

# SOUTH WAIRARAPA DISTRICT COUNCIL

12 DECEMBER 2012

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## AGENDA ITEM D4

### CORPORATE SUPPORT GROUP REPORT

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#### **Purpose of Report**

To update Councillors on the Corporate Support Group activities.

#### **Recommendations**

Officers recommend that the Council:

1. *Receive the information.*
2. *Receive the financial statements for the four months ended 31 October 2012.*
3. *Receive the tabled financial statements for the four months ended 30 November 2012.*
4. *Approve Pain Farm funding per Martinborough Community Board resolution MCB RESOLVED (MCB 2012/61).*
5. *Approve Pain Farm funding per Martinborough Community Board resolution MCB RESOLVED (MCB 2012/63).*

#### **1. Executive Summary**

With the adoption of the annual report behind us, a little time has been able to be set aside to try and reduce the backlog of other work. The pre Christmas period is usually very busy trying to tidy up before the closedown.

Training on NCS continues, our first upgrade to the system was installed on the 28<sup>th</sup> November. Barcodes were printed on rate demands for the first time and this has assisted with processing.

I am please to advise Lynn Drake has joined us, taking over from Annette Gillespie in the rates area. Lynn comes to us from Masterton District Council where she was dog control administrator. I would like to thank Annette for her efforts during her time here and wish her well for the future.

Tenders were held for the replacement of a couple of vehicles, two new Suzuki Vitaras were purchased, very good pricing was achieved.

## 2. Discussion

### 2.1 Operating System Replacement

The operating system replacement continues as planned with all modules installed and running. Additional training will take place over the next few months to ensure we get the best out of the system.

### 2.2 Financial Statements

The financial statements for the four months ended 31 October 2012 are attached as Appendix 1.

The financial statements for the four months ended 30 November 2012 will be tabled.

### 2.3 Rate Arrears

Efforts continue on rate arrears. The table below outlines the situation as at 10 September 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
10 September 2012	\$947		21	\$767

The fragility of rate arrears has unfortunately reared its ugly head. I have no view on why this instalment has increased, however we will be pursuing the outstanding amounts as usual.

An updated report will be tabled.

## 2.4 Pain Farm Funding

The following resolutions were passed by the Martinborough Community Board, and require ratification by Council:

MCB	19-Nov-12	Resolution	<b>District Swimming Pool Update</b> MCB RESOLVED (MCB 2012/61): 1. To receive the information. (Moved Gibbs/Seconded McMaster) Carried 2. To recommend to Council that Pain Farm fund the cost of suitable pool covers for Martinborough Pool at the cost of \$11,363. (Moved McMaster/Seconded Cr Riddell) Carried
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MCB	19-Nov-12	Resolution	<b>Considine Park Committee</b> MCB RESOLVED (MCB 2012/63): 1. To request that council officers seek pricing to complete the Considine Park fence up to Martinborough Swimming Pool in the same style, but one rail higher than the existing fencing, and to recommend to Council that Pain Farm fund the cost of the fencing to the value of \$50,000. (Moved Gibbs/Seconded Guscott) Carried
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## 2.5 Legal Implications

There are no legal implications arising out of this report.

## 2.6 Financial Considerations

There are no financial implications arising out of this report. Revenues and expenditures are in line with budgets and forecasts.

Pain Farm expenditure is within funds held.

