



R E P O R T	TO	MAYOR AND COUNCILLORS
	FROM	CORPORATE SERVICES MANAGER
	FILE REF	543917
	PORTFOLIO	CR GORDON
	DATE	18 FEBRUARY 2010
	SUBJECT	FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

RECOMMENDATIONS

- THAT the report be received.

Financial Report

Attached is the financial report for the 6 months ended 31 December 2009.

This is the second financial report for the year and the second report since Council implemented the Authority financial system last year.

The report is a full report of Groups of Activities and individual Activities.

The report includes actual expenditure to 31 December and is measured against the annual budget and year to date (YTD) budget profiles. A few budgets require the year to date budget profiles to be reviewed and updated.

Actual expenditure is reflected as a percentage of year to date budget and annual budget. For an activity that is fairly constant throughout the year, ie not subject to seasonal variations, the actual expenditure should be approximately 50% of annual budget and would be at 100% of year to date budget if the budget profile is set correctly and actual activity has mirrored that profile.

Depreciation has been accrued at 100% of the year to date budget profile. It has not been based on actual depreciation calculations as these have not been completed yet and will not be done till the end of the year..

Interest on Capital is also accrued in the same manner.

Total Cost of Service is \$12.8 million. This is 46.3% of Annual Budget per the LTCCP and 97% of year to date budget profile. This is an encouraging position in that it indicates a slight under budget result for the Council to the end of December.

Total Revenue is \$2.7 million which is 46% of annual budget and 95% of year to date budget profile. This is less than budgeted and the main item impacting this is the reduction in Transfer Station Income which may be a budget profile issue. This has yet to reviewed and updated as required.

The Net Cost of Service is \$10.06 million compared to a Year to Date budgeted Net Cost of Service of \$10.25 million.

The key results are

Governance & Leadership:

This Group of Activities is at 104% of year to date budget and 50% of Annual Budget. While Democracy and Iwi Liaison are under budget Policy Development is substantially over budget.

The key contributor to this outcome is the District Plan review which is significantly exceeding the Annual Budget profile and will cost more than the years budget provision.

Network Services:

All activities are below the 100% of year to date budget or 50% of annual budget.

Solid Waste is the activity most under budget. This is principally due to the reduced volume of waste processed at the Transfer Stations as a result of low seasonal demand.

The budget profile needs to be updated to reflect this.

Fees and Charges are well down due to lower revenue from Transfer Stations. Budget re-profiling will present a more useful picture.

Community Services:

Recreation and Community Facilities Activities are both at similar levels of Annual Budget spend. There are no items of note within these activities that deserve special mention.

Community Development:

Like Community Services this group of activities is reporting results consistent with year to date budget provisions. There are no items of note.

Regulatory:

All activities apart from Building Control are running slightly under budget.

Revenue is marginally down on budget at 95%.

Building Control expenditure is slightly ahead of budget due to unforeseen expenditure on specialist technical advice and reviews required in relation to problems with some buildings.

Rex Leonhart
Corporate Services Manager