

## SUMMARY

**Waipa District Council** recently published its Annual Report for 2005/06, which detailed its achievements against the activities, projects and budgets signalled in the 2005-06 Annual Plan. The information contained in this summary is drawn from the full Annual Report dated 26 September 2006.

This summary cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Waipa District Council.

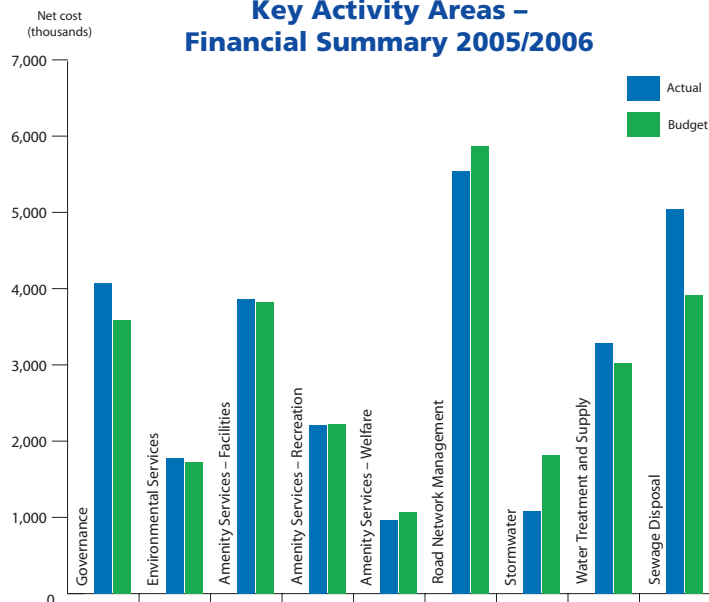
The summary has been examined by the auditor for consistency with the full financial report, and audited by Audit New Zealand on behalf of the Office of the Auditor-General.

### This booklet provides:

- An outline of Council's end of year financial position;
- A summary of Council's performance in the areas of Governance, Environmental Services, Amenity Services, Road Network Management, Stormwater, Water Treatment and Supply and Sewage Disposal;
- An overview of the significant projects and initiatives undertaken by Council during the past year;
- A statement from Council's auditors – Audit New Zealand.

The full Annual Report is available on-line at [www.waipadc.govt.nz](http://www.waipadc.govt.nz) or at Council offices at 23 Wilson St, Cambridge or 101 Bank St, Te Awamutu.

### Key Activity Areas – Financial Summary 2005/2006



## We are happy to report another strong year for Waipa District Council.

We have recorded an operating surplus for the year ended 30 June 2006 of \$11.4 million. The improvement on the budgeted position is largely as a result of significant revenue from the government subsidy for Kihikihi sewerage (\$7 million), and additional vested assets. These funds are being used to develop and upgrade Council's infrastructural assets. Equity has increased by \$41 million largely due to asset revaluation, and public debt has reduced by \$7.6 million to \$10m.

New and challenging projects were undertaken, the most significant of which was the Kihikihi sewerage reticulation project. This project involved installation of 51km of wastewater pipe, 13 pumping stations and 700 new connections at a total cost of \$14 million – 50% of which is covered by a Government subsidy.

Council completed its first audited Long Term Council Community Plan (LTCCP) after extensive consultation. This plan sets out Council's and the community's expectations over 10 years, with all the associated financial requirements and implications.

In association with NZ Rowing and Hamilton City, Waipa won the rights to host the 2010 World Rowing Championships at Lake Karapiro. Council's support for this is primarily a commitment to the \$5 million development programme for Karapiro Domain provided for in the 2006 LTCCP.

A 20% increase in building consents for new buildings reflects the strong growth in the region. To reduce the ratepayers' proportion of investment in this growth, Council developed a policy whereby developers contribute to growth-related infrastructure costs. This policy will be in effect from July 2006.

Waipa continues to do well and Council extends its thanks to the community for the significant contributions made.



**Alan Livingston, JP**  
Mayor



**John Inglis**  
Chief Executive

# Financial Summary

The following summary financial statements were extracted from the full audited financial report of Waipa District Council for 30 June 2006. An unqualified audit report was issued on the full financial statements.

