

# SINKING FUND COMMISSIONER ACCOUNT

For the year ended 30 June 2007



Whakatane District Council

WHAKATANE DISTRICT COUNCIL SINKING FUND COMMISSIONER ACCOUNT

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007

	2007 \$	2006 \$
<b>SINKING FUNDS HELD ON BEHALF OF WHAKATANE DISTRICT COUNCIL</b>		
Opening Balance	920,588	1,263,222
Net Movement for Year	(920,588)	(342,634)
<b>Total Funds Invested</b>	<b>0</b>	<b>920,588</b>
<b><u>Represented By</u></b>		
<b><i>Current Assets</i></b>		
Bank Account	0	0
Owing by WDC	0	265,370
Funds Invested (Note 1)	0	655,218
<b>Total Current Assets</b>	<b>0</b>	<b>920,588</b>
<b>Total Assets</b>	<b>0</b>	<b>920,588</b>

The accompanying notes form part of the financial statements.

For and on behalf of the Commissioners who authorised the issue of the financial report on 31 October 2007.



**Diane Turner**  
CHIEF EXECUTIVE



**Helen Barnes**  
CHIEF FINANCIAL OFFICER

## WHAKATANE DISTRICT COUNCILSINKING FUND COMMISSIONER ACCOUNT

### STATEMENT OF FINANCIAL PERFORMANCEFOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
Revenue	0	0
Interest Received	31,840	75,571
Expenditure	0	0
<b>Net Surplus for Year</b>	<b>31,840</b>	<b>75,571</b>

### STATEMENT OF MOVEMENT IN SINKING FUNDS HELD

#### FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
Opening Balance	920,588	1,263,222
Net Surplus for Year	31,840	75,571
<b>Total Recognised Revenues for the Year</b>	<b>31,840</b>	<b>75,571</b>
Sinking Fund Contributions	0	265,370
Sinking Fund Withdrawals	(952,428)	(683,575)
<b>Total Sinking Funds Held</b>	<b>0</b>	<b>920,588</b>

The accompanying notes form part of the financial statements.

**WHAKATANE DISTRICT COUNCIL SINKING FUND COMMISSIONER ACCOUNT****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****REPORTING ENTITY**

The Sinking Fund is an investment pool set up to repay loans of the Whakatane District Council over the normal life of the asset to be funded.

Contributions represent funds paid in by Whakatane District Council, invested for each loan annually, in order to fully repay the loan at maturity date.

Withdrawals are repaid to Whakatane District Council when the date of loan maturity or redemption is reached.

**STATEMENT OF ACCOUNTING POLICIES****1 GENERAL ACCOUNTING POLICIES**

- 1.1 These financial statements have been prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of New Zealand.
- 1.2 The final external loan held by Council to which Sinking Funds related was repaid on 15 May 2007. The Council was advised on 27 February 2007 to disestablish the sinking fund as at 16 May 2007. As a result the financial statements have been prepared on a disestablishment basis.

**2 PARTICULAR ACCOUNTING POLICIES**

- 2.1 Interest revenue on Local Government Stock is recognised on a yield to maturity basis. Interest on other investments is recognised as earned.
- 2.2 Accounts receivable - stated at expected realisable value.
- 2.3 Goods and Services Tax - the Whakatane District Council Sinking Fund Commissioner is not registered for GST, the financial statements are prepared on a GST inclusive basis.
- 2.4 Investments - stated at net realisable value.
- 2.5 All costs incurred in operating the Sinking Fund Commissioner Account are met by the Whakatane District Council.

**3. DIFFERENTIAL REPORTING**

The Sinking Fund is able to apply differential reporting exemptions as it meets the criteria of a differential entity, because:

The Sinking Fund is not publicly accountable;

The Sinking Fund is not large.

**4. CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies which have been applied on a basis consistent with those used in the previous year.

**WHAKATANE DISTRICT COUNCIL SINKING FUND COMMISSIONER ACCOUNT**

**FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1:

**SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2007**

**Current Investments**

BANK OR INSTITUTION	INTEREST RATE	MATURITY DATE	TERM	INVESTED \$
				0
				0

**SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2006**

**Current Investments**

BANK OR INSTITUTION	INTEREST RATE	MATURITY DATE	TERM	INVESTED \$
Bank of New Zealand	5.35%	Call	Call	655,218
<b>Total Current</b>				655,218

The accompanying notes form part of the financial statements.

**AUDIT REPORT**  
**TO THE READERS OF**  
**WHAKATANE DISTRICT COUNCIL SINKING FUND COMMISSIONERS'**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

The Auditor-General is the auditor of Whakatane District Council Sinking Fund Commissioners (the Sinking Fund). 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 Sinking Fund, on his behalf, for the year ended 30 June 2007.

**Unqualified opinion**

In our opinion the financial statements of the Sinking Fund on pages 1 to 4, that are prepared on a disestablishment basis:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Sinking Fund's financial position as at 30 June 2007; and
  - the results of its operations for the year ended on that date.

The audit was completed on 31 October 2007, and is the date at which our opinion is expressed.

The basis of our opinion, which refers to the financial statements being appropriately prepared on a disestablishment basis, is explained below. In addition, we outline the responsibilities of the Commissioners 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 the 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 our opinion.

The 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:

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

***The financial statements are appropriately prepared on a disestablishment basis***

In forming our opinion, we considered the accounting policy on page 3 about the financial statements being prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate as the Sinking Fund Commissioners closed on 15 May 2007.

**Responsibilities of the Commissioners and the Auditor**

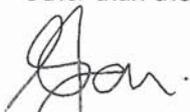
The Commissioners are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Sinking Fund as at 30 June 2007 and the results of its operations for the year ended on that date. The Commissioners' responsibilities arise from section 306 of the Local Government Act 2002.

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 and section 306 of the Local Government Act 2002.

**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.

Other than the audit, we have no relationship with or interests in the Sinking Fund.



M G 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 Whakatane District Council for the year ended 30 June 2007 included on Whakatane District Council's web site. The Whakatane District Council is responsible for the maintenance and integrity of the Whakatane District Council's web site. We have not been engaged to report on the integrity of the Whakatane 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 electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 31 October 2007 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.