

Wanganui District Council and Group  
Summary Annual Report  
**For the Year Ended 30 June 2007**

This Summary Annual Report cannot be expected to provide as complete an understanding as provided by the Annual Report. The information contained in this Summary Annual Report is extracted from the Wanganui District Council Annual Report approved by Council on 29 October 2007. The Annual Report has been audited and received an unqualified audit opinion. This report has been examined by the same auditors for consistency with the Annual Report. The Council is a public benefit entity and the Annual Report is prepared in accordance with generally accepted accounting practice. The accounting policies used in this report remain unchanged from the prior period except for the introduction of International Financial Reporting Standards. The Summary Annual Report complies with FRS 43. The Council's financial statements are for Wanganui District Council as a separate legal entity and the consolidated financial statements are for the Council, Wanganui District Council Holdings Limited (100%), Wanganui Inc (100%) and Cooks Gardens Trust Board (100%). Wanganui District Council Holdings Limited in turn owns 100% of Wanganui Gas Limited. The financial statements are presented in New Zealand dollars. This Summary Annual Report was authorised for issue on ? by?. Copies of the Wanganui District Council's Annual Report are available from the Council Offices at 101 Guyton Street, Wanganui or by phoning 06 349 0001.

## Message from the Chief Executive

Last year, 2005/06, was a period of change for the Council's operation in terms of staff structure and function. The current year is one that is characterised by consolidation of activities and the strengthening of the working teams to improve the efficiencies of service for the community.

### Projects

The 2006/07 year has seen progress made on a range of major projects within the City.

- The Wastewater Treatment project included the completion of the treatment plant (\$14M) and extension of the drainage and stormwater separation which has seen approximately 5kms of sewerage and stormwater lines being renewed and upgraded.
- The upgrade of the riverfront project has seen an area transformed from disrepair into a valuable community asset with the investment of \$2M to provide a facility for the community and facilitate the turning of the City towards the river and the appreciation of one of its greatest natural assets.
- The construction of the Upokongaro Jetty has provided not only a destination for the Waimarie but also a springboard for existing tourist operators to enhance their river tours. The potential to grow regional tourism and strengthen the outlying communities with this type of investment has great synergies for the district.
- The "Splash Centre" swimming complex project, while approximately 50% complete, will provide the community with not only improved recreational facilities, but more extensive competitive swimming opportunities for the sporting community.
- The Airport upgrade has been planned and construction is due to start early in the 2007/08 year, giving Wanganui an entrance that it can be proud of and providing facilities for the Airport precinct and future commercial development in the area.

Additional projects that have been investigated have included the "Heart of Wanganui" which has considered a range of options for the location of the cultural amenities, namely Library, Art Gallery and Museum. Consultation has been widespread and these options are being further considered by the Council.

Balancing the cultural aspects of the infrastructural investment are the investigations into the roofing of the Velodrome and the development of it into a events facility, including conferences and other activities. The opportunities to develop both sporting and cultural facilities, in balance, demonstrates an holistic view by Council but presents challenges for the community in terms of capital expenditure and prioritisation.

### Operations

Operational activities within the Council have shown significant progress. During the year, Council has renewed over 2kms of water main, resealed 52kms of roads, upgraded 8kms of footpaths, as well as maintained its facilities of 200 parks, 275 pensioner units and 436 investment properties. The activities of the Library and Gallery have continued to expand with visitor numbers to the Gallery exceeding 29,000, up 9% on the previous year, while the Library visitors exceed 320,000, up 3% from the previous year. The work to maintain these services on a continuous basis is significant and provides the community with a secure and rewarding environment.

### Finance

The Council finances continue to be managed in a prudent and responsible manner. The Statement of Cash Flows shows net cash flows from operations increasing by \$14M from what was budgeted. This has allowed Council to purchase additional infrastructure (mainly roading) of \$5M, reduce its loans raised by \$6M and increase cash on hand by \$3M.

The accounts, which this year have been prepared on an IFRS basis, show a net surplus after tax of \$65.9M. While this figure would demonstrate a significant profit for the operation, it should be noted that this margin is primarily from increased asset values.

## **Conclusion**

Staff are the Council's real asset and there have been improvements in a range of areas including work safety management practices, payroll and remuneration systems, staff training and leadership courses and recognition programmes. The efforts made by the staff in routinely providing a service to the community either on a daily basis, or in times of difficulty or disaster, are commendable and I would like to acknowledge their contribution in enabling the Council to meet its obligations to serve the community.

Finally, I wish to acknowledge the support of the elected representatives in their governance role and in the direction provided to management to meet the outcomes of the community.



David Warburton  
**Chief Executive**

## Analysis of Financial Variances

This section analyses the major differences between planned and actual revenue and spending. Service levels and overall operation of individual functions are included within the statements of service performance as contained in the full Annual Report.

### Income Statement For the Year Ended 30 June 2007

	Budget 2007 (\$000)	Council 2007 (\$000)	2006 (\$000)	Group 2007 (\$000)	2006 (\$000)
Total Revenue	52,135	115,347	55,717	148,575	84,081
Finance Costs	3,294	2,921	2,271	3,882	2,810
Total Expenses	45,489	46,591	44,207	80,047	69,990
Share of Associate Surplus/(Deficit) & Tax	-	(89)	(19)	(573)	1,117
<b>Surplus/(Deficit) After Tax</b>	<b>3,352</b>	<b>65,932</b>	<b>9,258</b>	<b>65,227</b>	<b>10,164</b>
<b>Attributable to:</b>					
Wanganui District Council	3,352	65,932	9,258	65,227	9,607
Minority Interest	-	-	-	-	557
	<b>3,352</b>	<b>65,932</b>	<b>9,258</b>	<b>65,227</b>	<b>10,164</b>

### Revenue

Rates revenue was consistent with the 10-Year Plan. Financial income which is made up mainly of interest and dividend income, was also consistent with the 10-Year Plan.

Revenue from activities (previously called user fees) was \$11M greater than in the 10-Year Plan. This was due to:

- \$6.7M increase in Land Transport New Zealand subsidies due to roading storm damage
- \$1.6M increase in donations, mainly for the Splash Centre extension
- \$0.8M increase in interest received
- \$0.4M increase in private works fees

Roading expenditure is subsidised by the central government agency Land Transport New Zealand and the subsidy revenue was higher than budgeted. The normal Land Transport New Zealand rate for subsidy to Council is 61% but storm damage attracts a higher subsidy, depending on the extent of the damage. In our case, the subsidy level for that work was 87%.

The adoption of International Financial Reporting Standards has resulted in a substantial adjustment to revenue in 2006/07. \$49M of other gains has been taken through the Income Statement where it was previously capitalised to the Balance Sheet. The amount is mainly due to the upwards revaluation of Property, Plant and Equipment.

### Expenditure

#### Operating Expenditure

Operating expenditure was \$0.9M higher than budgeted. The increased expenditure in Roothing of \$0.3M was offset by increased subsidies of \$6.7M. Subsidies also paid for capital works. The increase in Emergency Management of \$0.3M was due to the July storm event. The increase in regulatory expenditure of \$0.2M was due to demand for services and costs associated with accreditation for building consents and these costs were offset by an increase in revenue from activities.

#### Finance Costs

During the year, Council borrowing was generally lower than that budgeted due to money received from asset sales and the capital works programme being behind schedule. At 30 June 2007 Council borrowings

was \$51M which was \$5M less than projected in the 10-Year Plan. Borrowing conditions were difficult with the Official Cash Rate rising 0.75% during the year. Council took out a number of interest rate swaps to mitigate interest rate risk. The swaps helped Council keep its interest costs within its budget. The lower borrowing level, in combination with the use of interest rate swaps, resulted in finance costs being at \$0.4M less than budget.

### Depreciation

Depreciation is \$1.1M less than in the 10-Year Plan due to higher budgeted revaluations of Property, Plant and Equipment balances in the 10-Year Plan. Council's Property, Plant and Equipment records have been substantially improved since it set up an asset management group during this year. Depreciation is a non-cash expense and has no effect on Council rates. As such, variances in depreciation have little effect on the Council financial position other than the carrying values of its fixed assets.

### Statement of Changes in Equity For the Year Ended 30 June 2007

	Budget	Council		Group	
	2007	2007	2006	2007	2006
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Equity at 1 July</b>	582,292	<b>571,895</b>	562,201	<b>574,555</b>	563,778
Movement in the Investment Revaluation Reserve	-	<b>47</b>	32	<b>56</b>	31
Net Surplus/(Deficit) for the year	3,352	<b>65,932</b>	9,258	<b>65,227</b>	10,164
<b>Total Recognised Revenues and Expenses for the Period</b>	<b>3,352</b>	<b>65,979</b>	9,290	<b>65,283</b>	10,195
Capital Injection from NZ Government for Airport	-	<b>342</b>	403	<b>342</b>	403
Introduction of Equity from CCO's	-	<b>22</b>	-	<b>14</b>	-
Movements in Minority Interest	-	-	-	<b>(263)</b>	177
<b>Equity at 30 June</b>	<b>585,643</b>	<b>638,238</b>	571,895	<b>639,931</b>	574,555
<b>Total Recognised Revenue and Expenses for the Period Attributable to:</b>					
Wanganui District Council	3,352	65,979	9,290	65,283	9,638
Minority Interest	-	-	-	-	557
	<b>3,352</b>	<b>65,979</b>	<b>9,290</b>	<b>65,283</b>	<b>10,195</b>

The Statement of Changes in Equity shows a closing equity balance \$53M higher than in the 10-Year Plan. This is due to a lower opening equity of \$10M compared to budget and a \$63M increase in the operating surplus. The increased operating surplus is explained in the analysis of the income statement.

