processed within timeframes. The 11 consents went overtime due to workload, staff absentees, leave sick leave etc. |
| | Resource consents | • | 100% processed within statutory timeframes | Land use consents: 100% Subdivision consent: 98% | Land use consents: 100% Subdivision consents: 95.4% | Only one resource consent was overdue, out of 62 resource consents issued. This consent was signed within timeframes but due to an administrative error was issued one day late. |
| Animal Control -Timeliness of response (i.e the Request for Service has been acknowledged) and completion (i.e the Request for Service has been signed off by officers). Results will be presented as the median | Response to Priority 1 call outs | | 90% responded within 0.5 hours | 97% responded to in time | 98% responded to in time | |
| | Completion of Priority 1 call outs | | 90% completed within 20 working days | 92% completed on time | 90% completed on time | |
| | Response to Priority 2 call outs | • | 90% responded within 24 hours | 93% responded to in time | 87% responded to in time | Rostering changes have improved staff availability during office hours, but with only 1 officer on call between two districts, it is not always possible to respond to callouts within the timeframe specified. |
| Priority 1's = Any Dog Attack / Found Dog / Rushing Dog / Wandering Stock Priority 2's = Animal Welfare Concern / Barking Dog / Property Inspection / General Enquiry / Lost Animal / Microchip Dog / Multi-dog Inspection / Roaming Dog / Animal Control Bylaw Matter | Completion of Priority 2 call outs | | 90% completed within 20 working days | 74% completed on time | 72% completed on time | The time taken to resolve an issue is not always within Council's control, with reliance on factors such as the owner's situation or witness availability. Council seeks to meet the expected resolution times wherever possible. Staff shortages has affected these outcomes |

Achieved Not achieved Not measured

| PERFORMAN MEASURE | ICE | ОUТСОМЕ | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|---|--|---------|----------------------------------|-------------------|-------------------|--|
| Environmental health Timeliness | Response to Noise Control call outs | | 90% responded to in 1.5 hours | 96% | 98% | |
| of response (i.e the site has been attended) and completion (i.e | Completion of Noise Control call outs | | 90% completed in 2 hours | 97% | 98% | |
| the Request for Service has been signed off by officers). Results will be | Response to Food Premises call outs | | 90% responded to in 24 hours | 83% | 100% | Service was disrupted twice during the year due to contractor resigning and the duration needed to reappoint a contractor. |
| presented as the median. | Completion of Food Premises call outs | | 90% completed in 72 hours | 75% | 100% | Service was disrupted twice during the year due to contractor resigning and the duration needed to reappoint a contractor. |

^{*} Mandatory

Achieved Not achieved Not measured

Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023 **Environmental and Regulatory Services**

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 2023 Actual (\$000) |
|--|-----------------------------------|-----------------------------------|---------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 1,207 | 1,320 | 1,728 |
| Targeted rates | - | - | - |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 1,374 | 1,415 | 1,670 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 355 | 365 | - |
| Total operating funding (A) | 2,936 | 3,100 | 3,398 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,382 | 1,418 | 1,713 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 1,554 | 1,683 | 1,681 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 2,936 | 3,101 | 3,394 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 0 | (1) | 4 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | _ | _ | _ |
| Development and financial contributions | _ | _ | _ |
| Increase (decrease) in debt | _ | _ | _ |
| Gross proceeds from sale of assets | _ | _ | _ |
| Lump sum contributions | - | _ | _ |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | - | - | - |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | _ | _ |
| - to improve the level of service | - | - | - |
| - to replace existing assets | - | - | - |
| Increase (decrease) in reserves | - | - | (4) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 0 | 0 | 4 |
| | | | |
| Surplus (deficit) of capital funding (C - D) | 0 | (1) | 0 |
| Funding balance ((A - B) + (C - D)) | 0 | (1) | 0 |
| Note: Depreciation expense not included above | - | - | - |

Community Well-being

This activity includes a range of programmes which contribute to community well-being – economic development, district promotion, information centres, community partnerships, and emergency management.



Highlights for 2022/23:

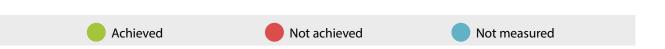
•

Level of Service

Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins.

| PERFORMANCE MEASURE | ОUТСОМЕ | 2022/23 TARGET | 2022/23 RESULT | 2021/22 RESULT | NARRATIVE |
|--|-------------------|--|--|--|---|
| Councils intended level of se | rvice is to: Ens | ure competency in | discharging Civil De | efence responsibilit | ies |
| Timing of self-assessment when the Emergency Operations Centre is activated and of continued civil defence training exercises | | Self-assessment undertaken and responded to within four months of Emergency Operations Centre activation | Achieved | Achieved | Internal debrief held as a result of Surface flooding at Koitiata and Scotts Ferry. Flood pump purchased for future Scotts Ferry response. |
| | | At least one exercise undertaken each year | Achieved | Achieved | Small scale 'exercise' held Jan 23, testing Councils Internet Business Continuity Plan utilising the Woi Satellite trailer for 7 days unsupported. Trailer performed very well. |
| Councils intended level of se | rvice is to: Idei | ntify and promote o | opportunities for eco | onomic developme | nt in the District. |
| Implementing actions each year from the Economic Development Strategy and Housing Strategy Action Plans (Annual Work Plans). | | Greater than 80% of the actions completed for each relevant year. | 80% Housing Strategy Actions 50% Economic Development Strategy Actions | 75% Housing Strategy actions 40% Economic Development Strategy actions | At the 23 November 2022 Council meeting, it was resolved that staff were to progress the business case for Tui Street properties only, halting other actions on the strategy pending a review by Council. 50% of economic development actions with KPIs established through the end of July 2023 were achieved |
| District GDP growth compared to national GDP growth. | • | GDP growth for the Rangitīkei District is within +/-1% of national GDP growth, or better. | Not achieved | Achieved | Results are based on economic information provided for 2022. Rangitikei District GDP showed growth of 2.3%, lower than the national GDP growth of 5.3% by two percentage points. |

^{*} Mandatory



Rangitīkei District Council -Funding Impact Statement For the Year Ended 30 June 2023 **Community Well-being**

| | 2022 Long Term Plan (\$000) | 2023 Long Term Plan (\$000) | 202 Actu (\$00 |
|--|-----------------------------------|-----------------------------------|----------------------|
| | (5000) | (3000) | (500 |
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 1,360 | 1,503 | 87 |
| Targeted rates | - | - | |
| Subsidies and grants for operating purposes | 125 | 69 | 80 |
| Fees and charges | 5 | 5 | |
| Internal charges and overheads recovered | - | - | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 19 | 20 | 3 |
| Total operating funding (A) | 1,509 | 1,597 | 1,72 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,123 | 1,056 | 1,70 |
| Finance costs | - | - | |
| Internal charges and overheads applied | 377 | 531 | 49 |
| Other operating funding applications | - | - | |
| Total applications of operating funding (B) | 1,500 | 1,587 | 2,19 |
| | | | |
| Surplus (deficit) of operating funding (A - B) | 9 | 10 | (47 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | |
| Development and financial contributions | - | - | |
| Increase (decrease) in debt | (10) | (10) | 47 |
| Gross proceeds from sale of assets | - | - | |
| Lump sum contributions | - | - | |
| Other dedicated capital funding | - | - | |
| Total sources of capital funding (C) | (10) | (10) | 47 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | |
| - to improve the level of service | - | - | |
| - to replace existing assets | - | - | |
| Increase (decrease) in reserves | - | - | |
| Increase (decrease) in investments | - | - | |
| Total applications of capital funding (D) | - | - | |
| | | | |
| Surplus (deficit) of capital funding (C - D) | (10) | (10) | 47 |
| Funding balance ((A - B) + (C - D)) | (1) | 0 | |
| runding balance ((A - b) + (C - b)) | | | |

Achieved Not achieved Not measured

Section 3:
Financial
Statements and
Policy Reports

Funding Impact Statement - Whole of Council

For the Year Ended 30 June 2023

| | 2022 Annual Plan (\$000) | 2022 Actual (\$000) | 2023 Annual Plan (\$000) | 2023 Actual (\$000) |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charge, rates penalties | 7,104 | 6,924 | 8,181 | 8,253 |
| Targeted rates | 17,398 | 17,258 | 18,360 | 17,927 |
| Subsidies and grants for operating purposes | 4,688 | 5,005 | 5,269 | 8,982 |
| Fees and charges | 2,348 | 3,003 | 3,360 | 4,097 |
| Internal charges recovered | 13 | 71 | 40 | - |
| Local authorities fuel tax, fines, infringement fees, and other receipt | s 1,196 | 501 | 515 | 901 |
| Total operating funding (A) | 32,747 | 32,762 | 35,725 | 40,160 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 26,164 | 28,134 | 29,213 | 34,113 |
| Finance costs | 496 | 293 | 752 | 813 |
| Other operating funding applications | - | - | - | |
| Total applications of operating funding (B) | 26,660 | 28,427 | 29,965 | 34,926 |
| Complex (defeats) of an experiment of the D | 6.007 | 4 225 | 5.760 | F 224 |
| Surplus (deficit) of operating funding (A - B) | 6,087 | 4,335 | 5,760 | 5,234 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 14,092 | 9,109 | 16,236 | 5,276 |
| Development and financial contributions | - | - | - | |
| Increase (decrease) in debt | 26,310 | 15,984 | 27,299 | 12,000 |
| Gross proceeds from sale of assets | - | - | 840 | - |
| Lump sum contributions | - | - | - | |
| Other dedicated capital funding | - | - | - | |
| Total sources of capital funding (C) | 40,402 | 25,093 | 44,375 | 17,276 |
| Application of capital funding | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | - | - | - | |
| - to improve the level of service | 8,625 | 4,311 | 7,225 | 11,500 |
| - to replace existing assets | 18,484 | 18,344 | 21,649 | 11,010 |
| Increase (decrease) in reserves | 16,379 | 6,373 | 21,260 | |
| Increase (decrease) in investments | 3,000 | 400 | - | - |
| Total applications of capital funding (D) | 46,488 | 29,428 | 50,134 | 22,510 |
| Surplus (deficit) of capital funding (C - D) | (6,086) | (4,335) | (5,759) | (5,234) |
| Funding balance ((A - B) + (C - D)) | 1 | 0 | 1 | 0 |
| Note: Depreciation expense not included above | 14,042 | 13,094 | 14,834 | 17,496 |

This statement complies with the Local Government (Financial Reporting and Prudence) Regulations 2014.

Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2023

| | | 2023 | 2023 | 2022 |
|--|------------------|---------|---------|---------|
| | Notes | Actual | Budget | Actual |
| | | (\$000) | (\$000) | (\$000) |
| Revenue | | | | |
| Rates | 3 | 26,188 | 26,540 | 24,183 |
| Subsidies and Grants | 4A | 14,258 | 21,505 | 14,113 |
| Other revenue | 4B | 4,089 | 3,875 | 3,504 |
| Finance revenue | | 390 | 41 | 71 |
| Vested and discovered assets | | - | - | 4,975 |
| Gains | | 511 | 840 | 126 |
| Total operating revenue | | 45,436 | 52,801 | 46,972 |
| Expenditure | | | | |
| Depreciation and amortisation expense | 11,12 | 17,496 | 14,834 | 13,093 |
| Personnel costs | 5 | 7,975 | 7,254 | 7,121 |
| Finance costs | | 813 | 752 | 293 |
| Losses | | 37 | - | 24 |
| Other expenses | 6 | 25,937 | 21,960 | 21,013 |
| Total operating expenditure | | 52,258 | 44,800 | 41,544 |
| Operating surplus (deficit) before tax | | (6,822) | 8,001 | 5,428 |
| Operating surplus (deficit) before tax | | (0,622) | 0,001 | 3,420 |
| Income tax expense | 7 | - | - | |
| Operating surplus (deficit) after tax | | (6,822) | 8,001 | 5,428 |
| Other comprehensive revenue and expense | | | | |
| Items that could be reclassified to surplus(deficit) | | | | |
| Financial assets at fair value through other comprehensive rev | enue and expense | - | _ | |
| Items that will not be reclassified to surplus(deficit) | | | | |
| Gain on revaluation of infrastructure assets | 11 | 30,459 | - | 128,670 |
| Gain on revaluation of property, plant and equipment | 11 | - | 1,985 | - |
| Total other comprehensive revenue and expense | | 30,459 | 1,985 | 128,670 |
| | | | | |
| Total comprehensive revenue and expense | | 23,637 | 9,986 | 134,098 |
| Explanations of major variances against hudget are provided in | n Noto 27 | | | |

Explanations of major variances against budget are provided in Note 27.

