Otorohanga District Council Summary Annual Report for the year ended 30 June 2010

COMMENTS FROM THE MAYOR AND THE CHIEF EXECUTIVE

The 2009/10 financial year has seen a continuance of tough economic conditions affecting the District and its residents.

The District has, by virtue of its strong agricultural base, and pro-active youth employment initiatives, perhaps been spared some of the worst effects of the recession, with only limited increases in unemployment or business closures. It is however believed that at a less obvious level there is some significant hardship in the District, as individuals and businesses continue on, but in less favourable financial circumstances.

It is however pleasing that despite such individual hardship, positive attitudes appear to be prevalent amongst the residents of the District, and it is hoped that such spirit will be rewarded with less difficult time in the near future.

The highlight of the year for Council has without doubt been the progress towards development of a new Proposed District Plan, which reflects Council's current thinking in respect of managing the local environment. The Proposed Plan, which is scheduled to be adopted in September 2010, will be the result of more than 3 years hard work by Council, incorporating inputs from potentially affected parties. Councillors, Council staff consultants, at a cost that is currently in the order of \$800,000, but is likely to approach \$1.5 million by the time that the final 'operative' District Plan is delivered, which is hoped to occur in late 2011.

The plan review is a complex process, requiring Councillors to make difficult decisions that take account of local views, but which also reflect the broader framework of regional and national policies and regulations within which Council must operate. In making such decisions it is not possible to please every party, but it is believed that the positions

adopted by Council fairly balance the sometimes conflicting imperatives.

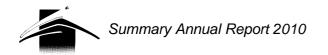
Though the cost of the plan review is substantial, it is necessary for the preparation of a plan that is sufficiently well considered and robust to withstand the challenges that are likely to be faced over the next 10 years.

Council's focus on cost efficiency is stronger than ever, though limited opportunities for cost saving now exist, unless the community is willing to accept significantly lower levels of service, which thus far it has not indicated.

Essential infrastructural services such as provision of roads, water supplies and drainage comprise the majority of Council's expenditure, and reducing the levels of service in respect of these activities - or failing to carry out the necessary asset maintenance or replacement required to maintain those levels of service - pose very significant risks. The short term savings that can be achieved by these means can all too easily put a local authority into a 'catch up' situation, from which recovery will be slow, painful and expensive. Council will not expose the community to such risks, and because of this - regrettably - there is considered to be little practical potential for buffering ratepayers against the increasing market costs of these essential services, which are in some cases larger than the general rate of inflation.

Issues such as severe summer water shortages in Kawhia illustrate that more, rather than less, needs to be spent to ensure that essential infrastructure can meet the needs of the communities.

Strategies such as moving away from contractor delivery of a services to a situation where the service is delivered directly by Council staff - as has been recently done in respect of operating and maintaining Council's water services - may eliminate the need to pay the contractors profit margin, and therefore has the potential, but the extent of such savings are likely to be modest, and this approach is not applicable to all of the services provided by Council.



The subdued economy has been reflected in low levels of building and subdivision activity, which restricts the growth of rates revenues, and reduces income for the associated regulatory departments of Council. During the year it became apparent that these low levels of activity were unlikely to significantly rise in the short term, and that the associated resources of Council (including staff numbers) of Council needed to be reduced accordingly. Such reductions are currently underway.

SIGNIFICANT WORKS

No particularly large physical improvement works were completed in the 2009/10 year, with the extent of road improvement works remaining at a relatively low level in the interests of affordability.

Some of the other significant (over \$50,000) works carried out in the year included: -

- * Unsealed improvements to Te Rauamoa, Okupata and Owhiro Roads
- * Renewal of stormwater drains under and adjacent to SH3, Otorohanga
- * Reconstruction of Kawhia boat ramp
- * Upgrade to Tihiroa Rural Water Scheme treatment plant

FINANCIAL POSITION

A small operating deficit of \$194,000 was recorded for the year, reflecting both the greater than expected difficulty in holding or reducing costs, and decreased revenue associated with the economic conditions.

