

Ōpōtiki District Council 2019/20 Summary Annual Report

November 2020



From the Mayor and CEO

We are pleased to present you with our annual report for 2019/20. It has been a year of highs and lows from the celebration of finally securing the funding for Ōpōtiki's long held aspiration of a new Harbour entrance to the lows and worry that came with the pandemic, followed by the announcement of a number of successful grants for Covid recovery projects.

A new set of councillors were elected in October 2019 and have had a very unusual first six months in their new roles steering the organisation through the events of 2020. The annual plan and early work on the Long Term Plan has been a major part of their work.

As well as the Ōpōtiki Harbour Development, other successful Provincial Growth Fund (PGF) outcomes were realised with several kiwifruit developments along the coast and our growing marine industry receiving funding. These put the district in a great position.

On 26 March 2020 our nation went into a full lockdown to try to manage the spread of Covid 19. For council that meant fundamentally changing the way we operated within a matter of weeks. Our Civil defence team was activated, re-deploying staff out of business as usual functions, our front line staff stepped up to manage our essential services in a safe way for themselves and the community, and our managers prepared for Covid recovery by preparing funding applications. Working remotely required new equipment and software installed quickly and learning how to hold formal meetings remotely.

We have also made solid progress on our assets and services with work on the Ōpōtiki sewer rehabilitation, extension of the Te Kaha water supply and various roading, lighting and kerb and channelling improvements.



Lyn Riesterer, MAYOR



Aileen Lawrie, CEO

What you'll find in this report

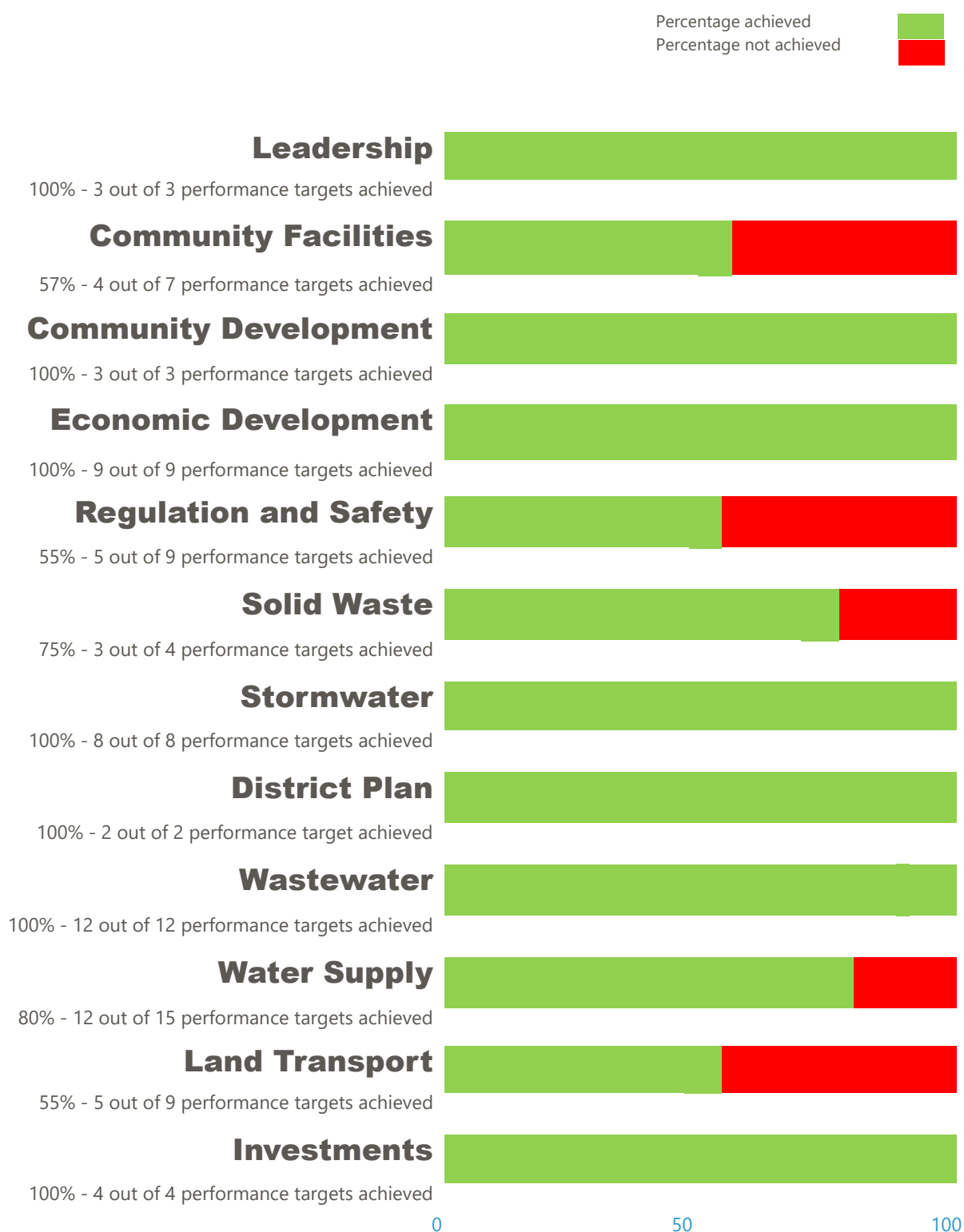
- Message from Mayor and CE
- Non-financial performance overview
- Highlights and significant events
- Where your rates dollars are spent
- Financial reporting and prudence information
- Financial Strategy information
- Finances in brief
- Financial summary
- Summary Accounting Policies
- Summary Audit Report

Our performance

Our projects and work programmes are contained in 12 groups of activities.

In our Long Term Plan, we set 87 measures which we use to report back on our service performance across these activities. 85 of these measures were applicable for this financial year and are highlighted below. Our performance measures provide us with targets to meet, covering things such as responsiveness, safety, timeliness, meeting statutory requirements, and compliance. This graph shows the percentage of targets achieved and not achieved. The calculation does not include, or take in to account, the performance measures that were not applicable (did not need to be reported on or were not measurable) for the 2019/20 year.

Detailed reporting on the individual measures can be found in our full Annual Report along with information on how our measures help us achieve our community outcomes and what progress has been made towards achieving the outcomes.



Highlights and significant events

Harbour Development Project

After twenty years of hard work funding was announced.

In partnership with the Ministry of Business Innovation and Employment and guided by the Independent Advisory Panel to the Provincial Growth Fund, council finalised and lodged a revised business case for the harbour development. The business case, titled Te Ara Moana a Toi, showed cost reductions through design refinement and decreased cartage costs for rock supply. It also showed faster development and a wider range of opportunities arising from the construction of a new harbour entrance.

