

# **Waimate District Council Annual Report 2004/2005 Summary**





## CHIEF EXECUTIVE'S REPORT



Council's Chief Executive, Mr John Maxwell says ... "Overall it has been a

good year although a number of external circumstances have strongly and adversely impacted some of the financial indicators.

The good news is that we have seen no increase in debt with our end of year position being very close to identical to that at the beginning of the year. Our revenue and expenditure have both varied from the original budgets within acceptable limits and the balance at year's end is satisfactory.

### Valuations

There has been a heavy effect on the accounts resulting from the manner in which assets are valued.

The Council's current accounting policies take a very conservative approach and require assets to be valued at the lower of their cost price or market value. This has resulted in many of these assets being grossly undervalued. For example, all of Council's landholdings have not been revalued in light of district revaluations such as that which occurred during the last year. In the same way, other assets like the Council's shareholding in Alpine Energy are very undervalued.

On the other hand, assets such as the forest trees are valued on a formula that anticipates a value at harvest based on present day Market prices reduced by the years remaining to that expected harvest date. Current market rates are very volatile and have seen major decreases over recent years. This year, like last, we see an effective further reduction in value based on a long term to maturity. Council had anticipated increases to the value of \$549,000, (budget for 2004 - \$573,000). However, valuations have decreased \$310,000, (in 2004 were +\$50,000), resulting in an overall adverse effect of \$859,000 compared with an overall adverse effect of \$523,000 in 2004.

This reflects in a book reduction to our statement of financial performance.

The reasons for these valuation changes have come largely from the reallocation of stands to new crop types; particularly in Athlone Forest, increases in harvesting and transport costs, and detrimental changes in log prices.

Also the Morven Reserve chose to harvest a substantial percentage of their trees to reassign the land for future grazing taking advantage of high current rates for dairy purposes.

Council also revalued its investment value in the Waimate Medical Centre by providing for a loss of \$234,000, (2004, \$0) based on asset backing. The large costs to set up and operate the Medical Centre in 2004 were largely completed by the 2004/2005 year.

### IFRS Standards

The Council is facing complete adoption of the IFRS, (International Financial Reporting Standards) and these will enable updating of our policies to reflect genuine values of assets in future years.

### Financial Performance

This report contains full details of financial performance. Significant variations in revenue and expenditure are outlined on pages 53 and 54 of the full Annual Report.

Some specific observations on major budget variations include:

Revenue from Transfund subsidies for roading were \$117,000 under budget as a result of some subsidisable work being not completed. The Contractor was unable to finish the full anticipated schedule. This also resulted in reduced expenditure for these works.

Forestry harvesting resulted in more trees being cut than anticipated from preliminary surveys. As a result both revenue and expenditure were above budget.

The excellent cash flow situation has reduced liability for interest by \$76,000 from the budgeted figure.

Dividends from Council investments were above expectations but these are already known to be reducing in the 2005/2006 year as Alpine Energy spends more on capital renewals.

Rural water schemes have impacted both revenue and expenditure projections as new and remedial work did not match pre-year planning but these anomalies are recovered over time as the schemes are self-supporting.

Internal business unit accounting has seen shifts in allocated time and other charges as the impact of external pressures has occurred. This has had its greatest impact in the civic issues area.

### Special Achievements

During the last year the Council staff have demonstrated their skill and professionalism in producing an LTCCP, that contains almost all of the requirements that have to be met by July 1<sup>st</sup> 2006. A recent independent survey

shows that Waimate is one of only twenty Councils that have completed their basic community consultation on Community Outcomes. We are one of a handful that has completed Water and Waste Assessments. This has been achieved without using consultants.

Part of the supporting work for the LTCCP has been the creation of Asset Management Plans for the main utilities, (water, sewerage, etc) that provide for the valuation, regular maintenance and expansion needs for the future. These are required by statute and this year marks the provision for the first time of a full and up-to-date set. This work has imposed high demands on our Asset Management Department.

Another important area for the district has been the successful completion of the Waitaki Catchment Water Allocation process which ended with the publication of a Regional Plan at the beginning of October 2005. The last year saw Council involved in a number of submissions to the appointed board and we believe that our consistent emphasis on protection of the status quo and availability of water for future development of the district was one of the messages heeded leading to great result for us here.

Internally, we have continuously improved methods and skills to accommodate the many increased work demands that have been imposed upon us by central government.

