

CHAIRMAN'S REPORT – 2024 / 2025

Financial Overview

The Association's financial results for the year ended 30 June 2024 are summarised below:

Summary	2024	2023	2022
Total Revenue	901,452	746,336	707,874
Total Expenses	1,044,458	880,291	1,331,498
Surplus / (Deficit)	(143,006)	(133,954)	(623,623)
Project - Capital Works	764,331	177,484	126,172
Net Operating Cash	(400,551)	104,671	321,150
Bank balance	1,421,974	1,822,525	1,717,854

In 2024, total revenue increased by 21% to \$901,452, primarily due to higher interest income, while water revenue remained consistent. Operating expenses rose by 26%, largely driven by significant capital works investment totalling

\$764,331. This resulted in a deficit of \$143,006 and a negative net operating cash flow of \$400,551, reflecting the scale and timing of infrastructure works.

Despite this, the Association remains financially strong, with a bank balance of \$1.42 million. Prudent management of capital and operating costs continues to support our long-term sustainability. Future revenue will also benefit from the water price adjustments.

Waikato District Council (WDC)

- **Headworks Maintenance:** We continue to maintain a strong working relationship with Watercare, which manages WDC's potable water supply. Thanks to our Maintenance Inspector and Executive Officer for their oversight.
- **Supply Contract:** The annual review of the TKWA – WDC water supply agreement is currently underway.
- **Water Take Resource Consent:** Our application remains with Waikato Regional Council. A final decision is pending confirmation from WDC regarding their future requirements.

Operations and Infrastructure

- **Subdivisions & New Business:** No material progress or development work occurred during the last year.
- **Reticulation:** Now 40 years old, the scheme continues to require the replacement of aging components. While occasional leaks result in temporary outages, our contractors respond promptly to carry out repairs and restore service.
- **Pump House Building:** All required works have been completed, and no major maintenance is currently needed.
- **Chlorine Dosing Plant:** The salt chlorine plant is fully operational, with regular servicing in place.
- **Switchboard & Telemetry:** The switchboard upgrade is now complete. The current telemetry system provides real-time alerts for pump faults and reservoir level issues. Further enhancements are planned to incorporate live data feeds and remote monitoring for improved oversight of operations.

Charitable Distributions

As a registered charity, the Association made donations totalling \$34,001 in accordance with its Rules.

Cash Reserves

To ensure long-term financial resilience, the Committee has reserved \$1.1 million as an Adverse Event Reserve. This reserve is essential, given that our horizontal assets are not insurable. Additional surpluses will be added to this reserve when available.

Governance & Administration

Constitutional Review: We are currently working in consultation with legal advisors to finalise any required amendments to our charitable status and incorporated society structure. These will be presented for ratification at the upcoming Annual General Meeting.

Acknowledgements: Sincere thanks to the Committee, Executive Officer Mike Peters, Maintenance Inspector Gerald Jackson, and Administration Manager Emma Adams for their dedication and valuable contribution to the ongoing success of the Association.

Closing

I extend a warm welcome to all new Members and thank all Users of the Association for your continued support. We remain committed to meeting your water needs now and into the future, and I look forward to seeing you at the upcoming Annual General Meeting.

John Cunningham **Chairman**