

Supplementary Report

Ordinary Meeting

Notice is hereby given that a Ordinary Meeting of Council will be held at Council Chambers, 1 Belgrave Street, Manly, on:

Monday 12 November 2012

Commencing at 7.30 PM for the purpose of considering items included on the Agenda.

Persons in the gallery are advised that the proceedings of the meeting are being taped for the purpose of ensuring the accuracy of the Minutes. However, under the Local Government Act 1993, no other tape recording is permitted without the authority of the Council or Committee. Tape recording includes a video camera and any electronic device capable of recording speech.

Copies of business papers are available at the Customer Service Counters at Manly Council, Manly Library and Seaforth Library and are available on Council's website:

www.manly.nsw.gov.au

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******* END OF AGENDA *******

TO: Ordinary Meeting - 12 November 2012
REPORT: Corporate Services Division Report No. 29
SUBJECT: Financial Statements for the Year Ended 30 June 2012
FILE NO:

SUMMARY

Presentation of the Audited General Purpose and Special Purpose Financial Statements for the financial year ended 30 June 2012.

REPORT

Council is required to present its Audited General Purpose and Special Purpose Financial Statements for the financial year ended 30 June 2012, together with the Auditor's Report, at a meeting of Council within 5 weeks of receipt of the Auditor's Report. This year due to the Council Elections and the frequency at which Council holds its Ordinary Meetings, Council could not comply with Section 418 (2) which requires Council to hold a public meeting within 5 weeks of receiving an Auditor's report . The Department Of Local Government were advised accordingly.

Due to Council being in caretaker mode in the month prior to local government elections, the draft Financial Statements for the period 1 July 2011 to 30 June 2012 were referred on 7th September 2012, to Council's Auditors, Hill Rogers Spencer Steer for audit, by the Mayor and the General Manager.

The signed Auditor's Report has now been received, and is included in the General Purpose and Special Purpose Financial Statements for the Year ended 30 June 2012.

In accordance with the requirements of the Local Government Act, a notice was published in the Manly Daily advising that the Financial Statements are available for inspection at Council, and that they would be formally presented to Council at its Meeting to be held on Monday 12 November 2012.

As required by legislation, a copy of the annual Financial Statements was authorised by the General Manager at the recommendation of Responsible Accounting Officer, and duly forwarded to the Division of Local Government on 9 October 2012.

A copy of the Financial Statements has also been circulated separately to all Councillors and will be tabled at the meeting.

A representative from Council's Auditors has been invited to be in attendance at the meeting to present their report and to answer any questions.

In accordance with Section 420 of the Local Government Act, the Annual Statements have been advertised in a local newspaper (attached) and any person may make a submission to Council within seven (7) days after the Statements are presented to the Council.

Financial Results:

For the year ended 30 June 2012, Council recorded a Net Operating Result of \$1.497million (deficit) and an Operating result before Capital Amounts - Grant & Contributions is a deficit of \$ 2.299 million.

Corporate Services Division Report No. 29 (Cont'd)

A summary of the Financial Statements for the year ended 30 June 2012 is provided below:

SUMMARY OF FINANCIAL STATEMENTS	2012 (\$'000)	2011 (\$'000)
Income Statement		
Total Revenues from Continuing Operations	57,822	59,285
Total Expenses from Continuing Operations	59,422	57,346
Net Operating Result for the Year	(1,497)	1,707
Net Operating Result from Continuing Operations before Capital Grants and Contributions	(2,299)	(703)
Balance Sheet		
Total Current Assets	17,850	17,706
Total Current Liabilities	17,299	18,435
Total Non Current Assets	692,973	690,833
Total Non Current Liabilities	13,534	8,617
Total Equity	679,990	681,487
Other Financial Information		
Unrestricted Current Ratio	1.51:1	1.25:1
Debt Service Ratio (%)	3.67%	3.44%
Rate Coverage Ratio (%)	58.75%	55.47%
Rates & Annual Charges Outstanding (%)	3.98%	3.50%
Building & Renewals Infrastructure	0.69:1	1.56:1

Summary

All Councils are required to have their annual financial statements prepared and audited by 31 October each year, and a copy lodged with the Department of Local Government by 7 November. A copy of Council's General Purpose and Special Purpose Financial Statements for the Year ended 30 June 2012 with the Auditor's Report has been forwarded to the Division of Local Government.