We have seen some significant extensions to the water supply networks and increased standards of reliability in all utilities.

An expansion of library services to include Saturdays has been a great success with overall borrowing and attendance figures all increasing accordingly.

## **Performance Measures**

This Annual Report shows for the first time, a new style of performance reporting that is continuing to be developed. The 2005 LTCCP documents describe the basis for this evaluation and, as will be seen from that description, next year's annual report will provide more information covering a broader view of the Council's overall performance. It will be seen from this report that the expected levels of service for every activity are the basis for review.

## **THE MAYORS' REPORT**

Along with the issues highlighted in the Chief Executive's report, others included:



### **Recycling**

Recycling collection, which has been over two years in the planning, has been implemented in the urban area of Waimate. The recycling operation is a partnership between White Horse Recycling, an enthusiastic community group, and Council. At the Resource Recovery Park a large building was constructed, at a cost of \$95,000, to accommodate recycled material and is being fully utilised for this task.

### **Otaio-Makikihi Water Scheme**

During the year the Otaio-Makikihi water scheme had a supplementary water main installed from the Bluecliffs reservoir to Horseshoe Bend Road area. This has made available more water for present consumers, and new consumers are now able to join this scheme.

### **150th Year Celebrations**

During the 2004 year, the Waimate District celebrated 150 years of European settlement. Council gave financial support to the 150th Celebrations Committee which gave a good base to attract other funding.

The July weekend of celebrations was attended by the Prime Minister Rt Hon Helen Clark and Aoraki MP Mr Jim Sutton and long will this visit be remembered. Commemorative trees were planted around the District where communities wished. The climax to celebrations were held at Labour weekend where on the Saturday, well over 100 floats paraded down the main street attracting 10,000 people to the procession and heritage fair which followed. A ball, church service and concert rounded off a very successful weekend and year of celebrations.

### **Waitaki Lakes Camping**

Waitaki Lakes camping which is managed by Parks & Reserves Department provides a low cost holiday facility for local people and visitors and sees large numbers when the weather treats us with good summer conditions. The Waitaki camping facilities are now all but self funding.

### **Kennedy Crescent**

Kennedy Crescent pensioner flats were to have had new flats added in the area of vacant land. While a budget and designs are in place, trades people have been difficult to source to do the building. I would like to think this can be addressed in the near future.

# Annual Report 2004/2005 Summary

	Council			Consolidated	
	Actual	Budget	Actual	Actual	Actual
	2005	2005	2004	2005	2004
	\$000	\$000	\$000	\$000	\$000

## Summary Statement of Financial Performance for the year ended 30 June 2005

### Revenue

Revenue from Activities	3,603	4,264	4,647	4,078	4,911
Rates	4,584	4,507	4,281	4,584	4,281
Other Revenue	893	1,096	793	893	777
<b>Total Revenue</b>	<b>9,080</b>	<b>9,867</b>	<b>9,721</b>	<b>9,555</b>	<b>9,969</b>

### Expenditure

<b>Total Expenditure</b>	<b>10,339</b>	<b>9,395</b>	<b>10,905</b>	<b>10,611</b>	<b>11,357</b>
<b>Net Surplus/ (Deficit)</b>	<b>(1,259)</b>	<b>472</b>	<b>(1,184)</b>	<b>(1,056)</b>	<b>(1,388)</b>

### Statement of Financial Performance:

The Morven Recreational Reserve have harvested part of their remaining stands of forest, in continuation of their plans to return the land to pasture. The expected revenue, because of the current timber market, was considerably below budget by \$125,000.

Water Capital Contribution and connection fees were below budget by \$192,000, particularly in Waikakahi where the drilling of a new bore was unsuccessful.

Similarly, the delay in residential development meant sewer capital contribution were \$75,000 below budget.

The forestry revenue, mainly through Charnwood Forest, was \$279,000 above budget. This revenue was met by increased harvest costs.

Anticipated gain on growth is however \$549,000 below budget due to current timber marketing trends, meaning forestry overall was reported \$270,000 below budget.

### Rates

General Rates was within \$5,000 of budget, while targeted rates in water supply and refuse collection are above budget by \$44,000.

### Other Revenue

Roading Transfund subsidy is below budget by \$117,000 as a result of less capital expenditure activities than budgeted for.