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity

For the year ending 30 June 2023

| | Notes | 2023 Actual (\$000) | 2023 Budget (\$000) | 2022 Actual (\$000) |
|--|-------|---------------------------|---------------------------|---------------------------|
| Balance as at 1 July | | 744,806 | 642,259 | 610,708 |
| Total comprehensive revenue and expense for the year | | 23,637 | 9,986 | 134,098 |
| Transfers to/from Special Reserves | | 85 | - | - |
| Other adjustments | | (139) | - | - |
| Balance as at 30 June | 17 | 768,388 | 652,245 | 744,806 |

Explanations of major variances against budget are provided in Note 27.

The accompanying notes form part of these financial statements

Statement of Financial Position

For the year ending 30 June 2023

| Debtors and Other Receivables 9 3,862 4,556 3,467 Prepayments 252 219 25 Total current assets 16,053 12,767 16,92 Non-current assets Plant, property and equipment 11 788,936 693,857 754,36 Inancial assets 12 666 145 66 Forestry assets 10 802 79 47 Investment in CCOs and other similar entitities 10 802 79 47 Investment in CCOs and other similar entitities 10 51 49 5 Total non-current assets 790,516 694,201 755,58 Total current Liabilities 306,569 706,968 772,50 Current Liabilities 13 5,017 5,357 6,25 Employee entitlements 15 800 720 55 Rorrewings 14 16 17 16 Total current liabilities 6,976 6,259 8,30 Borrowings | | Notes | 2023 Actual (\$000) | 2023 Budget (\$000) | 2022 Actual (\$000) |
|--|---|-------|---------------------------|---------------------------|---------------------------|
| Cash and cash equivalents 8 11,939 7,992 13,17 Debtors and Other Receivables 9 3,862 4,556 3,46 7,922 13,17 225 219 225 3,46 7,692 13,17 16,925 219 225 7,692 7,693 7,793 6,933 7,793 6,933 7,793 6,933 7,793 6,933 7,793 6,933 7,793 6,933 7,793 6,933 7,793 6,933 6,933 7,93 6,933 6,933 6,933 6,933 6,93 6,933 6,933 <t< td=""><td>Assets</td><td></td><td></td><td></td><td></td></t<> | Assets | | | | |
| Debtors and Other Receivables 9 3,862 4,556 3,467 Prepayments 252 219 25 Total current assets 16,053 12,767 16,92 Non-current assets Plant, properly and equipment 11 788,936 693,857 754,36 Intangible assets 12 666 145 66 Forestry assets 10 802 79 47 Corporate bonds 10 802 79 47 Investment in CCOs and other similar entitities 10 51 49 5 Total non-current assets 790,516 694,201 755,58 Total sasets 806,569 706,968 772,50 Liabilities 2 700,968 772,50 Current Liabilities 13 5,017 5,357 6,25 Employee entitlements 15 800 720 55 Rorrent liabilities 3 5,017 5,357 6,25 8,30 Non-current liabilities 8 | Current Assets | | | | |
| Prepayments 252 219 25 Total current assets 16,053 12,767 16,92 Non-current assets Plant, property and equipment 11 788,936 693,857 754,36 Intangible assets 12 666 145 665 Foreign assets 61 171 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 71 66 671 672 672 672 672 71 672 672 672 71 672 | Cash and cash equivalents | 8 | 11,939 | 7,992 | 13,171 |
| Non-current assets | Debtors and Other Receivables | 9 | 3,862 | 4,556 | 3,460 |
| Non-current assets Plant, property and equipment 11 788,936 693,857 754,36 Intangible assets 12 666 145 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 66 616 71 616 616 71 616 6 | Prepayments | | 252 | 219 | 297 |
| Plant, property and equipment 11 788,936 693,857 754,36 Intangible assets 12 666 145 66 Forestry assets 61 71 66 Other financial assets Corporate bonds 10 802 79 47 Investment in CCOs and other similar entities 10 802 79 47 Investment in CCOs and other similar entities 10 802 79 47 Total non-current assets 790,516 694,201 755,58 Total assets 806,569 706,968 772,50 Current Liabilities Creditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 80 720 56 Income in advance 13A 1,143 166 1,43 Borrowings 14 16 16 1 Non-current liabilities 8 5 5 Employee entitlements 15 8 5 Borro | Total current assets | | 16,053 | 12,767 | 16,928 |
| Intangible assets 12 666 145 62 Forestry assets 61 71 6 Cother financial assets 79 47 Corporate bonds 10 802 79 47 Investment in CCOs and other similar entities 10 51 49 5 Total non-current assets 790,516 694,201 755,58 Total assets 806,569 706,968 772,50 Liabilities Current Liabilities Current Liabilities 700,968 772,50 Current Liabilities 13 5,017 5,357 6,25 6,25 Employee entitlements 15 800 720 55 6,25 1,43 166 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 1,43 1,66 <td>Non-current assets</td> <td></td> <td></td> <td></td> <td></td> | Non-current assets | | | | |
| Forestry assets 61 71 60 Other financial assets 79 47 Corporate bonds 10 802 79 47 Investment in CCOs and other similar entities 10 51 49 5 Total non-current assets 790,516 694,201 755,58 Total assets 806,569 706,968 772,50 Liabilities Current Liabilities Creditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 800 720 55 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1,47 Total current liabilities 6,976 6,259 8,30 Non-current liabilities 5 5 5 Employee entitlements 15 8 5 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 | Plant, property and equipment | 11 | 788,936 | 693,857 | 754,364 |
| Other financial assets 10 802 79 47 Investment in CCOs and other similar entities 10 51 49 5 Total non-current assets 790,516 694,201 755,58 Total assets 806,569 706,968 772,50 Liabilities Current Liabilities Current Liabilities Cureditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 800 720 55 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1 Non-current liabilities Employee entitlements 5 8 5 Employee entitlements 15 8 5 7 9,00 Non-current liabilities 31,205 48,464 19,39 9,00 9,00 3,00 9,00 3,00 9,00 3,00 9,00 3,00 9,00 3,00 9,00 3,00 9,00 3,00 | _ | 12 | 666 | 145 | 628 |
| Corporate bonds Investment in CCOs and other similar entities 10 802 mode of the similar entities 79 47 mode of the similar entities Total non-current assets 790,516 694,201 755,58 Total assets 806,569 706,968 772,50 Liabilities Current Liabilities Current Liabilities 13 5,017 5,357 6,25 Employee entitlements 15 800 720 5,6 Income in advance 13A 1,143 166 1,4 Borrowings 14 16 16 1 Total current liabilities 6,976 6,259 8,30 Non-current liabilities 15 8 5 5 Employee entitlements 15 8 5 9 30 Non-current liabilities 15 8 5 5 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30 | • | | 61 | 71 | 61 |
| Total non-current assets 790,516 694,201 755,588 Total assets 806,569 706,968 772,500 Liabilities | | | | | |
| Total non-current assets 790,516 694,201 755,58 Total assets 806,569 706,968 772,50 Liabilities Current Liabilities Creditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 800 720 56 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1 Total current liabilities 6,976 6,259 8,30 Non-current liabilities 15 8 5 Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity 4 4 4 7 | • | | | | 477 |
| Total assets 806,569 706,968 772,500 Liabilities Current Liabilities Creditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 800 720 56 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1 Total current liabilities 5 8 5 Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves < | Investment in CCOs and other similar entities | 10 | 51 | 49 | 51 |
| Liabilities Current Liabilities Creditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 800 720 56 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 16 1 Total current liabilities Employee entitlements 15 8 5 5 Provisions 16 149 792 33 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,38 Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity 4 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,56 Other reserves 17 297,440 173,024 268,12 | Total non-current assets | | 790,516 | 694,201 | 755,581 |
| Current Liabilities Creditors and other payables 13 5,017 5,357 6,252 Employee entitlements 15 800 720 56 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1 Total current liabilities Employee entitlements 15 8 5 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity 8 45,723 45,70 Cumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,55 Other reserves 17 297,440 173,024 268,12 | Total assets | | 806,569 | 706,968 | 772,509 |
| Creditors and other payables 13 5,017 5,357 6,25 Employee entitlements 15 800 720 56 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1 Total current liabilities Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Liabilities | | | | |
| Employee entitlements 15 800 720 56 Income in advance 13A 1,143 166 1,47 Borrowings 14 16 16 1 Total current liabilities Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 19,06 Total non-current liabilities 31,205 48,464 19,39 19,06 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Current Liabilities | | | | |
| Income in advance | Creditors and other payables | 13 | 5,017 | 5,357 | 6,250 |
| Borrowings 14 16 16 1 Total current liabilities Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | | | | 720 | 568 |
| Non-current liabilities 6,976 6,259 8,30 Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,550 Other reserves 17 297,440 173,024 268,12 | | | | | 1,474 |
| Non-current liabilities Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Borrowings | 14 | 16 | 16 | 16 |
| Employee entitlements 15 8 5 Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,56 Other reserves 17 297,440 173,024 268,12 | Total current liabilities | | 6,976 | 6,259 | 8,308 |
| Provisions 16 149 792 32 Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | | | | | |
| Borrowings 14 31,048 47,667 19,06 Total non-current liabilities 31,205 48,464 19,39 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | • • | | | | 7 |
| Total non-current liabilities 31,205 48,464 19,39 Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | | | | | 325 |
| Total liabilities 38,181 54,723 27,70 Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Borrowings | 14 | 31,048 | 47,667 | 19,064 |
| Net Assets 768,388 652,245 744,80 Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Total non-current liabilities | | 31,205 | 48,464 | 19,396 |
| Equity Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Total liabilities | | 38,181 | 54,723 | 27,704 |
| Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | Net Assets | | 768,388 | 652,245 | 744,805 |
| Accumulated funds 17 466,360 474,704 472,18 Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | | | | | |
| Special and restricted reserves 17 4,588 4,517 4,50 Other reserves 17 297,440 173,024 268,12 | | | | | |
| Other reserves 17 297,440 173,024 268,12 | | | | | 472,181 |
| | | | | | 4,504 |
| Total equity 768,388 652,245 744,80 | | 17 | | | |
| | Total equity | | 768,388 | 652,245 | 744,805 |

Explanations of major variances against budget are provided in Note 27.

