

Ōtorohanga District Council

Summary Annual Report for the year ended 30 June 2025

COMMENTS FROM THE MAYOR AND THE CHIEF EXECUTIVE

*E ngā mana, e ngā reo, a ngā hāpori a te rohe
o Ōtorohanga, tēnā koutou katoa.*

The 2024-25 year has been an extraordinary 12 months for Council - a year of significant achievement, momentous decision making and unique challenges. It is with pride that we reflect on the past 12 months and acknowledge the mahi of councillors, staff and the community without whom the progress we have made would simply not be possible.

A standout accomplishment for us this year was being given top marks by Local Government New Zealand's (LGNZ) Te Korowai programme. Testament to the work of both governance and staff to lift organisational performance from the CCC rating we were given in 2020, to the A equivalent Mauri Ora or 'Thriving' grade recognises Council's outstanding development across a range of measures. Addressing shortcomings in performance requires both honesty and hard work, and that is exactly what we have done to earn the accolade given by Te Korowai Chair Toby Stevenson of being "a shining example of how a small rural council can improve outcomes by embracing change."

An important benefit of participating in a programme like Te Korowai is that you learn about what you are doing right as well as identifying areas where you could do better. As an organisation we are committed to continuous improvement and we are already well advanced in applying the insights provided to us by the independent Te Korowai assessors to better serve our community.

One item that has dominated Council agendas over this past year has been decisions relating to what to do with the district's water services. Since the 2016 Havelock North campylobacter

outbreak, central and local government have been working to improve drinking water safety across the country. Shortly after the start of the 2024/25 financial year the government passed legislation giving all councils 12 months to prepare a plan setting out how they were going to deliver financially sustainable water services to their communities capable of meeting the increased environmental, economic and human health regulations being introduced.

We had some tough decisions to make and, while we've invested heavily in our water services in recent years, we needed to think long term about what was best for the future especially when faced with the costs associated with ageing infrastructure, district growth and rising delivery costs. After carefully weighing the options and consulting with you, we decided in June 2025 to join with Matamata-Piako, Hauraki, Waipā, Waitomo, South Waikato and Taupō in forming Waikato Waters Limited – a council controlled organisation (CCO) for the delivery of water services on our behalf. We are so proud of how elected members 'stepped up to the plate' to make one of the biggest decisions for the district in recent times.

Another challenge we have had this year has been in land transport. After we had set our budgets, we were formally advised by the New Zealand Transport Agency (NZTA) in August 2024 that the subsidy we receive from them would be less than what we had anticipated for aspects of our land transport programme. This meant that our plans for footpaths, road safety promotion and new works (low risk/low cost) all had to be revised. However, our focus on reseals and other work to maintain and improve the resilience of the roading network was largely unaffected and we have been able to achieve what we set out in our long term plan (LTP) for these components of our land transport programme.

When we put together our 2024-34 LTP we were mindful of keeping things affordable and 'cutting our cloth' accordingly. This has not been easy as



costs for all local authorities have been rising faster than household inflation. In the budget for 2024/25, we decided to not fully apply depreciation to certain assets to help ease the burden on current ratepayers (i.e. we did not rate you for the money we would normally collect to set aside in various reserve accounts to help pay for replacing certain assets in the future). Effectively this meant a loss on our balance sheet of \$1.4 million. We're pleased to report that through careful management our loss at the end of the year is \$0.9 million. Many thanks to the team for making this possible.

For the local government sector 2024/25 has been a year of significant, complex changes and we expect that this will continue as we move into 2025/26. The government has already signalled further legislation it intends enacting before the end of the 2025 calendar year such as the System Improvements Bill and changes to rules and regulations relating to land use and construction. The investment we have made over the past five

years in raising how we perform as an organisation gives us confidence that we are well placed to be able to meet any challenges put before us over the next 12 months.

Ehara taku toa i te toa takitahi, engari he toa takitini

Our strength is not from one warrior, but from many.