Dividends are above budget by \$102,000 as Council includes the final payout for the financial year totally \$218,000. There has been an overall reduction in the yearly payout - From 18 to 16 cents per share as Alpine Energy Ltd intends to spend more reserves on capital renewals.

### Expenditure

The cost of forestry harvest is above budget by \$371,000, offset partially by revenue increase of \$279,000 mentioned earlier.

It has been necessary following losses to Athlone Forest's net stocked area, losses in Morven Reserves harvested stocks, and overall transportation and harvesting costs to write off a further \$470,000 from the Forestry activities.

A provisional loss on Valuation of \$234,000 is necessary on the long-term investment in Waimate Medical Centre to match its current net asset backing.

Various Council water scheme labour costs were above budget by \$162,000.

The full extent of the CEO's Strategic Planning Team with responsibilities such as LTCCP, Medical Centre, Community Representation, Water allocation issues and Promotions has seen an increase above budget of \$138,000.

Conversely, Interest paid on loans is below budget by \$76,000 as a result of a favourable cash flow position through eleven of the twelve months, due to delays in capital expenditure particularly in roading and parks.

# Annual Report 2004/2005 Summary

	Council			Consolidated	
	Actual	Budget	Actual	Actual	Actual
	2005	2005	2004	2005	2004
	\$000	\$000	\$000	\$000	\$000

## Summary Statement of Movements in Equity for year ended 30 June 2005

Total Ratepayers' Equity at Start of Period	205,633	207,247	207,659	205,429	207,659
Total Recognised Revenues & Expenses	(1,226)	472	(2,026)	(1,023)	(2,230)
Total Ratepayers' Equity at End of Period	204,407	207,719	205,633	204,406	205,429

## Statement of Financial Position for year ended 30 June 2005

### Current Assets

Bank	566	140	527	588	550
Rates Debtors	75	67	118	75	118
Sundry Debtors	764	655	732	797	685
Stock	40	35	44	41	46
Current Investments	25	458	25	25	25
<b>Total Current Assets</b>	<b>1,470</b>	<b>1,355</b>	<b>1,446</b>	<b>1,526</b>	<b>1,424</b>

### Current Liabilities

Sundry Creditors	1,017	724	694	1,056	722
Employee Entitlements	247	189	117	261	130
Current Portion of Term Debt	0	0	1,450	0	1,450
<b>Total Current Liabilities</b>	<b>1,264</b>	<b>913</b>	<b>2,261</b>	<b>1,317</b>	<b>2,302</b>

### Working Capital

	<b>206</b>	<b>442</b>	<b>(815)</b>	<b>209</b>	<b>(878)</b>
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### Non-Current Assets

Non-Current Investments	4,085	3,653	4,202	3,859	3,833
Operational Assets	5,924	6,434	5,834	6,146	6,062
Forests	3,988	5,602	5,039	3,988	5,039
Infrastructural Assets	193,390	195,971	193,154	193,390	193,154
<b>Total Non-Current Assets</b>	<b>207,387</b>	<b>211,660</b>	<b>208,229</b>	<b>207,383</b>	<b>208,088</b>

### Less Non-Current Liabilities

	<b>3,186</b>	<b>4,383</b>	<b>1,781</b>	<b>3,186</b>	<b>1,781</b>
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### Net Assets

	<b>204,407</b>	<b>207,719</b>	<b>205,633</b>	<b>204,406</b>	<b>205,429</b>
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### Ratepayers Equity

	<b>204,407</b>	<b>207,719</b>	<b>205,633</b>	<b>204,406</b>	<b>205,429</b>
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## Statement of Financial Position

### Assets

Sundry Debtors are above budget due to the continued Forestry debt currently being prepared for arbitration, and the new inclusion of the Alpine Energy final dividend for the financial year.

Investment in the Medical Centre has resulted in additional Council management, vehicle hire and interest costs charged to the Centre.

Operational Assets are below budget due to several projects not starting and being spent.

Forestry assets is significantly below budget due to anticipated gains in growth over the last two years not occurring.

Infrastructural Assets are below budget due to

- (a) A reduction of water assets valuation in 2004  
(Still reflected in budgets)

# Annual Report 2004/2005 Summary

(b) Water assets capex not started in 2005

(c) Roading capex not started

## Liabilities

The bank position is favourably above budget due to capital expenditure for 2005 being considerably below budget.