### Balance Sheet As At 30 June 2007

	Budget	Council		Group	
	2007	2007	2006	2007	2006
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Current Assets	11,542	<b>16,281</b>	17,675	<b>20,779</b>	23,298
Current Liabilities	6,788	<b>22,316</b>	10,571	<b>26,278</b>	14,973
<b>WORKING CAPITAL</b>	<b>4,754</b>	<b>(6,034)</b>	7,104	<b>(5,499)</b>	8,325
Non Current Assets	637,062	<b>686,994</b>	604,329	<b>708,593</b>	617,609
Non Current Liabilities	56,173	<b>42,722</b>	39,538	<b>63,163</b>	51,379
<b>Net Assets</b>	<b>585,643</b>	<b>638,238</b>	571,895	<b>639,931</b>	574,555
<b>Equity</b>	<b>585,643</b>	<b>638,238</b>	571,895	<b>639,931</b>	571,147
Minority Interest	-	-	-	-	3,408
<b>Total Equity</b>	<b>585,643</b>	<b>638,238</b>	571,895	<b>639,931</b>	574,555

### *Working Capital*

Working capital is \$11M less than in the 10-Year Plan. This is mainly due to \$8.7M of loans being classified as a current liability and due to be rolled in 2007/08. Had the loans been bank debt they would have been classified as non-current liabilities.

### *Non-Current Assets*

Non-current assets have increased by \$50M mainly due to the \$49M revaluation of assets and the purchase of fixed assets.

### *Non-Current Liabilities*

Non-current liabilities are \$13M lower than budgeted in the 10-Year Plan. This is because borrowings were \$5M lower than budgeted and \$8.7M of loans have been classified as current liabilities.

### *Equity*

General equity has increased over 2006 by \$70M due to the \$66M surplus and \$7M transferred from restricted reserves for the capital expenditure on the Wastewater Treatment Plant.

### **Cash Flow Statement For the Year Ended 30 June 2007**

	<b>Budget 2007 (\$000)</b>	<b>Council 2007 (\$000)</b>	<b>2006 (\$000)</b>	<b>Group 2007 (\$000)</b>	<b>2006 (\$000)</b>
Net Cashflows from Operating Activities	14,512	<b>28,407</b>	13,895	<b>28,764</b>	16,679
Net Cashflows from Financing Activities	18,476	<b>12,179</b>	5,036	<b>21,259</b>	2,469
Net Cashflows from Investing Activities	(34,155)	<b>(38,086)</b>	(18,410)	<b>(47,307)</b>	(19,193)
Net Movement in Cash Balance	(1,167)	<b>2,500</b>	521	<b>2,716</b>	(45)
Opening Cash Balance	4,534	<b>4,443</b>	3,922	<b>5,122</b>	5,167
<b>Closing Cash Balance</b>	<b>3,367</b>	<b>6,943</b>	<b>4,443</b>	<b>7,838</b>	<b>5,122</b>

## Progress made towards the achievement of the Community Outcomes

The Local Government Act 2002 requires the Council to report on progress towards achieving the Community Outcomes at least once every three years. A report on this progress was developed in late 2006 and released to the public in June 2007.

This report was tasked with detailing:

- The work that the Council and other participating key stakeholders had undertaken in an effort to best meet the outcomes specific to the Wanganui community;
- Measuring the state of Wanganui's current social, cultural, environmental and economic wellbeing; and
- Forecasting planned projects and priorities that may impact on Community Outcomes into the future.

In order to accurately monitor this progress, each outcome was assigned a number of monitoring indicators. The indicators are a mixture of qualitative and quantitative measures and were developed in consultation with key stakeholders as part of the action planning process.

Data collection has been an ongoing process and is recorded in Council's Interplan database. A specific Community Outcomes survey was also undertaken in December 2006 and has been used to directly reflect community satisfaction with progress in each of our seven priority areas (a growing economy, educational opportunities, a safe and healthy community, a great place to live and visit, recreational opportunities, the Whanganui River and, people working together).

Reviewing and revising monitoring procedures will be required to ensure the required outcomes are being met. Monitoring over time will confirm the appropriateness of the existing activities, or may identify the need to make changes in order to improve their effectiveness.

Ongoing review of Council's partner organisations in the Community Outcomes process will also be undertaken to ensure effective practices of community collaboration and to most broadly reflect the achievements of the Wanganui District.

The following statements show the cost of service by each group of activities.

**Cost of Service Statements**  
For the Year Ended 30 June 2007

	Community Facilities		Community Support		Governance		Investments	
	2007 (\$000)	2006 (\$000)	2007 (\$000)	2006 (\$000)	2007 (\$000)	2006 (\$000)	2007 (\$000)	2006 (\$000)
Total Revenue	4,382	2,404	3,477	2,716	34	-	6,295	4,034
Total Operating Expenses	13,112	12,297	7,567	6,548	1,233	1,461	3,492	2,232
Total Capital Expenditure	5,396	1,343	193	139	61	86	614	1,142
Total Capital Funding	2,488	649	(247)	(623)	(10)	77	1,139	634
<b>Cost of Service</b>	<b>10,214</b>	<b>9,201</b>	<b>4,272</b>	<b>4,451</b>	<b>1,250</b>	<b>1,454</b>	<b>(3,508)</b>	<b>(1,804)</b>

	Land Transport		Water		Corporate Management	
	2007 (\$000)	2006 (\$000)	2007 (\$000)	2006 (\$000)	2007 (\$000)	2006 (\$000)
Total Revenue	15,541	11,122	3,376	2,910	1,545	92
Total Operating Expenses	11,006	11,225	11,717	11,643	1,385	801
Total Capital Expenditure	13,414	9,446	24,816	10,615	426	439
Total Capital Funding	(10)	830	18,047	4,776	(305)	15
<b>Cost of Service</b>	<b>5,046</b>	<b>5,071</b>	<b>11,959</b>	<b>11,572</b>	<b>(128)</b>	<b>840</b>

Statement of Service Performance – Highlights per Activity

**Cemeteries**

**KPI:** *Management contract specifications will be consistently met e.g. grass will not exceed 50mm in height, roses will be pruned annually, rubbish will be removed daily, flowering annuals will be planted twice per annum, weeds will be removed when 2cm in width or height*

**RESPONSIBLE OFFICER:**  
 Greg Morris  
 Deputy Property Manager

**PERIOD COMMENTS:**  
 Management Contract specifications were consistently met.

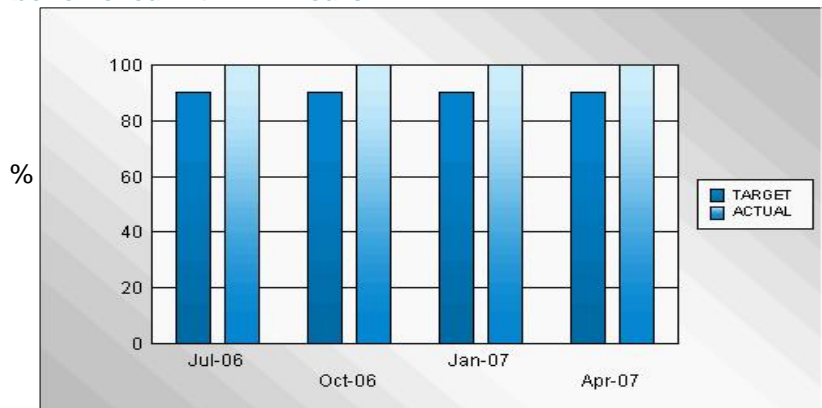


**Central Business District Services**

**KPI:** *Reported graffiti will be removed within 24 hours*

**RESPONSIBLE OFFICER:**  
 Greg Morris  
 Deputy Property Manager

**PERIOD COMMENTS:**  
 100% of reported graffiti in the CBD was removed within 24 hours. This exceeded the target of 90%.

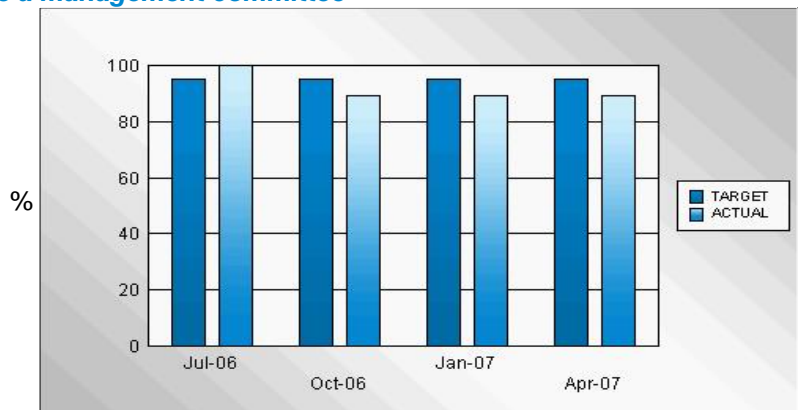


**Community Buildings and Rural Halls**

**KPI:** *All rural halls will have a management committee*

**RESPONSIBLE OFFICER:**  
 Greg Morris  
 Deputy Property Manager

**PERIOD COMMENTS:**  
 All rural halls had a management committee except Kaitoke Hall which closed in the second quarter at the community's request.



