

SOUTH WAIRARAPA DISTRICT COUNCIL

27 JUNE 2012

AGENDA ITEM D3

CORPORATE SUPPORT GROUP REPORT

Purpose of Report

To update Councillors on the Corporate Support Group activities.

Recommendations

Officers recommend that the Council:

1. *Receive the information.*

1. Executive Summary

The draft long term plan was adopted on 8 May and the submission process is nearing completion. This has included public meetings, collation of the submissions and commentary on those submissions that required input.

Progress is being made on the replacement local authority software suite. After the tender process, which included two days of presentations with the shortlisted vendors, NCS were selected as the preferred supplier. Implementation of the key modules will be 1 July 2012, the remaining modules shortly thereafter.

Financial statements for the 10 months ended 30 April are included in this report, and for the 11 months ended 31 May will be tabled.

The archiving project is progressing, with phase two now underway.

The vehicle storage area has been complete and the staff recreation area is nearing completion

2. Discussion

2.1 LTP

The consultation phase of the LTP is nearing completion, with four public meetings held; submissions received, collated and commented on where necessary.

Once deliberations have been finalised the draft LTP document will be updated for adoption. The rates resolution will also be prepared.

Audit New Zealand will be back onsite during the week commencing 25 June for final signoff.

Final adoption is due for 27 June.

2.2 Operating System Replacement

Following the request for Proposal process, NCS were selected as the preferred vendor.

The implementation process has commenced and is progressing well.

Go live for most of the modules will be July 1 2012 (there is never a good time). The remaining modules will be implemented shortly thereafter.

We will be preparing the annual report out of the old ACS system. This is still supported and has a couple of key benefits including backup should the NCS implementation stall. Also, if we were to try and prepare the annual report out of the new system, audit would spend a considerable amount of time reviewing the transfer of data prior to the commencement of the actual audit.

The audit of the transfer of the data can be undertaken at a more convenient time.

2.3 Rate Arrears

Efforts continue on rate arrears. The table below outlines the situation as at 19 June 2012, and excludes multi ownership Maori land.

Date	Amount \$'000	Number	Days since instalment due	SWDC component \$'000 (81%)
30 June 2011	\$851	631	31	\$689
1 August 2011	\$780	463	64	\$632
28 November 2011	\$969	760	7	\$785
1 March 2012	\$925	690	7	\$740
16 March 2012	\$830	602	23	\$672
23 March 2012	\$790	555	30	\$640
1 June 2012	\$855	722	10	\$692
19 June 2012	\$730	632	31	\$591

It is encouraging to note the amount outstanding is at the lowest level for a year. While the number of properties in arrears is still relatively high, we have made some progress on those ratepayers who owed a significant amount.

Of the 632 properties in arrears, approximately 160 are paying a regular amount towards their arrears, and 70 have balances less than \$100

2.4 Financial Statements for the ten months ended 30 April 2012, and eleven months ended 31 May 2012

The financial statements for the ten months ended 30 April 2012 are presented.

The financial statements for the eleven months ended 31 May will be tabled

2.5 Archival Project

The archiving project is progressing, with stage one being completed, stage two has commenced.

Stage two of the archive project is to physically process the council's archives so they can be accessed and securely preserved to comply with legal requirements and the council's policy.

2.6 Photocopier replacement

Work has commenced on the replacement of our photocopier fleet. We are somewhat fortunate with the timing of the replacement as local authorities recently became eligible for the "all of Government" pricing, which is (apparently) significantly cheaper than we would otherwise have been able to achieve.

This will be a fairly involved process and will take a while to work through, and other matters do need to take priority.