Statement of Financial Performance For the Year ended 30 June 2006	2006 Actual \$000's	2006 Budget \$000's	2005 Actual \$000's
Operating Revenue	51,815	39,776	40,647
<b>Net Surplus/(Deficit)</b>	<b>\$11,425</b>	<b>\$2,670</b>	<b>\$1,802</b>
<b>Statement of Movements in Equity</b>			
Public Equity at the start of the year	649,599	629,824	630,890
Net Surplus/(Deficit) for the year	11,425	2,670	1,802
Increase in Asset Revaluation Reserves	29,648	0	16,907
<b>Total Recognised Revenue and Expenses</b>	<b>41,073</b>	<b>2,670</b>	<b>18,709</b>
<b>Public Equity at End of the Year</b>	<b>\$690,672</b>	<b>\$632,494</b>	<b>\$649,599</b>
<b>Statement of Financial Position as at 30 June 2006</b>			
Current Assets	11,050	7,473	26,679
Non Current Assets	697,133	645,523	647,764
Total Assets	708,183	652,996	674,443
Current Liabilities	10,716	7,417	13,147
Non Current Liabilities	6,795	13,085	11,697
Total Liabilities	17,511	20,502	24,844
<b>Equity and Net Assets</b>	<b>\$690,672</b>	<b>\$632,494</b>	<b>\$649,599</b>
<b>Statement of Cash Flows for the Year ended 30 June 2006</b>			
Net from Operating Activities	13,603	12,603	10,389
Net from Investing Activities	(5,775)	(10,789)	(10,735)
Net from Financing Activities	(7,687)	(2,157)	(329)
Net Increase/(Decrease) in Cash Held	141	(343)	(675)
Opening Cash Balance	186	744	861
<b>Closing Cash Balance</b>	<b>\$327</b>	<b>\$401</b>	<b>\$186</b>

## Additional Disclosure

### Accounting Policies

#### Reporting Entity

Waipa District Council is a territorial local authority governed by the Local Government Act 2002. These Financial Statements have been prepared in accordance with the requirements of section 98 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice.

#### Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

#### Changes in Accounting Policies

Library books were previously valued at depreciated replacement cost. They have now been stated at historical cost less accumulated depreciation. Other than this there have been no changes from the accounting policies adopted in the last Audited Financial Statements. All policies have been applied on a basis consistent with the previous period.

#### Contingent Liabilities

- Loans guaranteed by Council \$113,542 (2005 \$120,000).
- There are currently three professional indemnity claims lodged against Council via Weathertight Homes Resolution Services (2005 3 claims). The total of these claims is \$195,347. Council also has one public liability claim in progress. These

are all covered by Council's insurance policy and therefore the maximum liability to Council is for the excess of \$10,000 per claim.

- During May 2004, the shareholders of Waikato Regional Airport (WRAL) of which Waipa District Council has a 15.625% shareholding, authorised the company to issue further shares totalling \$21.6m to shareholders. This capital restructure is part of the WRAL Airport Development and allows WRAL to borrow commercially at favourable interest rates. While there are no plans to call up the capital, Council has a contingent liability for \$3.375m for uncalled capital. During March 2005, Council gave a commitment to WRAL to provide if necessary a further \$3.3m by way of loan or called up capital for the purchase of land. This liability is contingent upon WRAL not securing \$2m funding by 30 June 2007.
- Council owns one pensioner housing unit where there is a Site Licence Agreement with a provision that if the owner is unable to sell the property within one year of termination of the Site Licence, Council will lend the owner the value of the property, which would then be reimbursed on the future sale. Council has a contingent liability for \$1.1m.

#### Statement of Commitments

Council's commitment on projects where contracts have been entered into but goods or services have not been received is \$9,872,445 (2005 \$5,521,968). Of this, \$7,879,850 related to capital, and \$1,992,595 to non-cancellable operating contracts. Council does not enter into operating leases.

## Key Achievements

A summary of Council's achievements in seven key activity areas is outlined in this booklet. Also included is a snapshot of our performance as measured in our 2006 survey of residents. The survey was undertaken by the National Research Bureau (NRB).

## Governance

Governance is Council's statutory responsibility to provide democratic and decision-making processes. It includes all meetings, consultation, communication and civic affairs activities, plus conducting elections. Governance assets include our buildings in Te Awamutu and Cambridge and our information management and support systems.

