

Ruapehu District Council  
Te Kaunihera-ā-Rohe o Ruapehu

# Summary Annual Report 2023/2024



In Taumarunui, the extension of the Ongarue/Whanganui River cycle/walk path from Ngā Huinga Cherry Grove to the Manunui Bridge has been very popular with the community.



## MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We are pleased to present the Ruapehu District Council's Annual Report for the 2023/24 financial year, marking the third year of our ten-year 2021/31 Long Term Plan. This year, despite significant financial and operational challenges, we have successfully delivered on key commitments while maintaining essential services to our community.

In recognition of the cost-of-living pressures facing our residents, the Council adopted a 7% average rate increase, supported by increases in fees and charges by around 10%, and managed a debt level of \$58 million. With a 6% rise in rates necessary just to cover interest payments, our capacity for new initiatives was limited. This financial year resulted in a net deficit of \$824k against a budgeted surplus of \$4 million, largely due to higher debt servicing costs, insurance costs, depreciation and escalating infrastructure costs.

The Council faced significant inflationary pressures, particularly in infrastructure, where the cost of road construction has risen by 27%, sewerage systems by 30%, and bridge construction by 38% over the past three years.

Despite these challenges, we completed \$22.2 million in capital works, with the largest portion, \$10.1 million, invested in land transport. This included 3.822 km of sealed pavement rehabilitation and 16.5 km of chip seal resurfacing, although higher costs reduced the scope of these activities. Safety upgrades on Ohakune Mountain Road and new kerb and channels on Ruapehu Road were also completed.

Our second-largest area of capital expenditure was three waters projects, with \$7.1 million allocated to drinking water, \$1.2 million to wastewater, and \$200k to stormwater initiatives. These projects were completed amidst on-going changes and uncertainty in water services reform, which increased staff workloads and impacted financial planning due to the cancellation of the \$12.35 million 'Better-Off' transition funding.

Construction commenced on two major eco-tourism trails: the 21 km Te Ara Mangawhero and the 29.4 km Te Hangāruru, in partnership with Ngāti Rangi and Uenuku respectively. These trails will enhance our visitor sector by becoming part of Ngā Ara Tuhono, one of New Zealand's Great Rides.

In partnership with iwi, Council advanced the development of a Māori Engagement Strategy aimed at strengthening relationships with Māori, Iwi, and Hapū, with completion expected by October 2024.

Additionally, we continued our commitment to a zero-waste future, aligning with the national waste strategy, Te Rautaki Para. Our Resource Recovery Centres significantly increased waste diversion, with Ohakune and Taumarunui achieving notable improvements.

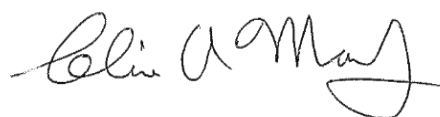
Capital improvements worth \$1.6 million were made to recreation and community facilities, including the addition of burial plots, installation of memorial walls, refurbishment of i-SITE buildings, and upgrades to social housing stock. Despite budget constraints, township renewal projects continued based on community priorities, with various upgrades across Ohakune, Taumarunui, and Raetihi.

Looking ahead, we face a constrained environment for new initiatives, with a focus on rates affordability and conservative financial management. Despite these challenges, we remain committed to serving our community and advocating for their needs, ensuring ongoing progress in a challenging and evolving landscape.



Weston Kirton  
**MAYOR**

**RUAPEHU DISTRICT**



Clive Manley  
**CHIEF EXECUTIVE**

**RUAPEHU DISTRICT COUNCIL**

## FINANCIAL SUMMARY 2023/24

The following summary financial statements were extracted from the full audited financial report of Ruapehu District Council for 30 June 2024. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

This summary and the full annual report were authorised for issue by the Council on 27 November 2024. The full annual report is available from Council offices or can be downloaded at [www.ruapehudc.govt.nz](http://www.ruapehudc.govt.nz).

An unmodified audit report was issued on the full financial statements. An emphasis of matter was included in the audit opinion in relation to the impact of the Three Waters Reform.

## HOW WE PERFORMED FINANCIALLY

### Operational Result

Our operational results for the 2023/24 Financial Year shows a net deficit of \$824k against a budget of \$4m surplus

### Capital Works Programme

We have completed a capital works programme in the last 12 months totaling \$22.2m.