However, sundry creditors is above budget as a considerable number of payments and projects were only completed in the month of June.

Employee entitlement accrued are above budget as Holiday Pay is calculated under the new holiday pay regulations.

## Capital Expenditure

The following table summarises the various asset categories owned by Council that had Capital Expenditure spent during the year compared to budget. The explanations below attempt to highlight significant purchases or variances from budget.

Capital Expenditure Table	Actual	Budget	Note
	2005	2005	
	\$000	\$000	
Land	26	(21)	
Buildings	99	565	1
Office Equipment & Furniture	138	101	
Plant & Machinery	43	53	
Library Books	54	59	
Infrastructure - Water Supply Rural	255	605	2
Infrastructure - Water Supply Urban	48	196	3
Infrastructure - Drainage Urban	56	190	4
Infrastructure - Roading	1,562	1,518	5
Motor Vehicles	94	124	
Forestry Planting & Pruning	136	164	
Sanitation Building	147	50	
<b>Total Capital Expenditure</b>	<b>2,658</b>	<b>3,604</b>	

## Note: 1: Buildings

Projects budgeted for 2005 - not yet spent:

Total: \$645,000

Project expenses incurred but not budgeted for:

Total: \$160,000

## Note 2: Infrastructure - Water Supply Rural

Hook water scheme upgrade costs were \$100,000 under budget.

Waikakahi water scheme unsuccessful bore - \$341,000 under budget

Otaio Makikihi water scheme upgrade - \$47,000 over budget.

## Note 3: Infrastructure - Water Supply Urban

Urban water scheme budgeted to purchase a standby pump \$30,000 - not yet purchased.

The urban water scheme spent favourably under budget by \$118,000.

## Note 4: Infrastructure - Drainage Urban

Project for sewer upgrade in residential areas not started - \$130,000 under budget.

Budgeted for aerator which was not required - \$40,000 under budget.

Budgeted for sewer pipe renewals not spent - \$20,000 under budget.

Sewer treatment plant final payment in 2004 budget - \$55,000 over budget.

## Note 5: Infrastructure - Roading

Savings against budget occurred in pavement repairs \$76,000, drainage construction \$63,000 and bridge renewals \$50,000.

# Annual Report 2004/2005 Summary

## Statement of Cashflows for year ended 30 June 2005

	Council			Consolidated	
	Actual 2005 \$000	Budget 2005 \$000	Actual 2004 \$000	Actual 2005 \$000	Actual 2004 \$000
<b>Cashflows from Operating Activities</b>					
Cash was provided from:					
Receipts from Customers	7,127	7,826	8,947	7,589	9,237
Dividends	702	600	657	702	657
Interest	101	0	35	101	35
	<b>7,930</b>	<b>8,426</b>	<b>9,639</b>	<b>8,392</b>	<b>9,929</b>
Cash was applied to:					
Payments to suppliers & employees	5,831	6,438	6,698	6,243	7,092
Net GST movements	(36)	0	0	(36)	0
Interest Paid	207	91	169	238	169
	<b>6,002</b>	<b>6,529</b>	<b>6,867</b>	<b>6,445</b>	<b>7,261</b>
<b>Net Cashflow/(Outflow) from Operating Activities</b>	<b>1,928</b>	<b>1,897</b>	<b>2,772</b>	<b>1,947</b>	<b>2,668</b>
<b>Cashflows from Investing Activities</b>					
Cash was provided from:					
Sale of fixed assets	0	0	37	0	37
Sale of harvested forestry	1,160	834	0	1,160	0
Redemption of investments	0	0	0	0	0
	<b>1,160</b>	<b>834</b>	<b>37</b>	<b>1,160</b>	<b>37</b>
Cash was applied to:					
Purchase of fixed assets	2,552	3,604	2,282	2,567	2,524
Purchase of investments	316	0	393	316	24
Silvaculture capitalised expenditure	136	0	105	136	105
	<b>3,004</b>	<b>3,604</b>	<b>2,780</b>	<b>3,019</b>	<b>2,653</b>
<b>Net Cashflow/(Outflow) from Investing Activities</b>	<b>(1,844)</b>	<b>(2,770)</b>	<b>(2,743)</b>	<b>(1,859)</b>	<b>(2,616)</b>
<b>Cashflows from Financing Activities</b>					
Cash was provided from term loan	0	873	700	0	700
Cash was applied to repayment of term loans	45	0	0	50	0
<b>Net Cashflows/(Outflow) from Financing Activities</b>	<b>(45)</b>	<b>873</b>	<b>700</b>	<b>(50)</b>	<b>700</b>
<b>Net Increase/(Decrease) in Cash held</b>	<b>39</b>	<b>0</b>	<b>729</b>	<b>38</b>	<b>752</b>
Opening Cash	527	140	(202)	550	(202)
<b>Closing Cash (Overdraft)</b>	<b>566</b>	<b>140</b>	<b>527</b>	<b>588</b>	<b>550</b>