Public Debt was \$13,448,000 at 30 June 2010. This was \$482,000 up on the previous financial year. The Council is keenly aware of the high level of public debt, relative to our

peers. Our projections demonstrate that debt levels are likely to increase slightly in the medium term, but in the long term will decrease substantially.

CONCLUSION

Though it was another challenging year, Council continues its history of supporting the community and its residents through prudent management of public resources.

Dale Williams

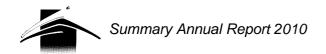
MAYOR

Dave Clibbery

CHIEF EXECUTIVE

26th October 2010 26th October 2010





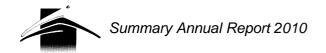
Summary Financial Statements

OTOROHANGA DISTRICT COUNCIL SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

Actual 30 June 2009		Budget 30 June 2010	Actual 30 June 2010
(000's)		(000's)	(000's)
	Income		
9,245	Rates revenue	9,684	9,696
4,936	Other income	4,315	4,082
14,181	Total income	13,999	13,778
	Expenditure		
885	Finance Costs	857	871
13,092	Other Operating Expenditure	12,262	13,101
13,977	Total operating expenditure	13,119	13,972
204	Profit/(loss) for the year	880	(194)
	Other Comprehensive Income		
46,797	Gain/(loss) on property revaluation	-	(207)
(4)	Gain/(loss) on available for sale financial	-	` (2)
	assets		
46,793	Total other comprehensive income	-	(209)
46,997	Total Comprehensive Income for the year	880	(403)

OTOROHANGA DISTRICT COUNCIL SUMMARY BALANCE SHEET AS AT 30 JUNE 2010

Actual		Budget	Actual
30 June 2009		30 June 2010	30 June 2010
(000's)		(000's)	(000's)
	Assets		
3,244	Total current assets	4,272	3,753
245,659	Total non-current assets	244,137	245,258
248,903	Total assets	248,409	249,011
	Liabilities		
10,110	Total current liabilities	9,068	6,608
6,014	Total non-current liabilities	8,117	10,027
16,124	Total liabilities	17,185	16,635
232,779	Net Assets	231,224	232,376
	Equity		
151,287	Retained earnings	152,550	151,298
81,492	Other reserves	78,674	81,078
232,779	Total equity attributable to ODC	231,224	232,376

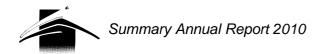


OTOROHANGA DISTRICT COUNCIL SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

Notes	Retained Earnings	Available for Sale Reserves	Asset Revaluation Reserves	Restricted Reserves	Total
	(000's)	(000's)	(000's)	(000's)	(000's)
Balance as at 1 July 2008	150,725	13	33,975	1,069	185,782
Profit/(loss) for the year	204	-	-	-	204
Other Comprehensive Income					
Gain/(loss)on revaluations	-	(4)	46,797	-	46,793
Total Comprehensive Income	204	(4)	46,797	-	46,997
Transfers (to)/from retained earnings	358	-	(151)	(207)	-
Balance 30 June 2009	151,287	9	80,621	862	232,779
Profit/(loss) for the year	(194)	-	-	-	(194)
Other Comprehensive Income					
Gain/(loss)on movement of reserves	-	(2)	(207)	-	(209)
Total Comprehensive Income	(194)	(2)	(207)	-	(403)
Transfers (to)/from retained earnings	205	-	-	(205)	-
Balance 30 June 2010	151,298	7	80,414	657	232,376

OTOROHANGA DISTRICT COUNCIL SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

Actual 30 June 2009		Budget 30 June 2010	Actual 30 June 2010
(000's)		(000's)	(000's)
4,547	Net cash provided by Operating Activities	4,247	2,946
(3,846)	Net cash used in Investing Activities	(5,628)	(3,456)
(585)	Net cash provided by/(used in) Financing Activities	1,380	414
116	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1)	(96)
	Made up as follows:		
116	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1)	(96)
1,272	Cash, cash equivalents and bank overdrafts at the beginning of the year	1,272	1,388
1,388	Cash and cash equivalents at the end of the year.	1,271	1,292



Explanation of major variances against budget

Explanations for major variations from the Council estimate figures in the 2009-2019 LTCCP are as follows:

Statement of Comprehensive Income

Rates revenue is higher than estimates by \$12,000 due to the rates being struck on the values as at 1 July each year, which can differ from the values used when the estimates were created due to new subdivisions.

