

**NOTICE IS HEREBY GIVEN THAT A MEETING OF THE FINANCE AND POLICY COMMITTEE WILL BE HELD IN THE COUNCIL CHAMBERS, CIVIC ADMINISTRATION BUILDING, 29 CIVIC AVENUE, GORE, ON TUESDAY 11 MARCH 2014, FOLLOWING THE CONCLUSION OF THE REGULATORY AND PLANNING COMMITTEE MEETING**



**Stephen Parry  
CHIEF EXECUTIVE**

**4 March 2014**

## ***A G E N D A***

1. Financial Report to January 2014

(Pages 1-7)

## FINANCE AND POLICY COMMITTEE AGENDA

11 MARCH 2014

1. FINANCIAL REPORT FOR JANUARY 2014

(Memo from Chief Financial Officer – 28.2.14)

**Summary**

In total spending is tracking against budgets as can be seen by the gauges below. Total revenue is lower than budget by 124k. Total expenses are lower than budget by 306k.

The last report did not contain depreciation due to the fact testing of the assets module was still being carried out and Council was waiting for confirmation of the recommended depreciation rates for 2014 from OPUS.

Testing of the assets module was completed and it is performing well. The depreciation rates confirmed by OPUS have resulted in higher than budgeted depreciation charges for the Wastewater and Stormwater areas.

**Total expenses at a glance...**

% of year to date Budget Spent



% of Annual Budget Spent

**Capital expenditure at a glance...**

% of year to date Budget Spent



% of Annual Budget Spent

## Statement of Income and Expenditure for the 7 months ended 31 January 2014

Department	Actuals	Current	Variance	Favourable / Unfavourable	Annual	% of Annual Budget
		Budget			Current	
Income	000s	000s	000s		000s	
Aquatic Services & Stadiums	878	889	12	U	1,524	58%
Cemeteries	147	160	13	U	275	54%
Central Administration	1,356	1,409	53	U	2,417	56%
Civil Defence	43	42	(0)	F	73	59%
Community Grants	335	336	1	U	577	58%
Elected Members	451	416	(35)	F	713	63%
Essential Services	3,611	3,471	(140)	F	6,071	59%
Heritage Precinct	968	957	(12)	F	1,641	59%
Parks and Reserves	1,754	1,729	(25)	F	2,964	59%
Property	438	435	(4)	F	745	59%
Public Conveniences	78	77	(1)	F	133	59%
Regulatory	813	801	(12)	F	1,300	63%
Roading	2,310	2,583	273	U	4,581	50%
<b>Income Total</b>	<b>13,183</b>	<b>13,306</b>	<b>124</b>	<b>U</b>	<b>23,015</b>	<b>57%</b>
<b>Expenditure</b>						
Aquatic Services & Stadiums	975	963	(13)	U	1,627	60%
Cemeteries	134	133	(1)	U	227	59%
Central Administration	1,538	1,350	(189)	U	2,313	67%
Civil Defence	59	57	(2)	U	77	77%
Community Grants	347	403	55	F	577	60%
Elected Members	501	420	(81)	U	707	71%
Essential Services	3,542	3,740	198	F	6,331	56%
Heritage Precinct	1,020	999	(21)	U	1,696	60%
Parks and Reserves	1,542	1,643	101	F	2,812	55%
Property	514	545	31	F	917	56%
Public Conveniences	62	83	21	F	142	44%
Regulatory	795	752	(43)	U	1,281	62%
Roading	2,434	2,683	249	F	4,703	52%
<b>Expenditure Total</b>	<b>13,463</b>	<b>13,770</b>	<b>306</b>	<b>F</b>	<b>23,412</b>	<b>58%</b>
<b>Total</b>	<b>280</b>	<b>463</b>	<b>183</b>	<b>F</b>	<b>397</b>	<b>71%</b>

## **Commentary on the Statement of Income and Expenditure**

### **Income**

Overall income is unfavourable by \$124k.

The major contributor to this is the NZTA subsidy, (\$260k behind budget). Central administration is behind due to the timing of the application of the second arrears penalty. This will be applied in March.

Essential services income is higher than budgeted due to extra trade waste charges being charged to Waitane to reflect their actual discharge.

There are no other material permanent variances at this point in time.

### **Expenditure**

Overall expenditure is favourable by \$306k. Of the total annual budget, 58% has currently been spent in the first seven months.

The Gore Multisports Aquatic Centre is being managed closely and has two permanent variances on the radar. Wages (due to demand for swim lessons) and electricity, (due to power from the ice rink, this is partially offset by a recovery from Ice Sports Southland in the revenue area).

Central administration has an unfavourable variance of \$189k; \$40k relates to the website and is funded by reserves. \$25k relates to depreciation on the Authority computer system. Other variances at this point are being managed closely and are expected to be due to timing.

Essential Services has a significant favourable variance due to timing of maintenance work.

Regulatory has an unfavourable variance, it is expected that this will become more favourable over the coming months, but is being closely monitored.

Roading expenditure is down due to timing of the maintenance work.

No other material permanent variances are noted at this point.