## Library

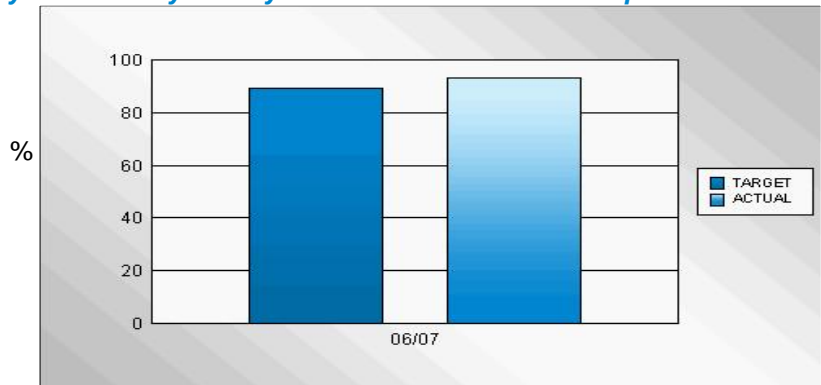
**KPI:** *Visitors to the Library will be fairly or very satisfied with the services provided*

**RESPONSIBLE OFFICER:**

Sally Patrick  
Community and Culture Manager

**PERIOD COMMENTS:**

93% of visitors to the Library were fairly or very satisfied with the services provided. This exceeded the target of 89%.



## Minor Transport

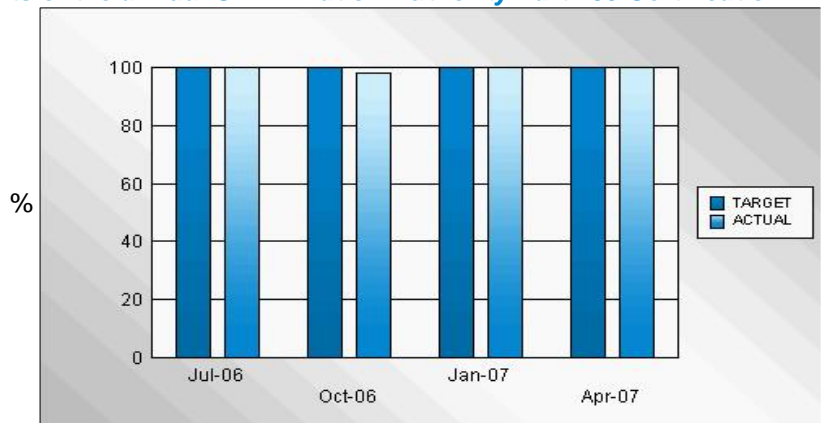
**KPI:** *Runway maintenance, security, safety, emergency and management systems will meet the requirements of the annual Civil Aviation Authority Part 139 Certification*

**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

Runway maintenance, security, safety, emergency and management systems met the requirements of the annual Civil Aviation Authority Part 139 Certification 99.5% of the time.



## Parks and Reserves

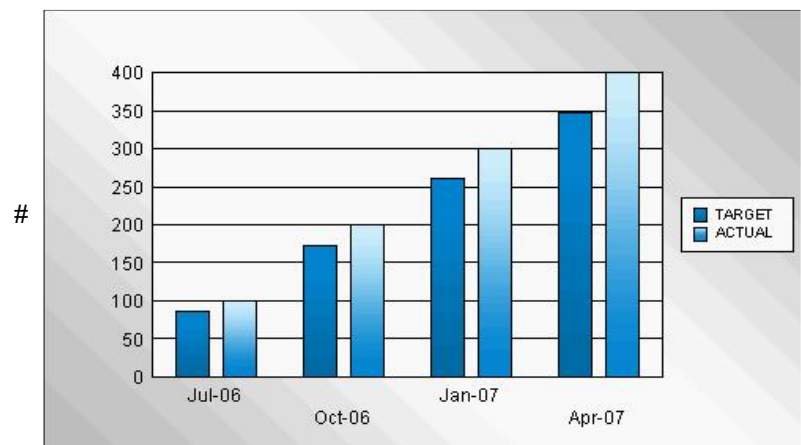
**KPI:** *Walkways, public facilities and open park spaces will be available for public use 365 days per annum*

**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

Walkways, public facilities and open park spaces were available for public use 365 days per annum (100%). Kowhai Park was closed for half a day in the third quarter. This exceeds the target of 95%. The graph shows the cumulative figure.



## Pensioner Housing

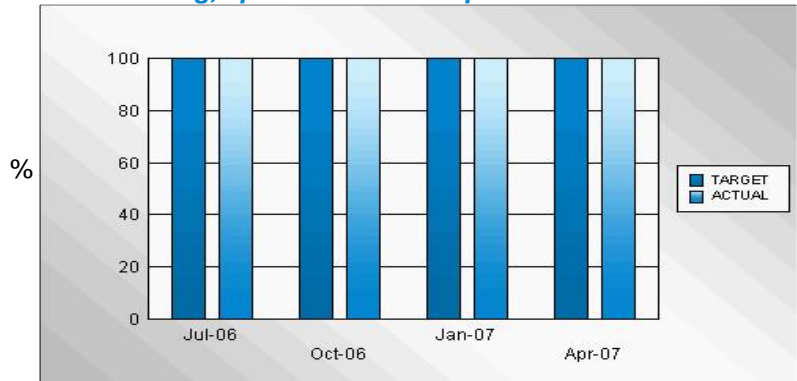
**KPI:** Pensioner housing will be self funding, apart from asset replacements

**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

Pensioner housing was 100% self funding.



## Regional Museum

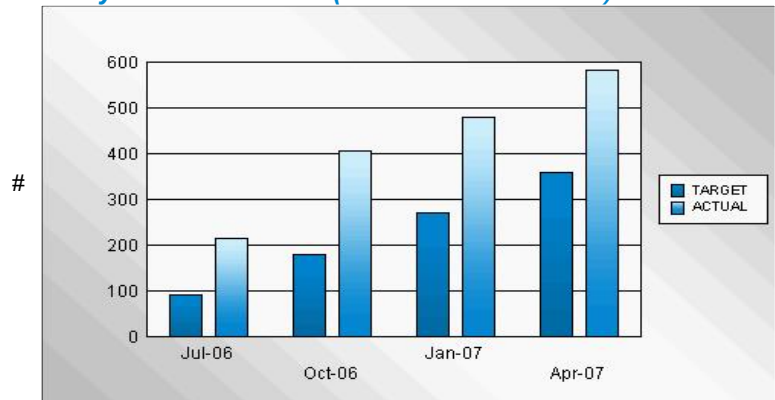
**KPI:** 400 items will be added annually to the collection (that meet the criteria)

**RESPONSIBLE OFFICER:**

Sally Patrick  
Community and Culture Manager

**PERIOD COMMENTS:**

583 items were added to the Museum collection in 2006/07. This exceeded the target of 360 items (90% of the baseline of 400 items). The graph shows the cumulative figure.



## Royal Wanganui Opera House

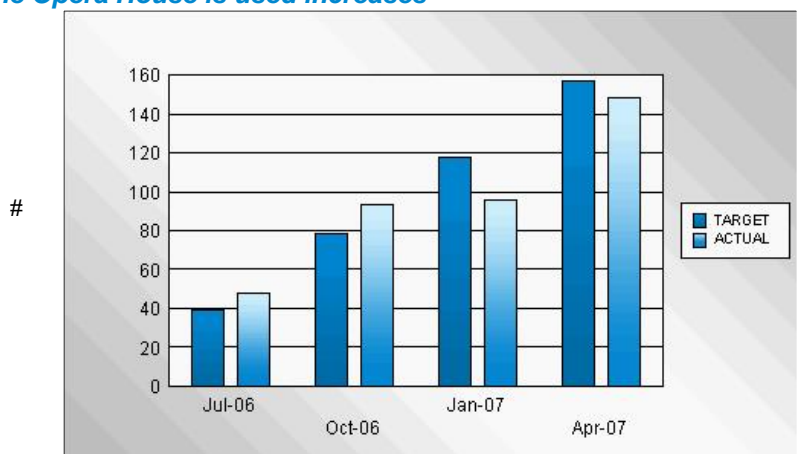
**KPI:** The number of days the Opera House is used increases

**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

The number of days the Opera House was used in 2006/07 increased by 3.5% from 143 to 148 but did not meet the target of a 10% increase. January - March quarter is the quietest part of the year with only three events.



## Sarjeant Gallery

**KPI:** *There is an increase in the number of local visitors (Note: by 10% over the next three years)*

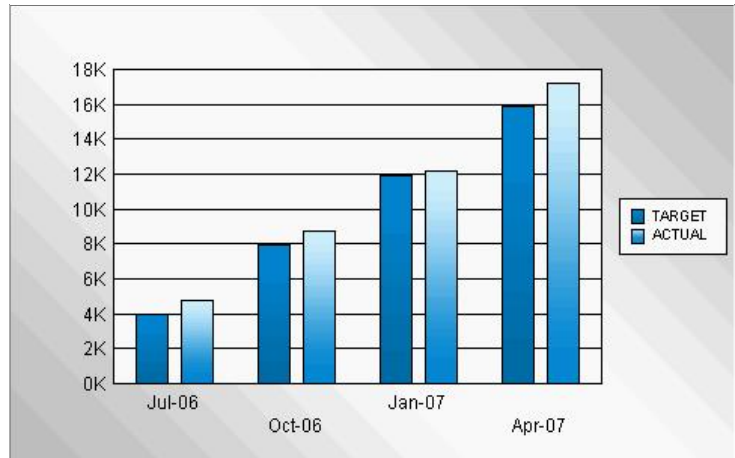
**RESPONSIBLE OFFICER:**

Sally Patrick  
Community and Culture Manager

**PERIOD COMMENTS:**

There were 17,181 local visitors which is an 11.5% increase on the baseline. This exceeds the target of a 3% increase (462) on the baseline of 15,400 per annum. The graph shows the cumulative figure. The total number of visitors to visit the Sarjeant Gallery is actually 29,091.