Other income was \$176,000 under budget. This decrease was mostly due to a decrease in regulatory income related to a decrease in building consent and resource consent applications.

Depreciation and amortisation was \$119,000 over budget due to some items of emergency capital expenditure that were not originally included in the budget.

Other expenses, excluding finance costs and employee benefit expenses are \$489,000 over budget, which is due to a number of factors. The main increase has been in land transport due to some maintenance work being bought forward, as well as within some of the water supply schemes due to issues with water leaks.

Balance Sheet

Development property held for sale is down on the budgeted figure by \$1,051,000. This is due to the Waiwera Street development not being completed during the year, which was budgeted for.

Property, plant and equipment is up on budget by \$1,465,000 due to the movement as a result of the emergency capital expenditure not originally included in the budget.

Overall borrowings are down on the total borrowings estimate by \$1,600,000 which is due to the loans for Waiwera Street not being raised, as well as less borrowings required during the year.

Trade and other payables is \$1,030,000 over budget, which is a result of the timing of works performed and payment of invoices.

Statement of Cashflows

Cashflows from operating activities was down on budget by \$1,301,000, as a result of decreased income from other receipts, due to the current economic environment, as well as increased payments to suppliers for some emergency works that were not budgeted for.

Purchase of property, plant and equipment is under budget by \$1,697,000, which is in part attributable to the Waiwera Street development, with the rest related to underspending in Land Transport due to changes in the funding available from NZTA.

Cashflows from financing activities is \$898,000 under budget due to the Waiwera St development not going ahead, as well as better cashflow management requiring less borrowing.

Basis of Preparation

These summary financial statements have been prepared in compliance with "Financial Reporting Standard Number 43 – Summary Financial Statements" issued by the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants (May 2007). The summary financial statements cannot provide as complete an understanding as the full Annual Report which is available at the Council Offices and District Libraries.

These summary financial statements have been extracted from the full Otorohanga District Council 2009/2010 Annual Report (the full set of financial statements) which was authorised for issue on 5 October 2010. The full set of financial statements received an unqualified audit opinion dated 5 October 2010. The financial statements are presented in New Zealand dollars. The summary Annual Report was adopted and authorised by the Otorohanga District Council on 26th October 2010.

The primary objective of Otorohanga District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Otorohanga District Council has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to

International Financial Reporting Standards (NZ IFRS). The set of financial statements included in the full Annual Report have been prepared in accordance with NZ GAAP.

The full set of financial statements complies with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Summary of Other Notes

Contingencies

Contingent Liabilities

	Actual 2009	Actual 2010
	(000's)	(000's)
Guarantees	112	112
Uncalled Capital – Waikato Regional Airport Limited Uncalled Capital – Local Authority Shared Services	300	300
	413	413

Guarantees

The value of guarantees disclosed as contingent liabilities reflects ODC's assessment of the undiscounted portion of financial guarantees that are not recognised in the Balance Sheet. At the year end it was not probable that the counterparty to the financial guarantee contract will claim under the contract.

Uncalled Capital

During May 2004, the shareholders of Waikato Regional Airport Ltd (WRAL) of which ODC has a 3.125% shareholding, authorised the company issuing further shares totalling \$21.6m to existing shareholders. This capital restructure is part of the WRAL Airport Development and allows WRAL to borrow at commercially favourable interest rates. Of this uncalled capital a sum of \$375,000 was called up by WRAL in July 2009. The contingent liability for the remaining uncalled capital reduced to \$300,000. There are no plans to call up the remaining capital.