# Annual Report 2004/2005 Summary

## SUMMARY STATEMENT OF PERFORMANCE MEASURES FOR WAIMATE DISTRICT COUNCIL

Below is the complete selection of activities to which Waimate District Council measures its performance.

The information included in the summary has been extracted from the audited full Annual Report 30 June 2005. For explanations as to why measures were not achieved, please refer to the full Annual Report.

Performance Measure	Achieved	Not Achieved
<b>People</b>		
Community Safety		✓
Community Support - Info Centre - Council Offices - Community Grants	✓ ✓ ✓	
Community Property - Public Toilets - Pensioner Flats - Post Office Bldg - Owner Occupier Flats - Staff Housing - LGC - Vacant & Leased Land	✓ ✓ ✓ N/A ✓ ✓	✓
Civil Defence	✓	
Rural Fire Protection	✓	
Formal Gardens	✓	
Tree Park	✓	
Camping - Waitaki Lakes - Victoria/Knottingley Parks - St Andrews Camping Reserve	✓ ✓ ✓	
Swimming Pools	✓	
Libraries	✓	
Visually Attractive Roadsides	✓	
Wilderness Reserves		✓
Our District's History	✓	
Cemeteries	✓	
<b>Utilities</b>		
Rural Water Supply - Staff levels - Repair work - Water quality	✓ ✓	✓
Urban Water Supply - Disruptions to supply - Water pressure - Adequate flow - Fire fighting pressure - Water quality	✓ ✓ ✓ ✓	✓
Sewerage & Waste Water Treatment - Service failures - Discharge resource consents - Scheduled shutdowns	✓ ✓	✓
Stormwater	✓	
Waste Management	✓	
Waimate Aerodrome	✓	

Performance Measure	Achieved	Not Achieved
<b>Roading</b>		
Service Levels	✓	
Road Maintenance		✓
Footpaths	✓	
<b>Environment</b>		
Building Control - Building Consents - LIMs		✓ ✓
District Planning - District Plan - Annual Environment Report - Consent Applications	✓	✓ ✓
Environmental Health - Liquor Licence Apps - Inspections of Registered Premises - Investigations of Notifiable Diseases - Noise Complaints	✓ ✓ ✓	✓
Animal Control - Registrations - Response to Complaints	✓	✓
Liquor & Gaming Machine Licensing - Liquor Licensing - Gaming Machine Licensing	N/A	✓
Pest Management – Plants		✓
<b>Economic Development</b>		
Forestry	✓	
Economic Development	✓	
<b>Central Organisation</b>		
Community Representation - Elections - Public Meetings - LTCCP - Special Consultation	✓ ✓ ✓	✓
CEO's Strategic Planning Team	✓	
Corporate Services Support Team	✓	
Information Management - Availability of Services - Availability of GIS Officer	✓	✓
Waimate Medical Centre	✓	

# Annual Report 2004/2005 Summary

## Waimate Medical Centre

The Chairman of the Waimate Medical Centre reported on the changes made to the Board of the Directors.

Mr Coles went on to say...

“The Board of Directors of Waimate Medical Centre Ltd now consists of J.G. Coles (chairman), R.D.M. Owen, T.H. Hurst and G. Nind.

There was disappointment for the practice during the past twelve months when Dr Didi Klein broke her two year contract with the Waimate Medical Centre Ltd after honouring only seven months of her contract. While Dr Klein was at the practice this gave WMC Ltd two permanent doctors and saw patient numbers rise by one hundred and twenty in six months.

Since January 2005, the practice has had seven locums filling in over the last six months and a loss of one hundred and fifty patients. This is a trend directors are working to reverse, and are very aware of the needs of the patients.