3. Appendices

Appendix 1 – Financial Statements for the ten months ended 30 April 2012

Contact Officer: Paul Crimp, Group Manager Corporate Support

**Appendix 1 – Financial
Statements for the ten
months ended 30 April 2012**

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 April 2012

	CURRENT MONTH			YEAR TO DATE			2012	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	% OF BUD
	OPERATING INCOME							
Rates	2,597,425	2,650,006	(52,581)	10,389,468	10,600,021	(210,553)	10,600,021	98%
Rates Penalty	(9)	8,167	(8,176)	218,737	81,666	137,071	98,000	223%
Interest	10,349	12,803	(2,454)	151,286	128,035	23,251	153,641	98%
Internal Interest Loans	3,083	3,125	(42)	31,340	31,255	85	37,505	84%
Fees & Licences	40,818	45,614	(4,796)	503,005	560,148	(57,143)	651,376	77%
User Levies	29,086	34,252	(5,166)	327,134	535,842	(208,708)	701,012	47%
Commissions	141	5,130	(4,989)	37,299	51,290	(13,991)	61,550	61%
NZ Transport Agency Subsidy	62,551	135,432	(72,881)	985,007	1,354,323	(369,316)	1,625,187	61%
Petrol Tax	7,005	7,727	(722)	68,007	77,265	(9,258)	92,719	73%
Grants, Donations & Subsidies	57	1,554	(1,497)	13,537	15,522	(1,985)	18,630	73%
Rental / Hire	22,604	27,067	(4,463)	265,165	270,666	(5,501)	324,800	82%
Profit on Sale of Assets	-	-	-	-	-	-	-	0%
Miscellaneous Income	43,289	32,628	10,661	323,028	326,268	(3,240)	391,524	0%
Total Operating Income	2,816,399	2,963,505	(147,106)	13,313,013	14,032,301	(719,288)	14,755,965	90%
OPERATING EXPENDITURE								
Corporate Services	110,998	141,526	(30,528)	1,370,585	1,415,291	44,706	1,698,343	81%
In-House Professional Services	49,543	59,339	(9,796)	530,647	593,383	62,736	712,060	75%
Governance, Leadership & Advocacy	59,052	31,017	28,035	304,691	310,166	5,475	372,201	82%
Public Protection	105,112	81,576	23,536	775,681	815,701	40,020	978,852	79%
Resource Management	37,747	34,141	3,606	301,784	341,383	39,599	409,666	74%
Economic, Cultural & Community Development	528	19,256	(18,728)	212,809	192,545	(20,264)	231,057	92%
Amenities	169,224	147,854	21,370	1,553,264	1,478,539	(74,725)	1,774,248	88%
Land Transport	274,985	368,949	(93,964)	3,700,075	3,689,468	(10,607)	4,427,366	84%
Water Supply	174,340	182,088	(7,748)	1,749,478	1,820,862	71,384	2,185,037	80%
Solid Waste Management	89,573	98,165	(8,592)	866,173	981,687	115,514	1,178,018	74%
Sewerage	72,450	92,179	(19,729)	724,174	921,775	197,601	1,106,135	65%
Stormwater Drainage	8,751	10,555	(1,804)	88,698	105,543	16,845	126,653	70%
Rate Debtors Written Off	923	3,333	(2,410)	25,605	33,334	7,729	40,000	64%
Bad Debts	-	2,500	(2,500)	6,143	25,000	18,857	30,000	20%
Loss on Sale of Assets	-	-	-	186,394	-	(186,394)	-	0%
Total Operating Expenditure	1,153,226	1,272,478	(119,252)	12,396,201	12,724,677	328,476	15,269,636	81%
Operating Surplus/(Deficit)	1,663,173	1,691,027	(27,854)	916,812	1,307,624	(390,812)	(513,671)	-178%
CAPITAL EXPENDITURE INCOME								
NZ Transport Agency Subsidy	257,938	144,718	113,220	812,812	1,447,177	(634,365)	1,736,613	47%
Grants, Donations & Subsidies	-	14,667	(14,667)	-	146,666	(146,666)	176,000	0%
Contributions	54,107	24,341	29,766	199,703	243,433	(43,730)	292,115	68%
Total Capital Expenditure Income	312,045	183,726	128,319	1,012,515	1,837,276	(824,761)	2,204,728	46%
OTHER INCOME								
Assets Vesting in Council	-	-	-	5,000	-	5,000	-	0%
Gain on Asset Revaluations	-	-	-	-	-	-	-	0%
Total Other Income	-	-	-	5,000	-	5,000	-	0%
TOTAL SURPLUS / (DEFICIT)	\$ 1,975,218	\$ 1,874,753	\$ 100,465	\$ 1,934,327	\$ 3,144,900	\$ (1,210,573)	\$ 1,691,057	114%
Included in the operating expenditure is:								
Depreciation	310,572	326,189	(15,617)	3,083,809	3,261,870	(178,061)	3,914,248	79%
Interest	50,122	60,249	(10,127)	525,985	602,493	(76,508)	722,992	73%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 April 2012