The uncalled share capital for Local Authority Shared Services amounts to \$1,000 as at 30 June 2010. At present ODC is not aware of any plan to call the capital in the near future.

RiskPool Funding Call

RiskPool provides insurance coverage to council's throughout New Zealand. As a result of the leaky buildings issues throughout the country, RiskPool has been required to make calls for additional contributions from all members for the fund to have sufficient money to cover the claims. The Board has agreed in principal that there should be three \$9m calls across the Membership depending upon final claims development, one on 1 July 2010, a second on 1 July 2011 and a likely further one on 1 July 2012. Actual calls for 2011 and 2012 will depend upon the evolution of the liability environment and the flow-on effect on open claims provisions. ODC cannot clearly quantify the value of the likely 2011 and 2012 claims. and therefore no amount has been recorded for these. The 1 July 2010 claim amount has been included in the 2009/10 financial statements as an accrued creditor.

Related party transactions

The following transactions were carried out with related parties:

Key management personnel

Key management personnel include the Mayor, Councillor's, Chief Executive and other senior management personnel.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with ODC (such as payment of rates, dog registrations etc).

ODC also had transactions with Waikato Regional Airport Limited, but these were conducted as part of a normal customer relationship (such as payment of departure taxes and parking charges). During the year Council had transactions with Councillor Prescott, who purchased a section of land from the Council for a purchase price of \$25,000 including GST. This transaction was an arms length transaction managed by the management team, and not the Council.

No provision has been required, nor any expense recognised for impairment of receivables to related parties (2009: \$nil).

Key management personnel compensation

	Actual 2009	Actual 2010
	(000's)	(000's)
Salaries and other short	806	784
term employee benefits		
Post employment	10	12
benefits (defined		
contribution plan)		
Other long term	-	-
benefits		
Termination benefits	-	-
	816	796

Capital commitments and operating leases

	Actual 2009	Actual 2010
	(000's)	(000's)
Capital commitments Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	186	1,835
Other Expenditure Commitments Maintenance Contracts	3,300	3,056

Operating leases as lessee

ODC leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 60 months. These leases are for photocopying equipment used within the day-to-day running of the council. ODC does not have the option to purchase the leased asset at the expiry of the lease period. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Actual 2009	Actual 2010
	(000's)	(000's)
Non-cancellable		
operating leases as		
lessee		
Not later than one	49	34
year		
Later than one year	34	20
and not later than		
two years		
Later than two year	30	10
and not later than		
five years		
Later than five years	-	-
Total non-	113	64
cancellable		
operating leases		



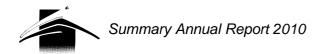
Operating leases as lessor

ODC leases its property under operating leases. The majority of these leases have non-cancellable terms of 5 years, with lease terms ranging from 2 years up to 21 years in selected cases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Actual 2009	Actual 2010
NI	(000's)	(000's)
Non-cancellable operating leases as		
lessor		
Not later than one	194	135
year		
Later than one year	56	119
and not later than two		
years Later than two year	61	284
and not later than five	01	204
years		
Later than five years	131	152
Total non-cancellable	442	690
operating leases		

Other Reserves

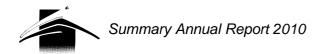
	Actual 2009	Actual 2010
	(000's)	(000's)
Restricted reserves	862	657
Available for Sale	9	7
Revaluation		
Reserves		
Asset Revaluation	80,621	80,414
Reserves		
Total Reserves	81,492	81,078