Activity	Description	\$million
Land Transport	Renewals of various sorts	10.1
Water Supply	Renewals of various sorts	7.1
Wastewater	Various minor works	1.2
Stormwater	Various minor works under \$100k	0.2
Solid Waste	Various minor works under \$100k	0.0
Recreation & Community Facilities	Various minor works	1.6
Community Support	Various minor works under \$100k	0.4
Overheads	Computer Equipment, Software and Furniture	1.6
<b>Total</b>		<b>22.2</b>

### Key Financial Indicators – Comparative Table

(\$million)

	LTP 2024	2024	2023	2022	2021	2020
Income	47.1	53.7	50.6	51.9	46.2	43.5
Less Expenditure	43.1	54.5	52.8	41.3	40.1	38.7
Surplus/(Deficit)	4.0	(0.8)	(2.2)	10.7	6.1	4.8

### Debt

Council debt total is \$58m. This has increased by \$3m during the 2023/24 Financial Year (\$13.6m for 2022/23)

## Weighted Average Interest Rates

	2024	2023	2022	2021	2020
Short Term < 1 yr.	5.39%	6.03%	3.11%	0.59%	0.62%
Long Term > 1 yr.	5.31%	5.36%	3.10%	2.20%	2.01%

## Key Treasury Management Indicators

The table indicates the performance of Council's Treasury Management against the Treasury Management Policy limits on borrowing and interest rate exposures.

	Acceptable Range	2024 Actual	2023 Actual	2022 Actual	2021 Actual	2020 Actual
Interest Expense/Operating Revenue	3 to 12%	5.3%	4.0%	1.7%	1.2%	1.9%
Total Liabilities /Total Assets	<12%	10.7%	11.37%	9.1%	9.6%	8.2%
Net Debt /Operating Revenue	1 to 1.5	1.1	0.89	0.80	0.71	0.67

	Acceptable Range	2024 Actual	2023 Actual	2022 Actual	2021 Actual	2020 Actual
<b>Interest Rate Exposure under Treasury Policy</b>						
Less than 2 years	40% to 100%	54.50%	44.75%	45.89%	56.00%	32.00%
2 - 4 years	25% to 80%	36.89%	34.53%	26.57%	24.00%	44.00%
4 - 8 years	0% to 60%	8.62%	20.72%	27.54%	19.00%	24.00%

## STRATEGIC ACTIVITIES HIGHLIGHTS FOR THE YEAR

### Key Performance Indicators

Council records a variety of key performance indicators (KPIs) to report nonfinancial performance. Individual KPIs are reported in each activity area and can be found on the following pages.

	2024		
	Achieved	Not Achieved	Not Assessed
Land Transport	4	2	1
Water	7	2	-
Wastewater	10	1	-
Stormwater	7	-	-
Solid Waste	7	-	1
Recreation and Community Facilities	15	16	1
Community Support	7	3	-
Leadership	4	4	-
Regulation	10	3	-
<b>Total</b>	<b>71</b>	<b>31</b>	<b>3</b>

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2024

Group and Parent  
For the year ended 30 June 2024

	Notes	Council			Group	
		Actual	LTP	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates	3	28,731	28,573	27,000	28,731	27,000
Fees and Charges	4	3,382	2,919	3,208	3,382	3,208
Development and Financial Contributions		196	124	230	196	230
Subsidies and Grants	5	20,114	15,102	19,049	20,114	19,049
Finance Revenue	6	264	26	339	273	348
Other Revenue	7	576	371	680	586	1,138
Gains	8	444	-	91	444	91
<b>Total Revenue</b>		<b>53,707</b>	<b>47,115</b>	<b>50,597</b>	<b>53,726</b>	<b>51,064</b>
<b>Expenses</b>						
Personnel Costs	9	6,926	6,675	6,315	7,224	6,589
Depreciation and Amortisation Expense	19	11,640	10,517	10,786	11,643	10,788
Finance Costs	6	2,821	1,052	2,009	2,821	2,009
Other Expenses	10	31,299	24,841	30,733	31,005	30,920
Losses	11	1,842	-	2,960	1,842	2,960
<b>Total Expenses</b>		<b>54,528</b>	<b>43,085</b>	<b>52,803</b>	<b>54,535</b>	<b>53,266</b>
Share of Associate's Surplus / (Deficit)		(3)	-	-	(3)	-
<b>Net Surplus / (Deficit) before tax</b>		<b>(824)</b>	<b>4,030</b>	<b>(2,206)</b>	<b>(812)</b>	<b>(2,202)</b>
Income tax expenses		-	-	-	1	1
<b>Net Surplus / (Deficit) after tax</b>		<b>(824)</b>	<b>4,030</b>	<b>(2,206)</b>	<b>(810)</b>	<b>(2,201)</b>
<b>Other Comprehensive Revenue and Expense</b>						
Gain/(Loss) on Property, Plant and Equipment Revaluations	25	35,340	15,492	11,362	35,340	11,362
Financial Assets at Fair Value Through Comprehensive Revenue and Expense		2	-	(5)	2	(5)
<b>Total Other Comprehensive Revenue and Expense</b>		<b>35,342</b>	<b>15,492</b>	<b>11,357</b>	<b>35,342</b>	<b>11,357</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>34,519</b>	<b>19,522</b>	<b>9,151</b>	<b>34,532</b>	<b>9,156</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Group and Parent As at 30 June 2024

