

## STAFF REPORT

**TO:** Chair and Members, Corporate Services Committee  
**FROM:** Accounting Manager  
**DATE:** 24 September 2008  
**SUBJECT:** Financial Report

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### Summarised Provisional Financial Performance – August 2008

	<i>Actual August 2008</i>	<i>Budget Full year</i>
Operating revenue	\$12.0 million	\$76.8 million
Operating expenses	\$11.2 million	\$70.1 million
Operating surplus	\$0.8 million	\$6.7 million

### Summarised Provisional Financial Position – August 2008

	<i>Actual August 2008</i>	<i>Budget Full year</i>
Current assets	\$9.9 million	\$17.7 million
Current liabilities	\$23.6 million	\$20.5 million
Working capital	(\$13.7) negative	(\$2.8) negative
Non current assets	\$1,073 million	\$1,060.3 million
Non current liabilities	\$66.2 million	\$99.7 million
Total net assets	\$993.1 million	\$957.8 million

### Financial Report

These provisional results for August 2008 indicate that expenditure is tracking slightly higher than income for the month. A more detailed analysis of the specific results will take place on the completion of the full monthly reports. The negative working capital position is a result of; an increase in the level of current portion of term borrowings, a reduction in the Joint Venture accounts, expenditure taking place in a non-uniform

pattern compared with income, and the lag from incurring capital expenditure and raising loans to fund same.

### **Annual Accounts 2007/2008**

A team of three auditors has arrived to complete the audit of the 2007/2008 Annual Report. This team will be bolstered by one further member, the Audit Manager, and will be on-site for two weeks. To date work is progressing as expected, with staff working closely with the audit team.

An Audit Subcommittee meeting has been scheduled for 9 October 2008, to receive the Draft 2007/2008 Annual Report. Council will then adopt the Annual Report at its meeting on 30 October 2008.

### **2009- 2019 LTCCP**

It was pleasing to receive the significant portion of the Asset Management Plans and Operating Budgets within the agreed timeframe. This has enabled finance staff to make good progress on uploading the data into the financial system and model.

### **General Ledger Upgrade**

The General Ledger has now been upgraded, and, among other enhancements, enables us to collate and report budget data over a 20 year period. A function we are taking advantage of in the current LTCCP process. As in all upgrades some facets of the process move more smoothly than others. We are working closing with NCS in obtaining improvement on those matters causing problems.

Russell Holden  
Accounting Manager