An announcement on 28 February 2020 was made that the government would fund the harbour from the newly formed National Infrastructure Fund, in conjunction with the contribution from Bay of Plenty Regional Council. The

successful end of twenty years of hard work by many people in the community, Whakatōhea, government, regional council and our many “friends of Ōpōtiki” in the motu was marked by a community street party attended by thousands.

A funding announcement was also made for Whakatōhea Mussels (Ōpōtiki) Limited to build a processing plant in Ōpōtiki and early in the new financial year announcements were made for Whakatōhea Māori Trust Board and for the construction of the marine industrial zone.

Together the announcements total around \$170M to be spent in Ōpōtiki over the coming three years.



Great progress is being made on the Snell Road extension—the access road for the harbour development.

Te Tāhuhu o Te Rangi

Ōpōtiki's new research and technology library gets the green light.

Following unsuccessful attempts to secure significant grant funding for the long-held aspiration of delivering Te Tāhuhu o Te Rangi for our community, and a consultation process, Council resolved to proceed and underwrite the full development. Tender processes were started that promoted the use of local businesses in the

build. As we progressed through the year we were then successful in securing a number of grants including BayTrust, Lotteries, PGF Digital Hub, and Trust Horizon. Post balance date the remainder of the cost was announced from Crown Infrastructure Partners funding and the build commenced.



Concept design for Te Tāhuhu o Te Rangi

Te Ahiaua (Pipi Beds) Reserve

Construction of the internal roadway extension and parking areas has now all been completed. Three large macrocarpa slab picnic tables and benches have been installed and are already being regularly used. This now completes the upgrade works for this reserve incorporating a new and more efficient water supply and effluent disposal system, toilet facilities upgrade and a new improved sealed internal roadway and car/

campervan parking area with associated picnic facilities. Despite several complications that delayed the installation of a fully compliant and effective effluent disposal system, the whole project was still completed within the original project budget of \$480,000 with \$280,000 funded from a Ministry of Business Innovation and Employment (MBIE) Tourism Infrastructure grant.



Progress shot from works at Te Ahiaua (Pipi Beds) Reserve

Town centre revitalisation

A master plan is being progressed.

During the year Council engaged with the community on the revitalisation of the town centre. The Town Centre Structure Plan was adopted by Council at the June meeting and a masterplan is now being progressed. The

intention is to have the masterplan in place before December and this will assist decision-making around the revitalisation of the central business district.



Church St Reserve (former Rose Gardens)

The roses have been moved to their new home.

Stage one of the Church St reserve was completed with the removal of the roses to their new riverside location, and the demolition of derelict structures. A network of new footpaths is now complete. Work to further enhance

this reserve as a destination reserve, including the provision of public toilets, additional play apparatus and additional facilities for community use, will proceed on a staged basis as funding becomes available.

Elliot Street building

Making it easier to physical distance at work.

The Council's Elliot St building upgrade was completed just in time to welcome the harbour funding decision. The refurbishment means that the building now meets

modern standards and is now housing staff, and harbour/workforce development consultants.

Street lighting

Additional street lights installed.

Council has made good progress towards installing new lighting in the Ōpōtiki township assisted by a generous Waka Kotahi NZ Transport Agency contribution and grant funding from the Eastern Bay of Plenty Energy Trust (EBET). As part of the infill street lighting programme 253 LED luminaries have been installed this year. The

programme is expected to continue for the next two years with the LED luminaries being better for the environment and providing energy savings. Requests will be made for assistance from NZTA and EBET for funding to complete the infill programme within the next two years at a total budget of \$600,000.



Horizon Networks installing infill street lighting.

Water Supply

Extension of the Te Kaha supply completed.

We continue to improve the resilience of our water supply system and this year have completed work to ensure improvements in water mains. we have also

completed the extension of the Te Kaha system and installed new meters.

Stormwater

Modelling completed.

This year we have completed modelling of the Ōpōtiki township. This modelling looks in to managing both

water quantity and quality.

Asset Renewal

Council completed its programmed works to maintain and upgrade its assets including:

- Reseal of sections of urban and rural pavements, re-metalling of unsealed road surfaces in accordance with the asset management plan programme
- The annual rehabilitation / upgrade urban street project as per the asset management plan programme
- Close to 50% of Council's wastewater pipelines under the Wastewater Rehabilitation Project
- Various stormwater and water supply plant components to ensure optimal operation.

Asset Management

Asset Management migrates to the cloud.

Engineers have acquired various modelling software to enable staff to view and model Council's potable water and wastewater systems. This provides an in depth pre and post evaluation of rehabilitation works which will be

key to assessing and planning future infrastructure works. Engineering asset management systems have migrated to cloud based services which aim to improve on performance, stability and redundancy.

Solid Waste

Waste to landfill increases.

Councils volume of waste going to landfill has risen from a previous average 1000 tonnes a year, to last year 1500 tonnes (a 50% increase). There are several reasons for this – firstly Council introduced a new bin system with residual waste capacity of 45 litres, an increase from the previous 25 litre bags. Secondly during Covid 19 all

waste was collected and sent to landfill due to health risks. Cost of waste disposal at the landfill has risen as have transport costs to get the waste to landfill. Like other Councils we have had reduced success at recycling initiatives over the previous financial year, due to wider global circumstances.

Sewerage

Rehabilitation project held up as best practice example.

This year we have continued work towards our rehabilitation of the Ōpōtiki sewerage system with ongoing relining and rehabilitation work to decrease inflow and infiltration in both the main sewer reticulation and lateral pipes on private property. This project has come in on time and under budget and was used by the Office of the Controller and Auditor General in its report on local government activity to demonstrate an example

of best practice.

With assistance from government's Tourism Infrastructure Fund, Te Ahiaua (Pipi beds) reserve has a brand new disposal field that is fully compliant with modern water quality standards, and even has a nitrogen stripping mechanism.



Contractors Interflow work on relining wastewater pipes

Walkways/Coastal Access

Increase in use of Motu Trails during lockdown.

Staff are working with the Motu Trails Trust and Department of Conservation (DOC) to ensure more consistency in the maintenance standards of the DOC and Ōpōtiki District Council sections of the Motu Cycle Trail. This includes the Dunes and Otara Stop Bank Trails and the Pakahi Track with both organisations working towards engaging the Motu Trails Charitable Trust to undertake the routine maintenance works required to keep this trail to the required standards. This opens up a whole range of co-funding grant opportunities that the Trust are eligible for, which are not available to either Council or DOC.