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ending 30 June 2023

| | Notes | 2023 Actual (\$000) | 2023 Budget (\$000) | 2022 Actual (\$000) |
|--|-------|---------------------------|---------------------------|---------------------------|
| Cash flows from operating activities | | | | |
| Receipts from rates revenue | | 26,188 | 26,238 | 24,970 |
| Receipts from other revenue | | 17,345 | 16,013 | 15,000 |
| Interest received | | 390 | 44 | 71 |
| Payments to suppliers and employees | | (34,812) | (26,144) | (26,470) |
| Interest paid | | (813) | (965) | (293) |
| Net cash inflows (outflows) from operating activities | 18 | 8,298 | 15,186 | 13,278 |
| Cash flows from investing activities | | | | |
| Receipts from sale of property, plant and equipment | | 1,141 | 690 | 340 |
| Acquisition of investments | | - | - | (400) |
| Purchases of property, plant and equipment | | (22,511) | (25,983) | (22,578) |
| Purchases of intangible assets | | (143) | - | (445) |
| Net cash inflows (outflows) from investing activities | | (21,513) | (25,293) | (23,083) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | | 11,984 | 12,158 | 15,984 |
| Net cash inflows (outflows) from financing activities | | 11,984 | 12,158 | 15,984 |
| Net increase (decrease) in cash, and cash equivalents | | (1,231) | 2,051 | 6,179 |
| Cash and cash equivalents at the beginning of the year | | 13,170 | 7,882 | 6,991 |
| Cash and cash equivalents at the end of the year | 8 | 11,939 | 9,933 | 13,170 |

 $The \ accompanying \ notes \ form \ part \ of \ these \ financial \ statements$

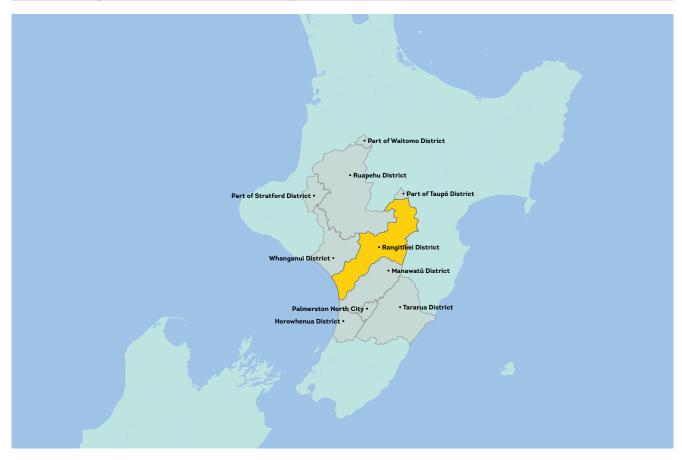
Council-Controlled Organisations (CCO)

Manawatū-Whanganui LASS Limited

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

Rangitīkei District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The company is treated as a CCO under the Local Government Act 2002 but in March 2013 Rangitīkei District Council resolved that it is exempt for the purposes of section 6(4)(i) of that Act until 30 June 2019. Other member councils passed similar resolutions. That has been extended a further three years, until 30 June 2022. As per 26 May 2022 Council meeting this was extended for three more years until 30 June 2025.



MW Regional Disaster Relief Fund Trust

After the Manawatu Whanganui Regional Disaster Relief Fund Trust was established in March 2004, each of the eight local authorities appointing trustees passed a resolution exempting the Trust for the status as a council-controlled organisation.

In 2015, the administration of the Trust was transferred to Horizons Regional Council, and resolutions passed by participating councils to exempt it for the purposes of section 6(4)(i) of the Local Government Act 2002. At its meeting on 30 August 2018, Rangitīkei District Council resolved that this exemption continue for a further three years, i.e. to 30 June 2021.

At its meeting on 26 May 2022, Council resolved that this exemption continue until 30 June 2025.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The Rangitīkei District Council (the Council) is a territorial 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. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorised for issue by the Council.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

These financial statements comply with PBE standards.

Presentation currency and rounding

The financial report is presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

Implementation of new and amended accounting standards

Amendment to PBE IPSAS 2 Statement of Cash Flows

These amendments require additional disclosures that enable users of financial statements to evaluate cash and non-cash changes in liabilities arising from financial activities. It is effective for reporting periods on or after 1 January 2021.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 *Presentation of Financial Statements* and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. It is effective for the year ending 30 June 2023, with early adoption permitted. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost; and
- a new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

The District Council has performed a preliminary assessment on the impact of the standard and does not expect material changes to the carrying value of its financial instruments. Additional disclosures may be required about the District Council's financial assets.

Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific accounting policies for significant revenue items are explained below:

Revenue from non-exchange transactions

General and targeted rates

General and targeted rates are set annually and invoiced within the year. The Council recognises revenue from rates when the Council has set the rates and provided the rates assessment. The Council considers the payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction in rates revenue when the Council has received an application that satisfies its rates remission policy.

Waka Kotahi (NZ Transport Agency) roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income unless there is a use or return condition attached to the asset.

Direct charges – subsidised

Rendering of services - subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where

the price does not allow the Council to fully recover the cost of providing the service (such as building consents, dog licensing etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised as the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council) if the service is not completed.

Sale of goods - subsidised

A sale of goods at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. This includes sales of goods where the price does not allow the Council to fully recover the cost of producing the goods (such as the supply of bulk water), and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

Revenue from exchange transactions

Direct charges – full cost recovery

Sale of goods - full cost recovery

Revenue from the sale of goods (such as recyclable materials) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the costs of the investment.

Expenses

Expenses are measured at the fair value of the consideration paid or payable, taking into account



contractually defined terms of payment and excluding taxes or duty.

The specific accounting policies for significant expense items are explained below.

Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Council incurs in connection with the borrowing of funds. The Council has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction, or production of assets.

Salary and wages

Salaries and wages are recognised as an expense as employees provide services.

Grants

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Income tax

Income tax expense includes current and deferred tax.

Current tax is the income tax payable on the taxable surplus for the year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates (and tax laws) that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of the taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all

taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting surplus nor the taxable surplus.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity,

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs, unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Council has substantially transferred the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held to maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified current assets.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other

comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Council includes in this category:

- investments that it intends to hold long term but which may be realised before maturity;
 and
- b) shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables, and held-to-maturity investments

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate distribution in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. The Council must be committed to the distribution expected within one year from the date of classification.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets – These include land, buildings, library books, plant and equipment, motor vehicles, office equipment and computer hardware.

Infrastructural assets – Infrastructural assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network

to function. For example, wastewater and other assets includes reticulation piping and sewer pumps.

Restricted assets - Restricted assets are parks and reserves that provide benefit to the community and cannot be disposed of because of legal or other restrictions.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains or losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and road formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives of major classes of assets have been estimated as follows:

Operational and restricted assets

Buildings

| Structure | 50-170 years | | |
|-------------------|----------------|--|--|
| Roof | Up to 40 years | | |
| Services | 40-65 years | | |
| Internal fit out | 5-35 years | | |
| Plant | Up to 30 years | | |
| Motor vehicles | 5-6 years | | |
| Office equipment | Up to 10 years | | |
| Computer hardware | Up to 5 years | | |
| Library books | Up to 10 years | | |

Infrastructural assets

Roading network

| Top surface (seal) | 3-20 years | |
|--|-----------------|--|
| Pavement sealed (base course) | 60-67 years | |
| Pavement unsealed (base cours | e) 50-60 years | |
| Formation 1 | Not depreciated | |
| Culverts | 8-100 years | |
| Footpaths 25-75 years | | |
| Drainage facilities | 80-100 years | |
| Traffic facilities and miscellaneous items 10-80 years | | |

| Street lights | 25-70 years |
|-------------------------|-----------------|
| Bridges | 50-120 years |
| Water | |
| Pipes | 30-90 years |
| Pump stations | 5-100 years |
| Pipe fittings | 25-100 years |
| Wastewater | |
| Pipes | 5-100 years |
| Manholes | Up to 100 years |
| Treatment plant | 5-100 years |
| Stormwater | |
| Pipes | 50-90 years |
| Manholes, cesspits | Up to 90 years |
| Waste transfer stations | Up to 50 years |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Service concession arrangements

The Council may acquire infrastructural assets by entering into a service concession arrangement (SCA) with a private operator to build, finance, and operate an asset over a specified period.

Assets acquired through a SCA are initially recognised at their fair value, with a corresponding liability. The asset is subsequently measured following the accounting policies above for property, plant, and equipment.

The Council currently has not entered into any such SCA where a private operator has built and financed an asset.

The Council has only entered into SCAs where the Council itself owns the asset and any charges for services provided by the operator are recognised as an expense in the year to which it relates.

Intangible assets

Software acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Easements

Easements are not considered material and any costs incurred are recognised in the surplus or deficit in the year in which they are incurred.

Carbon credits

Carbon credit purchases are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software

3-5 years

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit a reversal of the impairment loss is also recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined by using the approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return

The value for cash-generating assets and cashgenerating units is the present value of expected future cash flows.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silviculture costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising from a change in fair value less estimated costs to sell are recognised in the surplus or deficit

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Payables

Short-term payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee benefits

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salary and wages, and holiday pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Long-term employee entitlements consists of long service leave that is payable beyond 12 months and have been calculated on the likely future entitlements accruing to staff, based on the years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and current salary. As there are few staff members that are actually entitled to long service leave, the total accrual is not considered to be material and no actuarial basis has been used.

Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount and timing where there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate base that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included under "finance costs".

Landfill aftercare

The Council has a legal obligation to provide on-going maintenance and monitoring service of its closed landfills.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit;
- special and restricted reserve funds;
- · property revaluation reserves; and
- fair value through other comprehensive revenue and expense reserve.

Special reserve funds

Special reserve funds are reserves created by the Council for special purposes. The Council may alter them without reference to any third party or the Courts, and transfers to and from these reserves are at the discretion of the Council.

Restricted reserve funds

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which it may not revise without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserves

This reserve comprises the cumulative net change of financial assets classified as fair value through other comprehensive revenue and expense.

Goods and services tax (GST)

All items in the financial statement are exclusive of goods and services tax (GST) except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax credit then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council which reflect year one of the Long Term Plan 2021-31. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

The Council has determined the cost of significant activities using the cost allocation system outlined below:

- Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific activity.
- Direct costs are charged directly to significant activities. Indirect costs are charged to significant activates using appropriate cost drivers such as actual usage based on time, staff number and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Infrastructural assets

- The actual condition of an asset may not reflect the condition estimated in determining the carrying amount of the asset. This is particularly so for assets which are underground and difficult to assess the actual condition of, such as water, wastewater and stormwater assets.
- Estimates of any obsolescence or surplus capacity of an asset are based on judgements made with the best knowledge available at the time.
- Estimates of the useful remaining lives of an asset may vary with such things as soil type, rainfall, amount of traffic, natural disaster and other occurrences. The Council could be over- or underestimating these, but assumptions are made based on the best knowledge available at the time.

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in applying its accounting policies for the year ended 30 June 2022.