Ngā mihi nui, Max and Tanya

Max Baxter
MAYOR

Tanya Winter
CHIEF EXECUTIVE

23 October 2025



Summary Financial Statements

ŌTOROHANGA DISTRICT COUNCIL SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2025

Actual 30 June 2024 (000's)		Budget 30 June 2025 (000's)	Actual 30 June 2025 (000's)
	Revenue		
15,714	Rates revenue	17,498	17,251
17,597	Other income	10,150	10,136
33,311	Total income	27,648	27,387
	Expenses		
807	Finance Costs	221	535
27,431	Other Expenditure	28,853	27,703
28,238	Total expenditure	29,074	28,238
5,073	Surplus/(deficit) for the year	(1,425)	(937)
	Other Comprehensive Revenue and Expenses		
4,622	Gain/(loss) on property revaluation	10,308	24,114
(124)	Fair value movement of unlisted shares	7,216	1,245
4,498	Total other comprehensive revenue and expenses	17,524	25,359
9,571	Total Comprehensive Revenue and Expenses for the year	16,098	24,422

ŌTOROHANGA DISTRICT COUNCIL SUMMARY BALANCE SHEET AS AT 30 JUNE 2025

Actual 30 June 2024 (000's)		Budget 30 June 2025 (000's)	Actual 30 June 2025 (000's)
	Assets		
7,400	Total current assets	5,746	5,857
420,586	Total non-current assets	414,636	448,050
427,986	Total assets	420,382	453,907
	Liabilities		
16,237	Total current liabilities	4,399	17,722
494	Total non-current liabilities	6,285	506
16,731	Total liabilities	10,684	18,228
411,255	Net Assets	409,698	435,679
	Equity		
171,098	Accumulated comprehensive revenue and expenses	164,002	170,062
240,157	Reserves	245,696	265,617
411,255	Total equity attributable to ODC	409,698	435,679



ŌTOROHANGA DISTRICT COUNCIL
SUMMARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

Actual 30 June 2024 (000's)	Note	Budget 30 June 2025 (000's)	Actual 30 June 2025 (000's)
401,684	Balance at 1 July	393,600	411,255
-	Adjustments on adoption of PBE IPSAS 41	-	-
401,684		393,600	411,255
9,571	Total comprehensive revenue and expense for the year	16,098	24,422
411,255	Balance at 30 June	409,699	435,679

ŌTOROHANGA DISTRICT COUNCIL
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

Actual 30 June 2024 (000's)		Budget 30 June 2025 (000's)	Actual 30 June 2025 (000's)
5,423	Net cash provided by Operating Activities	5,674	6,268
(8,358)	Net cash used in Investing Activities	(12,808)	(10,323)
3,000	Net cash provided by/(used in) Financing Activities	5,775	3,000
65	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1,359)	(1,055)
	Made up as follows:		
65	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1,359)	(1,055)
2,207	Cash, cash equivalents and bank overdrafts at the beginning of the year	4,529	2,272
2,272	Cash and cash equivalents at the end of the year.	3,170	1,217

Explanation of major variances against budget

Explanations for major variations from the Council estimate figures in the 2024/34 Long Term Plan are as follows:

Statement of Comprehensive Revenue and Expenses

Total finance costs was \$314,000 over budget. This is due to the increased borrowings taken on during the year as a result of significant capital expenditure in the current year, as well as borrowings being higher at the end of the prior year.

Other expenses is \$1,150,000 under budget. This is due to depreciation and amortisation being \$1,034,000 over budget due to a revaluation of land and building assets in the prior year. This is

offset by other expenses being under budget by \$1,577,000. This is due to a road maintenance decrease as a result of reduced NZTA subsidy. Employee Benefit Expenses is also under budget by \$575,000 due to staff vacancies.

Balance Sheet

Non-current assets are up on budget by \$33,414,000 due to the revaluation of land and building assets during the previous year which occurred after the budget was set. This also includes an increase in Investments of \$1,173,000 over budget due to an increase in the value of unlisted shares in Waikato Regional Airport Limited.

Total current liabilities are \$13,323,000 above budget. This is predominantly due to short term borrowings of \$12,000,000, as well as timing of



payments at year end, particularly with some significant capital projects beginning at year end.

