

**AUDIT RISK AND IMPROVEMENT MEETING: 9 DECEMBER 2025**

**REPORT 14.1            2024/25 FINANCIAL STATEMENTS**

**ATTACHMENT 14.1.1 ANNUAL FINANCIAL STATEMENTS 2024/25**

1. *Adjust write-off work in progress assets to reflect in the expenditure instead of reducing Capital contributions*

This amendment repositioned \$1,539,236 from reducing the Capital grants, subsidies and contributions line item to increasing the Other Expenditure line item. The change has no effect on the bottom line figures but does adjust individual sub totals.

This change affects the following pages:

Page 12 – Statement of Comprehensive Income

Page 15 – Statement of Cash Flows

Page 16 – Statement of Financial Activity

Page 20 – Note 2(b) – Add line under Other expenditure named Write-Off of WIP / Duplicated Assets

Page 27 – Note 9 – Line name change from Reversals to Write-Off of WIP/Duplicated Assets

Page 44 – Note 28 – Line name change from Add: Reversal of infrastructure assets to Add: Write-Off of WIP / Duplicated Assets

**Comment:** The City conducted a fixed asset register review in the 2024 financial year and, as a result, commissioned found and gifted assets to ensure the completeness of the register. The Lakelands District Open Space project was underway at the time as a multi-year project and some assets from that project were inadvertently taken up in the 2024 asset register clean up. These assets were also recorded in the City's work in progress accounts. To address the duplication, City officers wrote off the WIP item initially to reverse the non-cash revenue. The Office of the Auditor General suggested a change on 8 December 2025 to move that write off amount into Other Expenditure to enhance transparency and readability of the City's Financial Statements. The change has no bearing on the City's end result as the adjustment was for a non-cash transfer.

2. *Adjust positioning of Non-cash lease revenue from INVESTING ACTIVITIES to display under FINANCING ACTIVITIES*

This amendment repositioned \$251,472 for the 2025 Actual column and \$507,877 from the 2024 Actual column in the Statement of Financial Activity from Investing Activities – Right of use assets received – non-cash to Financing Activities – Non-cash amounts excluded from financing activities. The change has no effect on the bottom line figures but does adjust individual sub totals.

This change affects the following pages:

Page 16 – Statement of Financial Activity

Page 44 – Note 28 – Determination of Surplus or Deficit

**Comment:** The Office of the Auditor General suggested a change on 8 December 2025 to where new non-cash leases revenue was shown in the financials to enhance transparency and readability of the City's Financial Statements. The change has no bearing on the City's end result as the adjustment was for a non-cash revenue.

3. *Minor wording changes*

Page 10 – Included "Table of Contents" title

Page 11 – Change from September to December on signing date

Page 14 – Statement of Change in Equity – Rounding changes

Page 16 – Statement of Financial Activity – Removed reference "29(c)" on Investing Activities section

Page 18 – Note 1 – Removed sentences "Assets Held for Sale – Note 7", "Impairment losses of non-financial assets – Note 9" and "Estimated useful life of intangible assets – Note 12" as they are not applicable

Page 29 – Note 10 – Headings included

Page 36 – Note 15 Change "Debentures" to "Bank Loans"

Page 39 – Note 16 – Reference "5" included on note

Page 49 – Note 23(c) – Line with 0 for Interest Bearing liabilities deleted

Page 53 – Note 28(a) – Reference 10(a) removed

Page 61 – Note 30 – Rounding changes

**Comment:** The Office of the Auditor General provided updated comments on the Financial Statements on 8 December 2025.

**CONFIDENTIAL ATTACHMENT 14.1.2 – FINANCIAL AUDIT MANAGEMENT LETTER**

Amendments are displayed in red:

- Amendment by the Office of the Auditor General to Finding 1: Year End Balance Sheet Reconciliations (page 65) under "Accuracy and completeness" the line "Bank Reconciliations reflected incorrect balances" should read "Bank Reconciliations **initially** reflected incorrect balances".
- Correction by City officers to the completion date for Management Comment response to Finding 2: Incorrect accounting of cash received in lieu of public open space (page 68) reads June 2025 and this is to be replaced with **2026**.

**Comment:** Office of Auditor General provided a late amendment to the Financial Audit Management Letter and the second amendment is a correction to the City officer Management response.