One thing that became apparent during the COVID-19 lockdown period and subsequent level restrictions has been the extent of local engagement and responsibility that has been experienced regarding the Dunes Cycle Trail. As well as the increase in use of the trail by locals, many also actively engaged in keeping it tidy and dealing with or reporting any incidents of concern.

District Plan

Mediation of appeals completed.

The Ōpōtiki District Plan has had legal effect since 1 May 2018, when the Decisions Version was issued. Mediation of the appeals made against the plan were completed and all outstanding consent orders have been signed off

by the Environment Court. The final Decisions Version of the Ōpōtiki District Plan will be presented to Council for formal adoption before the end of 2020.

Building Control Authority

Online applications on the rise.

The number of building consents received during the year was up 10% and 77% of building consent applications were submitted using our online portal.

Online applications improve efficiency as officers can begin assessing the application on day one rather than

having to wait for paperwork to be scanned in and files made up. Vetting of applications is more streamlined and applicants don't have to pay a deposit as they get billed once the consent is ready to be issued.

Animal Control

More impounded dogs have been rehomed.

This year 1,545 dogs were registered, a slight decrease on last year's record high number of dogs registered. New initiatives have improved registration rates overall over the last few years, particularly around the Te Kaha area, and more dogs have been rehomed from the pound. There has been a significant decline in the number of Pitbulls and other menacing breeds being impounded as a result of Council's decision to fund de-sexing programmes for dangerous and menacing dogs. It means more of the dogs impounded are suitable for rehoming. We are also adopting dogs out through the SPCA who advertise available dogs on their website. Dogs have been rehomed from our pound to Invercargill, Auckland, Thames, Christchurch and Wellington this year. Our community's perception of the service continues to improve with an increase in the number of people that were very/fairly satisfied with Animal Control recorded during the Council's annual customer satisfaction survey.

Staffing

Council invests in new health and safety system to meet legislation requirements.

Council have recruited 21 staff during the 12 months. Legislative changes have put more administrative responsibilities on employers particularly around information sharing with unions. Penalties can be incurred if this is not managed as required. This has increased the workload on payroll, along with an increased number of staff overall.

Implementation of the new health and safety system, SHE Assure is complete. The impact of Covid-19 on work practices required most staff to be able to work remotely, apart from essential service workers who continued to work with additional safe work practices and PPE requirements in place. Each of the Covid-Alert levels has required specific risk identification and management for all areas of Council's work.



Abandoned dog Skye was rehomed by our Animal Control team and now lives with Hamish in Christchurch.

Covid-19 operational response

Challenges met and innovation ramped up.

With just two days warning, Council and the rest of the country, went into a full lockdown on 26 March.

We found ourselves with a draft Annual Plan that was completed but not yet engaged on, recent announcements of funding from the Provincial Growth Fund for large projects crucial to our district, a requirement for all non-essential staff to work from home, an activated civil defence emergency operating centre, essential services that had to keep running, and a projected decrease in revenue, to name just a few of the operational challenges faced.

In response to these challenges a number of changes were implemented:

- At alert level 4 90% of staff were able to work from home. At level 3 that rose to 95%. Over quieter times business improvements were able to be implemented and staff who were unable to work from home were redeployed where possible
- Our Civil Defence Emergency Operating Centre (EOC) was activated with all functions operating from members homes. Our main role was supporting the Ministry of Health with their response to Covid-19. Our focus was on assisting, enabling and facilitating already established providers within the District. Council partnered with iwi, police, local service providers and big local employers to ensure there was good communication and collaboration with the sector and the public, food banks were fully stocked, and that people seeking assistance were put in touch with the organisation best able to help them



Community safety zones were initiated by Te Whanau a Apanui during the lockdown.

- Numerous actions were taken across Council services to ensure the safety and wellbeing of the community and staff while keeping essential services operational. Key considerations were given to preventing transmission via human to human contact and via solid waste and human waste
- For the solid waste service recyclable and green waste processing at the Resource Recovery Centers (RRCs) ceased due to the risk of transmission, limited PPE and the closure of recycling markets. Residual refuse was received bagged and taken directly to landfill and charging was temporarily stopped. The kerbside collection picked up stray/additional waste during lock-down to ensure public health by keeping streets free of waste as much as possible

- To reduce risk, the cleaning of the milli-screen was automated, and increased communications went out to the community urging them not to flush wet wipes.



Wet wipes can not be flushed. Here staff are clearing a pump blocked with wet wipes to make sure the wastewater essential service continued during lockdown.

- Most meeting schedules were maintained through the use of Zoom and Teams
- Any projects disrupted during level 4 were mostly able to restart under level 3 and planning was able to advance on the Harbour Project
- Planning for recovery and stimulus projects took place and officers were able to successfully apply for government funding during lockdown.