In summary, on the consolidated basis (including joint ventures), Council's financial statements show (Note bracketed figures are for the previous 2010/11 year):

1. A decrease in Net Assets for the year of \$1.497 million to \$679.990 million (\$681.487 million 2011) as per the operating result from continuing operations for 2012. This was primarily due to an increase in accumulated depreciation, an increase in the discounted NPV of employee leave entitlements and an increase in L&E court case legal fees.
2. Expenses from ordinary operations amounted to \$59.422 million (\$57.346 million).
3. Revenues from Continuing Operations including capital grants and contributions amounted to \$57.822 million (\$59.285 million).
4. Net Operating result from Continuing Operations deficit of \$1.6 million (\$1.939 million surplus).
5. Operating Revenues (before capital grants & contributions) increased by \$145,000 and there was an increase in Operating Expenses of \$2.076 million resulting in a net deficit from Continuing Operations before capital income increase of \$1.931 million.
6. The Unrestricted Current Ratio is 1.51:1 (1.25:1).

Corporate Services Division Report No. 29 (Cont'd)

7. Operating revenue required to service debt is 3.67% (3.44%) on total borrowings including finance leases of \$12.291 million (\$9.670 million).
8. Percentage of rates, annual and extra charges collected was 96.02% (96.96%).
9. Available Working Capital at 30 June 2012 of \$1.425 million.
Cash and Investments held at 30 June 2012 were \$14.343 million (\$14.002 million in 2011).
Of this amount \$6.578 million (\$5.930 million) is externally restricted; \$6.360 million (\$6.438 million) is internally restricted; and \$1.405 million (\$1.634 million) is unrestricted.

RECOMMENDATION

That:

1. the General Purpose and Special Purpose Financial Statements for the Year Ended 30 June 2012 together with the Auditors Reports be received; and
2. Council's Auditors, Hill Rogers Spencer Steer Chartered Accountants, be thanked for their attendance.

ATTACHMENTS


AT- 1	Public Notice	1 Page
AT- 1	General Purpose and Special Purpose Financial Statements for the Year Ended 30 June 2012 is tabled.	Tabled

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***** End of Corporate Services Division Report No. 31 *****

Corporate Services Division Report No. .DOC - Financial Statements for the Year Ended 30 June 2012
Public Notice

Public notices



MANLY COUNCIL

Public Notice - Presentation of Financial Statements

as per Section 418 (3) of the Local Government Act.

In accordance with Section 418 (3) of the Local Government Act, 1993, Manly Council advises that the Ordinary Council Meeting to be held on 12/11/12 will include the presentation of the audited Financial Statements and the Auditor's Reports for the financial year ending 30/6/2012.

A summary of the Financial Statements is provided below:

	2012	2011
Income Statement	\$'000	\$'000
Total Income from Continuing Operations	57,822	59,285
Total Expenses from Continuing Operations	59,422	57,346
Operating Result from Continuing Operations	(1,600)	1,939
Net Operating Result for the year	(1,497)	1,707
Net Operating Result before Grants & Contributions provided for Capital Purposes	(2,299)	(703)
Balance Sheet		
Total Current Assets	17,850	17,706
Total Current Liabilities	(17,299)	(18,435)
Total Non Current Assets	692,973	690,833
Total Non Current Liabilities	(13,534)	(8,617)
Total Equity	679,990	681,487
Other Financial Information		
Unrestricted Ratio	1.51 : 1	1.25 : 1
Debt Service Ratio (%)	3.67%	3.44%
Rates Coverage Ratio (%)	58.75%	55.47%
Rates & Annual Charges Outstanding Ratio (%)	3.98%	3.50%
Building & Infrastructure Renewals Ratio (%)	69.46%	155.60%

In accordance with Section 420 of the Local Government Act, 1993, any person may make a submission in writing to Council with respect to the Council's Audited Financial Statements or the Auditor's Reports.

Copies of the audited Financial Statements and the Auditor's Reports may be inspected at:

Locations: 1 Belgrave Street
Manly NSW 2095

Internet: www.manly.nsw.gov.au

Submissions close one week after the above Public Meeting has been held.

THE MANLY DAILY, Saturday, October 27, 2012 69