

Finance and Performance Committee

Meeting of 23 September 2026

Business Unit: Finance

Date Created: 10 September 2026

Draft Annual Report for Year Ending June 2026

Purpose Te Aronga o te Pūrongo

To present the draft Annual Report for the year ending 30 June 2026 and detail the process required to adopt the Annual Report

Recommendations Ngā Tūtohunga

That the Finance and Performance Committee recommends that the Council:

- Receive the draft Annual Report for the year ended 30 June 2026 and note its release to Audit NZ.

Report prepared by:

Jenna Glenny

Senior Financial Accountant

Approved for submission by:

Joel Richards

Chief Financial Officer

1 Background Ngā Kōrero o Muri

- 1.1 The Annual Report is prepared under section 98 of the Local Government Act 2002, and includes the provisions of schedule 10, part 3. It compares Manawātū District Council's actual performance against what was planned in the Annual Plan 2025-26.
- 1.2 The Annual Report outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies and includes both financial and non-financial information.
- 1.3 As well as reporting against the Council's key activities, performance indicators in the 2024-34 Long Term Plan and subsequent Annual Plan 2025-26, the Annual Report also reports against the Revenue and Financing, Liability Management and Investment Policies.
- 1.4 The Annual Report (including audit opinion) must be completed and adopted by 31 October 2026 (within four months after the end of the financial year).
- 1.5 A fair value assessment was undertaken of land and buildings at 30 June 2026 and it was determined that the movement was not material and did not require a revaluation to be undertaken.
- 1.6 The infrastructure revaluations for 30 June 2026 were externally reviewed so the revaluation as at 30 June 2026 does not require external review and is included in the draft report. The external revaluation review process is undertaken on a three yearly basis.
- 1.7 The next step in the Annual report preparation is the final Audit from Audit New Zealand.

2 Strategic Fit Te Tautika ki te Rautaki

- 2.1 Not applicable as this is a legislative / operational item.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

- 3.1 The Annual Report is externally audited by Audit New Zealand, on behalf of the Auditor General as required by the Local Government Act 2002. The Annual Report is a key accountability document for the community.
- 3.2 Audit New Zealand commenced the final audit of the Annual Report on 14 September 2026. An audit report will be prepared for inclusion in the Annual Report and is planned to be presented to Council for adoption prior to 31 October 2026.
- 3.3 The draft Annual Report will be presented to Council as part of the Finance and Performance Committee recommendations.
- 3.4 As part of this audit process a summary of the information contained in the Annual Report will also be prepared under section 98 of the Local Government Act 2002 and made publicly available.

3.5 The following items are raised in the report:

- 3.5.1 The financial result for 30 June 2026 is a deficit in the Statement of Comprehensive Revenue and Expenditure of \$1.985M against a budget deficit of \$4.864M. The main variances are detailed in note 36 of the report.
- 3.5.2 Capital expenditure was 100.03% of the work budgeted in the Annual Plan, (2024 was 100%). This result reflects additional budget variations and carry forwards from the 2024-25 financial year. Performance against the revised budget is reflected in the quarterly report.
- 3.5.3 External debt totalled \$113.3 against the annual plan budget of \$123.1M. The debt movements consist of \$17.5M to fund the years Capex programme, and \$8.5M of debt repaid. The total new debt draw for Council capital work was calculated at year end based on forecast capital spend less repayments and the predrawn amounts of \$2M (drawn in August 2025 based on June 2025 capital spend) and \$4M in February 2026.
- 3.5.4 Council achieved 86 of the 106 performance indicators (81.1%). In previous year's the results were: 83% (2024/25) and 77.9% (2023/24).

4 Risk Assessment Te Arotake Tūraru

- 4.1 Not applicable.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

6 Operational Implications Ngā Pānga Whakahaere

- 6.1 There are no operational implications with this report.

7 Financial Implications Ngā Pānga Ahumoni

- 7.1 There are no financial implications with this report.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 There are no statutory requirements for this report. Section 98 of the Local Government Act 2002 sets out the requirements for preparing and adopting the Annual Report.
- 8.2 The Annual Report (including the Audit opinion) must be completed and adopted, by resolution of Council, within four months after the end of the financial year to which it relates.

9 Next Steps Te Kokenga

- 9.1 The draft Annual Report for the year ended 30 June 2026 is presented to the Audit and Risk Committee for review. Following the audit process, the final report is expected to be presented to Council for adoption prior to 31 October 2026.

10 Attachments Ngā Āpitihanga

- Draft Annual Report for the year ending 30 June 2026 – *attached separately from the agenda due to size*