	Notes	Council			Group	
		Actual 2024 \$000	LTP 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	12	1,535	2,197	9,407	1,710	9,620
Receivables	13	3,588	3,967	3,982	3,609	4,020
Prepayments and Accrued Income	38	2,658	1,015	2,811	2,668	2,825
Inventory	14	341	382	310	341	310
<b>Total Current Assets</b>		<b>8,122</b>	<b>7,561</b>	<b>16,510</b>	<b>8,328</b>	<b>16,775</b>
<b>Non-Current Assets</b>						
Investment in Associates						
- Investment in CCOs and other similar Entities	15	64	48	67	64	67
Other Financial Assets	16	1,232	741	1,028	1,232	1,028
Property, Plant and Equipment	17	586,570	514,559	542,477	586,576	542,484
Intangible Assets	18	354	877	155	354	155
Investment Property	20	6,070	3,853	5,805	6,070	5,805
<b>Total Non-Current Assets</b>		<b>594,290</b>	<b>520,078</b>	<b>549,532</b>	<b>594,297</b>	<b>549,539</b>
<b>Total Assets</b>		<b>602,412</b>	<b>527,639</b>	<b>566,042</b>	<b>602,624</b>	<b>566,315</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Creditors and Other Payables	21	5,916	3,539	6,783	5,955	6,909
Borrowings	22	19,617	8,000	8,122	19,617	8,122
Employee Entitlements	23	560	403	509	580	529
Income in Advance	38	1,461	2,835	1,793	1,483	1,801
<b>Total Current Liabilities</b>		<b>27,554</b>	<b>14,777</b>	<b>17,207</b>	<b>27,636</b>	<b>17,361</b>
<b>Non-Current Liabilities</b>						
Borrowings	22	38,400	48,298	46,900	38,400	46,900
Provisions	24	237	199	233	237	233
<b>Total Non-Current Liabilities</b>		<b>38,637</b>	<b>48,497</b>	<b>47,133</b>	<b>38,637</b>	<b>47,133</b>
<b>Total Liabilities</b>		<b>66,191</b>	<b>63,274</b>	<b>64,340</b>	<b>66,272</b>	<b>64,494</b>
<b>Net Assets</b>		<b>536,221</b>	<b>464,365</b>	<b>501,702</b>	<b>536,352</b>	<b>501,821</b>
<b>Equity</b>						
Accumulated Funds	25	295,370	302,779	294,941	295,499	295,058
Other Reserves	25	240,851	161,586	206,761	240,853	206,763
<b>Total Equity Attributable to the Council</b>		<b>536,221</b>	<b>464,365</b>	<b>501,702</b>	<b>536,352</b>	<b>501,821</b>

# STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

Group and Parent  
For the year ended 30 June 2024

	Notes	Council			Group	
		Actual	LTP	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>Balance at 1 July</b>		<b>501,702</b>	<b>444,843</b>	<b>492,551</b>	<b>501,821</b>	<b>492,665</b>
Total Comprehensive Revenue and Expense for the Year		34,519	19,522	9,151	34,532	9,156
<b>Balance at 30 June</b>	25	<b>536,221</b>	<b>464,365</b>	<b>501,702</b>	<b>536,352</b>	<b>501,821</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