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## Sports Grounds

**KPI:** *Floodlit Sports Grounds will be available for use 365 days per year*

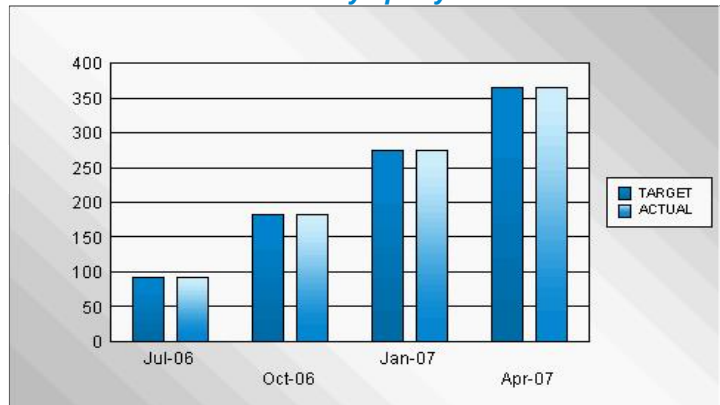
**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

Floodlit sports grounds were available for use 365 days per year.

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## Cooks Gardens

**KPI:** *Venue will be available for public use 365 days per year*

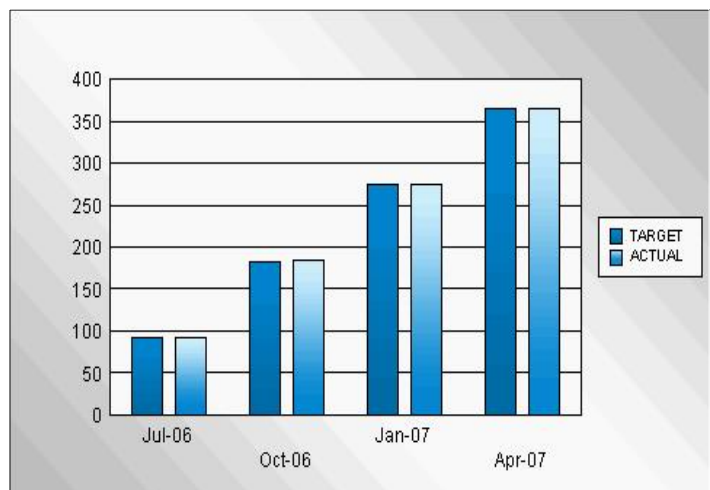
**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

Cooks Gardens was available for use 365 days in 2006/07. The graph shows the cumulative number of days pa.

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## Swimming Pools

**KPI:** *New Zealand Swimming Pool Water Quality Standards (NZS 5826:2000) will be complied with*

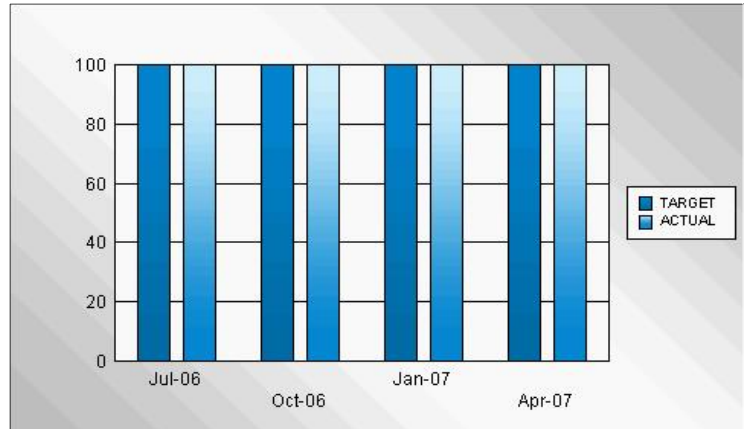
**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

New Zealand Swimming Pool Water Quality Standards (NZS 5862:2000) were complied with.

%



## War Memorial Hall

**KPI:** *Physical work on the building structure will comply with the Historic Places Act classification*

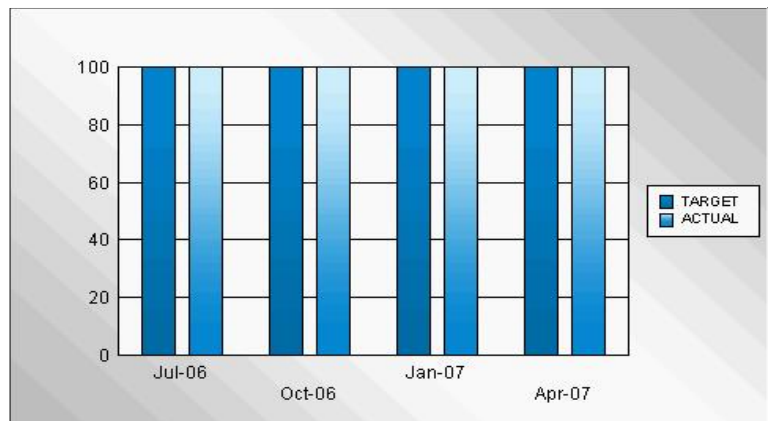
**RESPONSIBLE OFFICER:**

Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**

Physical work on the Memorial Hall complied with the NZHPT classification.

%



## Footpaths and berms

**KPI:** *Written or verbal complaints will be responded to within three working days*

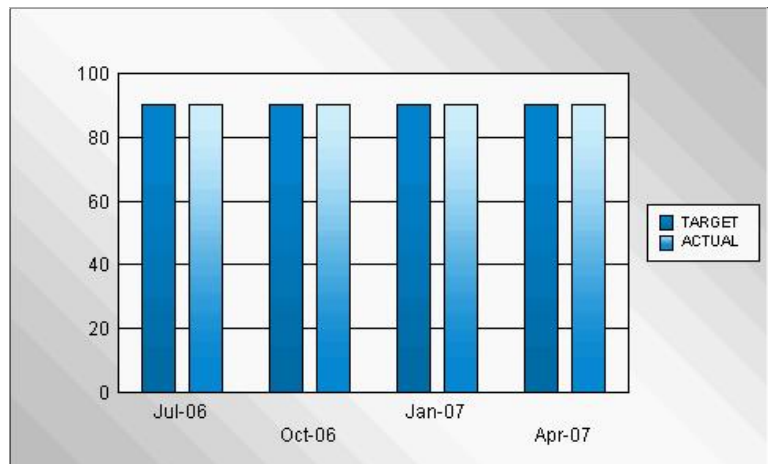
**RESPONSIBLE OFFICER:**

Rui Leitao  
Roading Engineer

**PERIOD COMMENTS:**

90% of written or verbal complaints were responded to within three working days. Customer request management system currently not set up to monitor this accurately.

%

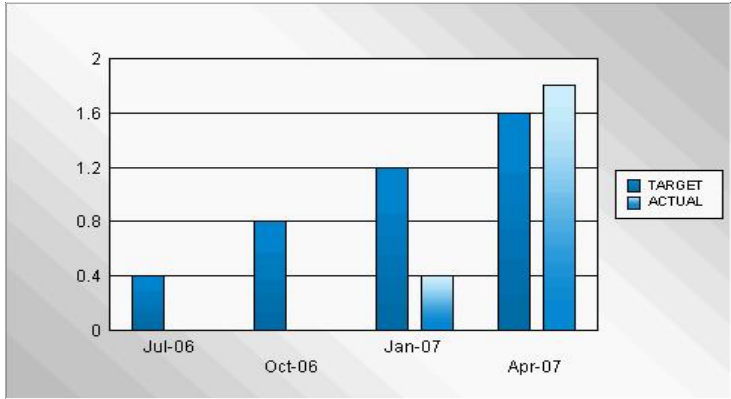


**KPI:** *Pavement and strengthening smoothing will be carried out annually to reduce longer-term maintenance costs and to improve ride quality*

**RESPONSIBLE OFFICER:**  
Rui Leitao  
Rooding Engineer

**PERIOD COMMENTS:**  
1.8km of road strengthening for the year was carried out to reduce longer-term maintenance costs and to improve ride quality. This exceeds the target of 1.6km. The graph shows the cumulative figure.