Statement of Cash flows

Cash flows from operating activities below budget by \$595,000, mostly as a result of decreased receipts from rates revenue of \$323,000, offset with an increase in interest paid of \$314,000.

Cash flows from investing activities were \$2,485,000 below budget, mostly due to the timing of capital projects and the decreased work done, particularly in roading due to a reduction in NZTA subsidy.

Cash flows from financing activities is \$2,775,000 below budget. This is due to borrowings not being required to be as much as originally budgeted.

Basis of Preparation

These summary financial statements and summary statement of service performance (the Summary Report) have been prepared in accordance with PBE FRS-43: Summary Financial Statements. The Summary Report cannot provide as complete an understanding as the full Annual Report which is available at the Council Offices and District Libraries. This Summary report is for the year ended 30 June 2025. All figures are in New Zealand dollars rounded to the nearest \$1,000.

The Summary Report has been extracted from the full Ōtorohanga District Council 2024/25 Annual Report which was authorised for issue on 9 October 2025. The full financial statements received an unmodified audit opinion dated 9 October 2025. The Summary Report was authorised by the Ōtorohanga District Council on 21 October 2025.

The full financial statements included in the full Annual Report have been prepared in accordance with NZ GAAP and they comply with Tier 2 Public Benefit Entity (PBE) Standards.

The primary objective of Ōtorohanga District Council is to provide goods or services for the community or social benefit rather than making a financial return. The Ōtorohanga

District Council is an individual entity for reporting purposes.

Ōtorohanga District Council has been determined to be a Tier 2 Public Benefit Entity and therefore has applied reduced disclosure requirements as it sees fit.

Summary of Other Notes

Reserves

	Actual 2024	Actual 2025
	(000's)	(000's)
Restricted reserves	3,104	3,205
Fair value through Other Comprehensive Revenue and Expense Reserve	7,092	8,337
Asset Revaluation Reserves	229,961	254,075
Total Reserves	240,157	265,617

The movement in restricted reserves related to subdivision financial contributions received with resource consents and interest earned on those restricted reserves.

The movement in the fair value through other Comprehensive Revenue and Expense reserve relates to the adjustment of the carrying value of Councils investments, particularly in regards to the Waikato Regional Airport Limited and the Local Government Funding Agency.

The movement in the asset revaluation reserves related to revaluations of land and building assets undertaken during the prior year, as well as the roading assets in the current year.

Property, plant and equipment

Current year revaluations

In the current financial year, the roading asset valuations were completed by council staff and peer reviewed by AON. The total fair value of the roading assets at 30 June 2025 was \$332,811,968.

Events after balance sheet date

There have been no subsequent events that would impact on these financial statements.



Summary of Significant Activities

Summary of Significant Service Levels and Performance Targets

Activity	Number of Performance Targets	Achieved	Partially Achieved	Not Measured	Not Achieved
Trusted Leadership and Relationships	3	2	-	-	1
Strong Communities	6	5	-	-	1
Vibrant Places and Spaces	6	3	-	-	3
Sustainable Development and Public Safety	10	5	-	-	5
Resilient Infrastructure: Land Transport	5	2	-	-	3
Resilient Infrastructure: Wastewater	5	3	-	-	2
Resilient Infrastructure: Water Supply	10	3	-	-	7
Resilient Infrastructure: Stormwater	4	4	-	-	-
Resilient Infrastructure: Flood Protection	2	2	-	-	-
Responsible Waste Management	2	1	-	-	1

Trusted Leadership and Relationships

The targets achieved related to trust in council and Māori leaders relationships with Council, while the one not achieved related to satisfaction with Council communication.

Strong Communities

The Strong Communities targets achieved were related to funding of community groups and economic wellbeing service providers, library satisfaction and library participation numbers, and community response plans for Civil Defence. Not achieved was for the results of the annual emergency response evaluation exercise.

Vibrant Places and Spaces

The achieved targets related to number of complaints about public toilets, older person's housing tenant satisfaction and occupancy rates. Those not achieved related to swimming pool

water quality in initial tests, satisfaction with parks and reserves and number of complaints about cemeteries.