	30 APRIL 2012	30 JUNE 2011	MOVEMENT
ASSETS			
Current Assets			
Cash and Bank	393,566	630,655	(237,089)
Short Term Deposits	4,702,551	2,942,565	1,759,986
Investments	-	1,903,121	(1,903,121)
Prepayments & Receivables	5,412,592	3,077,525	2,335,067
Inventories	44,192	35,203	8,989
Properties Intended For Sale	-	-	-
Total Current Assets	10,552,901	8,589,069	1,963,832
Non-Current Assets			
Investments	102,113	77,844	24,269
Investment Properties	8,024,200	8,024,200	-
Intangible Assets	1,866	5,714	(3,848)
Property, Plant & Equipment	357,516,230	357,650,635	(134,405)
Total Non-Current Assets	365,644,409	365,758,393	(113,984)
TOTAL ASSETS	\$ 376,197,310	\$ 374,347,462	\$ 1,849,848
LIABILITIES			
Current Liabilities			
Cash and Bank	-	-	-
Payables and Accruals	2,640,179	2,616,693	23,486
Employee Entitlements	185,780	231,810	(46,030)
Public Debt - Current Portion	-	5,458,051	(5,458,051)
Finance Leases - Current Portion	-	10,579	(10,579)
Provisions - Current Portion	-	33,019	(33,019)
Total Current Liabilities	2,825,959	8,350,152	(5,524,193)
Non-Current Liabilities			
Public Debt - Non-Current Portion	8,347,178	2,941,421	5,405,757
Finance Leases - Non-Current Portion	11,057	10,119	938
Provisions - Non-Current Portion	439,263	406,244	33,019
Total Non-Current Liabilities	8,797,498	3,357,784	5,439,714
EQUITY			
Public Equity	144,008,760	142,074,433	1,934,327
Special Separate & Trust Funds	15,976,239	15,976,239	-
Asset Revaluation Reserve	203,078,950	203,078,950	-
Sinking Fund Reserves	1,508,140	1,508,140	-
Other Reserves	1,764	1,764	-
Total Equity	364,573,853	362,639,526	1,934,327
TOTAL LIABILITIES & EQUITY	\$ 376,197,310	\$ 374,347,462	\$ 1,849,848
Variance	\$ -	\$ -	\$ -