Group and Parent  
For the year ended 30 June 2024

	Notes	Council			Group	
		Actual	LTP	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>						
<b>Cash was received from:</b>						
Receipts from Rates Revenue		29,694	28,573	27,813	29,694	27,813
Receipts from Subsidies and Grants		23,860	15,102	18,310	23,860	18,310
Interest Received		264	26	339	273	348
Other Revenue		1,173	3,414	4,508	1,179	4,949
		<b>54,991</b>	<b>47,115</b>	<b>50,969</b>	<b>55,006</b>	<b>51,419</b>
<b>Cash was distributed to:</b>						
Payments to Suppliers		(33,427)	(24,840)	(30,934)	(33,280)	(31,665)
Payments to Employees and Elected Members		(6,875)	(6,675)	(6,305)	(7,173)	(6,573)
Interest Paid		(2,810)	(1,052)	(1,998)	(2,732)	(1,998)
Goods and Services Tax (Net)		(268)	-	164	(254)	175
		<b>(43,380)</b>	<b>(32,567)</b>	<b>(39,073)</b>	<b>(43,438)</b>	<b>(40,061)</b>
<b>Net Cash Flow from Operating Activities</b>	26	<b>11,611</b>	<b>14,548</b>	<b>11,897</b>	<b>11,567</b>	<b>11,359</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash was distributed to:</b>						
Purchase of Property, Plant and Equipment		(22,027)	(21,893)	(23,304)	(22,021)	(23,295)
Purchase of Intangible Assets		(255)	-	(48)	(255)	(48)
Purchase of Investments		(197)	-	54	(197)	54
<b>Net Cash Flow from Investing Activities</b>		<b>(22,479)</b>	<b>(21,893)</b>	<b>(23,298)</b>	<b>(22,473)</b>	<b>(23,289)</b>
<b>Cash Flows from Financing Activities</b>						
<b>Cash was received from:</b>						
Proceeds from Borrowings		7,996	7,345	13,622	7,995	13,622
		<b>7,996</b>	<b>7,345</b>	<b>13,622</b>	<b>7,995</b>	<b>13,622</b>
<b>Cash was distributed to:</b>						
Repayment of Borrowings		(5,000)	-	-	(5,000)	-
<b>Net Cash Flow from Financing Activities</b>		<b>2,996</b>	<b>7,345</b>	<b>13,622</b>	<b>2,995</b>	<b>13,622</b>
<b>Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts</b>		<b>(7,872)</b>	<b>-</b>	<b>2,220</b>	<b>(7,911)</b>	<b>1,691</b>

	Notes	Council			Group	
		Actual	LTP	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year		9,407	2,197	7,187	9,620	7,929
<b>Cash, Cash Equivalents and Bank Overdrafts at the end of the year</b>	12	<b>1,535</b>	<b>2,197</b>	<b>9,407</b>	<b>1,710</b>	<b>9,620</b>

# NOTES ACCOMPANYING SUMMARY ACCOUNTS

## Summary of Significant Accounting Policies

### Basis of Preparation

The full annual report from which this summary is derived is prepared in accordance with PBE accounting standards. The summary financial statements are prepared in accordance with PBE FRS 43. The full financial statements comply with these standards for the periods reported.

### Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which includes the requirement to comply with NZ GAAP.

These financial statements have been prepared in accordance with and comply with PBE accounting standards.

The Council and management of Ruapehu District Council confirm that all statutory requirements in relation to this annual report have been met including those outlines in the Local Government Act 2002, and the local Government (Financial Reporting and Prudence) Regulations 2014.

### Presentation Currency and Rounding

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

### Other changes in accounting policies

There have been no other changes in accounting policies.

### Standard issued and not yet effective, and not early adopted

There have been no standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group.

## CONTINGENT LIABILITIES

	Council & Group	
	Actual 2024 \$000	Actual 2023 \$000
Legal Proceedings	150	150

Council is subject to one legal proceeding against it, alleging inadequate compensation for acquired land. The potential liability to Council, if the claim is successful, is estimated to be \$150,000. The outcome of the claim will not be known until legal proceedings progress further (as for 2024).