Significant Activities

SUMMARY COMBINED COST OF SERVICE STATEMENT For the Year ended 30 June 2010

2009 Actual \$		2010 Estimate \$	2010 Actual \$
(000's)		(000's)	(000's)
	OPERATING REVENUE		
4,681	Activity Revenue	4,246	4,073
5,820	Targeted Rates	6,019	5,996
32	Development Contributions	25	13
3,425	General Rates	3,665	3,700
3,739	Other General Sources	3,962	4,069
17,697	TOTAL OPERATING REVENUE	17,917	17,851
(0.700)		()	(
(3,739)	Less Internal Recoveries	(3,962)	(4,069)
223	Other Income	44	(4)
14,181	TOTAL REVENUE	13,999	13,778
	OPERATING EXPENDITURE		
9,653	Network Services	9,087	9,980
1,473	Regulatory Services	1,362	1,519
1,762	Community Services	1,701	1,933
277	Community Development	316	223
4,498	Governance and Leadership	4,614	4,346
17,663	TOTAL ACTIVITY EXPENDITURE	17,080	18,001
(3,739)	Less Internal Recoveries	(3,962)	(4,069)
53	Other Expenditure	1	40
13,977	TOTAL EXPENDITURE	13,119	13,972
204	NET SURPLUS	880	(194)



Summary of Significant Service Levels and Performance Targets

Network Services

Network services covers Land Transport, Solid Waste, Water Supply, Waste Water and Flood Protection/Stormwater. The achievements against performance targets are summarised below

Activity	Number of Performance Targets	Achieved	Partially Achieved	Not Measured	Not Achieved
Land Transport	7	3	1	1	2
Solid Waste	4	3	-	1	-
Water Supply	7	3	-	1	3
Waste Water	4	1	ı	1	2
Flood	2	1	-	1	-
Protection/Stormwater					

Land Transport targets achieved included number of defects on Sealed Urban roads, bulk maintenance metalling and perception of customers actively engaging with Council. Targets not achieved were for sealed road smoothness and defects on Sealed Rural roads.

The Solid Waste targets that were achieved included perception of customers actively engaging with Council, the Solid Waste management strategy and compliance with resource consents.

Within the Water Supply targets achieved were items such as instances of illness, NZ Drinking Water Standards and perception of customers actively engaging with Council.

Water Supply targets not achieved included levels of reservoirs, instance of bacteriological contamination and water disinfection failure.

The Waste Water target achieved was for frequency of sewerage overflow.

Those Waste Water targets not achieved include perception of customers actively engaging with Council and compliance with discharge consent.

The Flood protection and Stormwater target that was achieved for the year was perception of customers actively engaging with Council.

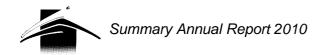
Community Activities

Overall across all community activities a total of 22 performance targets exist, of which ten (10) were achieved, eight (8) were not measured and four (4) were not achieved. Those achieved included safe outdoor structures, adequate paths and tracks, safe and high quality park furniture, Reserve Management Plans for parks and cemeteries, library holiday programmes, pensioner housing weekly rentals, building warrant of fitness's, nightly security patrols and Sport Waikato reports.

The targets not achieved included number of library books issued, publication dates of library books, pensioner housing occupancy and swimming pool water quality tests.

Regulatory Services

There are 18 performance measures across Regulatory Services, which covers Building Control, Planning & Development, Environmental Health, Rural Fire, Civil Defence, Dog Control and Stock Ranging. Of these measures, twelve (12) were achieved, one was not measured and five were not achieved. These related to issuing of nonnotified land use and subdivision consents within 20 working days from the date of advice, processing building consents in 20 days, resource consent sent within 3 days, develop process maps and communicable diseases



reports received and investigated in 5 working days.

Some of the targets achieved for Regulatory Services included completing a swimming pool register, Civil Defence training exercises, percentage of dogs impounded, complaints about roaming dogs, stock wandering on roads and liquor licensing.

Community Development

There are four performance measures for Community Development, of which two were achieved during the year. These related to visitors to i-Sites and accommodation guest stay nights. The measures not achieved related to Waiwera St subdivision and visits to Otorohanga.co.nz.

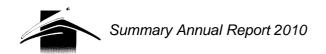
Governance and Leadership

Governance and Leadership covers Democratic Process, Policy Development, Council Support, Corporate Planning and Support Services. There are sixteen (16) performance targets across Governance and Leadership, and of these nine (9) were achieved during the year. Four were not measured and the remaining three were not achieved.