Classification of property

The Council owns a number of properties held to provide community housing. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives of the Council. The properties are therefore accounted for as property, plant and equipment rather than as investment property

Note 2: Reconciliation of funding impact statement to statement of comprehensive revenue and expense

| | Actual 2023 | Actual 2022 |
|---|----------------|----------------|
| | (\$000) | (\$000) |
| Revenue | | |
| Operating funding from funding impact statement | 40,160 | 32,762 |
| Operating revenue from statement of comprehensive revenue and expense | 45,436 | 46,972 |
| Difference | 5,276 | 14,210 |
| Reconciling items: | | |
| Subsidies and grants for capital expenditure | 5,276 | 9,108 |
| Gains | - | 126 |
| Vested assets | - | 4,975 |
| Total reconciling items | 5,276 | 14,209 |
| Expenditure | | |
| Application of operating funding from funding impact statement | 34,926 | 28,427 |
| Total operating expenditure from statement of comprehensive revenue and expense | 54,258 | 41,544 |
| Difference | 17,332 | 13,117 |
| Reconciling items: | | |
| Depreciation and amortisation expense | 17,496 | 13,095 |
| Losses | 12 | 24 |
| Movement in provisions | (176) | 0 |
| Total reconciling items | 17,332 | 13,117 |

Note 3: Rates revenue

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|---|---------------------------|---------------------------|
| General rates | 4,596 | 4,266 |
| Uniform annual general charge | 3,657 | 3,417 |
| Targeted rates attributable to activities | | |
| roading | 7,941 | 7,364 |
| community services | 84 | 78 |
| solid waste disposal | 1,013 | 946 |
| wastewater | 2,935 | 2,729 |
| water | 4,657 | 4,340 |
| stormwater drainage | 690 | 646 |
| Targeted rates for water supply (water by volume) | 1,599 | 1,429 |
| Rates Penalties | 562 | 534 |
| Rates | 27,734 | 25,749 |
| Less rates charged on Council properties | 589 | 481 |
| Less rates remissions | 957 | 1,085 |
| Total rates | 26,188 | 24,183 |
| Rates remissions | | |
| Multiple toilet pans | 295 | 274 |
| Penalties and other remissions | 662 | 811 |
| Total remissions | 957 | 1,085 |

Note 4A: Subsidies & Grants

| Total subsidies and grants | 14,258 | 14,113 |
|--|----------------|----------------|
| Other grants | 1,362 | 1,257 |
| Three Waters funding | 508 | 4,305 |
| Waka Kotahi (NZTA) - Capital Subsidy | 5,276 | 4,294 |
| Waka Kotahi (NZTA) - Operational Subsidy | 7,112 | 4,257 |
| | (\$000) | (\$000) |
| | Actual 2023 | Actual 2022 |

Note 4B: Other revenue

| Non-exchange revenue | | |
|---------------------------------------|-------|-------|
| Residential rents (community housing) | 570 | 632 |
| Regulatory revenue | 1,309 | 1,316 |
| Petrol tax | 120 | 115 |
| Other | 2,090 | 1,441 |
| Total other revenue | 4,089 | 3,504 |

Note 5: Personnel costs

| Total personnel costs | 7,975 | 7,121 |
|--|---------|---------|
| ACC levies | 16 | 37 |
| Defined contribution plan employer contributions (KiwiSaver) | 217 | 188 |
| Salary and wages | 7,742 | 6,895 |
| | (\$000) | (\$000) |
| | 2023 | 2022 |
| | Actual | Actual |

Note 6: Other expenses

| Total other expenses | 25,937 | 21,013 |
|---------------------------------------|---------|---------|
| Other operating expenses | 5,776 | 5,092 |
| Insurance premiums | 840 | 746 |
| Grants | 947 | 1,083 |
| Contractors and Professional Services | 8,078 | 8,016 |
| Maintenance | 5,541 | 4,862 |
| Emergency works | 4,531 | 1,062 |
| financial statements * | 224 | 152 |
| Fees to auditors | | |
| | (\$000) | (\$000) |
| | 2023 | 2022 |
| | Actual | |

^{*} This amount includes minor amounts relating to Council's debenture trust deed compliance and recovery for cost overruns on last years audit of the financial statements and performance information.

Note 7: Tax

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|---|---------------------------|---------------------------|
| | | |
| Relationship between tax expense and accounting surplus | | |
| Surplus (deficit) before tax | (7,091) | 5,188 |
| Tax at 28% | N/A | 1,453 |
| Plus (less) tax effect of: | | |
| Non-taxable revenue | N/A | (1,453) |
| Tax expense | - | - |

Note 8: Cash and cash equivalents

| | Actual 2023 | Actual 2022 |
|---------------------------------|----------------|----------------|
| | (\$000) | (\$000) |
| Cash at bank and on hand | 11,939 | 10,171 |
| Term deposits | - | 3,000 |
| Total cash and cash equivalents | 11,939 | 13,171 |

The Council holds unspent funds, included in Cash and cash equivalents, of \$1,387,000 (2022 \$1,387,000) that are subject to restrictions. These unspent funds relate to funds received from various sources to be used for specific purposes. They include the Council's restricted reserves, and grants from agencies that have been unspent at balance date

Note 9: Receivables

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|-------------------------------------|---------------------------|---------------------------|
| Non-exchange receivables | | |
| Rates receivables | 1,421 | 1,201 |
| Other receivables | 2,760 | 2,395 |
| Community Loan | - | 183 |
| Gross debtors and other receivables | 4,181 | 3,779 |
| Less provision for impairment | (319) | (319) |
| Total non-exchange receivables | 3,862 | 3,460 |
| Exchange receivables | | |
| Other receivables | - | - |
| Less provision for impairment | - | - |
| Total exchange receivables | - | - |
| Total Receivables | 3,862 | 3,460 |

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their value.

Impairment

The Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can, in most cases, apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Accordingly, the Council only provides for impairment of rates in those circumstances where an enforced sale or lease is not possible. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material. Repayment plans do not alter the ageing profile of the debt in the Council's records.

The ageing profile of receivables at year end is detailed below:

| 120 831 | 500 1,051 |
|-----------------|-----------------|
| • | |
| 2,211 | 1,909 |
| 2,911 | 1,909 |
| 2023 (\$000) | 2022 (\$000) |
| | (\$000) |

Actual

Actual

The impairment provision has been calculated based on a review of overdue receivables, an analysis of the Council's past collection history and debt write-offs, and bearing materiality in mind. All receivables greater than 30 days in age are considered past due.

| As at 30 June | 319 | 319 |
|--|---------|---------|
| Receivables written off during the period | - | - |
| Provision increased (reversed) during the year Per note 2 & note 8 | - | (5) |
| Additional provisions made during the year | - | - |
| At 1 July | 319 | 324 |
| Movements in the provision for impairment of receivables are as follows: | | |
| | (\$000) | (\$000) |
| | 2023 | 2022 |
| | Actual | Actual |

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

[&]quot;The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

^{*} Section 90A: nil: (2022: Nil) - * Section 90 (B): Nil (2022: Nil)"

Note 10: Other financial assets

| | Actual 2023 | Actual 2022 |
|---|----------------|----------------|
| | (\$000) | (\$000) |
| Non-current portion | | |
| Corporate bonds | 802 | 477 |
| Investments in CCOs and similar entities | | |
| Unlisted shares in New Zealand Local Government Insurance Corporation Limited | 35 | 35 |
| Unlisted shares in Manawatu Wanganui LASS Limited | 16 | 16 |
| Total non-current portion | 853 | 528 |

Note 11: Property, Plant and equipment

| 2023 | Balo | Balances at 1 July 2022 | | | |
|---|-----------------------------|-------------------------|-----------------------------|---------------------------------|--|
| | Cost/ valuation \$000 | Accum depn \$000 | Carrying amount \$000 | assets re- cognised \$000 | |
| Movements for each class of property, plant and | , , , , | | 7000 | **** | |
| Operational assets | | | | | |
| Land | 6,356 | (18) | 6,338 | - | |
| Buildings | 23,068 | (2,692) | 20,376 | - | |
| Plant and vehicles | 4,661 | (2,579) | 2,082 | - | |
| Office equipment | 1,036 | (807) | 229 | - | |
| Computer hardware | 1,114 | (848) | 266 | - | |
| Library books | 2,693 | (2,206) | 487 | - | |
| Total operational assets | 38,929 | (9,150) | 29,777 | - | |
| Infrastructural assets | | | | | |
| Roading network | 517,170 | - | 517,170 | - | |
| Land under roads | 44,968 | - | 44,968 | - | |
| Water systems | | | | | |
| treatment plants and facilities | 33,008 | - | 33,008 | - | |
| other assets | 40,099 | - | 40,099 | - | |
| Wastewater systems | | | | | |
| treatment plants and facilities | 14,779 | - | 14,779 | - | |
| other assets | 24,476 | - | 24,476 | - | |
| Stormwater network | 21,112 | - | 21,111 | - | |
| Waste transfer stations | 2,006 | - | 2,006 | 80 | |
| Total infrastructural assets | 697,618 | - | 697,617 | 80 | |
| Restricted assets | | | | | |
| Land | 7,293 | (3) | 7,290 | - | |
| Buildings | 3,280 | (555) | 2,725 | - | |
| Total restricted assets | 10,574 | (558) | 10,015 | - | |
| Total property, plant and equipment | 747,120 | (9,708) | 737,409 | 80 | |
| Total WIP | 16,915 | - | 16,915 | - | |
| Total All Assets | 764,035 | (9,708) | 754,324 | 80 | |

| Work In Progress | 2023 (\$000) | 2022 (\$000) |
|------------------------|-----------------|-----------------|
| Buildings | 504 | 1,269 |
| Roading and Footpaths | 4,791 | 3,248 |
| Wastewater | 11,457 | 7,903 |
| Water | 1,345 | 1,691 |
| Stormwater | 319 | 272 |
| Computer Hardware | 88 | 39 |
| Computer Software | 473 | 110 |
| Public Toilets | 55 | 606 |
| swimcentres | 4 | 5 |
| Domains | 4,916 | 1,766 |
| Forestry | 6 | 6 |
| Total Work in progress | 23,959 | 16,916 |

We have changed the way work in progress is disclosed in the financial statements this year to have better oversight on what we have in work in progress each year which enables better reporting.

| Curr | Current Current | | Revaluation | Current | Adj. for | Balan | ces at 30 June 2023 | |
|---------|-------------------|----------------------------|--------------------|-----------------------|--|-----------------------------|------------------------|--------------------|
| additio | ear ons 000 | year disposals \$000 | surp(def) \$000 | year depn \$000 | accumulated depcn on Revalutation/Disposal \$000 | Cost/ valuation \$000 | Accum depn \$000 | Carrying amount |
| | | | | | | | | |
| 1 | 09 | (718) | 5,188 | (33) | 4 | 10,935 | (47) | 10,888 |
| 2,0 | | (326) | 9,980 | (2,269) | 2,179 | 34,815 | (2,782) | 32,033 |
| | 50 | (135) | - | (270) | 111 | 5,176 | (2,739) | 2,437 |
| | 13 | - | _ | (44) | _ | 1,049 | (851) | 197 |
| | 58 | (4) | _ | (88) | 4 | 1,169 | (932) | 236 |
| | 66 | - | - | (96) | - | 2,760 | (2,302) | 457 |
| 2,9 | 88 | (1,182) | 15,168 | (2,800) | 2,298 | 55,902 | (9,652) | 46,250 |
| | | | | | | | | |
| 8,3 | 24 | - | - | (10,242) | - | 525,494 | (10,242) | 515,252 |
| | - | - | - | - | - | 44,968 | - | 44,968 |
| | | | | | | | | |
| | 64 | - | - | (949) | - | 33,072 | (949) | 32,123 |
| 2,5 | 99 | - | - | (1,136) | - | 42,698 | (1,136) | 41,562 |
| | | | | | | | | |
| | - | - | - | (420) | - | 14,779 | (420) | 14,359 |
| 1 | 21 | - | - | (849) | - | 24,597 | (849) | 23,748 |
| | 87 | - | - | (615) | - | 21,199 | (615) | 20,584 |
| | - | - | (565) | (68) | - | 1,521 | (68) | 1,453 |
| 11,1 | 95 | - | (565) | (14,279) | | 708,328 | (14,279) | 694,049 |
| | | | | | | | | |
| 6 | 34 | _ | 12,034 | (1) | - | 19,961 | (4) | 19,957 |
| | 49 | - | 1,355 | (310) | 296 | 5,284 | (569) | 4,715 |
| 1,2 | 83 | - | 13,388 | (311) | 296 | 25,245 | (573) | 24,672 |
| 15,4 | 66 | (1,182) | 27,992 | (17,390) | 2,593 | 789,578 | (24,601) | 764,977 |
| 7,0 | | - | - | - | - | 23,959 | - | 23,959 |
| 22,5 | 10 | (1,182) | 27,992 | (17,390) | 2,593 | 813,537 | (24,601) | 788,936 |
| | | | | • | • | | | |