Sustainable Development and Public Safety

Achieved targets include percentage of swimming pools inspected, retention of BCA accreditation, wandering dog complaints responded to within two hours, alcohol statutory compliance and nuisance complaints investigated. Not achieved targets included excessive noise complaints investigation timing, percentage of known dogs in the district registered, building consent applications processing timeliness, resource consent application processing timeliness and District plan review.

Resilient Infrastructure – Land Transport

The Land Transport targets achieved were for footpaths conditions and service requests responded to in 5 working days. Not achieved



related to sealed road resurfacing, average quality of ride on sealed roads and number of fatalities and serious injury crashes on local roads.

Resilient Infrastructure - Wastewater

The achieved targets related to compliance with consents for discharge, resolution times of blockages or faults and number of complaints received per 1,000 properties. Not achieved related to the number of dry weather overflows and attendance times for blockages or faults.

Resilient Infrastructure - Water Supply

Achieved targets for water supply related to resolution times for both urgent and non-urgent call-outs, and average consumption per day. Not achieved included compliance with Bacterial and Protozoal criteria, number of complaints per 1,000 properties, attendance times for urgent and non-urgent call-outs and percentage of water loss from the Ōtorohanga and Kāwhia reticulation systems.

Resilient Infrastructure - Stormwater

The achieved targets related to number of flooding events in the district, compliance with discharge consents, median response time to attend a flooding event and number of complaints per 1,000 properties.

Resilient Infrastructure - Flood Protection

The achieved targets related to maintenance and repairs on the Ōtorohanga Flood Protection, and the maintenance and repairs on the seawall as Kāwhia and Aotea.

Responsible Waste Management

The achieved measure relates to compliance with the National Waste Strategy, while the not achieved target relates to the increase in recycling volumes over the previous year.



Statement of Compliance

The Council and Management of Ōtorohanga District Council confirm that all the statutory requirements of the Local Government Act 2002, regarding financial management and borrowing, have been complied with.

Statement of Responsibility

The Council and Management of Ōtorohanga District Council accept responsibility for the preparation of the annual Summary Financial Statements and the judgements used in them.

The Council and Management of Ōtorohanga 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 Ōtorohanga District Council, the Summary Financial Statements for the year ended 30 June 2025 fairly reflect the financial position and operations of Ōtorohanga District Council.

Max Baxter

MAYOR

Tanya Winter

CHIEF EXECUTIVE

23 October 2025

Ōtorohanga District Statistics

Area and Population

Area (Square kilometres)	1,976
Population (2023 Census figures)	10,900

Valuation

Number of rating units	5,619
Rateable Capital Value	\$6,757,590,400
Date of Last revision of Values	1 Oct 2022

Rates and Rating 2024/25

Total Rates(Excluding GST)	\$17,251,145
System of Rating	Capital Value

Public Debt Outstanding as at 30/06/25

Public Debt Outstanding	\$12,447,613
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Date of Constitution of District

1 November 1989

Contact Information

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Ōtorohanga

Telephone Number: 07 - 873 4000

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ŌTOROHANGA DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

The summary of the annual report was derived from the annual report of Ōtorohanga District Council (the District Council) for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 3 to 7:

- the summary balance sheet as at 30 June 2025;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance of service activities (referred to as summary of significant activities).

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2025 in our auditor's report dated 9 October 2025.

Emphasis of matter - Future of water delivery

Without modifying our opinion, we draw attention to page 1 which outlines that in response to the Government's Local Water Done Well reforms, the District Council has decided to establish a multi-owned water organisation with Waitomo District Council, Waipā District Council, Matamata-Piako District Council, South Waikato District Council, Hauraki District Council and Taupo District Council called Waikato Waters Limited to deliver water and wastewater services from 1 July 2027. The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

District Council's responsibility for the summary of the annual report

The District Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor for the statutory audit and 2024-34 long term plan, we have carried out an assurance engagement under the trust deed, which is compatible with those independence requirements. Other than in our capacity as auditor, we have no relationship with, or interests in, the District Council.



Bruno Dente
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand
23 October 2025