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## RESULTS

The Local Government Act 1974 requires Council to report our performance compared to targets published in our annual plan. We report against both financial and non-financial measures.

### Council reporting is in several forms:

*Service Performance (non-financial) reporting* – this focuses on the significant activities or services which Council delivers. Each activity includes a goal, description of the activity, strategic action, the services or outputs delivered by that activity and annual performance targets for the activity. Against these the actual results and achievements for the year are shown.

*Financial Management reporting* – outlines the extent to which we have met the objectives of the Long-term Financial Strategy, Funding policy, Investment Policy and Borrowing Management Policy Documents.

*Financial Performance reporting* – this information includes the Statement of Financial Performance, the Statement of Financial Position and associated accounting policies and notes. This information must be prepared according to recognised accounting standards. This also includes the cost of service statements for each activity shown under Service Performance. These statements show the expenditure of each activity, the revenue directly attributable to it and the net cost which was met by rates.



## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

### Compliance

The Council and management of Taupo District Council confirm that all the statutory requirements regarding financial management and borrowing of Part 6 of the Local Government Act 2002 (as modified by the transitional provisions of Part 12 of that Act which includes the requirement to comply with Part VIIA of the Local Government Act), have been complied with.



C T A Stent  
MAYOR  
25 November 2004

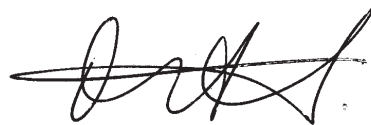
### Responsibility

The Council and management of Taupo District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.



S F Rowbotham  
CHIEF EXECUTIVE OFFICER  
25 November 2004

The Council and management of Taupo District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.



In the opinion of the Council and management of Taupo District Council, the annual financial statements for the year ended 30 June 2004 fairly reflect the financial position and operations of Taupo District Council.

D A Gartner  
FINANCE MANAGER  
25 November 2004



Audit New Zealand

## AUDIT REPORT

### TO THE READERS OF TAUPO DISTRICT COUNCIL AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The Auditor-General is the auditor of Taupo District Council (the District Council) and group. The Auditor-General has appointed me, M G Taris, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the District Council and group, on his behalf, for the year ended 30 June 2004.

#### Unqualified opinion

In our opinion the financial statements of the District Council and group on pages 23 to 97:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the District Council and group's financial position as at 30 June 2004;
  - the results of operations and cash flows for the year ended on that date; and
  - the service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 26 November 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

#### Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- σ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- σ verifying samples of transactions and account balances;
- σ performing analyses to identify anomalies in the reported data;
- σ reviewing significant estimates and judgements made by the Council;
- σ confirming year-end balances;
- σ determining whether accounting policies are appropriate and consistently applied; and
- σ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

### **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2004. They must also fairly reflect the results of operations and cash flows and service performance achievements for the year ended on that date. The Council's responsibilities arise from the Local Government Act 2002, which requires the Council to prepare financial statements under the Local Government Act 1974.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.



## Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out a separate review of the GST treatment of land transactions, which is compatible with those independence requirements. Other than the audit and this review, we have no relationship with or interests in the Council or any its subsidiaries.



M Taris  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

### **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements of Taupo District Council and Group for the year ended 30 June 2004 included on Taupo District Council's web site. The Taupo District Council is responsible for the maintenance and integrity of Taupo District Council's web site. We have not been engaged to report on the integrity of Taupo District Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from the electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 26 November 2004 to confirm the information included in the audited financial statements presented on this web-site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