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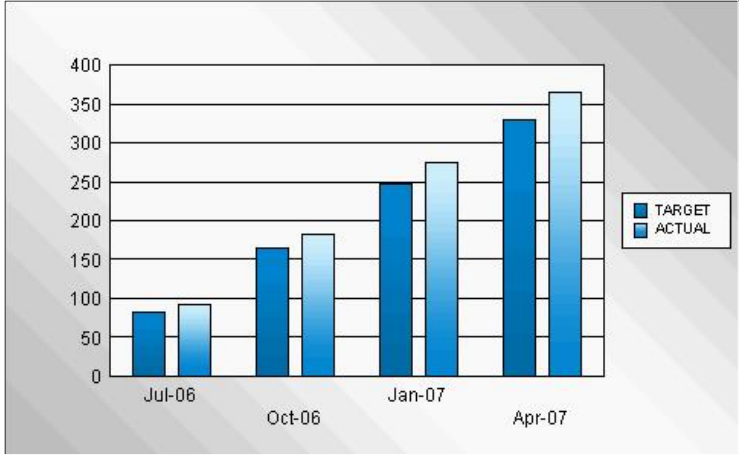
**Community Development**

**KPI:** *Closed Circuit Television (CCTV) in the Central Business District will be maintained fit for operation 365 days per year*

**RESPONSIBLE OFFICER:**  
Sally Patrick  
Community and Culture Manager

**PERIOD COMMENTS:**  
The Closed Circuit Television in the CBD was maintained fit for operation 100% of the time (365 days per year). This exceeded the target of 90%. The graph shows the cumulative number of days.

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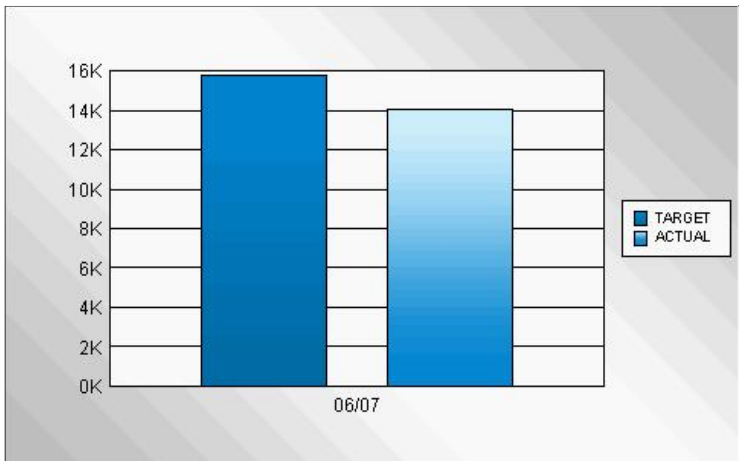
**Economic Development**

**KPI:** *The number of people employed (full time equivalents) within the Wanganui District will be increased to 17,000*

**RESPONSIBLE OFFICER:**  
Claire Cilliers  
Deputy Economic Development Manager

**PERIOD COMMENTS:**  
17,000 employed (full-time equivalents) is the target to be achieved by 2015/16, trending upwards from the baseline of 15,600. In 2006/07 there were 14,028 employed full-time (not full-time equivalents). However, if the 5,007 employed part-time are included the total employed was 19,025.

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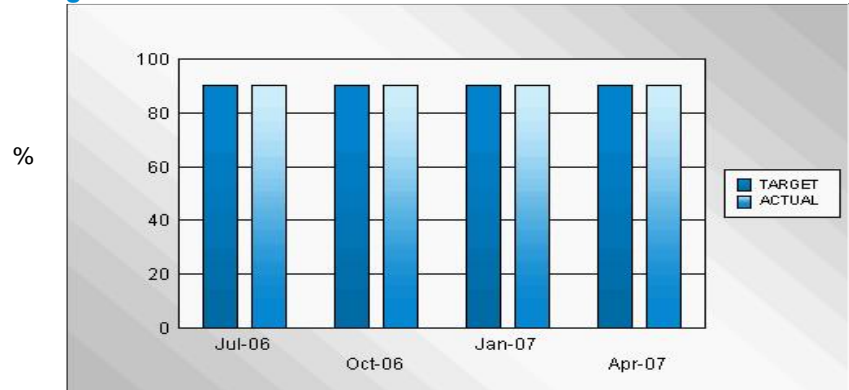


## Emergency Management

**KPI:** *A continuous 24 hour Duty Officer response to incidents will be provided. Receipt of calls will be acknowledged within 20 minutes*

**RESPONSIBLE OFFICER:**  
Max Benseman  
Emergency Manager

**PERIOD COMMENTS:**  
A continuous 24-hour Duty Officer response to incidents was provided. Receipt of calls was acknowledged within 20 minutes.

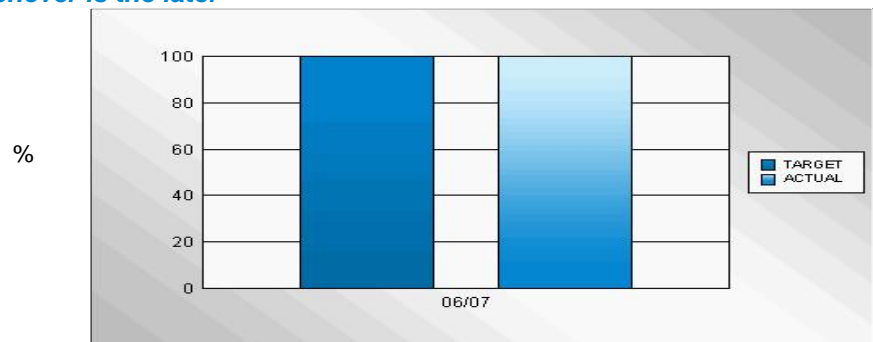


## Environmental Policy

**KPI:** *Appeals to the District Plan will be resolved by June 2007 or within two years of their lodgement, whichever is the later*

**RESPONSIBLE OFFICER:**  
Shane McGhie  
Principal Planner

**PERIOD COMMENTS:**  
All appeals to the District Plan were resolved.

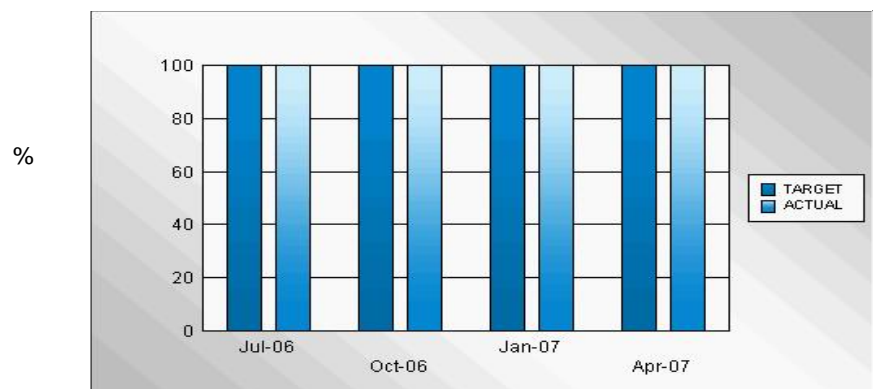


## Waste Minimisation

**KPI:** *A free community recycling service will be provided at Peat Street, 24 hours a day, 365 days a year*

**RESPONSIBLE OFFICER:**  
Stuart Hylton  
Senior Policy Advisor

**PERIOD COMMENTS:**  
A free community recycling service centre was provided at Peat Street, 24 hours per day, 365 days per year.

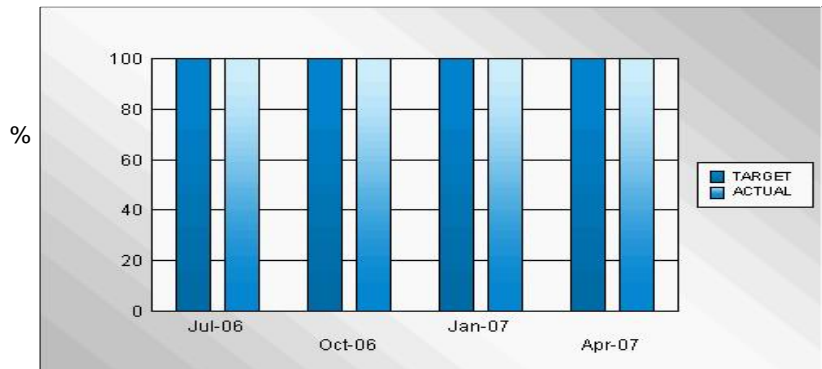


## Corporate Management

**KPI:** *Meetings will be notified, agendas will be distributed and minutes will be recorded for Council and committee meetings in compliance with Standing Orders*

**RESPONSIBLE OFFICER:**  
 Malcolm Hunt  
 Governance Services Manager

**PERIOD COMMENTS:**  
 Meetings were notified, agendas distributed and minutes recorded for Council and committee meetings in compliance with standing orders.

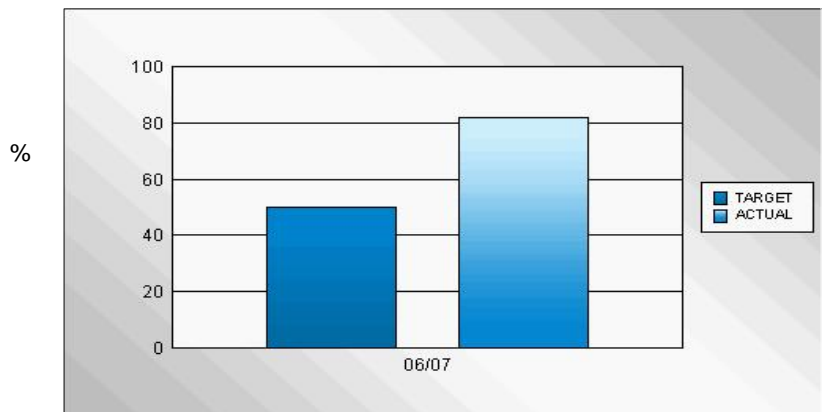


## Governance

**KPI:** *The community will be satisfied that Council has responded very well or well to community needs and issues*

**RESPONSIBLE OFFICER:**  
 Kevin Ross  
 Deputy Chief Executive

**PERIOD COMMENTS:**  
 82% of the community were satisfied that Council has responded very well or well to community needs and issues. This exceeded the target of 50%.