Included in the above current year additions Council was also 'vested assets' these relate to subdivisions completed by a developer and then vested into Council, the amounts included in the above are listed below:

Asset Class

| Total vested assets | - | 4,975 |
|-----------------------------------|-----------------|-----------------|
| Community and Leisure Assets | - | 1133 |
| Stormwater systems | - | 349 |
| Wastewater systems 'other assets' | - | 0 |
| Water systems 'other assets' | - | 0 |
| Land under Roads | - | 0 |
| Roading network | - | 3,493 |
| | 2023 (\$000) | 2022 (\$000) |

Note 11: Property, Plant and equipment

| 022 | | ices at 1 July 2021 | | Addition |
|---|---------------------------------------|---------------------|---------------------------------------|----------------|
| | Cost/ valuation | Accum depn | Carrying amount | assets i |
| | \$000 | \$000 | \$000 | cognis \$00 |
| Movements for each class of property, plant and e | equipment are as follows: | | | |
| Operational assets | | | | |
| Land | 5,510 | (12) | 5,498 | |
| Buildings | 22,534 | (1,700) | 20,834 | |
| Plant and vehicles | 3,209 | (2,440) | 769 | |
| Office equipment | 973 | (766) | 207 | |
| Computer hardware | 944 | (786) | 158 | |
| Library books | 2,611 | (2,101) | 510 | |
| Total operational assets | 35,781 | (7,805) | 27,976 | |
| nfrastructural assets | | | | |
| Roading network | 431,129 | (15,886) | 415,243 | |
| Land under roads | 43,331 | - | 43,331 | |
| Water systems | • | | • | |
| treatment plants and facilities | 22,771 | (1,209) | 21,562 | |
| other assets | 38,421 | (2,164) | 36,257 | |
| Wastewater systems | 30,121 | (2,101) | 30,237 | |
| treatment plants and facilities | 13,411 | (797) | 12,614 | |
| other assets | 21,088 | | 19,887 | |
| | | (1,201) | | |
| Stormwater network | 17,357 | (674) | 16,683 | |
| Waste transfer stations | 1,066 | (48) | 1,018 | |
| Total infrastructural assets | 588,574 | (21,979) | 566,595 | |
| Restricted assets | | | | |
| Land | 7,237 | (2) | 7,235 | |
| Buildings | 3,280 | (357) | 2,923 | |
| Total restricted assets | 10,517 | (359) | 10,158 | |
| Total property, plant and equipment | 634,872 | (30,143) | 604,729 | |
| Total WIP | 6,622 | (30,143) | 6,622 | |
| Total All Assets | 641,494 | (30,143) | 611,351 | |
| | · · · · · · · · · · · · · · · · · · · | . , , | · · · · · · · · · · · · · · · · · · · | |
| /ork In Progress | | | 2022 | 202 |
| 2.44 | | | (\$000) | (\$000 |
| Buildings | | | 1,269 | 802 |
| Roading and Footpaths | | | 3,248 | 3,538 |
| Wastewater | | | 7,903 | 569 |
| <i>N</i> ater | | | 1,691 | 1,363 |
| Computer Hardware | | | 149 | 79 |
| Stormwater | | | 272 | 27 |
| Public Toilets | | | 606 | |
| | | | 5 | |
| Swim Centres | | | | |
| | | | 1,766 | |
| Swim Centres Domains Forestry | | | 1,766 6 | |

| Current | Current | Revaluation | Current | Balan | ces at 30 June 2022 | |
|----------------------------|----------------------------|--------------------|-----------------------|-----------------------------|------------------------|-----------------------------|
| year additions \$000 | year disposals \$000 | surp(def) \$000 | year depn \$000 | Cost/ valuation \$000 | Accum depn \$000 | Carrying amount \$000 |
| | | | | | | |
| | | | | | | |
| 846 | - | - | (6) | 6,356 | (18) | 6,338 |
| 556 | (22) | - | (994) | 23,068 | (2,694) | 20,374 |
| 1,739 | (286) | - | (426) | 4,662 | (2,582) | 2,080 |
| 64 | - | - | (42) | 1,037 | (808) | 229 |
| 170 | - | - | (62) | 1,114 | (848) | 266 |
| 82 | - | - | (105) | 2,693 | (2,206) | 530 |
| 3,457 | (308) | - | (1,635) | 38,930 | (9,156) | 29,817 |
| | | | | | | |
| 10,519 | - | 99,535 | (8,126) | 517,171 | - | 517,171 |
| 1,636 | - | - | - | 44,967 | - | 44,967 |
| | | | | | | |
| 193 | - | 11,886 | (633) | 33,008 | - | 33,008 |
| 371 | - | 4,587 | (1,117) | 40,098 | - | 40,098 |
| | | | | | | |
| 150 | - | 2,375 | (360) | 14,779 | - | 14,779 |
| 180 | - | 5,034 | (624) | 24,477 | - | 24,477 |
| 536 | - | 4,241 | (348) | 21,112 | - | 21,112 |
| - | - | 1,011 | (24) | 2,005 | - | 2,005 |
| 13,585 | - | 128,669 | (11,232) | 697,617 | - | 697,617 |
| | | | | | | |
| 58 | (2) | - | (1) | 7,293 | (1) | 7,292 |
| - | - | - | (198) | 3,280 | (555) | 2,725 |
| 58 | (2) | - | (199) | 10,573 | (556) | 10,017 |
| | | | | | | |
| 17,100 | (310) | 128,669 | (13,066) | 747,120 | (9,712) | 737,451 |
| 9,961 | - | - | - | 16,916 | - | 16,916 |
| 27,061 | (310) | 128,669 | (13,066) | 764,036 | (9,712) | 754,367 |
| | | | | | | |

Included in the above current year additions Council was also 'vested assets' these relate to subdivisions completed by a developer and then vested into Council, the amounts included in the above are listed below:

Asset Class

| Total vested assets | 4,975 | 2,785 |
|-----------------------------------|-----------------|-----------------|
| Community and Leisure Assets | 1,133 | - |
| Stormwater systems | 349 | 278 |
| Wastewater systems 'other assets' | - | 73 |
| Water systems 'other assets' | - | 61 |
| Land under Roads | - | 893 |
| Roading network | 3,492 | 1,480 |
| | 2022 (\$000) | 2021 (\$000) |

Note 11: Property, Plant and equipment continued

Valuation

Land and buildings (operational, restricted and infrastructural)

The valuation of land and buildings was performed by independent registered valuers, Andrew Parkyn (BCom (VPM), PG Dip Com, SPINZ, ANZIV), Maria McHugh (BCom (VPM)MPINZ) and Ashley Pont (BLPM (APINZ), of Quotable Value Asset and Advisory. The valuation is effective at 1 July 2019. The total fair value of land and buildings valued was \$29,141,066 at that date.

Land and buildings are valued at fair value using market-based evidence where available. Where not available, depreciated replacement value has been used. All major buildings were also inspected and underwent a review of their condition rating when taking their fair value into consideration.

Infrastructural assets

Roading network

The valuation of the roading network was performed independently by Scott McIntyre (BBIM, CTech) of The Datastack. This was peer reviewed by Brian Smith (BCom CA) of Brian Smith Advisory. The valuation is effective at 30th June 2022. The total fair value of the roading network was \$562,485,860. at that date.

The roading network is valued at fair value based on the application of appropriate replacement costs and effective lives, and The Datastack experience of other local authorities' transport asset components. They are within the ranges specified in the New Zealand Infrastructural Valuation and Depreciation Guidelines. Land under roads is not re valued. On the transition to International Financial Reporting Standards on 01/07/2006 the council elected to use the FV of land under roads as at 30/06/2005 as deemed cost.

Water, wastewater and stormwater systems

The valuation of the water, wastewater and stormwater assets was performed by Caleb Zhu (BCom), John Vessey (BE Civil, BA Econs, CP Eng), Jamie Cable (BapplEcon Dip Eng Civil) of WSP. The valuation was peer reviewed by Brian Smith (BCom CA) of Brian Smith Advisory. The valuation is effective at 30th June 2022. The total fair value of water, wastewater and stormwater was \$135,480,000 at that date.

Water, wastewater and stormwater assets are valued at fair value using a brown fields approach that assumes the surface above underground components will need to be removed and then replaced. Current contract costs have been used to determine the value of materials.

| Estimated replacement cost of major infrastructure | 2022 (\$000) | 2021 (\$000) |
|--|-----------------|-----------------|
| Water supply | | |
| treatment plant and facilities | 51,082 | 34,586 |
| other assets | 86,469 | 79,845 |
| Sewerage | | |
| treatment plant and facilities | 23,348 | 19,900 |
| other assets | 62,091 | 50,654 |
| Stormwater drainage | 39,558 | 31,455 |
| Roads and footpaths | 888,396 | 671,752 |
| Total estimated replacement cost | 1,150,944 | 888,192 |

Note 12: Intangible assets

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|--|---------------------------|---------------------------|
| Computer Software | | |
| Cost/ Valuation Balance at 1 July | 1,312 | 866 |
| Accumulated depreciation & Impairment 1 July | (828) | (801) |
| Carrying amount 1 July | 484 | 65 |
| Additions | 143 | 445 |
| Amortisation | (106) | (27) |
| Cost/ Valuation 30 June | 1,454 | 1,311 |
| Accumulated amortisation & impairment 30 June | (934) | (828) |
| Balance at 30 June | 521 | 483 |
| Work in progress | - | - |
| Balance as at 30 June (including Work in progress) | 521 | 483 |
| Carbon credits | | |
| Cost/ Valuation Balance at 1 July | 145 | 145 |
| Accumulated depreciation & Impairment 1 July | - | - |
| Carrying amount 1 July | 145 | 145 |
| Increase/ (decrease) due to valuation | - | - |
| Additions | - | - |
| Amortisation | - | - |
| Cost/ Valuation 30 June | 145 | 145 |
| Accumulated amortisation & impairment 30 June | - | - |
| Balance at 30 June | 145 | 145 |
| Total Intangiable assets | 666 | 628 |

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Carbon credits

The Council holds carbon credits for the purpose of meeting its obligations under the Emissions Trading Scheme for carbon emissions from its forestry operations. The Council is required to forfeit carbon credits for emissions for any forests not replanted four years after deforestation. The carbon credits were revalued at 30 June 2022 using the spot market price for NZUs on the open market. Following the harvesting of the mature forest at Marton B & C Dams, Council has committed (by formal resolution in April 2017) to a programme of replanting, primarily natives. This has been discussed with the Ministry for Primary Industries, as the stocking and growth rates will be reviewed in four years time. The fair value at 30 June 2022 is \$346 560 (2021: \$198 132).

Impairment

There were no impairment expenses or provisions for intangible assets. At balance date, none of these intangible assets was impaired. Carbon credits are not impaired but recorded at current market value because the Council still has forests to be harvested in which case the credits may well be used to satisfy non-replanting requirements.

Note 13: Creditors and other payables

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|--|---------------------------|---------------------------|
| Payables under exchange transactions | | |
| Trade payables | 1,162 | 1,463 |
| Retentions | 506 | 785 |
| Accrued expenses | 3,349 | 4,002 |
| Total | 5,017 | 6,250 |
| Payables under non-exchange transactions | | |
| Income tax payable | - | - |
| Other taxes (e.g. GST and FBT) | - | - |
| Total | - | - |
| Total creditors and other payables | 5,017 | 6,250 |

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

Note 13A: Income in advance

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|---|---------------------------|---------------------------|
| Significant revenue in advance amounts as at 30 June are as fol | lows: | |
| Rates | 1,122 | 1,037 |
| Other | 21 | 437 |
| Total | 1,143 | 1,474 |

Note 14: **Borrowings**

| Total borrowings | 31,064 | 19,080 |
|--|---------|---------|
| | | |
| Total non-current portion | 31,048 | 19,064 |
| Loan - New Zealand Local Government Funding Agency | 31,000 | 19,000 |
| Community loan | 48 | 64 |
| Secured bank loans | - | - |
| Non-current portion | | |
| Total current portion | 16 | 16 |
| Community loan | 16 | 16 |
| Secured bank loans | - | - |
| Current portion | | |
| | (\$000) | (\$000) |
| | 2023 | 2022 |
| | Actual | Actual |

Security

The Council's bank loans (Including LGFA loans), if any, are secured over the Council's rates.