## Capital expenditure by department for the 7 months ended January 2014

Department	Actuals 000s	Current Budget 000s	Variance 000s	Annual Current Budget 000s	% of Annual Budget Spent
Aquatic Services & Stadiums	13	-	(13)	324	4%
Cemeteries	3	46	44	80	3%
Central Administration	107	114	7	114	94%
Essential Services	446	665	219	1,118	40%
Heritage Precinct	79	63	(16)	108	73%
Parks and Reserves	94	202	108	217	43%
Property	44	18	(26)	18	246%
Public Conveniences	80	78	(2)	134	60%
Regulatory	19	23	4	23	83%
Roading	1,034	1,310	276	2,426	43%
<b>Total</b>	<b>1,919</b>	<b>2,519</b>	<b>600</b>	<b>4,562</b>	<b>42%</b>









42% of the capital expenditure budget has been expended. All variances at this point are due to timing of the various projects

The following page contains a schedule of projects with a budget of \$100,000 or more and shows the percentage of the total budget spent.

The planned renewal work for the Aquatic centre is scheduled for May/June 2014.

The toilets in Queens Parks have been completed with only a few small invoices are left to come in. This has come in under budget and is funded by loan.

The work on the Ajax projects are progressing well.

<b>Capital projects over \$100,000</b>	<b>Actuals</b>	<b>Annual Current Budget</b>	<b>% of Annual Budget Spent</b>	<b>Status</b>	<b>Comments</b>
	<b>000s</b>	<b>000s</b>			
<b>Gore Multisports Aquatic Centre</b>					
Facility shutdown	1	324	0%	Started	
<b>Gore Multisports Aquatic Centre Total</b>					
<b>Public Conveniences</b>					
Capital Public Conveniences   Replacement Toilets Queens Park	78	134	 58%	Completed	Under budget, loan funded
<b>Public Conveniences Total</b>	<b>78</b>	<b>134</b>	<b>58%</b>		
<b>Roading</b>					
Rural Roads - Subsidised - Renewals	416	1,442	 29%	In progress	
Rural Roads - Subsidised - Increased Level of Service	7	125	 6%	In progress	
Urban Roads - Subsidised - Renewals	388	472	 82%	In progress	
Urban Roads - Non Subsidised - Renewals	187	321	 58%	In progress	
<b>Roading Total</b>	<b>999</b>	<b>2,359</b>	<b>42%</b>		
<b>Wastewater</b>					
Wastewater Capital   Ajax Catchment Pipe replacement	158	216	 73%	In progress	
Wastewater Capital   Ajax Pump Station Upgrade	69	349	 20%	In progress	
<b>Wastewater Total</b>	<b>227</b>	<b>565</b>	<b>40%</b>		
<b>Water</b>					
Water Capital   Reticulation Renewals	-	112	0%	Not started	Beginning tender process
Water Capital   New Water Source   Gore	18	100	 18%	In progress	
<b>Water Total</b>	<b>18</b>	<b>212</b>	<b>9%</b>		
<b>Total</b>	<b>1,321</b>	<b>3,270</b>	<b>40%</b>		

## Statement of Financial Position as at 31 January 2014

	Actuals 2014	Actuals 2013
	000s	000s
<b>Assets</b>		
<b>Current Assets</b>		
Cash And Cash Equivalents	605	367
Inventories	131	158
Trade & Other Receivables	1,595	2,162
<b>Current Assets Total</b>	<b>2,332</b>	<b>2,687</b>
<b>Non Current Assets</b>		
Infrastructure Property Plant Equipment	371,289	343,228
Investments	1,571	1,511
Other Financial Assets	(350)	(596)
Other Non Current Assets	175	121
<b>Non Current Assets Total</b>	<b>372,685</b>	<b>344,264</b>
<b>Assets Total</b>	<b>375,017</b>	<b>346,951</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Borrowings	-	-
Other Current Liabilities	81	53
Short Term Provisions	468	440
Trade & Other Payables	883	1,786
<b>Current Liabilities Total</b>	<b>1,431</b>	<b>2,279</b>
<b>Non Current Liabilities</b>		
Long Term Borrowings	11,218	11,364
Long Term Provisions	105	107
<b>Non Current Liabilities Total</b>	<b>11,323</b>	<b>11,471</b>
<b>Liabilities Total</b>	<b>12,754</b>	<b>13,750</b>
<b>Net Assets</b>	<b>387,771</b>	<b>360,701</b>
<b>Equity</b>		
Asset Revaluation Reserve	227,584	196,920
Other Reserves	3,712	3,189
Accumulated Surplus	156,475	160,592
<b>Equity Total</b>	<b>387,771</b>	<b>360,701</b>

**Commentary on the Statement of Financial Position**

The major changes in the balance sheet from the same month in prior year:

**Assets**

- Bank is up and debtors are down on the same month last year due to timing of receipts from customers.
- Derivative instruments are up on the same month last year due to the revaluation of the interest swaps at 30 June 2013.
- Infrastructure, property, plant and equipment is up on the same period last year due to the revaluation of the Council's land, buildings and infrastructure as at 30 June 2013.

**Liabilities**

- Creditors are lower than last year due timing of invoices and payments.
- Term debt has decreased due to planned repayments which were made at the end of last financial year.

**RECOMMENDATION**

**THAT the financial report for the seven months ended 31 January 2014 be received.**