SOUTH WAIRARAPA DISTRICT COUNCIL				
STATEMENT OF CASHFLOWS				
AS AT 30 April 2012				
		30 APRIL 2012	30 APRIL 2011	30 JUNE 2011
OPERATING ACTIVITIES				
Cash was provided from:				
Rates		8,293,636	7,636,932	10,048,546
Government Grants & Subsidies		1,556,884	931,436	1,573,988
Petrol Tax		60,014	60,850	81,566
Other Income		2,397,946	2,519,997	2,226,145
Interest on Investments		176,078	197,004	255,833
Total Operating Cash Inflow		12,484,558	11,346,219	14,186,078
Cash was applied to:				
Payments to Suppliers & Employees		9,288,450	9,061,943	10,276,451
Interest Paid		549,571	529,829	639,454
Total Operating Cash Outflow		9,838,021	9,591,772	10,915,905
Net Cashflow from Operating Activities		2,646,537	1,754,447	3,270,173
INVESTING ACTIVITIES				
Cash was provided from:				
Sale of Property, Plant & Equipment		-	-	2,609
Term Investments, Shares & Advances		365,164	365,164	-
Investments in Loan Redemption & Sinking Funds		-	-	-
Total Investing Cash Inflow		365,164	365,164	2,609
Cash was applied to:				
Purchase of Property, Plant & Equipment		2,940,556	2,596,468	3,475,988
Term Investments, Shares & Advances		24,269	-	-
Investments in Loan Redemption & Sinking Funds		-	-	-
Total Investing Cash Outflow		2,964,825	2,596,468	3,475,988
Net Cashflow from Investing Activities		(2,599,661)	(2,231,304)	(3,473,379)
FINANCING ACTIVITIES				
Cash was provided from:				
Public Debt		5,431,601	1,961,000	1,961,000
Total Financing Cash Inflow		5,431,601	1,961,000	1,961,000
Cash was applied to:				
Repayment of Public Debt		5,493,536	2,571,919	2,586,250
Total Financing Cash Outflow		5,493,536	2,571,919	2,586,250
Net Cash Flow from Financing Activities		(61,935)	(610,919)	(625,250)
NET INCREASE / (DECREASE) IN CASH		(15,059)	(1,087,776)	(828,456)
OPENING CASH BALANCE	1 JULY 2011	5,111,176	5,939,632	5,939,632
CLOSING CASH BALANCE	30 APRIL 2012	\$ 5,096,117	\$ 4,851,856	\$ 5,111,176
REPRESENTED BY:				
Cash and Bank		393,566	154,675	630,654
Short Term Deposits		4,702,551	4,697,181	4,480,522
Investments		-	-	-
		\$ 5,096,117	\$ 4,851,856	\$ 5,111,176
Variance		\$ -	\$ -	\$ -

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 30 April 2012

ORGANISATION	INTEREST RATE	DATE INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM FUNDS						
Registered Banks						
BNZ Autocall Account	3.20%	30-Apr-12	On Call	\$ 72,749		
BNZ Reserves Fund	2.75%	15-Apr-12	15-May-12	\$ 713,032		
Total BNZ Funds				\$ 785,782	16%	30%
Kiwibank Reserves Fund	2.50%	30-Apr-12	On Call	\$ 717,929		
Total Kiwibank Funds				\$ 717,929	15%	30%
ASB Loan Redemption Reserves	3.73%	28-Feb-12	29-Jun-12	\$ 1,027,165		
Total ASB Funds				\$ 1,027,165	21%	30%
National Bank of NZ	2.40%	30-Apr-12	On Call	\$ 2,094		
National Bank of NZ	0.00%	30-Apr-12	On Call	\$ 360		
Total NBNZ Funds				\$ 2,455	0%	30%
ANZ Call Account	3.00%	30-Apr-12	On Call	\$ 50,276		
Loan Redemption Reserves	4.00%	28-Feb-12	29-Jun-12	\$ 1,028,527		
Total ANZ Funds				\$ 1,078,802	22%	30%
Westpac Term investment	3.88%	28-Feb-12	4-May-12	\$ 500,000		
Westpac Call Account	2.50%	30-Apr-12	On Call	\$ 188,369		
Total Westpac Funds				\$ 688,369	14%	30%
Other						
WBS (21220)	4.40%	27-Dec-11	24-Jun-12	\$ 140,728		
WBS (21220)	4.50%	23-Mar-12	19-Sep-12	\$ 147,058		
WBS (21220)	4.40%	5-Apr-12	2-Oct-12	\$ 113,941		
WBS (21220)		30-Apr-12	On Call	\$ 324		
Total Other Funds				\$ 402,050	8%	10%
TOTAL SHORT TERM FUNDS				\$ 4,702,551	98%	100%
SHARES						
NZ Local Govt Insurance Co Limited				\$ 89,524		
Airtel Limited				\$ 6,664		
Farmlands Trading Society Limited				\$ 699		
TOTAL SHARES				\$ 96,887	2%	
FORESTRY						
Plantation - Hurupi Stock				\$ 5,226		
TOTAL FORESTRY				\$ 5,226		
TOTAL INVESTMENTS				\$ 4,804,664	100%	
REPRESENTED BY:						
Short Term Deposits				4,702,551	98%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				102,113	2%	
				\$ 4,804,664	100%	