Fair value

The carrying amounts of borrowings approximates their fair value as discounting is not considered significant.

Note 15: Employee entitlements

| Actual 2023 (\$000) | Actual 2022 (\$000) |
|---------------------------|---------------------------|
| | |
| 200 | 123 |
| 600 | 445 |
| - | - |
| - | - |
| 800 | 568 |
| | |
| 8 | 7 |
| 8 | 7 |
| _ | |

Sick leave

No provision is made for sick leave because absences in the coming years are not expected to exceed the annual entitlement of staff, and calculations show any amounts involved are likely to be immaterial.

808

575

Note 16: **Provisions**

Total employee entitlements

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|--|---------------------------|---------------------------|
| Landfill aftercare | (4000) | (3000) |
| Balance at 1 July | 325 | 586 |
| Additional(reduction) in provisions made | - | 150 |
| Amounts used | (176) | (402) |
| Unused amount reversed | - | - |
| Discount unwind | - | (9) |
| Balance at 30 June | 149 | 325 |

Note 17: **Equity**

| • • | Actual 2023 | Actual |
|--|----------------|-----------------|
| | (\$000) | 2022 (\$000) |
| Accumulated funds | | |
| Balance at 1 July | 472,181 | 466,754 |
| Other transfers | 1,001 | - |
| Surplus (deficit) for year | (6,822) | 5,427 |
| Balance at 30 June | 466,360 | 472,181 |
| Other reserves | | |
| Property revaluation reserves | | |
| Balance at 1 July | 267,989 | 139,319 |
| Net revaluation gains | 30,459 | 128,670 |
| Transfer to accumulated funds on disposal of property | (1,007) | - |
| Balance at 30 June | 297,441 | 267,989 |
| Property revaluation reserves for each class of assets consist of: | | |
| Operational assets | | |
| land | 10,452 | 4,813 |
| buildings | 22,222 | 12,563 |
| Infrastructural assets | | |
| sewerage systems | 19,871 | 19,669 |
| water systems | 33,899 | 34,121 |
| stormwater drainage network | 13,140 | 13,140 |
| roading network | 179,434 | 179,415 |
| Restricted assets | | |
| land | 15,710 | 3,209 |
| buildings | 2,491 | 1,060 |
| Total | 297,310 | 267,989 |
| Fair value through other comprehensive income reserve | | |
| Balance at 1 July | 131 | 131 |
| Net revaluation gains (losses) | - | - |
| Transfer to net surplus/deficit | - | - |
| Balance at 30 June | 131 | 131 |
| Total other reserves | 297,441 | 268,120 |
| Total Special and restricted reserves (Note 17A) | 4,588 | 4,504 |
| TOTAL EQUITY | 768,388 | 744,805 |
| | | |

Note 17A: Special and restricted reserves 2023

| Name (* denotes restricted) | Associated activity | |
|---------------------------------------|---------------------|------------------------------------|
| Aquatic | Swimming pools | Capital works |
| Bulls courthouse* | Property | Maintenance of courthouse building |
| Flood damage | Roading | Road maintenance due to flooding |
| General purpose | Capital works | Capital works |
| Haylock park* | Parks and reserves | Additional reserve area at park |
| Hunterville rural water | Water | Future loop line |
| Keep Taihape beautiful* | Property | Enhancement of Taihape |
| Marton land subdivision* | Parks and reserves | Improvement to reserves land |
| Marton marae* | Property | Marton marae project |
| McIntyre recreation* | Parks and reserves | Maintenance or upgrades of park |
| Putorino rural water | Water | Maintenance of scheme dam |
| Ratana sewer | Sewerage | Capital works |
| Revoked reserve land | Parks and reserves | Offset costs of other revoked land |
| Rural housing loan | Property | No longer required |
| Rural land subdivision* | Parks and reserves | Improvement to reserves land |
| Santoft domain* | Parks and reserves | Maintenance or upgrades of park |
| Total special and restricted reserves | | |

Special and restricted reserves 2022

| Name (* denotes restricted) | Associated Activity Purpose | | |
|-----------------------------|-----------------------------|------------------------------------|--|
| Aquatic | Swimming pools | Capital works | |
| Bulls courthouse* | Property | Maintenance of courthouse building | |
| Flood damage | Roading | Road maintenance due to flooding | |
| General purpose | Capital works | Capital works | |
| Haylock park* | Parks and reserves | Additional reserve area at park | |
| Hunterville rural water | Water | Future loop line | |
| Keep Taihape beautiful* | Property | Enhancement of Taihape | |
| Marton land subdivision* | Parks and reserves | Improvement to reserves land | |
| Marton marae* | Property | Marton marae project | |
| McIntyre recreation* | Parks and reserves | Maintenance or upgrades of park | |
| Putorino rural water | Water | Maintenance of scheme dam | |
| Ratana sewer | Sewerage | Capital works | |
| Revoked reserve land | Parks and reserves | Offset costs of other revoked land | |
| Rural housing loan | Property | No longer required | |
| Rural land subdivision* | Parks and reserves | Improvement to reserves land | |
| Santoft domain* | Parks and reserves | Maintenance or upgrades of park | |

| 4,504 | 115 | (30) | 4,588 | |
|-----------------------|----------|-------------|------------------------|--|
| 113 | 14 | (29) | 97 | |
| 205 | 18 | - | 223 | |
| 150 | - | - | 150 | |
| 238 | - | - | 238 | |
| 27 | 3 | - | 30 | |
| 23 | 2 | - | 25 | |
| 22 | 2 | (1) | 23 | |
| 4 | - | - | 4 | |
| 461 | 41 | - | 502 | |
| 20 | 2 | - | 22 | |
| 214 | 7 | - | 221 | |
| 31 | 3 | - | 34 | |
| 2,403 | - | - | 2,403 | |
| 309 | - | - | 309 | |
| 124 | 23 | | 146 | |
| 161 | - | - | 161 | |
| Balance 1 Jul 2022 | Deposits | Withdrawals | Balance 30 Jun 2023 | |
| | | | | |

| Balance 1 Jul 2021 | Deposits | Withdrawals | Balance 30 Jun 2022 | |
|-----------------------|----------|-------------|------------------------|--|
| 161 | - | - | 161 | |
| 110 | 14 | - | 124 | |
| 309 | - | - | 309 | |
| 2,403 | - | - | 2,403 | |
| 31 | - | - | 31 | |
| 214 | - | - | 214 | |
| 20 | - | - | 20 | |
| 461 | - | - | 461 | |
| 4 | - | - | 4 | |
| 22 | - | - | 22 | |
| 23 | - | - | 23 | |
| 27 | - | - | 27 | |
| 238 | - | - | 238 | |
| 150 | - | - | 150 | |
| 205 | - | - | 205 | |
| 128 | 6 | (21) | 113 | |
| 4,506 | 20 | (21) | 4,504 | |

Note 18: Reconciliation of net surplus (deficit) to net cash flow from operating activities

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|---|---------------------------|---------------------------|
| Surplus (deficit) | (6,822) | 5,427 |
| Add (less) non-cash items | | |
| Depreciation and amortisation | 17,496 | 13,094 |
| Community loan repayment exchanged for accommodation | - | - |
| (Gains) losses in fair value on forestry assets | - | 8 |
| Reversal of previous losses on roading through operating surplus(deficit) | - | - |
| Movement in employee entitlements (non current) | - | |
| Vested assets | - | (4,975) |
| | 17,496 | 8,127 |
| Add (less) items classified as investing or financing activities | | |
| (Gains) losses on disposal of property, plant and equipment | (511) | (102) |
| (Gains) losses on fair value financial assets | - | - |
| (Gains) losses revaluation land & Buildings financial assets | - | - |
| (Gains) losses biological Assets | - | - |
| | (511) | (102) |
| Add (less) movements in working capital items | | |
| (Increase) decrease in prepayments | 45 | (84) |
| (Increase) decrease in debtors and other receivables | (402) | (371) |
| Increase (decrease) in income in advance | (1,233) | (1,464) |
| Increase (decrease) in creditors and other payables | 232 | 1,935 |
| Increase (decrease) in provisions | (331) | (291) |
| Increase (decrease) in employee entitlements | (176) | 101 |
| | (1,865) | (174) |
| Net cash inflow (outflow) from operating activities | 8,298 | 13,278 |

Note 19: Capital commitments and operating leases

| | Actual | Actua |
|--|--|----------------|
| | 2023 | 202. |
| | (\$000) | (\$000 |
| Capital commitments | | |
| Property, plant and equipment | | |
| Not later than one year | - | 4,56 |
| Later than one year and not later than five years | - | 84 |
| Total capital commitments | - | 5,41 |
| Operating leases as lessee | | |
| The Council leases property, plant and equipment in the normal course of it business. The | future aggregate minimum | lease |
| payments payable under non-cancellable operating leases are as follows: | | |
| payments payable under non-cancenable operating leases are as ronows. | | |
| | - | 20 |
| Not later than one year | - | |
| Not later than one year Later than one year and not later than five years Later than five years | - - - | 26 2 |
| Not later than one year Later than one year and not later than five years | - - - | |
| Not later than one year Later than one year and not later than five years Later than five years Total non-cancellable operating leases | - - - | 2 |
| Not later than one year Later than one year and not later than five years Later than five years Total non-cancellable operating leases Operating leases as lessor | | 2 4 |
| Not later than one year Later than one year and not later than five years Later than five years Total non-cancellable operating leases Operating leases as lessor Some property, including reserves land, is leased under operating leases. The future aggre | - - - egate minimum lease payme | 2 4 |
| Not later than one year Later than one year and not later than five years Later than five years Total non-cancellable operating leases Operating leases as lessor Some property, including reserves land, is leased under operating leases. The future aggrecollected under non-cancellable operating leases are as follows: | - - - egate minimum lease payme | 2 4 |
| Not later than one year Later than one year and not later than five years Later than five years Total non-cancellable operating leases Operating leases as lessor Some property, including reserves land, is leased under operating leases. The future aggre | - - - egate minimum lease payme - - | 2 4 ents to be |

No contingent rents have been recognised during the period.

Note 20: Contingencies

Contingent Assets

Private facilities

The Council has identified four facilities (for example, club rooms) on its reserves land owned by third parties that are not specified to be removed under the terms of their leases. The Council will gain control of these assets only if the various clubs vacate the facilities. Until this event occurs, the assets are not recognised as assets in the statement of financial position. As at 30 June 2018 these four facilities have an approximate value of \$350,000.

Contingent Liabilities

There are no known contingent liabilities at 30 June 2022.

120

Note 21: Related party transactions

| | Actual 2023 | Actual 2022 |
|---|----------------|----------------|
| | (\$0) | (\$0) |
| Key management personnel compensation | | |
| Councillors | | |
| Remuneration | 442,133 | 440,903 |
| Full-time equivalent members | 12 | 12 |
| Senior management team, including the chief executive | | |
| Remuneration | 1,401,074 | 1,087,907 |
| Full-time equivalent members | 8 | 6 |
| Total key management personnel remuneration | 1,843,207 | 1,528,810 |
| Total full-time equivalent personnel | 20 | 18 |

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent is taken as the number of Councillors.

