

SOUTH WAIRARAPA DISTRICT COUNCIL

31 OCTOBER 2014

AGENDA ITEM B1

ADOPTION OF THE 2013/14 ANNUAL REPORT

Purpose of Report

To present for adoption the 2013/14 Annual Report.

Recommendations

The Chief Executive Officer recommends that Council:

1. *Receive the information.*
2. *Adopt the 2013/14 Annual Report*
3. *Delegate to the Mayor and Chief Executive authority to make minor changes as necessary.*

1. Executive Summary

The Draft Annual Report was circulated to during September 2014.

Audit New Zealand has completed their review of the annual report. Audit New Zealand will be issuing an unqualified audit report.

It is important to note that Annual Reports, and the correctness of the disclosures, are the responsibility of the organisation preparing them. The audit process is at a high level and provides an opinion on whether the financial statements show a "true and fair" view of the operations for the year ended 30 June and as at that date.

Internal controls and the detection of fraud are also the responsibility of the organisation and the audit is not designed to specifically look for fraud or irregularity.

There has been no change to the "Total Surplus/ (Deficit) after tax from the draft issued.

2. Discussion

The following are the key changes between the draft issued and the final report (there are some minor changes that are not summarised here):

- Statement of Financial Position

- Reclassified \$2,714 between "investments" and "cash and Cash equivalents"
 - Debtors have reduced by \$104K due to a reclassification of Martinborough Town Hall costs to work in progress in "Property, Plant and equipment"
 - Public Debt current portion - \$426K reclassified from "current" to "non current"
 - Equity has been reduced by \$293K following final calculation for the sinking fund reserves, which have increased by \$296K, the balance of \$3K is a minor rounding adjustment.
- Statement of Cashflows
 - Net Cashflow from operating activities has increased from the draft following the transfer of \$104K from Debtors to purchase of property plant and equipment as discussed above.
 - Balance at year end has reduced from \$8,483K to \$8,044K following reclassification of sinking fund cash out of "short term investments"
- Notes
 - Notes have been updated, new note 42 added.
- Financial Prudence Benchmarks
 - Benchmark 2 has been updated – the legislation requires use of actual receipts not rates struck.

There have been no other material changes

As the changes are not significant, a single copy will be tables for the record, and once all matters are finalized the final version will be printed and distributed.

Contact Officer: Paul Crimp, Chief Executive Officer