## 3. Appendix

Appendix 1 – Financial Statements to 31 October 2012

Contact Officer: Paul Crimp, Group Manager Corporate Support

**Appendix 1 – Financial  
Statements to 31 October  
2012**

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 OCTOBER 2012

	YTD			2013	
	Actual	Budget	Variance	Budget	% of Budget
<b><u>OPERATING INCOME</u></b>					
Rates	5,530,801	5,528,500	2,301	11,057,000	50%
Rates Penalty	132,921	141,725	(8,804)	283,449	47%
Interest	68,701	89,776	(21,075)	194,000	35%
Internal Interest Loans	12,639	12,500	139	38,000	33%
Fees & Licences	309,397	283,266	26,131	581,000	53%
User Levies	95,166	119,464	(24,298)	610,000	16%
Commissions	733	1,000	(267)	61,550	1%
NZ Transport Agency Subsidy	398,205	400,000	(1,795)	1,310,252	30%
Petrol Tax	24,803	30,908	(6,105)	93,000	27%
Grants, Donations & Subsidies	10,564	7,864	2,700	42,000	25%
Rental / Hire	98,044	104,072	(6,028)	312,000	31%
Profit on Sale of Assets	-	-	-	-	0%
Miscellaneous Income	96,943	125,652	(28,709)	377,000	26%
<b>Total Operating Income</b>	<b>6,778,919</b>	<b>6,844,727</b>	<b>(65,808)</b>	<b>14,959,251</b>	<b>90%</b>
<b><u>OPERATING EXPENDITURE</u></b>					
Corporate Services	604,206	596,636	(7,570)	1,789,000	81%
In-House Professional Services	235,343	246,756	11,413	740,262	75%
Governance, Leadership & Advocacy	111,250	140,120	28,870	420,289	82%
Public Protection	344,159	354,748	10,589	1,064,480	79%
Resource Management	126,280	142,712	16,432	428,576	74%
Economic, Cultural & Community Development	143,939	144,000	61	235,477	92%
Amenities	568,289	626,176	57,887	1,878,579	88%
Land Transport	1,517,695	1,520,000	2,305	4,841,747	84%
Water Supply	664,209	713,260	49,051	2,139,327	80%
Solid Waste Management	342,924	394,484	51,560	1,183,475	74%
Sewerage	386,630	370,132	(16,498)	1,214,170	65%
Stormwater Drainage	46,588	45,072	(1,516)	134,710	70%
Rate Debtors Written Off	8,974	13,652	4,678	41,000	64%
Bad Debts	-	-	-	-	20%
Loss on Sale of Assets	-	-	-	-	0%
<b>Total Operating Expenditure</b>	<b>5,100,487</b>	<b>5,307,748</b>	<b>207,261</b>	<b>16,111,092</b>	<b>81%</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,678,432</b>	<b>1,536,979</b>	<b>(273,069)</b>	<b>(1,151,841)</b>	<b>-178%</b>
<b><u>CAPITAL EXPENDITURE INCOME</u></b>					
NZ Transport Agency Subsidy	391,737	400,000	8,263	1,113,748	47%
Grants, Donations & Subsidies	-	6,252	6,252	-	0%
Contributions	12,615	100,764	88,149	302,000	68%
<b>Total Capital Expenditure Income</b>	<b>404,352</b>	<b>507,016</b>	<b>102,664</b>	<b>1,415,748</b>	<b>46%</b>
<b><u>OTHER INCOME</u></b>					
Assets Vesting in Council	328	14,056	13,728	-	0%
Gain on Asset Revaluations	-	13,372	13,372	40,000	0%
<b>Total Other Income</b>	<b>328</b>	<b>27,428</b>	<b>27,100</b>	<b>40,000</b>	<b>0%</b>
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>\$ 2,083,112</b>	<b>\$ 2,071,423</b>	<b>\$ (143,306)</b>	<b>\$ 303,907</b>	<b>114%</b>

Included in the operating expenditure is:

Depreciation	1,255,838	1,394,964	(139,126)	3,914,248	79%
Interest	211,202	215,252	(4,050)	722,992	73%