The Councillor remuneration includes annual salary, allowances for mileage and telephone/fax.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/ recipient relationship on terms and conditions no more or less favourable than those that is is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Note 22: Remuneration

| | Actual 2023 | Actual 2022 |
|---|----------------|----------------|
| | (\$0) | (\$0) |
| Chief Executive | | |
| Peter Beggs | | |
| Gross salary | 272,531 | 263,514 |
| Vehicle (market value plus FBT) | 19,250 | 20,306 |
| Superannuation contribution | 8,175 | 7,875 |
| Total remuneration | 299,956 | 291,695 |
| | | |
| Other Council employees | | |
| Number of full-time employees | 83 | 75 |
| Number of full-time equivalents of part-time employees | 20.5 | 19 |
| A full-time employee is determined on the basis of a 40-hour working week | | |
| Total annual remuneration by band for employees as at 30 June | | |
| less than \$60,000 per annum | | |
| \$60,001 to \$79,999 | 44 | 52 |
| \$80,000 to \$99,999 | 29 | 27 |
| \$100,000 to \$119,999 | 21 | 19 |
| \$120,000 to \$179,999 | 11 | 9 |
| \$180,000 to \$299,999 | 9 | 7 |
| \$140,000 to 299,999 | 1 | 1 |
| Total employees | 115 | 115 |

Total remuneration includes the value of any non-financial benefit paid to an employee.

| | Actual 2023 | Actua 2022 |
|--|----------------|---------------|
| | (\$0) | (\$0, |
| Elected representatives | | |
| Council | | |
| Mayor | | |
| A Watson | 114,623 | 113,953 |
| Councillors | | |
| C Ash | - | 24,16 |
| N Belsham | - | 41,92 |
| A Gordon | - | 31,85 |
| D Wilson | 36,730 | 30,25 |
| G Duncan | 29,228 | 26,44 |
| F Dalgety | 34,728 | 36,72 |
| W Panapa | - | 24,95 |
| B Carter | 26,728 | 25,17 |
| R Lambert | 29,228 | 26,19 |
| Piki Te Ora (Tracey) Hiroa | 34,728 | 32,58 |
| C Raukawa | 26,728 | 26,68 |
| JWong | 29,228 | ,,,,, |
| S Loudon | 26,728 | |
| G Maughan | 26,728 | |
| J Calkin | 26,728 | |
| Total Council members remuneration | 442,133 | 440,904 |
| Community Boards | | |
| Taihape | | |
| P Kipling-Arthur | 8,929 | 4,33 |
| M Fannin | - | 4,33 |
| A Abernathy | - | 8,67 |
| G Larsen | 4,465 | 4,33 |
| S Peke-Mason | - | 3,33 |
| E Abernathy | 4,465 | 4,33 |
| Rātana | | |
| G Taiaroa | 2,189 | |
| C Mete | 4,377 | 4,52 |
| C Rourangi | 7,377 | 1,88 |
| L Meihana | 2,189 | 2,12 |
| J Nepia | 2,189 | 2,12 |
| Total Community Board members remuneration | 28,803 | 40,01 |
| | | |
| Total elected representatives remuneration | 470,936 | 480,92 |

The total remuneration for each elected member is made up of annual salary, non-salary benefits and mileage.

The larger movements in the Remuneration figures shown above are caused mainly by either one of the two years only being a part-year for remuneration purposes, payments of backpay and/or differences in travel related claims.

Note 23: Severance payments

For the year ended 30 June 2023, the Council made severance payments of \$30,000 (2022: Nil) to employees.

Note 24: Events after balance date

In June 2022, the Government introduced legislation to establish four publicly own water services entities to take over the 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 .

Note 25A: Financial instrument risks

| | Actual 2023 | Actual 2022 |
|--|----------------|----------------|
| | (\$000) | (\$000) |
| Financial instrument categories | | |
| Financial assets | | |
| Loans and receivables | | |
| Cash and cash equivalents | 11,939 | 13,171 |
| Debtors and other receivables | 3,862 | 3,460 |
| Total loans and receivables | 15,801 | 16,631 |
| Fair value through other comprehensive revenue and expense | | |
| Other financial assets | | |
| corporate bonds | 802 | 477 |
| unlisted shares | 51 | 51 |
| Total fair value through other comprehensive revenue and expense | 853 | 528 |
| Financial liabilities | | |
| Financial liabilities at cost | | |
| creditors and other payables | 5,017 | 6,250 |
| Loans | 31,000 | 19,000 |
| community loan | 64 | 80 |
| Total financial liabilities | 36,081 | 25,330 |

Valuation tachnique

Note 25B: Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- * Quoted market price (level 1) Financial instruments with quoted prices for identical instruments in active markets.
- * Valuation technique using observable inputs (level 2) Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- * Valuation techniques with significant non-observable inputs (level 3) Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

| | | Significant | | |
|--|------------------|-----------------------------------|---------------------------------|-------------------------------------|
| | Total (\$000) | Quoted market price (\$000) | Observable inputs (\$000) | non-observable inputs (\$000) |
| 2023 | | | | |
| Financial assets | | | | |
| Unlisted shares | | | | |
| New Zealand Local Government Insurance Corporation Limited | 35 | - | - | 35 |
| Manawatu Wanganui LASS Limited | 16 | - | - | 16 |
| Corporate bonds | 802 | 802 | - | - |
| 2022 | | | | |
| Financial assets | | | | |
| Unlisted shares | | | | |
| New Zealand Local Government Insurance Corporation Limited | 35 | - | - | 35 |
| Manawatu Wanganui LASS Limited | 16 | - | - | 16 |
| Corporate bonds | 477 | 477 | - | - |

There were no transfers between the different levels of the fair value hierarchy

The table below provides a reconciliation from the opening balance to the closing balance for level 3 fair value measurements:

| | Actual 2023 (\$000) | Actual 2022 (\$000) |
|---|---------------------------|---------------------------|
| Balance at 1 July | 49 | 49 |
| Gains (losses) recognised in the surplus or deficit | - | - |
| Gains (losses) recognised in other comprehensive income | - | - |
| Purchases | - | - |
| Balance at 30 June | 49 | 49 |

Note 25C: Financial instrument risks

The Council has policies to manage the risks associated with financial instruments. The Council is risk averse and seeks to minimise exposure from its treasury activities. It has established liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through other comprehensive income. Equity security price risk is not managed as the only share investments are unlisted shares in New Zealand Local Government Insurance Corporation Limited, and, Manawatu Wanganui LASS Limited.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council has no financial instruments with foreign currency components and is therefore not exposed to currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. The Council's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Council currently has no fixed interest rate debt or investments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risk. The Council currently has no variable interest rate debt or investment.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and corporate bonds, which gives rise to credit risk. The Council only invests in deposits with registered banks and in high grade corporate bonds, and limits the amount of credit exposure to any one institution. Investments are made only in banks and companies with specified credit ratings.

| Total credit risk | 16,603 | 17,108 |
|---|---------|---------|
| Corporate bonds | 802 | 477 |
| Debtors and other receivables | 3,862 | 3,460 |
| Cash at bank and term deposits | 11,939 | 13,171 |
| The Council's maximum credit risk exposure for each class of financial instruments is as follows: | | |
| Maximum exposure to credit risk | | |
| | (\$000) | (\$000) |
| | 2023 | 2022 |
| | Actual | Actual |

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by references to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Counterparties with credit ratings

Cash at bank and term deposits

AA-

| Total cash at bank and term deposits | - | - |
|--------------------------------------|-----|-----|
| Corporate bonds | | |
| AA | 774 | 448 |
| A+ | - | - |
| A | - | - |
| A- | 28 | 29 |
| BBB- | - | - |
| Total corporate bonds | 802 | 477 |

Debtors and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages it borrowings in accordance with its funding and financial policies, which include a liability management policy.

Contractual maturity analysis of financial liabilities

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Further interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

| | Carrying amount \$000 | Contractual cash flows \$000 | Less than 1 year \$000 | 1 to 5 years \$000 | More than 5 years \$000 |
|------------------------------|-----------------------------|------------------------------------|------------------------------|--------------------------|-------------------------------|
| 2023 | | | | | |
| Creditors and other payables | - | - | - | - | - |
| Loans | - | - | - | - | - |
| Community loan | - | - | - | - | - |
| Total | 25,330 | 25,330 | 6,266 | 11,064 | 8,000 |
| 2022 | | | | | |
| Creditors and other payables | 6,250 | 6,250 | 6,250 | - | - |
| Loans | 19,000 | 23,792 | - | 13,180 | 10,612 |
| Community loan | 80 | 80 | 16 | 64 | - |
| Total | 25,330 | 30,122 | 6,266 | 13,244 | 10,612 |

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

| | Carrying amount | Contractual cash flows | Less than 1 year | 1 to 5 years | More than 5 years |
|-------------------------------|-----------------|------------------------|---------------------|-----------------|----------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2023 | | | | | |
| Cash and cash equivalents | - | - | - | - | - |
| Debtors and other receivables | - | - | - | - | - |
| Other financial assets | - | - | - | - | - |
| term deposits | - | - | - | - | - |
| corporate bonds | - | - | - | - | - |
| Total | - | - | - | - | - |
| 2022 | | | | | |
| Cash and cash equivalents | 13,171 | 13,171 | - | - | - |
| Debtors and other receivables | 3,460 | 3,460 | - | - | - |
| Other financial assets | - | - | - | - | - |
| term deposits | - | - | - | - | - |
| corporate bonds | 477 | 477 | - | 477 | - |
| Total | 17,108 | 17,108 | - | 477 | - |

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

Interest rate risk

| increstrate risk | | -100bps | Other | +100bps | Other |
|---|------|------------------|-----------------|------------------|-----------------|
| | Note | Surplus \$000 | Equity \$000 | Surplus \$000 | Equity \$000 |
| 2023 | | | | | |
| Financial Assets | | | | | |
| Cash and cash equivalents | | - | - | - | - |
| Corporate bonds | | - | - | - | - |
| Total sensitivity to interest rate risk | | - | - | - | - |
| 2022 | | | | | |
| Financial Assets | | | | | |
| Cash and cash equivalents | | (132) | - | 132 | - |
| Corporate bonds | | - | - | - | - |
| | | | | | |

Explanation of interest rate sensitivity risk

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

Note 26: Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act (2002) (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its long-term plan (LTP) and in its annual plans (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council-created reserves:

Special Reserves

Special reserve funds are reserves created by the Council for special purposes. The Council may alter them without reference to any third party or the Courts, and transfers to and from these reserves are at the discretion of the Council.

Restricted Reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which it may not revise without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Note 27: Explanation of major variances against budget

Subsidies and grants

(\$7.2 million) 33% decrease from budget

This is mainly the result of not receiving the budgeted grant in relation to the development of the Marton Rail Hub. This had a Budget of \$6m but delays in the project have resulted in this income not becoming due.

Depreciation and amortisation expense

\$1.7 million 11% increase from budget

Depreciation was affected by infrastructure revaluation conducted at 30 June 2022. This revaluation resulted in a significant increase in Council's annual Depreciation expense: Actual Depreciation increased by \$3.5m (27%) but the associated budget was only increased by \$0.8m (6%)

Personnel costs

\$0.7 million 10% increase from budget

This is mainly the result of Council employing unbudgeted staff in connection with an unbudgeted grant that was received during the year and Council accruing 5 days wages at year end.

Other expenses

\$4.5 million 20% increase from budget

Council incurred \$4.5m of unbudgeted Emergency Works during 2022/23. Although this received grant funding, it meant that other Capital Work could not be conducted, resulting in an overspend in Operating Expenditure and a corresponding underspend in Capital Expenditure.