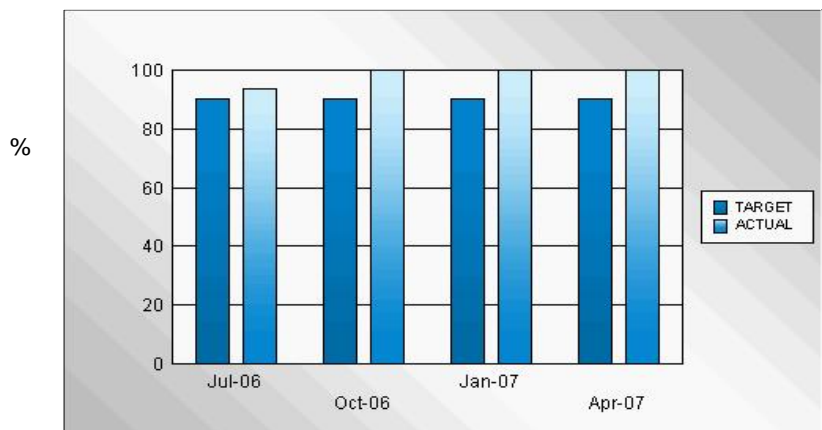


## Water

**KPI:** *High priority repairs will commence within six hours of notification*

**RESPONSIBLE OFFICER:**  
 Colin Hovey  
 Wastewater Project Engineer

**PERIOD COMMENTS:**  
 High priority repairs were commenced within six hours of notification 98.4% of the time. The target of 90% was exceeded.



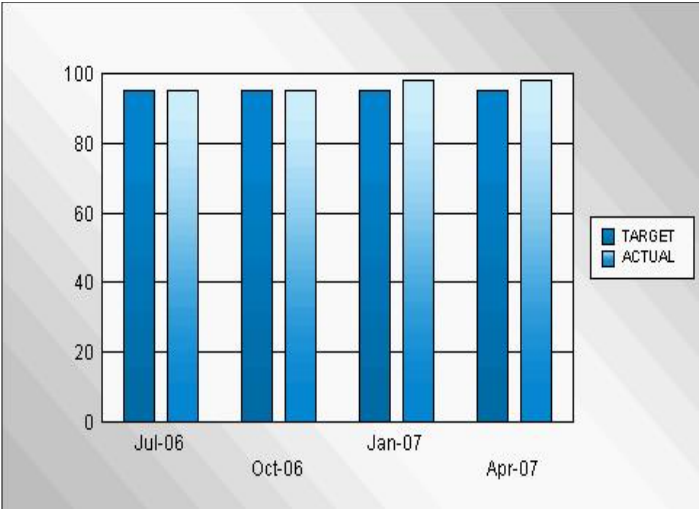
**Investments**

**KPI:** *The occupancy rates of investment properties will be >90 %*

**RESPONSIBLE OFFICER:**  
Greg Morris  
Deputy Property Manager

**PERIOD COMMENTS:**  
Occupancy rate was 96.5% pa which exceeded the target of 95%.

%



## Community Facilities Group Significant Acquisitions or Replacements of Assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Facilities Group. Significant variations to the Annual Plan are discussed below if necessary.

<b>Activity</b>	<b>Item</b>	<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>
CBD Maintenance	New toilet at Orient Toilets	50,000	56,850
	Tree replacement	30,000	-
Parks and Reserves	Riverfront walkway	1,215,000	1,527,342
	Upokongaro jetty	-	74,048
	Bason Botanic Gardens shed upgrade	-	56,850
	Playground safety equipment	50,000	79,737
	Parks furniture and play equipment	349,000	166,611
	Queens Park works	-	76,169
	Bason Botanic Gardens works	-	46,181
Sarjeant Gallery	Purchase of Colin McCahon	25,000	204,445
	Capital works	59,000	-
Swimming Pools	Splash Centre extension	2,550,000	2,148,686
Library	Book vote	340,000	300,000
Minor Transport	Half share Airport runway reseal	755,000	504,343
Pensioner Housing	Capital works	119,000	-
Regional Museum	Capital works	82,000	-
Opera House	Electrical work	-	29,954

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

### **CBD Maintenance**

The tree replacement programme has been deferred to the 2007/08 Annual Plan.

### **Parks and Reserves**

The Riverbank walkway project was substantially progressed this year. The expenditure was matched by a carry over from 2005/06 of \$310,000. The funding was mostly from special funds of \$1,121,000 with the balance funded from loans. The Upokongaro Jetty was financed from external donations and a \$50,000 carry over from 2005/06. Parks furniture and play equipment expenditure not carried out this year will be carried over to the 2007/08 Annual Plan. Queens Park expenditure was covered by 2005/06 carry overs funded from loans. Bason Botanic Gardens works was financed from special funds.

### **Sarjeant Gallery**

During the year, Council purchased a Colin McCahon work. This was funded by Council special funds of \$102,000 with the balance from Sarjeant Gallery bequest funds.

### **Swimming Pools**

The Splash Centre extension project was well progressed during this year. The expenditure of \$2,149,000 was financed from donations of \$1,650,000 with the balance from loan funding.

### **Library**

Council budgets a rolling programme for replacement of library books.

### **Minor Transport**

Council paid its half share towards the runway reseal at the Airport totalling \$504,000. The final cost was well under the budgeted figure after negotiating a more favourable contract.

### **Pensioner Housing**

Expenditure previously classified as capital replacement works was incurred under repairs and maintenance. This change in classification has been adopted in future budgets. The combined total of capital and repairs and maintenance expenditure for this year was under budget.

### **Regional Museum**

Expenditure was deferred pending a Referendum, which has now been delayed until next year.

### **Opera House**

Urgent electrical work was carried out.

## Community Support Group Significant Acquisitions or Replacements of Assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Support Group. Significant variations to the Annual Plan are discussed below if necessary.

<b>Activity</b>	<b>Item</b>	<b>Budget \$</b>	<b>Actual \$</b>
Community Development	CCTV cameras	25,000	108,565
Emergency Management	Power generator	50,000	-
	Civil Defence and rural fire equipment	18,000	16,345
Regulatory services	Vehicles and equipment	100,000	28,149
CBD Parking	Carpark sealing	9,000	31,271

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

### **Community Development**

This expenditure continues the programme of installing CCTV cameras within the Central Business District. The expenditure was financed from current rates, carry overs and external grants.

### **Emergency Management**

The power generator was ordered in the 2006/07 financial year and Council takes delivery in October. Thus the rates funding has been carried over to 2007/08 pending delivery.

### **Regulatory**

The underspend relates to vehicles and equipment not purchased this year.

### **CBD Parking**

The additional expenditure relates to additional carpark sealing, financed from the Parking special fund.

## Land Transport Group Significant Acquisitions or Replacements of Assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Land Transport Group. Significant variations to the Annual Plan are discussed below if necessary.

<b>Activity</b>	<b>Item</b>	<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>
Roading	Minor safety projects	650,000	266,940
	Whanganui River Road seal extension	1,300,000	283,213
	New works – rehabilitation	198,000	32,155
	Pathways	328,000	367,060
	Area wide pavement treatment	254,000	249,371
	Major drainage control	1,113,000	853,837
	Maintenance chip seals	1,171,000	1,285,385
	Thin asphaltic surfacing	922,000	469,963
	Emergency works	780,000	9,045,725

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

Roading expenditure is above budget due to an increase in February 2004 and July 2006 flood damage remedial work undertaken. The work was greatly assisted by Land Transport New Zealand increasing subsidy levels up to 94%. The focus of expenditure was shifted from operations to capital replacement work. During the year the total level of expenditure in Roading was revised upwards, with budgeted levels of \$13.2M exceeded by actual expenditure of \$19.5M. Expenditure of \$1.6M was unable to be completed, but has been approved by Land Transport New Zealand to be carried over to 2007/2008 at the same subsidy rates.

## Water Group Significant Acquisitions or Replacements of Assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Water Group. Significant variations to the Annual Plan are discussed below if necessary.

<b>Activity</b>	<b>Item</b>	<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>
Stormwater	Separation project	9,110,000	7,088,085
	Urban reticulation maintenance	362,000	69,638
Wastewater	Treatment Plant	11,100,000	13,627,749
	Urban reticulation maintenance	355,000	342,382
Waterways and Natural Drainage	Capital acquisition	-	164,750
Water	Water urban supply	980,000	1,469,668
	Urban reticulation maintenance	445,000	1,137,818

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

### Stormwater

Work slowed on the separation project during the year due primarily to ground conditions. Revised estimates during the year predicted \$11M total expenditure for the year, resulting in \$3.9M to be carried forward into the 2007/08 Annual Plan. Expenditure for urban reticulation maintenance was well down with less work required due to the slowing of separation works.

### **Wastewater**

The Treatment Plant cost exceeded budget due to additional costs incurred and a total project cost of \$14.9M was approved by Council in 2005/06 and for the 2007/08 Annual Plan. Funds have been carried forward as required.