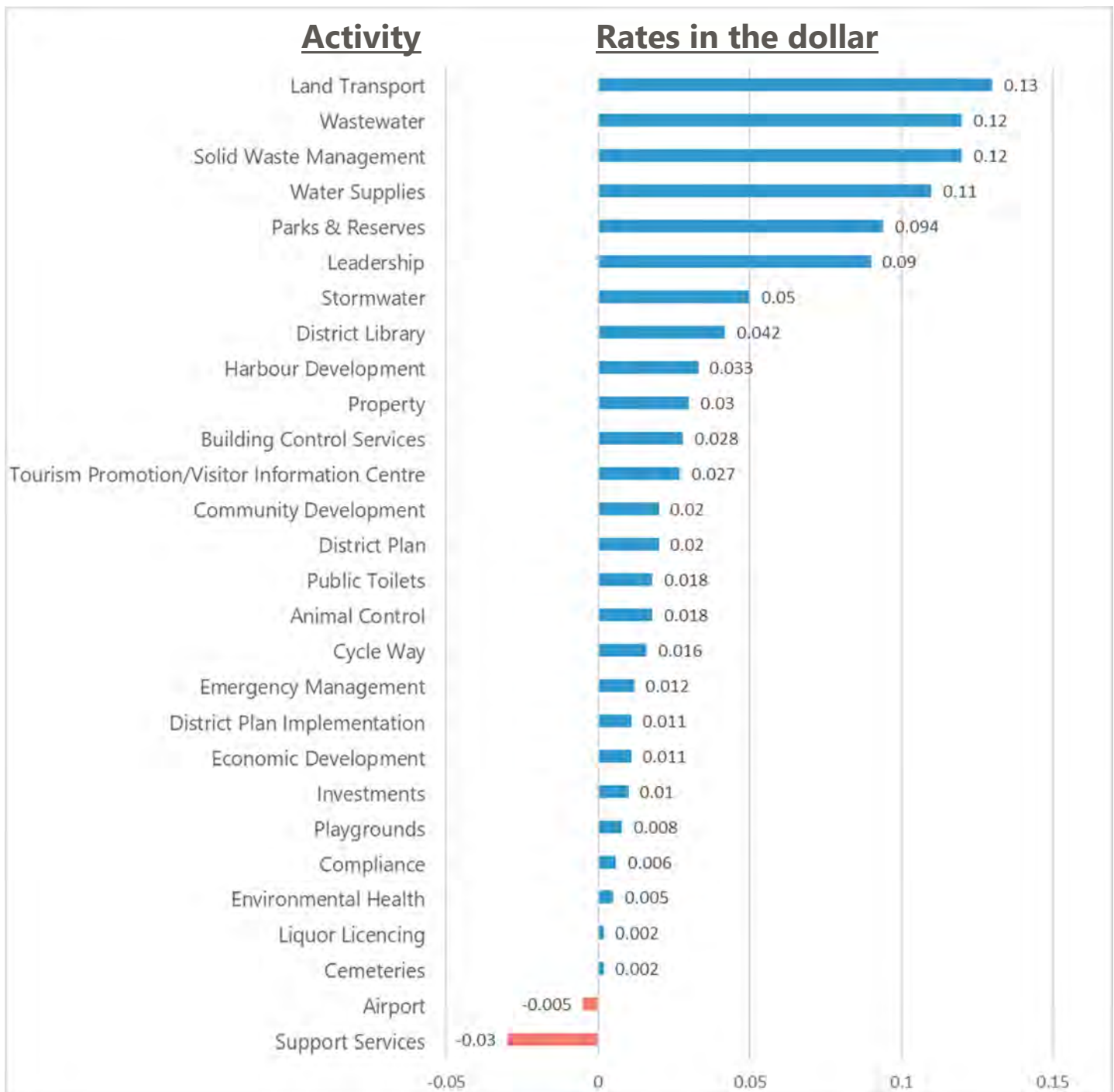


Our Library worked hard (and creatively!) to engage remotely with users. From left to right: Dido listening to an audio book while walking with a bubble mate; Jo and Juls encouraging folk to learn how to sew their own reusable mask; events went virtual (this is Brendan Dooley teaching tricks); the team checking in on Facebook regularly; Juls showing off the new book return box as the Library was prepared for lockdown.



Our vision: STRONG COMMUNITY STRONG FUTURE

Where your rate dollar goes

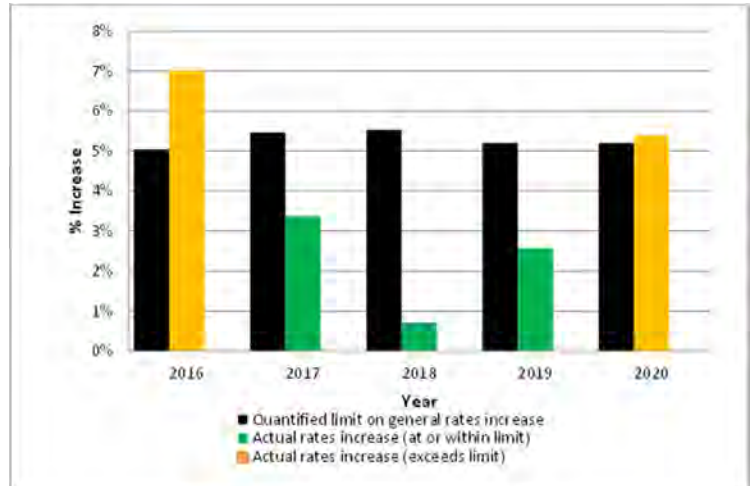


The Council receives money from leasing out the aerodrome for farming operations. The Council also through the support services activity receives revenue from the Bay of Plenty Regional Council for the collection of Regional Council rates.

Financial Reporting and Prudence

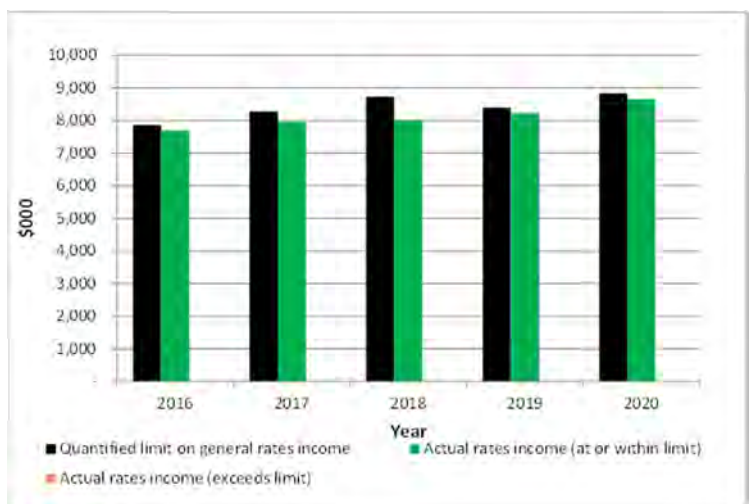
Rates (increases) Affordability Benchmark – General Rates

The following graph compares the council's actual general rates increases with a quantified limit on general rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is LGCI plus 3%.



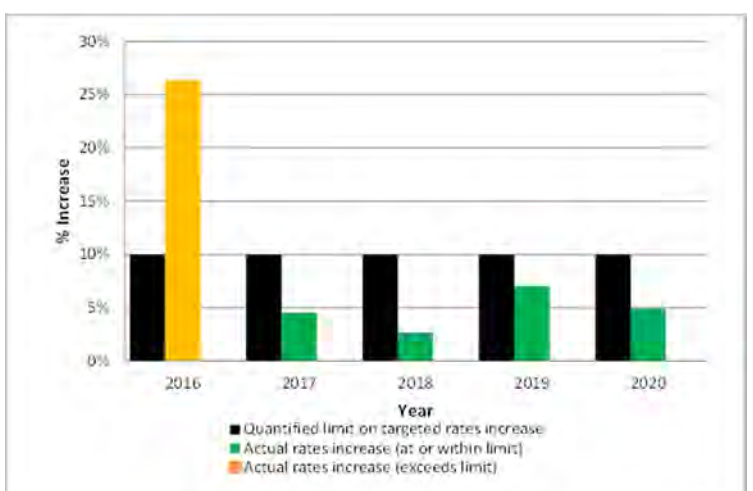
Rates (Income) Affordability Benchmark – General Rates

The following graph compares the council's general rates income with a quantified limit on general rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year general rates plus (LGCI plus 3%).