Some of the major performance targets related to distribution of funds from council grants, legislative compliance, adoption of partnerships with lwi/Maori authorities and LTCCP and Annual Reports adopted within statutory timeframes.

Those not achieved related to notification of the proposed District Plan, publication of the three yearly Community Outcomes report and agreeing processes of consultation with Tangata Whenua authorities.





Statement of Compliance and Responsibility

Statement of Compliance

The Council and Management of Otorohanga District Council confirm that all the statutory requirements of Part 3, Schedule 10, Clause 20(1) of the Local Government Act 2002, regarding financial management and borrowing, have been complied with.

Statement of Responsibility

The Council and Management of Otorohanga District Council accept responsibility for the preparation of the annual Summary Financial Statements and the judgements used in them.

The Council and Management of Otorohanga 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 Otorohanga District Council, the Summary Financial Statements for the year ended 30 June 2010 fairly reflect the financial position and operations of Otorohanga District Council.

Dale Williams

MAYOR

Dave Clibbery

CHIEF EXECUTIVE

Graham Bunn

<u>FINANCE AND</u> <u>ADMINISTRATION</u> MANAGER

MANAGE

Otorohanga District Statistics

Area and Population

Area (Square kilometres) 1,976 Population (2006 Census figures) 9,516

Communities	Area	Population
Otorohanga	507 ha	2,661
Kawhia	161 ha	384
Rural _	196,932 ha	6,471
	197,600 ha	9,516

Valuation

Rateable Properties (No. of) 5,223 Non Rateable Properties (No. of) 228 Rateable Capital Value \$3,629,707,700 Date of Last revision of Values1 September 2007

Rates and Rating 2009/10

Total Rates(Excluding GST) \$9,696,111 System of Rating Capital Value

Public Debt Outstanding as at 30/06/10

Public Debt Outstanding \$13,447,613

Date of Constitution of District

1 November 1989

Contact Information

Postal Address: PO Box 11, Otorohanga,

3940

Council Chambers: Maniapoto Street,

Otorohanga

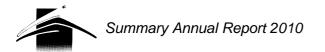
Telephone Number: 07 - 873 4000

0800 Number: 0800 734 000

Fax Number: 07 - 873 4300

Email: Info@otodc.govt.nz

26th October 2010



Deloitte.

AUDIT REPORT

TO THE READERS OF OTOROHANGA DISTRICT COUNCIL'S SUMMARY ANNUAL FINANCIAL STATEMENTS AND SIGNIFICANT ACTIVITIES INFORMATION FOR THE YEAR ENDED 30 JUNE 2010

We have audited the summary financial statements and significant activities information as set out in pages 3 to 11.

Unqualified opinion

In our opinion:

- the summary financial statements and significant activities information represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements and significant activities information complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements and significant activities information from which they are

We expressed an unqualified audit opinion, in our report dated 5 October 2010, on:

- the full financial statements;
- the significant activities information; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Otorohanga District Council.

Responsibilities of the Council and the Auditor

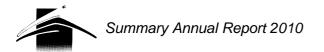
The Council is responsible for preparing the summary financial statements, significant activities information and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements and significant activities information. These responsibilities arise from the Local Government Act 2002.

Graham Naylor, Deloitte

On behalf of the Auditor-General

Hamilton, New Zealand

26 October 2010



Deloitte

Matters relating to the electronic presentation of the summary audited financial statements, significant activities information and the other requirements

This audit report relates to the summary financial statements and significant activities information of Otorohanga District Council for the year ended 30 June 2010 included on the Otorohanga District Council's website. The Council is responsible for the maintenance and integrity of the Otorohanga District Council's website. We have not been engaged to report on the integrity of the Otorohanga District Council's website. We accept no responsibility for any changes that may have occurred to the summary financial statements or significant activities information since they were initially presented on the website.

The audit report refers only to the summary financial statements and significant activities information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements and significant activities information. 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 financial statements and significant activities information as well as the related audit report dated 26 October 2010 to confirm the information included in the audited summary financial statements and significant activities information presented on this website.

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