### **Waterways and Natural Drainage**

A contribution to Horizons Regional Council for the Matarawa upgraded protection scheme was made with funds carried over from 2005/06.

### **Water**

Water urban supply expenditure was over budget due to the pilot bore projects at Mosston and Westmere. The main reason that urban reticulation maintenance appears ahead of budget is that laterals expenditure has been reclassified from operations to capital. This change is now reflected in future budgets.

## Investments Group Significant Acquisitions or Replacements of Assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Investments Group. Significant variations to the Annual Plan are discussed below if necessary.

<b>Activity</b>	<b>Item</b>	<b>Budget \$</b>	<b>Actual \$</b>
City Endowment	180 Ridgway Street and capital works	35,000	302,922
Harbour Endowment	305 Heads Road, Wanganui Gas Building roof and capital works	112,000	257,472
City Freehold	Community House lift and stormwater separation	62,000	-
101 Guyton Street	First floor toilets and capital works	65,000	53,173

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

### **City Endowment Works**

Most of this expenditure relates to the completion of the project at 180 Ridgway Street, which was financed from the City Endowment special fund. This project was approved by Council in 2005/06.

### **Harbour Endowment Works**

The additional expenditure relates to the rebuild of 305 Heads Road, after being destroyed by fire during the year. The extra cost \$211,000 was covered by insurance monies and the Harbour Endowment special fund.

### **City Freehold Works**

Due to a lack of available resource to complete works, this expenditure has been carried forward to 2007/08.

## International Financial Reporting Standards

Council's full set of financial statements are the first set of financial statements prepared using NZ IFRS. Council's full financial statements were prepared in accordance with GAAP and WDC has made an explicit and unreserved statement of compliance with IFRS's in the Annual Report on page 15. The transition date is 1 July 2005 and an NZ IFRS opening balance sheet was prepared at that date.

In preparing these consolidated financial statements in accordance with NZ IFRS 2, Council has applied the mandatory exceptions and certain optional exemptions from full retrospective application of NZ IFRS.

### Reconciliation of equity to previously reported financial statements - Council

	Opening Balance Sheet 1/7/05			Comparative Balance Sheet 30/6/06		
	Previous GAAP \$000	Effect of Transition \$000	NZ IFRS \$000	Previous GAAP \$000	Effect of Transition \$000	NZ IFRS \$000
<b>Equity</b>						
General Equity	349,365	186,234	535,599	337,634	194,538	532,172
Restricted Reserves	25,574		25,574	39,513		39,513
Asset Revaluation Reserves <i>[note (vii)]</i>	127,087	(127,087)	0	195,622	(195,622)	0
Investment Revaluation Reserves <i>[note (iii)]</i>	0	178	178	0	210	210
	<b>502,026</b>	<b>59,325</b>	<b>561,351</b>	<b>572,769</b>	<b>(874)</b>	<b>571,895</b>
<b>Current assets</b>						
Cash and cash equivalents <i>[notes (i) and (ii)]</i>	907	3,013	3,920	2,707	1,736	4,443
Short Term Investments <i>[note (ii)]</i>	3,014	(3,014)	0	1,736	(1,736)	0
Receivables and Accruals <i>[note (i), (iv), (xii)]</i>	10,195	(151)	10,044	8,177	46	8,223
Inventories	380		380	487		487
Non-Current Assets Held for Sale <i>[note (xiii)]</i>	4,394	(1,607)	2,787	2,375		2,375
Current Portion of Investments	1,250		1,250	2,000		2,000
Current Portion of Long-Term Receivables	237		237	80		80
Current Portion of Sinking Fund Investments	946		946	67		67
	<b>21,323</b>	<b>(1,759)</b>	<b>19,564</b>	<b>17,629</b>	<b>46</b>	<b>17,675</b>
<b>Non-current assets</b>						
Investments <i>[notes (ii), (iv), (xi)]</i>	12,033	978	13,011	13,159	1,110	14,269
Long Term Receivables <i>[note (ii)]</i>	861	(861)	0	946	(946)	0
Investment Property	5,800		5,800	6,017		6,017
Non-Current Assets Held for Sale	0		0	10,116	(10,116)	0
Sinking Funds <i>[note (ii)]</i>	50		50	0		0
Forestry Development <i>[note (ix)]</i>	5,869		5,869	6,147	(246)	5,901
Intangible Assets <i>[note (viii)]</i>	0	1,019	1,019	0	778	778
Property, Plant and Equipment <i>[notes (i), (vi), (vii), (viii)]</i>	0	561,175	561,175	0	577,364	577,364
Infrastructure Assets <i>[note (vi)]</i>	420,529	(420,529)	0	455,866	(455,866)	0
Land <i>[note (vi)]</i>	20,373	(20,373)	0	35,597	(35,597)	0
Buildings and Improvements <i>[note (vi)]</i>	39,895	(39,895)	0	46,616	(46,616)	0
Other Fixed Assets <i>[note (vi)]</i>	19,753	(19,753)	0	29,947	(29,947)	0
	<b>525,163</b>	<b>61,761</b>	<b>586,924</b>	<b>604,411</b>	<b>(82)</b>	<b>604,329</b>
<b>Current liabilities</b>						
Payables and Accruals <i>[note (i), (xii)]</i>	9,605	(177)	9,428	9,325		9,325
Employee Benefit Liabilities <i>[note (i), (v)]</i>	895	60	955	961	64	1,025
Current Portion of Loans	2,363		2,363	221		221
	<b>12,863</b>	<b>(117)</b>	<b>12,746</b>	<b>10,507</b>	<b>64</b>	<b>10,571</b>
<b>Non-current liabilities</b>						
Loans	31,515		31,515	38,692		38,692
Deferred Tax Liability <i>[note (x)]</i>	0	741	741	0	721	721
Employee Benefit Liabilities <i>[note (v)]</i>	82	53	135	72	53	125
	<b>31,597</b>	<b>794</b>	<b>32,391</b>	<b>38,764</b>	<b>774</b>	<b>39,538</b>
<b>Net Assets</b>	<b>502,026</b>	<b>59,325</b>	<b>561,351</b>	<b>572,769</b>	<b>(874)</b>	<b>571,895</b>

## Reconciliation of net surplus to previously reported financial statements - Council

	Previous GAAP \$000	30/6/06 Effect of Transition \$000	NZ IFRS \$000
<b>Income</b>			
Rates revenue	30,179	0	30,179
User Fees and Other Activity Income	12,834	0	12,834
Subsidy	10,445	0	10,445
Miscellaneous Items <i>[note (ix), (xiv)]</i>	2,287	(28)	2,259
<b>Total income</b>	<b>55,745</b>	<b>(28)</b>	<b>55,717</b>
<b>Expenditure</b>			
Operating Expenditure	32,529	2,411	34,940
Debt Servicing - Interest	2,271	0	2,271
Depreciation	8,995	0	8,995
Council Overhead	2,411	(2,411)	0
Miscellaneous Items <i>[note (i), (vii)]</i>	6,614	(6,342)	272
<b>Total Expenditure</b>	<b>52,820</b>	<b>(6,342)</b>	<b>46,478</b>
<b>Surplus/(deficit) before tax</b>	<b>52,820</b>	<b>6,314</b>	<b>46,478</b>
Income tax expense <i>[Note (x)]</i>	0	(19)	(19)
<b>Surplus/(deficit) after tax</b>	<b>2,925</b>	<b>6,333</b>	<b>46,497</b>
Attributable to:			
Wanganui District Council	2,925	6,333	9,258
Minority Interest	0	0	0
	<b>2,925</b>	<b>6,333</b>	<b>9,258</b>
Net Surplus for the year	2,925		
Increase in Investment Property valuation to Income Statement <i>[note (xiv)]</i>		218	
Decrease in Forestry Development valuation to Income Statement <i>[note (ix)]</i>		(246)	
Writedown of Wastewater System in 2006 <i>[note (vii)]</i>		4,616	
Change in consolidation method of the Airport <i>[note (i)]</i>		1,726	
Deferred Taxation for the Airport Authority <i>[note (x)]</i>		19	
	<b>2,925</b>	<b>6,333</b>	<b>9,258</b>

