

Financial Information Governance and Strategy

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	ACTUAL 2013 \$000s	COUNCIL BUDGET 2013 \$000s	VARIANCE \$000s
Income				
Rates Income	1	11,254	10,087	1,166
Fees, charges & targeted water supply rates		102	83	19
Development & financial contributions	2	234	371	(137)
Other Income	3	377	227	150
Total Operating Income		11,967	10,768	1,198
Expenditure				
Direct Costs	4	8,019	6,306	(1,713)
Indirect Costs	5	539	830	291
Activity Expenditure		8,558	7,136	(1,422)
Depreciation	8	36	28	
Interest Payable		565	1,010	445
Total Operating Expenditure		9,130	8,182	(948)
Net Operating Surplus/(Deficit)		2,836	2,586	250
Capital Statement				
Net Operating Surplus		2,836	2,586	250
Loans	1	78	503	(325)
Other Funding		(679)	(769)	90
Total Funding		2,336	2,319	(17)
New Work	6	190	503	313
Renewal Works	6	481	1,368	887
Loan Repayments		2,850	448	(2,402)
Total Capital Expenditure		3,521	2,319	(1,202)
NET SURPLUS/(DEFICIT)		(1,185)	0	(1,185)

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates Income is showing a favourable variance of \$1,166k predominantly due to:
 - a. An increase in penalty rate income of \$628k and an increase in general rate income of \$538k. The increase in general rate income was a result of a subsidy budget error that was corrected during the year and increased rates income.
2. Financial contributions are showing a favourable variance due to \$234k relating to funds allocated for use by the community boards on footpath works in the future.
3. Other income is showing a favourable variance of \$150k predominantly due to:
 - a. Dividend received from FNHL \$132k above budget in the LTP; and
 - b. Recoveries of \$18k were received which were unbudgeted.

4. Direct costs are showing an unfavourable variance of \$1,712k predominantly due to:
 - a. Salaries are over budget by \$218k;
 - b. Grants and donations of \$175k are below budget;
 - c. Bad debt provisions, remission of rates and penalties are \$1,781k more than budget.
5. Indirect costs are under budget \$291k due to a decrease in corporate allocations.
6. Capital expenditure is showing an unfavourable variance of \$1,202k due to a combination of delays in the commencement of capital projects and repayment of outstanding loan balances.

KEY CAPITAL PROJECTS FOR THE YEAR ENDED 30 JUNE 2013

	ACTUAL 2013 \$000s	COUNCIL BUDGET 2013 \$000s	VARIANCE 2013 \$000s
New Works			
Information management	184	503	318
Building services	3	0	(3)
Investments	3	0	(3)
Total New Works	190	503	313
Renewals			
Accounting services	1	0	(1)
Administration services	258	250	(8)
Information management	223	713	490
Telephony infrastructure	0	303	303
Building services	0	102	102
Total Renewals	481	1,368	887

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The LGA 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	COUNCIL BUDGET 2013 \$000s	VARIANCE 2013 \$000s
Desktop replacement. This project was delayed so that a full review of future needs and compatibility with new software could be carried out.	400	103
Integrated asset management. Work on this project has been delayed whilst officers assess suitable options and compatibility with existing systems	350	30

VARIANCE TO THE ANNUAL PLAN 2012/13

- See comments above