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2012**

	31 OCTOBER 2012	30 JUNE 2012	MOVEMENT
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Bank	49,394	1,869,551	(1,820,158)
Short Term Deposits	5,670,801	2,191,218	3,479,583
Investments	-	2,482,206	(2,482,206)
Prepayments & Receivables	6,451,563	3,311,400	3,140,164
Inventories	49,425	42,460	6,965
Properties Intended For Sale	-	-	-
<b>Total Current Assets</b>	<b>12,221,183</b>	<b>9,896,835</b>	<b>2,324,348</b>
<b><u>Non-Current Assets</u></b>			
Investments	102,701	102,701	-
Investment Properties	8,325,000	8,325,000	-
Intangible Assets	43,248	43,547	(299)
Property, Plant & Equipment	386,739,007	387,179,884	(440,877)
<b>Total Non-Current Assets</b>	<b>395,209,956</b>	<b>395,651,132</b>	<b>(441,176)</b>
<b>TOTAL ASSETS</b>	<b>\$ 407,431,139</b>	<b>\$ 405,547,967</b>	<b>1,883,172</b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Cash and Bank	-	-	-
Payables and Accruals	2,754,490	2,919,269	(164,779)
Employee Entitlements	222,313	226,101	(3,788)
Public Debt - Current Portion	-	1,056,265	(1,056,265)
Finance Leases - Current Portion	-	10,119	(10,119)
Provisions - Current Portion	-	32,821	(32,821)
<b>Total Current Liabilities</b>	<b>2,976,804</b>	<b>4,244,575</b>	<b>(1,267,771)</b>
<b><u>Non-Current Liabilities</u></b>			
Public Debt - Non-Current Portion	9,313,638	8,281,754	1,031,884
Finance Leases - Non-Current Portion	3,126	-	3,126
Provisions - Non-Current Portion	406,955	374,134	32,821
<b>Total Non-Current Liabilities</b>	<b>9,723,720</b>	<b>8,655,888</b>	<b>1,067,831</b>
<b><u>EQUITY</u></b>			
Public Equity	143,976,035	141,892,923	2,083,112
Special Separate & Trust Funds	16,944,570	16,944,570	-
Asset Revaluation Reserve	232,018,461	232,018,461	-
Sinking Fund Reserves	1,789,199	1,789,199	-
Other Reserves	2,352	2,352	-
<b>Total Equity</b>	<b>394,730,616</b>	<b>392,647,504</b>	<b>2,083,112</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 407,431,139</b>	<b>\$ 405,547,967</b>	<b>1,883,172</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 OCTOBER 2012

<u>DESCRIPTION</u>	Month		Year to Date		Annual
	Actual	Budget	Actual	Budget	Budget
<b><u>Amenities</u></b>					
Playgrounds	-	-	-	-	-
Parks & Reserves	12,870	-	19,876	-	-
Campgrounds	-	-	-	-	-
Swimming Pools	2,830	-	2,830	-	-
Toilets	628	-	628	-	-
Cemeteries	520	-	2,400	-	-
Libraries	-	-	-	-	-
Rental Properties	-	-	-	-	-
Community Housing	10,997	-	14,321	-	-
Community Buildings	-	-	-	-	-
Greytown Town Hall Redevelopment	-	-	-	-	-
Martinborough Town Hall	-	-	-	-	-
Featherston Town Centre	-	-	-	-	-
Greytown Town Centre	-	-	-	-	-
Martinborough Town Centre	-	-	-	-	-
Library Books	13,678	-	42,717	-	-
Amenities (Miscellaneous)	-	-	-	-	-
	41,523	-	82,772	-	-
<b><u>Water Supply</u></b>					
Water Supply	33,738	-	34,290	-	-
Water Supply (MBA)	-	-	-	-	-
Plant & Bores	-	-	-	-	-
FSTN Supplementary water supply	-	-	-	-	-
Plant & Bores (MBA)	-	-	-	-	-
Reservoirs	16,813	-	43,369	-	-
	-	-	-	-	-
Water Supply (Misc.)	436	-	3,924	-	-
	50,988	-	81,584	-	-
<b><u>Solid Waste Management</u></b>					
Solid Waste Management	-	-	-	-	-
Solid Waste Management	-	-	-	-	-
Solid Waste Management (Miscellaneous)	-	-	-	-	-
<b><u>Stormwater Reticulation</u></b>					
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation (Miscellaneous)	-	-	-	-	-
<b><u>Sewerage</u></b>					
Sewerage	7,624	-	7,624	-	-
Sewerage	-	-	-	-	-
Sewerage	-	-	-	-	-
Sewerage (Lake Ferry)	-	-	-	-	-
Oxidation Ponds	-	-	-	-	-
Oxidation Ponds	-	-	-	-	-
Oxidation Ponds	-	-	-	-	-
Sewerage (Miscellaneous)	-	-	54,484	-	-
Alternative Disposal System (GTN)	-	-	-	-	-
Alternative Disposal System (MBA)	-	-	-	-	-
Alternative Disposal System (FSTN)	-	-	-	-	-
	7,624	-	62,108	-	-
<b><u>Land Transport</u></b>					
New St. Lighting (Other Roads) - 222	-	-	-	-	-
	-	-	-	-	-
Signs/Guardrails (Other Roads) - 222	552	-	4,695	-	-
Signs/Guardrails (SPRs) - 222	-	-	-	-	-
New Bridges (Other Roads) - 215	-	-	-	-	-
Structures Renewal (SPR) -215	-	-	-	-	-
Seal Extensions	-	-	-	-	-





# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF CASHFLOWS AS AT 31 OCTOBER 2012

	31 OCT 2012	30 JUNE 2012
<b><u>OPERATING ACTIVITIES</u></b>		
<b><u>Cash was provided from:</u></b>		
Rates	2,885,269	13,178,871
Government Grants & Subsidies	1,337,143	2,956,994
Petrol Tax	19,144	80,743
Other Income	754,012	1,811,947
Interest on Investments	75,970	236,841
<b>Total Operating Cash Inflow</b>	<b>5,071,537</b>	<b>18,265,396</b>
<b><u>Cash was applied to:</u></b>		
Payments to Suppliers & Employees	4,814,866	12,900,557
Interest Paid	233,416	654,053
<b>Total Operating Cash Outflow</b>	<b>5,048,282</b>	<b>13,554,610</b>
<b>Net Cashflow from Operating Activities</b>	<b>23,255</b>	<b>4,710,786</b>
<b><u>INVESTING ACTIVITIES</u></b>		
<b><u>Cash was provided from:</u></b>		
Sale of Property, Plant & Equipment	-	91,765
Term Investments, Shares & Advances	-	533,269
Investments in Loan Redemption & Sinking Funds	-	-
<b>Total Investing Cash Inflow</b>	<b>-</b>	<b>625,034</b>
<b><u>Cash was applied to:</u></b>		
Purchase of Property, Plant & Equipment	814,662	4,663,883
Term Investments, Shares & Advances	-	24,269
Investments in Loan Redemption & Sinking Funds	-	509,000
<b>Total Investing Cash Outflow</b>	<b>814,662</b>	<b>5,197,152</b>
<b>Net Cashflow from Investing Activities</b>	<b>(814,662)</b>	<b>(4,572,118)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
<b><u>Cash was provided from:</u></b>		
Public Debt	-	6,431,601
<b>Total Financing Cash Inflow</b>	<b>-</b>	<b>6,431,601</b>
<b><u>Cash was applied to:</u></b>		
Repayment of Public Debt	31,374	5,503,634
<b>Total Financing Cash Outflow</b>	<b>31,374</b>	<b>5,503,634</b>
<b>Net Cash Flow from Financing Activities</b>	<b>(31,374)</b>	<b>927,967</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>(822,781)</b>	<b>1,066,635</b>
<b>OPENING CASH BALANCE</b>	<b>1 JULY 2012</b>	<b>5,476,340</b>
<b>CLOSING CASH BALANCE</b>	<b>31 OCT 2012</b>	<b>\$ 6,542,975</b>
<b><u>REPRESENTED BY:</u></b>		
Cash and Bank	49,394	1,869,551
Short Term Deposits	5,670,801	4,308,260
Investments	-	365,164
<b>Total</b>	<b>\$ 5,720,195</b>	<b>\$ 6,542,975</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF INVESTMENTS AS AT 31 OCTOBER 2012