**Reconciliation of equity to previously reported financial statements - Group**

	Opening Balance Sheet 1/7/05			Comparative Balance Sheet 30/6/06		
	Previous GAAP \$000	Effect of Transition \$000	NZ IFRS \$000	Previous GAAP \$000	Effect of Transition \$000	NZ IFRS \$000
<b>Equity</b>						
General Equity	346,871	187,619	534,490	335,490	195,925	531,415
Restricted Reserves	25,574		25,574	39,513		39,513
Asset Revaluation Reserves	128,660	(128,660)	0	202,260	(202,260)	0
Investment Revaluation Reserves	0	188	188	0	219	219
Minority Interest	3,286	(58)	3,228	3,466	(58)	3,408
	<b>504,391</b>	<b>59,089</b>	<b>563,480</b>	<b>580,729</b>	<b>(6,174)</b>	<b>574,555</b>
<b>Current assets</b>						
Cash and cash equivalents <i>[notes (i) and (ii)]</i>	1,152	3,013	4,165	3,381	1,736	5,117
Short Term Investments <i>[note (ii)]</i>	4,014	(3,014)	1,000	1,741	(1,736)	5
Receivables and Accruals <i>[note (iv)]</i>	14,256	(151)	14,105	12,736	46	12,782
Inventories	696		696	829		829
Non-Current Assets Held for Sale	4,394	(1,607)	2,787	2,375		2,375
Current Portion of Investments	1,250		1,250	2,000		2,000
Current Portion of Long-Term Receivables	237		237	80		80
Current Portion of Sinking Fund Investments	946		946	67		67
Taxation Refundable	62		62	43		43
	<b>27,007</b>	<b>(1,759)</b>	<b>25,248</b>	<b>23,252</b>	<b>46</b>	<b>23,298</b>
<b>Non-current assets</b>						
Investments <i>[notes (ii), (iv), (xi)]</i>	1,189	991	2,180	2,287	1,121	3,408
Long Term Receivables <i>[note (ii)]</i>	1,120	(861)	259	881	(947)	(66)
Investment Property	5,800		5,800	6,017		6,017
Non-Current Assets Held for Sale	0		0	10,116	(10,116)	0
Sinking Funds <i>[note (ii)]</i>	50		50	0		0
Forestry Development <i>[note (ix)]</i>	5,869		5,869	6,147	(246)	5,901
Intangible Assets <i>[note (viii)]</i>	0	1,264	1,264	0	940	940
Property, Plant and Equipment	0	585,093	585,093	0	601,409	601,409
Infrastructure Assets	438,700	(438,700)	0	479,083	(479,083)	0
Land	20,373	(20,373)	0	35,597	(35,597)	0
Buildings and Improvements	40,109	(40,109)	0	46,819	(46,819)	0
Other Fixed Assets	20,466	(20,466)	0	30,734	(30,734)	0
	<b>533,676</b>	<b>66,839</b>	<b>600,515</b>	<b>617,681</b>	<b>(72)</b>	<b>617,609</b>
<b>Current liabilities</b>						
Payables and Accruals <i>notes (i), (xii)]</i>	12,567	(177)	12,390	13,575		13,575
Employee Benefit Liabilities <i>[note (v)]</i>	1,017	70	1,087	1,083	75	1,158
Current Portion of Loans	2,393		2,393	240		240
	<b>15,977</b>	<b>(107)</b>	<b>15,870</b>	<b>14,898</b>	<b>75</b>	<b>14,973</b>
<b>Non-current liabilities</b>						
Loans	40,233		40,233	45,234		45,234
Deferred Tax Liability <i>[note (x)]</i>	0	6,045	6,045	0	6,020	6,020
Employee Benefit Liabilities <i>[note (v)]</i>	82	53	135	72	53	125
	<b>40,315</b>	<b>6,098</b>	<b>46,413</b>	<b>45,306</b>	<b>6,073</b>	<b>51,379</b>
<b>Net Assets</b>	<b>504,391</b>	<b>59,089</b>	<b>563,480</b>	<b>580,729</b>	<b>(6,174)</b>	<b>574,555</b>

## Reconciliation of net surplus to previously reported financial statements - Group

	Previous GAAP \$000	30/6/06 Effect of Transition \$000	NZ IFRS \$000
<b>Income</b>			
Rates revenue	30,179	0	30,179
User Fees and Other Activity Income	12,327	0	12,327
Subsidy	10,445	0	10,445
Miscellaneous Items [note (ix), (xiv)]	1,989	(28)	1,961
Trading Revenue	29,169	0	29,169
<b>Total income</b>	<b>84,109</b>	<b>(28)</b>	<b>84,081</b>
<b>Expenditure</b>			
Operating Expenditure	57,135	2,412	59,547
Debt Servicing - Interest	2,810	0	2,810
Depreciation	10,089	0	10,089
Council Overhead	2,412	(2,412)	0
Miscellaneous Items [note (i), (vii)]	6,696	(6,342)	354
<b>Total Expenditure</b>	<b>79,142</b>	<b>(6,342)</b>	<b>72,800</b>
<b>Surplus/(deficit) before tax</b>	<b>4,968</b>	<b>6,314</b>	<b>72,800</b>
Income tax expense [Note (x)]	1,136	(19)	1,117
<b>Surplus/(deficit) after tax</b>	<b>3,832</b>	<b>6,333</b>	<b>71,683</b>
Attributable to:			
Wanganui District Council	3,275	6,332	9,607
Minority Interest	557	0	557
	<b>3,832</b>	<b>6,332</b>	<b>10,164</b>
Net Surplus for the year	3,832		
Increase in Investment Property valuation to Income Statement [note (xiv)]		217	
Decrease in Forestry Development valuation to Income Statement [note (ix)]		(246)	
Writedown of Wastewater System in 2006 [note (vii)]		4,616	
Change in consolidation method of the Airport [note (i)]		1,726	
Deferred Taxation [note (x)]		19	
	<b>3,832</b>	<b>6,332</b>	<b>10,164</b>

Full IFRS disclosures can be found in the Annual Report on pages 50-55.

(i) In the 30 June 2005 financial statements Wanganui Airport Authority was incorporated 100% into the Council's financial statements. The Airport is a 50/50 partner in the joint venture with the Crown. The Council changed its accounting policy during the 2005/06 financial year, resulting in a \$1,726,000 write off included in the net surplus. The opening balance sheet has been amended reflect this change in policy.

(ii) Cash and cash equivalents have been defined as funds invested with maturity date of three months or less from the date of investment. Short term deposits have been reclassified to cash and cash equivalents. Long term receivables and sinking funds have been reclassified to investments.

(iii) In the past investments in bonds and term investments have been accounted for at the lower of cost or net realisable value. Under NZ IFRS, Council has classified its investments in term deposits and bonds as being "held to maturity" and are valued at amortised cost. Investments in non related shares are valued at market value (previously at cost). Any increase in market value movement in the investment is accounted for through the investment revaluation reserve while decreases have been taken through the Income Statement.

(iv) Prepayments had been incorrectly classified as investments. They have now been classified as Receivables and Advances.

(v) In the past unused sick leave has not been treated as a liability. There is now a requirement to provide for the portion of unused sick leave that it is estimated will be used in future years.

(vi) All classes of property, plant and equipment have been removed from the face of the balance sheet and detailed in the notes to the financial statements.

(vii) Infrastructural assets, land, buildings and art work were revalued at 1 July 2005. The carrying value for classes of property, plant and equipment that have been previously revalued (including valuations at 1/7/05) are considered deemed cost and associated revaluation reserves have been transferred to retained earnings. As a result of the valuation at 1 July 2005 wastewater assets reduced in value by \$4,616,000 more than the amount in the revaluation reserve for that class of asset. As a result, this amount had been taken to the Income Statement in the 2005/06 financial statements. The opening balance sheet has been amended to reflect the decrease in value and therefore the expense in the 2005/06 year is reversed.

(viii) Software has been previously accounted for as property, plant and equipment, within the furniture and office equipment class. This has been reclassified as an intangible asset.

(ix) Forestry has been previously classified as property, plant and equipment with any change in valuation being accounted for through the revaluation reserve. Under NZ IFRS it is now classified as a biological asset and is revalued annually. All changes in valuation are accounted for through the Income Statement.

(x) Under previous NZ GAAP, the partial method of calculating deferred tax and no liability was used. Under NZ IAS 12, deferred tax is calculated based on the difference between the carrying value of an asset and the amount attributed to it for tax purposes. This method generally results in a significantly larger deferred tax liability, especially in relation to revalued assets.

(xi) Long Term Receivables were reviewed for impairment at 1 July 2005 and \$37,000 were considered to be impaired.

(xii) There was a reclassification of bonds and deposits at 1 July 2005 for forestry debtors owing to Council.

(xiii) Properties intended for sale were reviewed at 1 July 2005. A number of properties were not considered available for immediate sale at the time, as required by NZ IFRS 5.

(xiv) Increases in valuation of investment properties have been previously transferred to the revaluation reserve in equity. NZ IAS 40 now requires the movement in the fair value of investment properties to be accounted for through the Income Statement.

#### **Statement of Cash Flows**

There were no material adjustments to the statement of cash flows for the year ended 30 June 2006, on transition to IFRS.



Mayor  
Michael Laws



Chief Executive  
David Warburton

Dated 29 November 2007

**AUDIT REPORT**  
**TO THE READERS OF WANGANUI DISTRICT COUNCIL AND GROUP'S**  
**SUMMARY ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 29 October 2007, on:

- ✓ the full financial statements; and
- ✓ the Council and group'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 incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Wanganui District Council or any of its subsidiaries.

**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.



J R Smaill, Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand  
29 November 2007

**Matters relating to the electronic presentation of the audited Financial Statements and Service Provision Information**

This audit report relates to the Financial Statements and Service Provision Information of the Wanganui District Council and Group's Financial Statements and Service Provision Information for the year ended 30 June 2007 included on Wanganui District Council's web site. The Wanganui District Council's Council is responsible for the maintenance and integrity of the Wanganui District Council's web site. We have not been engaged to report on the integrity of the Wanganui District Council's web site. We accept no responsibility for any changes that may have occurred to the Financial Statements and Service Provision Information since they were initially presented on the web site.

The audit report refers only to the Financial Statements and Service Provision Information named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Financial Statements and Service Provision Information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Financial Statements and Service Provision Information and related audit report dated 27 September 2007 to confirm the information included in the audited Financial Statements and Service Provision Information presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of the Financial Statements and Service Provision Information may differ from legislation in other jurisdictions.