### Kodiak Consulting/Jon Hall

This matter involves fraudulent producer statements provided by Jon Hall/Kodiak Consulting Limited to Ruapehu District Council (design and construction). Ruapehu District Council is one of the councils throughout New Zealand affected by this situation. Council is in the process of identifying affected properties, these properties falling into one of three categories. Category 1 is those properties that have applied for building consent not yet granted. Category 2 is where consent has been granted but a Certificate Code Compliance (CCC) is not yet issued and category 3 is those properties where CCC has been issued. Council has notified its insurer on a precautionary basis. There are no claims against Council at this time. This matter was also the subject of a Police investigation that resulted in the conviction and jailing of Jon Hall.

**New Zealand Local Government Funding Agency (LGFA):**

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor of AAA for local currency and a foreign rating of AA+ as at 30 June 2024.

As at 30 June 2024, the Council is one of 30 local authority shareholders and 77 local authority guarantors of the LGFA. The New Zealand Government also has a 11.1% shareholding in the LGFA. It has uncalled capital of \$1 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with other shareholders and guarantors, the Council is a guarantor of all the LGFA's borrowings. At 30 June 2024, the LGFA had borrowings totalling \$20.55 billion (2023: \$16.43 billion).

PBE Accounting Standard require the Council to initially recognise the guaranteed liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guaranteed liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considered the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

## CAPITAL COMMITMENTS AND OPERATING LEASES

	Council & Group	
	Actual 2024 \$000	Actual 2023 \$000
<b>Capital Commitments</b>		
Roading	15,605	21,849
Bridges	-	-
Water	1,874	3,187
Wastewater	-	-
Stormwater	-	-
Community Facilities	-	-
<b>Total Capital Commitments</b>	<b>17,479</b>	<b>25,036</b>
<b>Operating Leases As Lessee</b>		
Not Later Than One Year	671	301
Later Than One Year and Not Later Than Five Years	1,468	459
Later Than Five Years	1,003	1,094
<b>Total Non-Cancellable Operating Leases</b>	<b>3,142</b>	<b>1,854</b>
<b>Operating Leases As Lessor</b>		
Not Later Than One Year	42	33
Later Than One Year and Not Later Than Five Years	62	52
Later Than Five Years	53	65
<b>Total Non-Cancellable Operating Leases</b>	<b>157</b>	<b>150</b>

### Capital Commitments

Council has extended several contracts for land transport services, focusing primarily on road resurfacing, streetlight maintenance, and road network marking. These projects are scheduled for completion by 30 June 2031. Additionally, Council has entered into a contract with BTW Infrastructure Consultancy for a range of capital and operational projects starting from 1 July 2024.

As of 30 June 2024, the Council's total contractual (operating and capital) commitment is \$73.4 million. Based on historical records of capital and operational expenditure against the contract or contracts of a similar nature, Council has estimated the capital commitments as \$17.5 million and operating commitments as \$55.9 million as at the June 2024 balance date. The contract relates to land transport services, focusing primarily on road resurfacing, streetlight maintenance, and road network marking. These projects are scheduled for completion by 30 June 2031.

### Operating Leases

Council leases property, plant and equipment in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as shown above.

Council leases an office building as the lessee, for which the lease expires in September 2031, with a right of renewal for a further 25 years. There is no option to purchase the asset at the end of the lease term. There are no other significant leases. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2023: \$nil).

There are no restrictions placed on the council by any of the leasing arrangements. No contingent rents have been recognised during the period.

## RELATED PARTY TRANSACTIONS

### Transactions with Key Management Personnel

	2024		2023	
	FTE's	-	FTE's	-
<b>Councillors</b>				
Remuneration		517		491
Full Time Equivalent Members	10		17	
<b>Executive Leadership Team Including Chief Executive</b>				
Salaries and other Short-Term Employee Benefits		1,477		1,166
Post-Employment Benefits		-		-
Other Long-Term Benefits		-		-
Termination Benefits		-		-
Full Time Equivalent Members	8		7	
<b>Total Key Management Personnel Compensation</b>	<b>18</b>	<b>1,994</b>	<b>24</b>	<b>1,657</b>

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

Key management personnel include the Mayor, Councillors, Chief Executive and the other eight members of the executive leadership team.

During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with Council (such as the payment of rates).