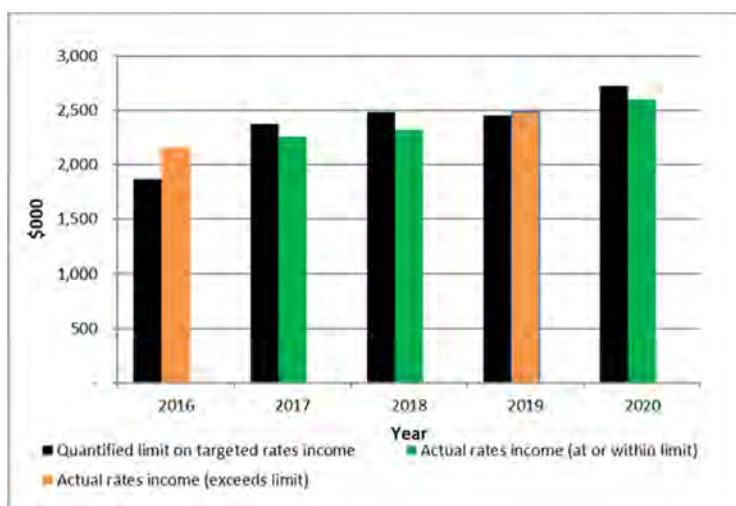
Rates (increases) Affordability Benchmark – Targeted Rates

The following graph compares the council's targeted rates increases with a quantified limit on targeted rates increases contained in the financial strategy included in the council's long-term plan. The quantified limit is 10%.



Rates (Income) Affordability Benchmark – Targeted Rates

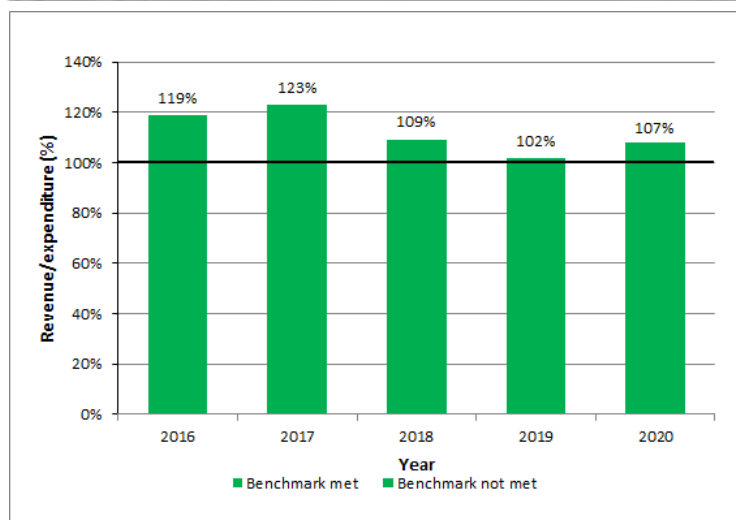
The following graph compares the council's targeted rates income with a quantified limit on targeted rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year targeted rates plus 10%.



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).

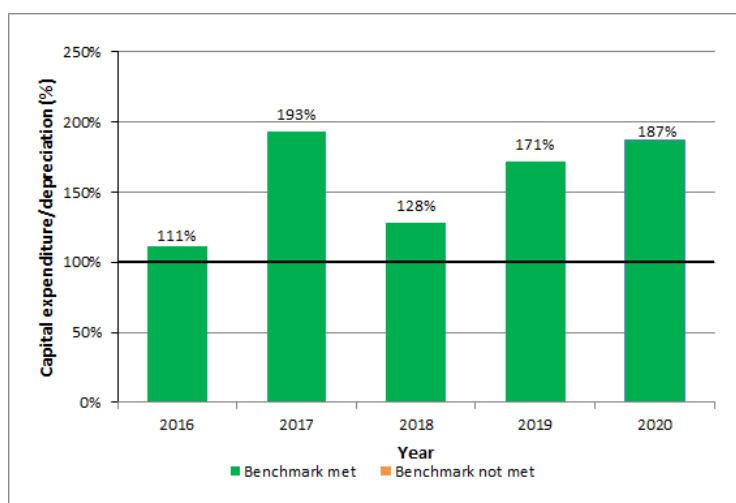
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

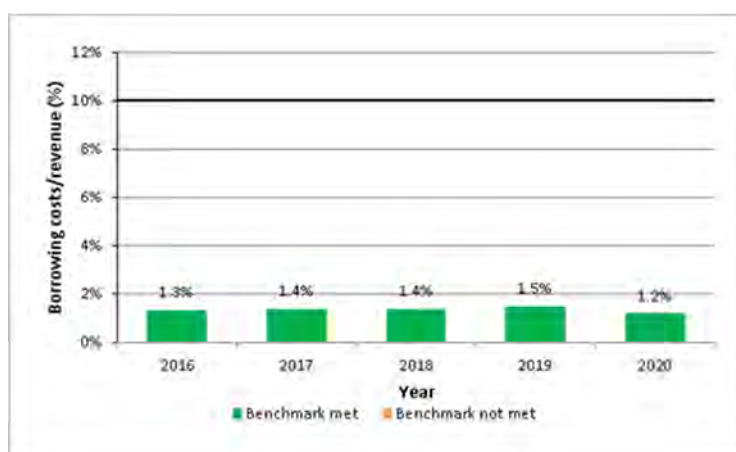
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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 district's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

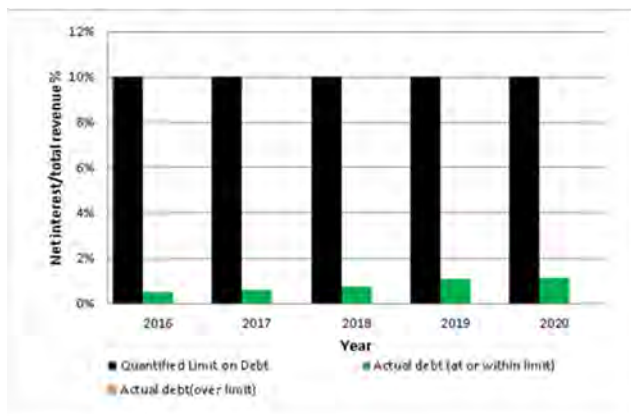


Debt Affordability Benchmark

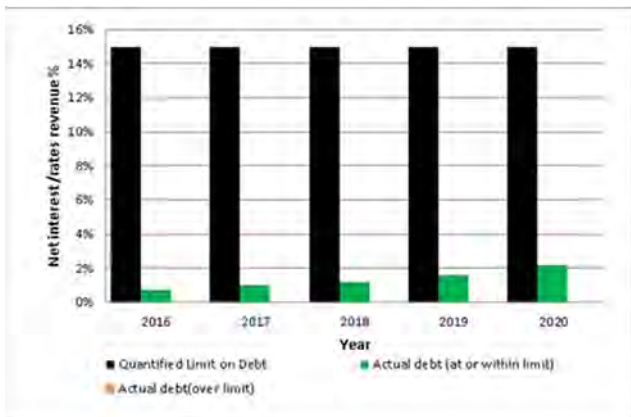
The Council meets the debt affordability benchmark if its borrowings is within each quantified limit on borrowing. The following graphs compare the Council's actual debt with the quantified limits on borrowing contained in the financial strategy included in the long term plan.

