

Report 16.343
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Committee Finance, Risk and Assurance
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Summary of Financial Statements for the two months ended 31 August 2016

1. Purpose

For the Finance, Risk and Assurance Committee to receive the summary performance report for the two months ended 31 August 2016 and also an updated full year forecast to 30 June 2017.

2. Background

This report provides a review of the financial performance of Council activities. (See **Attachment 1**).

Overall the Council is in a favourable financial position against budget for the year-to-date position and currently marginally over budget for the full year forecast.

Full Year Forecast

The first full year forecast of the year shows an operating deficit that is currently **\$0.2m unfavourable to budget**. Savings from timing of activity in the Catchment and Environment Management groups are offset primarily by lower than budgeted labour capitalisation rates for Water Supply. It is expected that the full year result will be managed within the planned budget.

Capital expenditure is forecast to be **\$2.9m favourable to budget** primarily due to the later than planned utilisation of the Matangi 1 upgrade contingency fund and lower labour capitalisation rates for Water Supply.

Year to 31 August 2016

The year to date operating position is **\$2.0m favourable to budget** due to the timing of activity across Public Transport, Environment and Catchment. The variance is driven by the timing of spending on material and contractors, as well as grants and subsidy expenses. This is partially off-set by lower grant and

subsidy revenue as a consequential result of lower incurred costs/higher fare revenue which NZTA subsidies are based on.

Capital expenditure is **\$2.3m favourable to budget** due to the timing of some Matangi 2 expenditure (\$1.0m), ICT projects, and the catchment Hutt Riverlink programme property purchases.

3. The decision making process and significance

No decision is being sought in this report.

4. Engagement

Engagement on this matter is not necessary.

5. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***

Report prepared by:

Report approved by:

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Dave Humm
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Attachment 1: Financial Summary