It is pleasing the practice will have Dr Nicholas Hunter from Scotland for nine months, from the start of the new financial year. Dr Hunter is here with his wife and five year old daughter.

During the last few months all medical practices in South Canterbury have been audited on practice fees for the “over sixty fives” subsidised by Government through South Canterbury District Health Board. While this showed some small discrepancies with WMC Ltd it was found the Medical Centre had no case to answer. The audit process interpretation has not been well received by many medical practitioners.

Government gave misguided and over simplified information when announcing subsidies for the “over sixty fives” as all practices have different cost structures and charges.

The practice has found it has been financially beneficial to apply for every subsidy that is available. The difficulty is sometimes finding what can attract a subsidy and what the medical centre is entitled to. In this area we have performed much better than last year.

The annual balance sheet while considerably better than last year’s \$198,000 loss, is still not the result expected by the budgeted figures and somewhat disappointing, with the WMC Ltd posting a loss of \$31,000 for this financial year. Main contributors to this loss are the drop in revenue from fees, increased cost to employ locums and the Medical Centre’s contribution to the superannuation fund of an employee. Audit fees are

another area where high fees are set by the Auditor General and try as we may to lower these fees, to date there is reluctance by the Auditor General’s Office to reduce them.

Practices like the Waimate Medical Centre and patients alike would like to see very long-term doctors looking after peoples’ health needs. Alas, times have changed and we all will have to get accustomed to doctors moving on after a few years. This will not deter the Directors from seeking good doctors who are prepared to stay in Waimate for some time.

### Statement of Financial Performance

	Actual 2005 \$000	Budget 2005 \$000	Actual 2004 \$000
Revenue from Activities	475	515	311
Expenditure	506	450	509
Net (Deficit) Surplus	(31)	65	(198)

### Statement of Financial Position

	Actual 2005 \$000	Estimate 2005 \$000	Actual 2004 \$000
Current Assets	57	43	43
Current Liabilities	(53)	(41)	(41)
<b>Working Capital</b>	<b>4</b>	<b>2</b>	<b>2</b>
Non Current Assets	222	194	228
Less Non Current Liabilities	(460)	(335)	(433)
Net Assets	(234)	(139)	(203)
Shareholders Equity	234	139	203

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

### 1. Accounting Policies

#### Basis of Preparation

The Council has prepared the summary financial report in order to provide users with a succinct overview of Council performance. The specific disclosures included in the summary financial report have been extracted from the full audited financial report dated 26 October 2005 and on which an unqualified audit opinion was issued.

Users of the summary financial report should note that the information contained therein 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 Council.

Users who require additional information are encouraged to request a printed version from the following address:

Corporate Services Manager  
Waimate District Council  
P O Box 122  
Waimate

The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

The summary financial report was authorised for issue on 22 November 2005 by the Chief Executive Officer, Mr John Maxwell.

### 2. Changes in Accounting Policies

There have been no significant changes from the accounting policies adopted in the last audited financial statements and accounting principles have been applied on a basis consistent with the previous period.

Where necessary prior period comparisons have been amended in line with current year's disclosures.

## AUDIT REPORT - TO THE READERS OF WAIMATE DISTRICT COUNCIL AND CONSOLIDATED GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2005

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.

We expressed an unqualified audit opinion, in our report dated 26 October 2005, 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 in our capacity as auditor, we have no relationship with or interests in Waimate District Council or its subsidiary.

### 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.

Tony Uttley  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand  
22 November 2005

#### Matters relating to the electronic presentation of the audited annual report summary.

This audit report relates to the annual report summary of Waimate District Council and group for the year ended 30 June 2005 included on Waimate District Council's website. Waimate District Council is responsible for the maintenance and integrity of the Waimate District Council's website. We have not been engaged to report on the integrity of the Waimate District Council's website. We accept no responsibility for any changes that may have occurred to the summary annual report since they were initially presented on the website.

We have not been engaged to report on any other electronic versions of the Waimate District Council and group's summary annual report, and accept no responsibility for any changes that may have occurred to electronic versions of the summary annual report published on other websites and/or published by other electronic means.

The audit report refers only to the summary annual report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this summary annual report. 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 summary annual report and related audit report dated 26 October 2005 to confirm the information included in the audited summary annual report presented on this website.

Legislation in New Zealand governing the preparation and dissemination of the summary annual report may differ from legislation in other jurisdictions.