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 condition no more or less favorable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Councillors are also involved in various non-profit organisations throughout the community, which receive funding from Council. There has been no disclosure where the transactions are consistent with a client/recipient relationship on terms and condition no more or less favorable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

RDC Holdings Ltd (100% Council owned subsidiary) is non-active and has no revenue, expenditure, assets or liabilities, and there have been no transactions recorded in the 2024 financial year. (2023: Nil).

Visit Ruapehu Ltd (100% Council Controlled Organisation). This new organisation replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operated from 2009 until wound up by a Trustees Resolution on 17 October 2019 under a Deed of Confirmation. The transactions and assets and liabilities for the period 1 July 2023 to 30 June 2024 are consolidated into the Parent Group within the Financial Statements.

### Provisions/Impairments

No impairments have been required for any receivables to related parties (2023: Nil).

# EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the budget for 2023/24 are as follows:

## Statement of Comprehensive Revenue and Expense

### Revenue

Rates are in line with the budget and \$1.7m higher than previous year, driven by the agreed rating increase, growth within the district and \$358k in penalties received.

Subsidies and Grants are \$5m higher than LTP budget, mainly due to deferred capital projects funded externally and unbudgeted funds, including operational subsidies, Mayor's Taskforce, the Contestable Better Off fund, and additional subsidies from NZ Transport.

Other revenue is \$205k above budget, mainly due to unbudgeted revenue from shared services for valuation rolls and the impairment of receivables.

Council does not budget for non-financial instrument gains, therefore any gain creates a variance against the budget. This year saw \$444k gain from investment property revaluations and assets disposal.

### Expenses

Depreciation expenses are \$1.1m above LTP budget due to higher revaluations across infrastructure, land and building assets.

Other expenses are \$6.5 million over budget. This is mainly due to \$2.8 million in additional day works maintenance, \$1.5 million in higher operating costs such as insurance, IT software, power, signage, and cycle trail expenses, \$1.3 million in consultant fees, \$770k for road maintenance and \$300k in vehicle costs. Some of these costs were offset by savings in contract expenses.

Council does not budget for losses, therefore any such amounts are variances against the budget. This year there was a \$1.8m loss, primarily from assets disposal related to roading assets and investments property valuation adjustment.

## Statement of Financial Position

Cash and Cash equivalents are \$660k below budget, primarily due to the timing of income and expenditure. Cash levels were managed well based on LGFA covenant requirements.

Property Plant and Equipment are \$72m above budget, driven by a higher-than-expected revaluation of land transport assets last year.

Investment Property are \$2.2m above budgeted, reflecting strong revaluations over the last 3 years.

Creditors and other payables are \$2.4m higher than budget, largely due to the timing of expenditure on large contracts of \$3.5m, mainly related to 3 waters and roading.

Borrowing is \$1.7m over budget, due to an increase in capital projects and NZ Transport capital works.

Income in Advance is \$1.3m below budget, mainly due to delays in the Ohakune WTP, cycleways and trails project.

## Statement of Cash Flows

Rates revenue is \$1.1m above budget, reflecting the agreed rating increase, growth within the district and \$358k in penalties received. for the year.

Subsidies and grants receipts are \$8.8m higher than budget due to unbudgeted external funding from Central Government and NZ Transport and deferred capital projects funded externally.

Cashflow from Other Revenue is \$2.2m lower than budget, due to the timing of when revenue was received.

Supplier payments are \$8.5m above budget, mainly due to increase maintenance costs for water, roading, and operational SaaS costs that were budgeted as capital.

Payments to Employees and Elected Members are \$200k higher than budgeted, primarily due to a variance in the number of vacant positions.

Interests paid is 1.8m higher than budget, resulting from market interest rates exceeding expectations.

Purchase of Property Plant and Equipment is \$210k higher than budget, primarily due to increased costs associated with NZ Transport capital contracts.

## **EVENTS AFTER BALANCE DATE**

### **Water services reform**

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary



## Independent Auditor's Report

### To the readers of Ruapehu District Council and group's summary of the annual report for the year ended 30 June 2024

The summary of the annual report was derived from the annual report of the Ruapehu District Council and group (the District Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 5 to 16:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary key performance indicators.

### 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 2024 in our auditor's report dated 27 November 2024.

## **Council's responsibility for the summary of the annual report**

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

## **Auditor's responsibility**

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

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

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.



Clarence Susan,  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand  
27 November 2024