Gain on revaluation of infrastructure assets

\$30 million >100% increase from budget

The independent revaluation on Council's Buildings, conducted as at 1 July 2022, was far greater than the budget.

Cash and cash equivalents

\$4 million 50% increase from budget

Council's deferral of parts of its budgeted 2022/23 Capital Program, \$1.1m of Rates received in advance and a lower year end Debtors balance resulted in higher year end Bank Reserves than was budgeted.

Debtors and Other Receivables

(\$0.7 million) 15% decrease from budget

As reported in June 2022, Council's Debtor levels are below the levels included in its Long Term Plan, which formed the basis for the Annual Plan budget.

Plant, property and equipment

\$95 million 14% increase from budget

A revaluation performed by external valuers for the current reporting year increased our fair value of assets in excess of the budgeted increase.

Income in advance

\$1 million >100% increase from budget

Rates income of \$1.1m was received in advance - this was not budgeted.

Borrowings

(\$16.6 million) 35% decrease from budget

This is due to a number of capital infrastructure projects not started in the current year as planned and rolled to the next year. The Council did not require borrowings as per budget for these projects.

Other reserves

\$9xxx million 57% increase from budget

The independent revaluation on Council's Buildings, conducted as at 1 July 2022, was far greater than the budget.

Note 28: Rating base information

| | Actual 2023 | Actual 2022 |
|--|----------------|----------------|
| Number of rating units preceding year | 8,831 | 8,546 |
| | (\$000) | (\$000) |
| Total capital value of rating units preceding year | 6,392,523 | 6,301,800 |
| Total land value of rating units preceding year | 4,126,204 | 4,108,045 |

Note: "preceding year" for 2023 is as at 30 June 2022 and "preceding year" for 2022 is as at 30 June 2021

Note 29: Insurance of assets

| | Actual 2023 | Actual 2022 |
|--|----------------|----------------|
| | (\$000) | (\$000) |
| Total value of assets covered by insurance contracts | 130,805 | 89,035 |
| Maximum amount of insurance | 228,199 | 185,700 |
| Total value of assets covered by financial risk sharing arrangements | 67,066 | 68,899 |
| Maximum amount available under those arrangements (40%) | 50,708 | 77,407 |
| Total value of assets that are self-insured | 515,252 | 517,170 |
| The value of funds maintained for that purpose | 309 | 309 |

It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.

Benchmarks Disclosure Statement

For year ending 30 June 2023

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 benchmarks

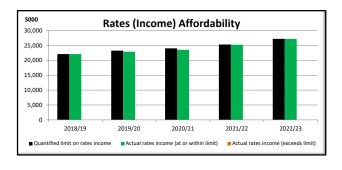
The Council meets the rates affordability benchmark if its —

- actual rates income equals or is less than each quantified limit on rates; and
- 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 the quantified limit on rates contained in the financial strategy in the Council's most relevant LTP (2018/28 LTP for the first three years, 2021/31 for the next two years).

All limits are based on amounts included in the most relevant Long Term Plan.

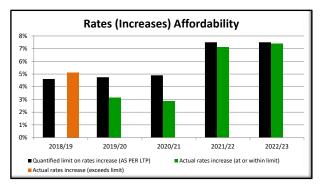


Rates (increases) affordability

The following graph compares the Council's actual rates increases with the quantified limit on rates increase included in the financial strategy contained in the Council's most relevant LTP.

The quantified limits are as follows:

| 2018/19 | _4.61% |
|---------|--------|
| 2019/20 | _4.75% |
| 2020/21 | _4.90% |
| 2021/22 | _7.50% |
| 2022/23 | _7.50% |



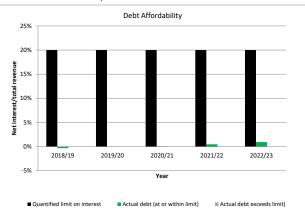
Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. Council's 2021/31 LTP replaced the key debt affordability ratios to the 4 indicators stated below. These indicators have been applied to the historic years to enable effective comparisons.

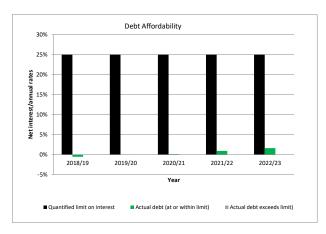
The limits are as follows:

- Net interest payments as a ratio of total revenue must be less than 20%
- Net interest payments as a ratio of annual rates revenue must be less than 25%
- Net debt as a ratio of total revenue must be less than 175%
- External debt plus liquid investments divided by external debt must be more than 110%

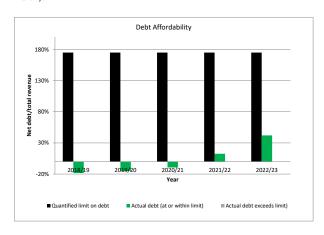
The following graph compares the Council's net interest payments as a ratio of total revenue (benchmark: must be lower than 20%).



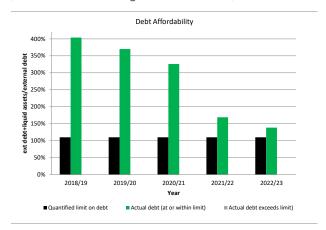
The following graph compares the net interest payments as a ratio of annual rates revenue (benchmark: must be lower than 25%).



The following graph compares the Council's net debt as a ratio of total revenue (benchmark: must be lower than 175%).



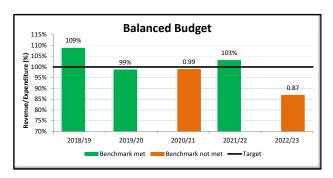
The following graph compares the Council's external debt plus liquid investments divided by external debt. (benchmark: must be greater than 110%).



Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested 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.



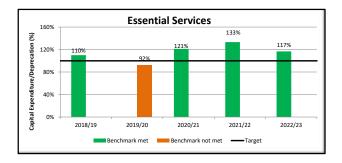
Council incurred significant operating expenditure in connection with Emergency Works (weather-related) in 2022/23. These expenses are shown in Note 6 to the Annual Financial Statements and had a significant negative distorting impact on this benchmark for 2022/23.

Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. (Capital work includes both renewals of existing infrastructure as well as new capital work undertaken.)

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services is defined in the regulations as infrastructure related to

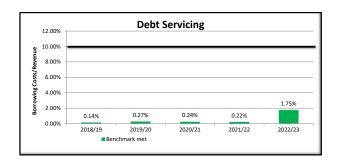
water supply, sewerage and the treatment and disposal of sewage, storm water drainage, flood protection and control works, and the provision of roads and footpaths. The Council owns no infrastructure related to flood protection and control work.



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 decline over the next 15 years, the Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



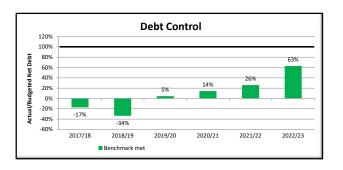
Debt control benchmark

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 trade and other receivables). (The graph shows negative values when financial liabilities are less than financial assets, excluding rate and other receivables.)

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. The regulations do not state what plans the Council should use when determining planned debt.

This benchmark has used Council's most relevant LTP for these purposes.

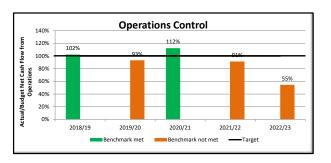
(The graph shows negative values when financial liabilities are less than financial assets, excluding trade and other receivables.)



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.



Council incurred significant operating expenditure in connection with Emergency Works (weather-related) in 2022/23. These expenses are shown in Note 6 to the Annual Financial Statements and had a significant negative distorting impact on this benchmark for 2022/23.

Section 4:
Other
Information

Your Elected Members



Mayor Andy Watson 06 327 7615 027 617 7668 andy.watson @rangitikei.govt.nz



Deputy Mayor Dave Wilson • 027 223 4279 dave.wilson @rangitikei.govt.nz



Councillor Fiona (Fi) Dalgety

021 222 8460

fi.dalgety

@rangitikei.govt.nz



Councillor Richard Lambert •
06 322 8096
027 879 2221
richard.lambert
@rangitikei.govt.nz



Councillor Simon Loudon • 021 357 727 simon.loudon @rangitikei.govt.nz



Councillor Greg Maughan • 027 472 2986
greg.maughan
@rangitikei.govt.nz



Councillor Gill Duncan • 06 388 1409 027 255 1409 gill.duncan @rangitikei.govt.nz



Councillor Jeff Wong • 021 170 7637

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@rangitikei.govt.nz



Councillor Jarrod Calkin • 027 311 6177

jarrod.calkin
@rangitikei.govt.nz



Councillor Brian Carter • 027 247 1812

<u>brian.carter</u>

@rangitikei.govt.nz



Councillor Coral Raukawa • 027 201 8032 coral.raukawa @rangitikei.govt.nz



Councillor Piki Te Ora Hiroa • 021 0275 9983 tracey.hiroa @rangitikei.govt.nz

Central WardNorthern WardSouthern Ward

Tiikeitia ki Tai (Coastal) WardTiikeitia ki Uta (Inland) Ward

Your Representatives

Community Board Members

| Taihape | | |
|---|----------------|----------------------------|
| Ms Ann Abernethy (Chair) | 06 388 9220 | |
| Ms Michelle Fannin | 06 388 1129 | |
| Ms Emma Abernethy | 06 388 0777 | |
| Ms Gail Larsen | 06 388 1161 | |
| Cr Gill Duncan | 06 388 1409 | |
| Cr Angus Gordon (non-voting) | 06 388 1571 | |
| Rātana | | |
| Mr Charlie Mete (Chair) | _ 027 418 9108 | |
| Mr Jamie Nepia | 020 4109 6229 | |
| Mr Lequan Meihana | | |
| Mr Charlie Rourangi | | |
| Ms Soraya Peke-Mason | _ 027 270 7763 | |
| Cr Waru Panapa | _ 027 343 0405 | |
| Ta Da annua Alci Mar (Incidican Committee N | | |
| Te Roopuu Ahi Kaa (Iwi Liaison Committee)* | 06 244 0150 | (VAII) |
| Mr Pahia Turia (Chair) | | (Whangaehu) |
| Mr Thomas Curtis (Deputy Chair) | | (Ngāti Hauiti) |
| Mr James Allen | | (Ngā Wairiki ki Uta) |
| Ms Hari Benevides | | (Ngāti Tamakōpiri) |
| Ms Marj Heeney | | (Ngāi Te Ohuake) |
| | 06 327 6087 | (Ngā Ariki) |
| Ms Soraya Peke-Mason | | (Rātana Community) |
| , | 06 323 1164 | (Ngāti Parewahawaha) |
| / | 06 348 0558 | (Ngāti Kauae/Ngāti Tauira) |
| | _ 02102759983 | (Ngāti Whitikaupeka) |
| Cr Waru Panapa | _ 027 343 0405 | (Council representative) |
| Community Committee Chairs* | | |
| | 06 327 8729 | (Turakina) |
| Ms Danelle Whakatihi | _ 027 247 1812 | (Bulls) |
| Ms Carolyn Bates | 06 327 8088 | (Marton) |
| Ms Karen Kennedy | 06 327 8472 | (Hunterville) |
| | | |
| District Licensing Committee* | | |
| Mr Stuart Hylton (Commissioner) | _ 027 446 5352 | |
| Mr Andy Watson (Deputy Chair) | _ 027 617 7668 | |
| Mr Chalky Leary | 06 322 8561 | |
| Ms Judy Klue / | 06 322 8475 | |
| Mr Colin Mower | _ 021 130 3586 | |
| Mr Graeme Platt | 06 322 1658 | |

^{*}His Worship the Mayor is a member, ex officio, of all Council Committees.