### Milestones

- 41% of eligible residents voted in the 2004 local government elections
- Council sought formal public feedback six times throughout the year

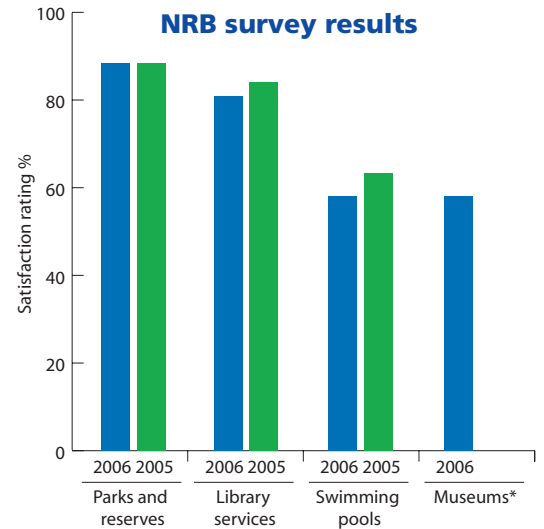
## Amenity Services

Amenity Services includes activities which promote community health and well-being such as parks, pensioner housing, community halls, libraries, swimming pools, community grants, rural fire and civil defence. Council's Amenity assets include our libraries, the Trust Waikato Te Awamutu Events Centre, the Cambridge public swimming pool, the cycling velodrome, Te Awamutu Museum, 16 community halls plus our parks, reserves, sports fields, playgrounds and recreational lakes.

### Milestones

- New toilet facilities were completed at Selwyn Park (Te Awamutu) and Lake Te Ko Utu (Cambridge)
- Council completed the upgrade of Pioneer Walk (Te Awamutu)
- Work has progressed on the location and design of a covered heated swimming pool for Cambridge
- River walkways (Cambridge) have been developed in conjunction with the Cambridge Tree Trust
- The Te Awamutu Museum became part of Council's operations on 1 October 2005
- Council provided \$476,250 in grants to community groups and organisations. (This figure is lower than in previous years because the Te Awamutu Museum is now part of Council operations).

\* New category

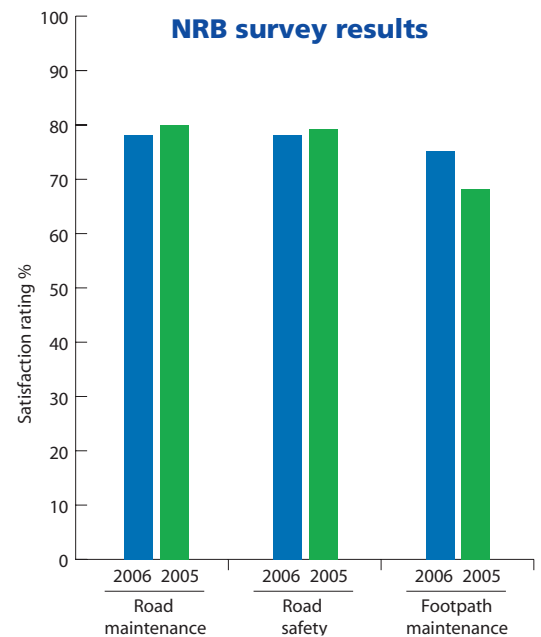


## Road Network Management

Council's Road Network Management activities encompass the construction and maintenance of roads and footpaths to ensure maximum convenience and safety. Our road network assets include: 1058km of roads (102km unsealed), 2200m of bridges and large culverts, 165km of footpaths and our street lights, road signs and marker posts.

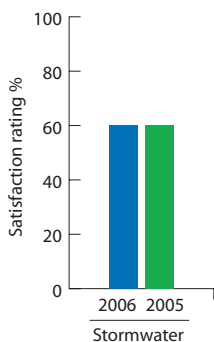
### Milestones

- Initiated a traffic study in Cambridge to identify options for alleviating congestion
- Council sealed 3.9km of previously unsealed roads
- Council continued the enhanced footpath development programme in Cambridge



## Stormwater

### NRB survey results



Stormwater activities include the provision and maintenance of stormwater drainage systems in both rural and urban areas. Our stormwater assets include 117km of piped urban drains, 231km of rural drains and seven retention dams.

### Milestones

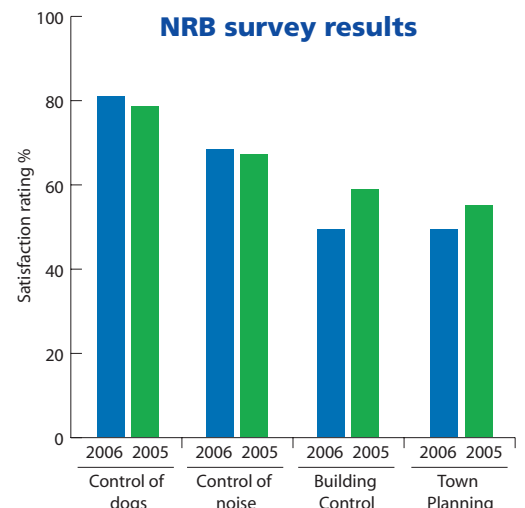
- Completion and continuation of projects to relieve chronic flooding problems in Cambridge and Te Awamutu
- Council achieved a high level of compliance with resource consent conditions

## Environmental Services

Council has a legal obligation to promote, protect and manage natural and physical resources, public health and safety. Key activities include planning (resource management), building control, environmental health, navigation safety and animal control. Assets include a patrol boat and the dog pounds in Cambridge and Te Awamutu.

