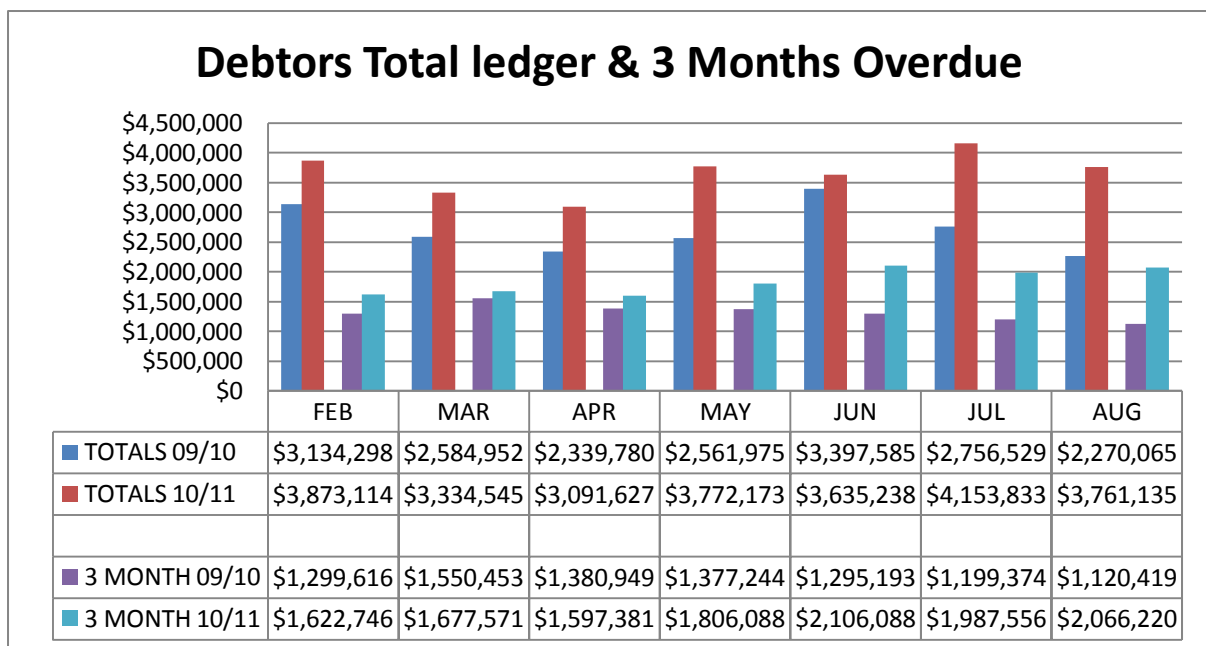


| | |
|--|-------------------|
| Report No: | RFN11-09-04 |
| File No: | |
| Date: | 20 September 2011 |
| Information Only – no decision required | |

REPORT

Report to: Corporate Services Committee
Meeting Date: 29 September 2011
Report Author: Murray Staite – Corporate Services Manager
Subject: Corporate Services Managers Report – RFN11-09-04

1. DEBTORS



Whilst still higher than last year, it is pleasing to see that total debt has decreased from last month, in addition two large accounts totalling almost \$300k have also been paid during September. As reported throughout the year, the level of outstanding Development Contributions has continued to rise, and is the main reason for the variance in both total and the three month position to last year.

2. CAPITAL WORKS UPDATE

2.1 The Capital spend for the year to July 2011 is \$4,781,149 against the budget of \$32,136,000, which is 14.9% of spend for the year. This includes the purchase of 183 Queen Street, Richmond on 1 July 2011 for \$2,005,000. (2010: \$2,316,507 spent against a budget of \$40,648,000 which is 5.7% of spend for the year.)

3. SUMMARISED INCOME EXPENDITURE STATEMENT AND FINANCIAL POSITION

3.1

| <i>Actual: Full Year June 2011 (Provisional) (\$000's)</i> | | <i>Actual: July 2011 (\$000's)</i> | <i>Budget: Full Year June 2012 (\$000's)</i> |
|--|--------------------------------|--|--|
| 98,936 | Operating revenue | 7,276 | 99,868 |
| 90,180 | Operating expenses | 8,140 | 96,172 |
| 8,756 | Operating surplus (Deficit) | -864 | 3,696 |
| <i>Budget: Full Year June 2011 (\$000's)</i> | | <i>Actual: July 2011 (\$000's)</i> | <i>Budget: Full Year June 2012 (\$000's)</i> |
| 24,006 | Current assets | 30,068 | 16,755 |
| 68,154 | Current liabilities | 69,828 | 23,222 |
| -44,148 | Working capital | -39,760 | -6,467 |
| | | | |
| 1,217,702 | Non current assets | 1,220,849 | 1,290,808 |
| 89,167 | Non current liabilities | 95,493 | 146,021 |
| 1,084,387 | Total net assets | 1,085,596 | 1,138,320 |

After just one month's transactions, and no trend data available, it is difficult to determine how activities are varying to budget. Levels of activity are low and the accounts also reflect the reversal of year-end accruals. What we can state is that nothing significant has occurred to alarm Council at this point.

At the highest consolidated level, Income is at 7.29% Expenditure at 8.46% resulting in a Net Position of (23.37%).

Work within the section is currently at an extremely high level, with staff working on both the 2010/2011 Annual Report, and 2012-2022 Long Term Plan, simultaneously. These are two very significant activities, requiring a high commitment from throughout the team.

In completing the audit of the Annual Report, the audit team, of up to four people, were on-site for the week beginning Monday 12 September 2011, and will return for their final week on-site, beginning Monday 26 September 2011. At the time of writing nothing of substance had been raised by the team. Whilst here, the audit manager also took the opportunity to carry out some preliminary work on the Long Term Plan.

4. RATING MATTER

Council's tri-annual rate revaluation process is set to get underway. Taking into account Council's previous concerns around timing, the key dates are proposed as follows:

| | |
|---------------------------|-----------------|
| Notices Posted: | 9 December 2011 |
| Last date for Objections: | 27 January 2012 |

In addition, a pamphlet (attached) will be sent to each ratepayer to assist in understanding the revaluation process. This pamphlet will be sent with the next instalment's rating notices.

4. DRAFT RESOLUTIONS

That the Corporate Services Manager's Report (RFN11-09-04) be received by the Corporate Services Committee.