

Financial Information Governance and Corporate

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	ACTUAL 2011 \$000s	COUNCIL BUDGET 2011 \$000s	VARIANCE \$000s
Income				
Rates Income	1	13,682	13,584	98
Other Income	2	6,454	852	5,602
Total Operating Income		20,136	14,436	5,700
Expenditure				
Direct Costs	3	11,232	9,682	(1,550)
Indirect Costs	4	2,003	1,543	(459)
Activity Expenditure		13,235	11,225	(2,009)
Depreciation	5	43	120	77
Interest Payable		758	1,297	539
Total Operating Expenditure		14,036	12,642	(1,393)
Net Operating Surplus/(Deficit)		6,101	1,794	4,307
Capital Statement				
Net Operating Surplus		6,101	1,794	4,307
Loans		5,065	4,211	854
Other Funding		129	968	(839)
Total Funding		11,294	6,973	4,321
New Work	6	10,323	5,085	(5,238)
Renewal Works	6	56	897	841
Loan Repayments		0	990	990
Total Capital Expenditure		10,379	6,973	(3,407)
NET SURPLUS/(DEFICIT)		915	0	915

VARIANCE TO THE ANNUAL PLAN 2010/11

1. Rates Income is showing a favourable variance of \$98k predominantly due to:
 - a. An increase in penalty rate income of \$267k offset by a reduction in General Rate income of \$169k
2. Other income is showing a favourable variance of \$5,602k predominantly due to:
 - a. Dividend received from Far North Holdings of \$5,723k not budgeted in the LTCCP.
 - b. Development contributions income is below budget by \$170k due to a reduction in applications during the year.
3. Direct costs are showing an unfavourable variance of \$1,550k predominantly due to:
 - a. Grants and Donations of \$405k not budgeted as operational in the LTCCP.
 - b. Remission of Rates and Penalties are \$1,211k more than budget.
 - c. Gain/Loss on Disposal on other assets of \$207k not budgeted in the LTCCP.
 - d. Direct Allocations are showing a favourable variance of \$209k to budget
4. Indirect costs are above budget \$459k due predominantly to a change in presentation for the provision of bad debts on rates penalty income. In previous years this has been netted off against income.
 - a. Increased provision for doubtful debts to offset additional income \$249k
 - b. Increase in corporate allocations \$213k
5. Depreciation is showing a favourable variance of \$77k.
6. Capital Expenditure is showing an unfavourable variance of \$3,407k predominantly due to delays in the commencement of projects offset by the transfer of assets from Far North Holdings Ltd of \$5,201k



KEY CAPITAL PROJECTS

FOR THE YEAR ENDED 30 JUNE 2011

	ACTUAL 2011 \$000s	COUNCIL BUDGET 2011 \$000s	VARIANCE \$000s
New Works			
Information Management	447	510	63
Building Services	1	0	(1)
Investments (Asset Transfer)	5,201	0	(5,201)
Community Special Projects	4,673	4,575	(98)
Total New Works	10,322	5,085	(5,237)
Renewals			
Administration Services	0	561	561
Information Management	49	100	51
Telephony Infrastructure	2	88	86
Building Services	0	138	138
Animal Control	5	10	5
Total Renewals	56	897	841

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2010/11

The Local Government Act 2002 requires Councils to provide information regarding any significant assets acquired or replaced during the year. Council's significance Policy does not specify a value but does identify the following assets as significant:

CORPORATE AND GOVERNANCE PROJECTS	BUDGET 2011 \$000s	ACTUAL 2011 \$000s
Te Ahu Centre Construction of the Centre started in 2010/11 and will be complete by October 2011.	4,575	4,673

VARIANCE TO THE ANNUAL PLAN 2010/11

I. Te Ahu Centre

The construction of the Te Ahu Centre is underway and on target for completion in October/November 2011