The quantified limits are:

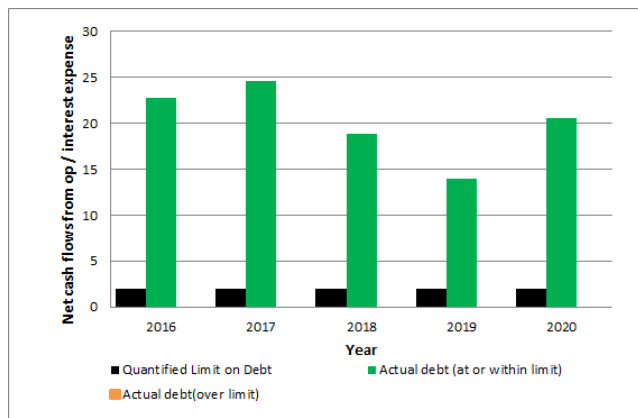
Net interest expense/total revenue less than or equal to 10%.



Net interest expense/rates revenue less than or equal to 15%.



Net cash flows from operating/interest expense greater than or equal to 2.

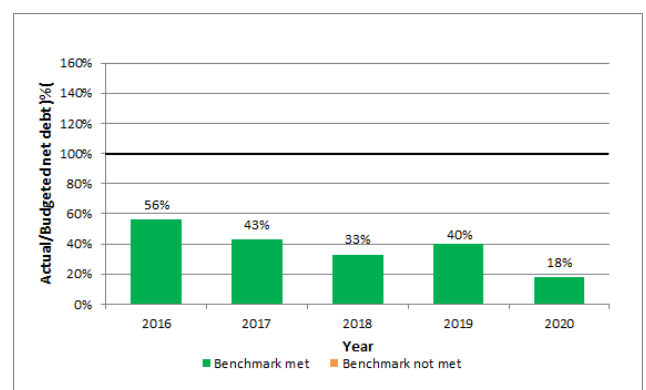


Debt Control Benchmark

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).

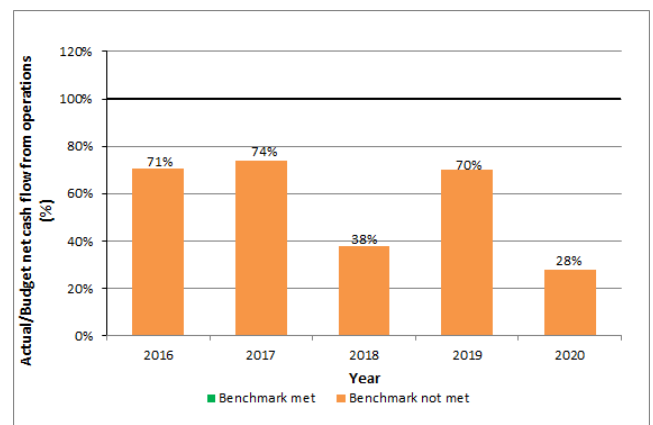
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



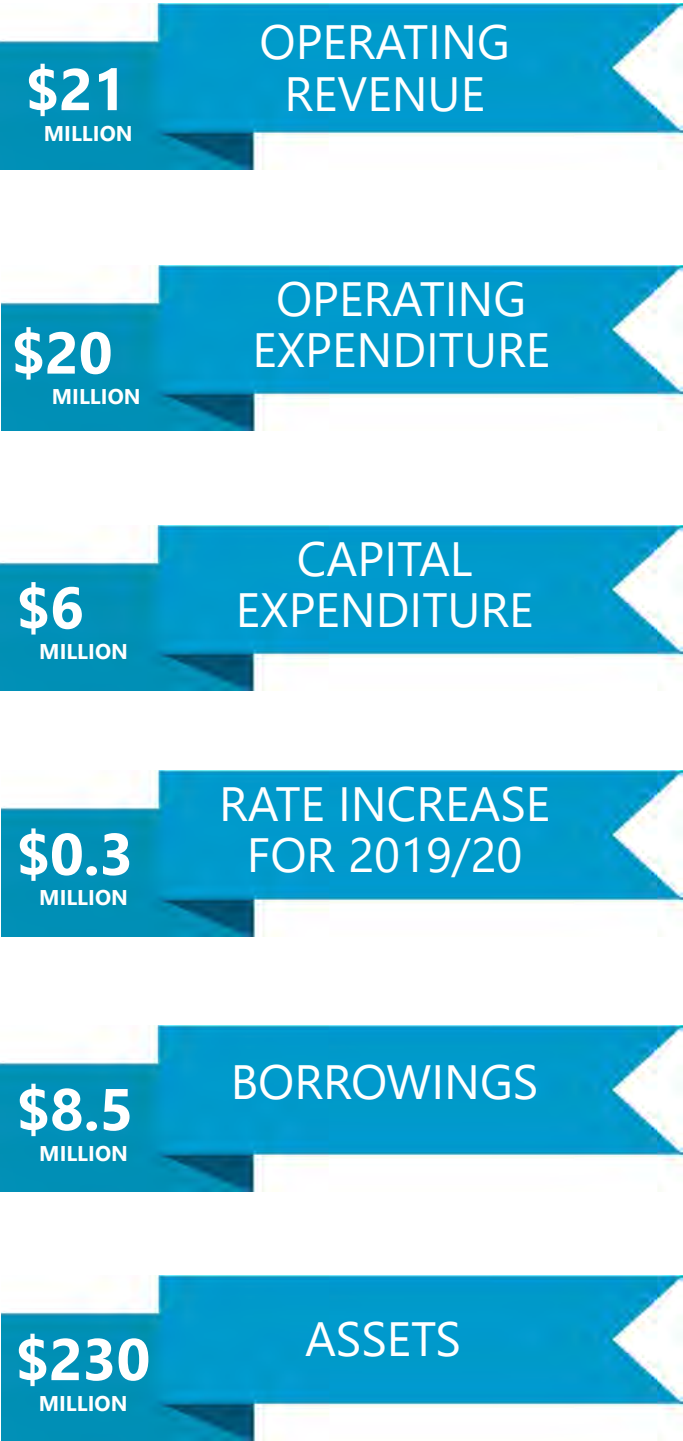
Operations Control Benchmark

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.