<u>ORGANISATION</u>	<u>INTEREST RATE</u>	<u>DATE INVESTED</u>	<u>DATE MATURES</u>	<u>TOTAL INVESTED</u>	<u>INVESTED FUNDS %</u>	<u>AUTHORISED FUNDS %</u>
<b>SHORT TERM FUNDS</b>						
<b>Registered Banks</b>						
BNZ Autocall Account	3.20%	31-Oct-12	On Call	465,576.82		
BNZ Reserves Fund	2.75%	12-Oct-12	12-Nov-12	722,897.89		
<b>Total BNZ Funds</b>				<b>\$ 1,188,475</b>	<b>21%</b>	<b>30%</b>
Kiwibank Reserves Fund	2.50%	31-Oct-12	On Call	721,030.57		
<b>Total Kiwibank Funds</b>				<b>\$ 721,031</b>	<b>13%</b>	<b>30%</b>
ASB Loan Redemption Reserves	3.83%	29-Oct-12	17-Jan-13	\$ 1,052,900		
ASB Loan Redemption Reserves	0.00%	31-Oct-12	On Call	\$ 227		
<b>Total ASB Funds</b>				<b>\$ 1,053,127</b>	<b>18%</b>	<b>30%</b>
National Bank of NZ	2.40%	31-Oct-12	On Call	\$ 2,094		
National Bank of NZ	0.00%	31-Oct-12	On Call	\$ 372		
<b>Total NBNZ Funds</b>				<b>\$ 2,467</b>	<b>0%</b>	<b>30%</b>
ANZ Call Account	3.00%	31-Oct-12	On Call	\$ 50,593		
Loan Redemption Reserves	3.25%	29-Oct-12	28-Feb-13	\$ 1,053,600		
<b>Total ANZ Funds</b>				<b>\$ 1,104,194</b>	<b>19%</b>	<b>30%</b>
Westpac Call Account	2.50%	31-Oct-12	On Call	\$ 190,760		
Westpac Term Deposit	3.91%	28-Sep-12	20-Nov-12	\$ 500,000		
Westpac Term Deposit	3.85%	28-Sep-12	5-Nov-12	\$ 500,000		
<b>Total Westpac Funds</b>				<b>\$ 1,190,760</b>	<b>21%</b>	<b>30%</b>
<b>Other</b>						
WBS (21220)	4.50%	24-Jun-12	21-Dec-12	\$ 143,773		
WBS (21220)	4.40%	19-Sep-12	30-Sep-12	\$ 150,240		
WBS (21220)	4.40%	2-Oct-12	2-Apr-13	\$ 116,406		
WBS (21220)		31-Oct-12	On Call	\$ 329		
<b>Total Other Funds</b>				<b>\$ 410,748</b>	<b>7%</b>	<b>10%</b>
<b>TOTAL SHORT TERM FUNDS</b>				<b>\$ 5,670,801</b>	<b>99%</b>	<b>100%</b>
<b>SHARES</b>						
NZ Local Govt Insurance Co Limited				\$ 69,570		
Airtel Limited				\$ 7,252		
Farmlands Trading Society Limited				\$ 699		
<b>TOTAL SHARES</b>				<b>\$ 77,521</b>	<b>1%</b>	
<b>FORESTRY</b>						
Plantation - Hurupi Stock				\$ 5,226		
<b>TOTAL FORESTRY</b>				<b>\$ 5,226</b>		
<b>TOTAL INVESTMENTS</b>				<b>\$ 5,753,548</b>		
<b>REPRESENTED BY:</b>						
Short Term Deposits				5,670,801	99%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				82,747	1%	
				<b>\$ 5,753,548</b>	<b>100%</b>	