### Milestones

- Council completed the review of our Traffic and Wastewater Drainage Bylaws and introduced a Trade Waste Bylaw
- 97.6% of the 4,654 planning and building-related applications were processed within statutory timeframes

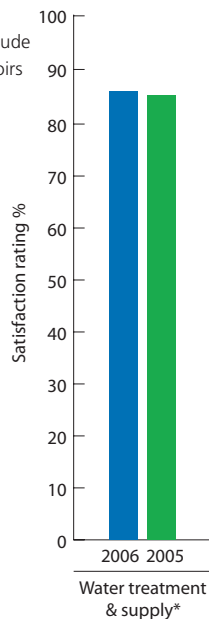


## Water Treatment and Supply

A safe water supply is critical. Council's water assets include six water treatment plants, 10 pump stations, 11 reservoirs and 520km of mains and reticulation.

### Milestones

- Council complied with all resource consent conditions
- Council treated 9,532 million litres of water
- 12,417 properties connected to a Council water supply



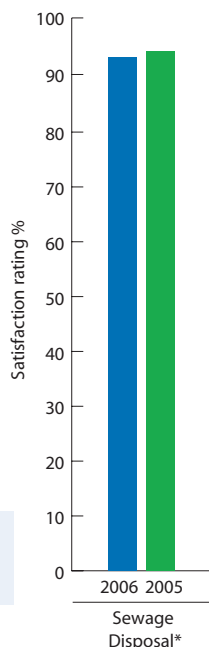
\* These results are for: Water: Full (unrestricted) Council supply.

## Sewage Disposal

Sewage Disposal encompasses the collection, treatment and disposal of sewage. Our sewage disposal assets include two treatment plants, 24 pump stations and 188km of mains and reticulation.

### Milestones

- Completion of the Kihikihi wastewater scheme
- High level of compliance with resource consent requirements
- 3057 million litres of sewage was treated
- 9259 properties connected to a Council sewerage system



\* The graphed results are for residents using Council sewerage services. A 63% satisfaction level is recorded from all residents of the District (2005 68%).

## Major initiatives

### Kihikihi Wastewater Scheme

This project was undertaken to eliminate the significant public health risk associated with poor septic tank performance in the township. The project was completed on time and within budget. It involved connecting 690 properties to a new reticulation network, which in turn was connected to the Te Awamutu wastewater system. The project attracted a \$7.1 million subsidy from the Government.

### Karapiro Development

Council has acquired a 40 hectare property upstream of the Karapiro Domain, which will be developed as a new reserve area to cater for increased demand for access to Lake Karapiro. The development of this new reserve and the ongoing development of the Karapiro Domain are set out in a strategic plan adopted by Council in 2005.

### Selwyn Park

Council responded to community demand for additional public toilets in the vicinity of the Te Awamutu Information Centre and a new facility was opened on Selwyn Park in March 2006. The project was completed within budget (\$340,000).

### Stormwater

Upgrades were required to address chronic drainage problems in particular areas of urban communities. Further work in Cambridge and Te Awamutu is programmed for the next 2-3 years.

### Community Facilities

Work has progressed on the design and location of a covered swimming pool facility for Cambridge under the direction of a group of community representatives. Funding for the construction of the pool has been included in the 2006-16 10-year plan.

### Cambridge North Development

Ongoing expansion of infrastructure to support residential development in Cambridge included the installation of a new playground at MacLean Street. This new facility has an innovative design and should be very popular with younger residents.

### Seal Extension

2005/06 was the fourth year of a five-year \$5 million District-wide programme to seal roads. During the year, a further 3.9km of roads were sealed, including sections of Corcoran, Limeworks Loop, Gray and Tari Roads. Enhancement works are well advanced on Maungakawa Road.

AUDIT NEW ZEALAND

## We have audited the summary annual report.

### Unqualified opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

## To the Readers of Waipa District Council's Summary Annual Report for the year ended 30 June 2006

We expressed an unqualified audit opinion, in our report dated 26 September 2006, on:

- the full financial statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

### Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the District Council.

### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.

B H Halford  
On behalf of the Auditor-General  
Tauranga, New Zealand  
29 September 2006.