Our finances in brief



Capital Expenditure



Major Variances

Economic Development—The harbour project was budgeted to start this year. This was delayed and will now be delivered by Central Government.

Community Facilities—Delays in the start of some significant projects have created this variance. These are Cycleway extensions, Te Tahuhu o Te Rangi, Replacement Pound, which are underway now.

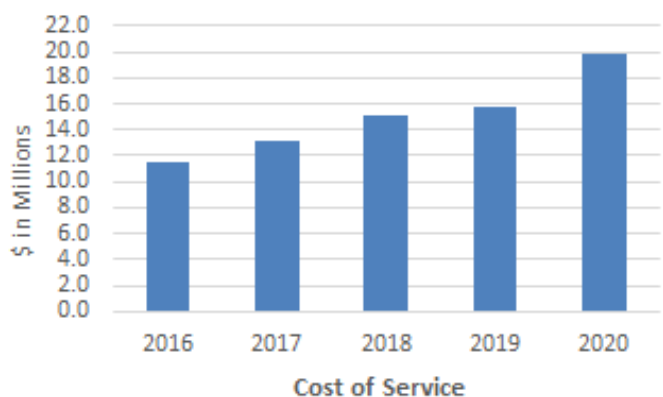
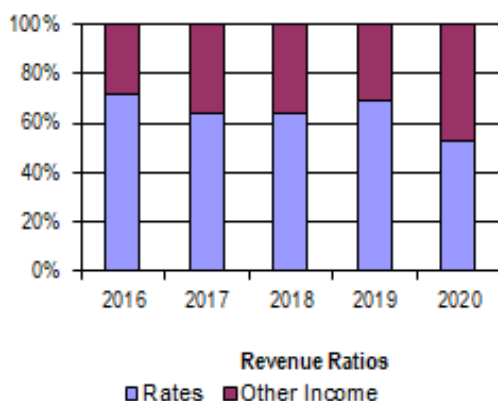
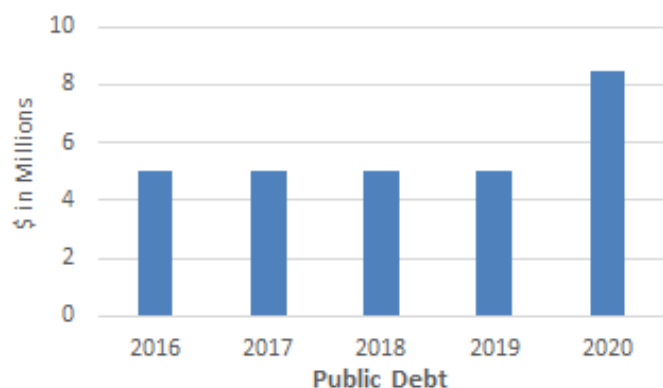
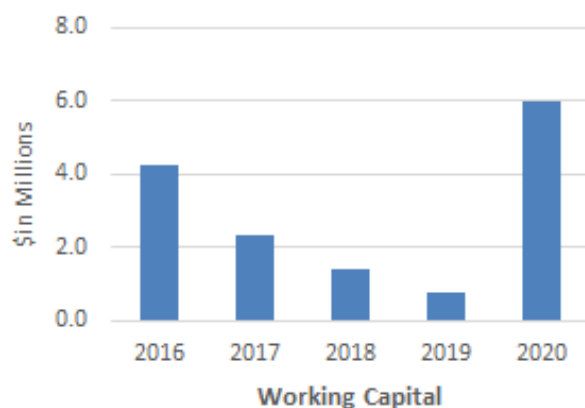
Financial strategy

The graphs and summary tables below demonstrate Council's financial prudence over time. Council is focused on keeping levels of debt as low as possible before the two large capital expenditure projects of the harbour and wastewater replacement begin. There is always a lot of public scrutiny on Council debt levels nationally, and there are a number of cases where some Councils have let debt levels get out of hand. Sustainable debt levels and debt management is extremely important to Council, and is an area which is managed well. Debt levels for Ōpōtiki are some of the lowest in the country currently and as the financial prudence measures outline are very sustainable in terms of Councils ability to meet its financial obligations.

It does need to be mentioned that the appropriate utilisation of debt means that rates increases can be managed more effectively over a longer term. Take for example Council undertaking a capital project costing \$100,000. This represents over a 1% increase in rates. But if it was funded by borrowing, then the impact on rates would be 0.1% of rates, meaning we could undertake \$1,000,000 worth of projects for the same

rating impact of one \$100,000 project. The use of debt also helps smooth rate increases out between years, by spreading the impact of a large capital project over a number of rating years. This reduces the lumpiness and rate increases of big projects.

Whilst debt is crucial to ensuring the Council is managing its assets appropriately, it also plays a significant role in ensuring that Council meets the service level needs of its community. Where there are new requirements for services driven by growth, Council needs to be able to respond to these needs. Debt is the appropriate tool to fund this response as the cost is spread over a long period. This promotes the term intergenerational equity. Intergenerational equity is a term used widely in Local Government because the assets we tend to build last many generations. Sometimes three or more generations. It is fair that the cost of the future benefit received by future generations is paid by future generations. Otherwise it would be the "now" generation paying for the benefit that those in the future would receive.



Financial summary

Variance Comments

Income

Overall Council has achieved an operating surplus of \$1.5 million for the year against a budgeted surplus of \$15.9 million.

Operating revenue is \$10.5 million lower than budgeted for the year due to not receiving any of the budgeted funding for the harbour development. Instead this project will be delivered by Central Government, so will not form part of Council's financials.

Fees and charges revenue was on budget at \$1.25 million.

Other revenue is also similar to budget at \$309k.

Finance revenue is \$93k less than the budgeted \$102k due to (historically low) interest rates, and Council using available cash as much as possible before raising external debt. Conversely, finance costs are underspent due to low interest rates and the delay in completing a number of debt funded capital projects.

Expenditure

Other operating expenditure is \$4.6 million higher than budget for the year mostly due to costs related to wastewater rehabilitation works, some of which was undertaken on private property (and therefore could not be capitalised), and a loss on disposal created from the revaluation of the road network. Over expenditure also occurred in solid waste and in regulatory. More information about variances in operational expenditure is available at an activity level in the following activity statements.

Depreciation and amortisation is similar to budget at \$2.9 million.

Employee benefit costs are lower than budget by \$482k due to a number of budgeted roles not being filled, and those that were filled were done part way through the year, where budget was allocated for the full year.

Other comprehensive revenue was \$11.3 million over budget due to a revaluation increase for the roading network. There was no budget allocated to this as the normal revaluation process is once every three years. However the roading cost index had increased significantly, requiring an out of cycle revaluation to be undertaken.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Comprehensive	2020	2020	2019
Revenue and Expense for the year ended 30 June 2020	\$000	\$000	\$000

Total Revenue	21,379	31,872	16,009
Operating Expenditure	19,586	15,398	15,493
Finance Costs	257	489	236
Operating Surplus/(Deficit)	1,536	15,985	280
Share of Associate Surplus/(Deficit)	16	-	(3)
Other Comprehensive Revenue			
Gain on Asset Revaluations	11,315	-	-
Total Comprehensive Revenue and Expense	12,867	15,985	277

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Changes in	2020	2020	2019
Equity for the year ended 30 June 2020	\$000	\$000	\$000

Equity at the Beginning of the Year	203,336	203,520	203,053
Total Comprehensive Revenue and Expense	12,867	15,985	277
Transfers to/from Equity	35	(425)	6
	216,238	219,080	203,336

Equity - Closing Balances			
Accumulated Funds	138,249	152,061	135,596
Asset Reserves	76,488	66,075	66,369
Council Created Reserves	1,501	944	1,371
Equity at the End of the Year	216,238	219,080	203,336

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Financial	2020	2020	2019
Position as at 30 June 2020	\$000	\$000	\$000

Total Current Assets	11,065	7,796	4,816
Total Non-Current Assets	218,794	240,292	207,661
Total Assets	229,859	248,088	212,477
Total Current Liabilities	5,050	4,908	4,046
Total Non-Current Liabilities	8,571	24,100	5,095
Total Liabilities	13,621	29,008	9,141
Net Assets/Equity	216,238	219,080	203,336

Statement of Financial Position

Total assets are lower than budget because of the delays to significant capital projects.

This year we borrowed an additional \$3.5 million to fund capital infrastructure works.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Cash Flows	2020	2020	2019
for the year ended 30 June 2020	\$000	\$000	\$000
Net Cash from Operating Activities	8,790	19,083	3,310
Net Cash from Investing Activities	(9,395)	(31,127)	(5,277)
Net Cash from Financing Activities	3,500	12,314	-
Net Increase/(Decrease) in Cash	2,895	270	(1,967)
Cash at the Beginning of the Year	1,663	3,668	3,630
Cash at the End of the Year	4,558	3,938	1,663

Statement of Cash Flows

Net cash from operations of \$8.8 million was lower than the budget of \$19.1 million due to less subsidy revenue for capital projects being received. This relates to the harbor development project which will be delivered by Government instead of Council.

Net cash from investing activities of (\$9.4) million was higher than budget of (\$31.1) million due to the harbor project not being delivered by Council.

Net cash from financing activities of \$3.5 million was lower than budget of \$12.3 million as we did not borrow as much funds during the year as expected.

Summary Accounting Policies

The information included in this summary has been extracted from the audited full financial information in the Ōpōtiki District Council 2019/20 Annual Report. It is prepared on an individual entity basis as Ōpōtiki District Council does not have a group. This Summary Annual Report was authorised for issue on 17 November 2020 by the Mayor and Chief Executive of the Council.

The Council's full Annual Report has been audited by Audit New Zealand and an unmodified opinion was issued on 17 November 2020.

The full financial statements have been prepared in accordance with Tier 2 PBE accounting standards. This Summary Annual Report has been prepared in accordance with PBE FRS-43 Summary Financial Statements.

The approval by the Council on 17 November 2020 of the Financial Statements for the year ended 30 June 2020 is outside the statutory deadline for adoption established by the Local Government Act 2002, which requires that the financial statements are completed and adopted by Council before 31 October each year. The legislated timeframes however were extended due to the impacts of Covid-19 to 31 December 2020 for this year.

The presentational currency is the New Zealand Dollar NZD.

Summary Additional Disclosures

Contingencies

We have contingent liabilities at year end of \$1,000 (2019: \$16,000) which relates to residual costs for the Ministry of Education weathertightness claim against Councils across the country. This case was dropped after balance date, but we have retained some contingency for legal costs to come.

We have contingent assets at year end of \$0 (2019: \$2,439) which related in prior years to Tamatari Enterprises for the construction of a public toilet at Waihou Bay.

Commitments

Council has capital commitments at 30 June 2020 of \$4.13 million (2019:\$1.86 million). These relate to the capital works for the following asset classes

Council has operating commitments at 30 June 2020 of \$1.47 million (2019: \$2.12 million). These relate to non-cancellable contracts that have been entered into during the current financial years. These contacts have the following maturity;

Less than 1 year \$1.47 million (2019: \$2.12 million)

Events after balance date

In April 2020 ODC submitted a series of projects for 'Shovel Ready Projects'. \$11.9 million has since been accepted.

Financial impacts of Covid-19

The Covid-19 lockdown impacted contractors ability to work, which impacted councils ability to deliver capital projects and resulted in lower capital spend. The funding council received from central governments Covid-19 response, increased grant revenue received and improved cash flow. There was minimal expenditure directly related to the Covid-19 response.



Disclaimer

This document is a summary of the full Annual Report, and as such does not include all of the detail and disclosures of the full Annual Report. It cannot be expected to provide as complete an understanding as provided by the full Annual Report. Copies of the full Annual Report are available from Ōpōtiki District Council Customer Services or Library. It is also available for viewing or downloading from Council's website at www.odc.govt.nz

Independent Auditor's Report

To the readers of Ōpōtiki District Council's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the Ōpōtiki District Council (the District Council) for the year ended 30 June 2020.

- The summary of the annual report comprises the following summary statements on pages 3 and 21 to 22:
- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary 'our performance'.

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 2020 in our auditor's report dated 17 November 2020. That report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the Council as set out in full Annual Report on pages 15 to 17. An extract of this information is included in the summary of the annual report on page 23.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to our audit of the audited information and our report on the disclosure requirements, we performed a limited assurance engagement related to the District Council's debenture trust deed. Other than this engagement, we have no relationship with, or interests in, the District Council or its subsidiaries.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
4 December 2020