

Report

WESTLAND
DISTRICT COUNCIL

DATE: 21 February 2013

TO: Mayor and Councillors

FROM: Acting GM Corporate Services

QUARTERLY FINANCIAL REPORT TO 31 DECEMBER 2012

1.0 SUMMARY

- 1.1 The purpose of this report is to provide a report on Council's financial performance for the 6months to 31 December, as compared with budgets.
- 1.2 This report shows that Council's overall financial performance is unfavourable as compared to budget and that this is likely to continue for the remainder of this financial year. This situation is consistent with the advice given to Council in December 2012, as part of the analysis of the 2011/12 Annual Report.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is to provide good-quality local infrastructure, local public services and regulatory functions in a manner that is most cost-effective for households and businesses. Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Good financial performance contributes to all of Council's vision's objectives. Likewise poor financial performance will adversely impact on Council's ability to achieve its vision's
Having inspirational leadership	
Having expanded development opportunities	
Having top class infrastructure for	

all communities Living the '100% Pure NZ' brand	objectives
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- 1.4 This report concludes by recommending that Council receive the information.

2.0 BACKGROUND

- 2.1 Council is aware that its financial performance is below expectations. This was highlighted in the Annual Report 2011/12. Council finance resources have been grossly inadequate to manage the financial affairs of an organisation of this size and complexity. Additional resources are being applied to identifying the full extent of the situation. This is the first financial report Council has received for the 2012/13 financial year.

3.0 CURRENT SITUATION

- 3.1 This report has been prepared with great difficulty. It has not received the level of analysis Council should expect. Officers will continue to review and understand the information presented.
- 3.2 The financial results show a significant difference to the LTP (see page 6). Although our analysis continues; it appears that p224 of the LTP excludes \$1.5m of revenue in overhead cost centres and \$3.5m of expenditure in overhead cost centres. The LTP shows a budgeted surplus of \$4.6m whereas our 6 month result shows a deficit of \$(2.8m). This is surprising and needs further consideration.
- 3.3 As reported in our analysis of the 2011/12 Annual Report many of the variances in that year were due to inaccurate budgeting. As the budget for 2012/13 had already been set; we advised you that it was most likely that these variances would continue for this financial year. Our work to date supports this supposition.
- 3.4 Management have put in place a number of measures to reduce the impact of this financial situation.
- 3.4.1 Additional finance has been arranged (as approved by Council).
- 3.4.2 Additional financial personnel are being obtained.

- 3.4.3 Carry forward budgeted projects (not started) will not be started until funding is determined.
- 3.4.4 Non urgent capital projects have been delayed until funded is determined.
- 3.4.5 Staff have been challenged to reduce other operating expenditure, without reducing service levels.
- 3.4.6 The 2013/14 Annual Plan process has been delayed to allow a considered response to this situation to be determined and consulted on in determining next year's budget.

4.0 RECOMMENDATION

- A) That the Financial Report be received.

Appendix 1: Quarterly Financial Report for Six Months Ended 31 December 2012.

Stephen Halliwell
Acting Corporate Services Manager

WESTLAND DISTRICT COUNCIL

QUARTERLY FINANCIAL REPORT

FOR SIX MONTHS ENDED 31 DECEMBER 2012

PLEASE NOTE

For each of the following budgets we have analysed and provided comment on variances greater than \$10,000 plus or minus. We have determined whether the variance is favourable (f) or unfavourable (u).

FYR is Full Year

YTD is Year to Date (Year to 31 December 2012)

Income

(u) is anything under \$10,000 to budget in income

f is anything over \$10,000 to budget in income

Expenditure

f is anything under \$10,000 to budget in expenditure

(u) is anything over \$10,000 to budget in expenditure

	SUMMARY					
	LTP pg 224	Budget	Actual	Budget	Variance	
	FYR	FYR	YTD	YTD	\$	f/(u)
Operating Revenue						
Leisure & Cultural	2,557,000	2,385,146	1,138,363	1,192,573	(54,210)	(u)
Community Services	341,000	342,001	212,410	171,001	41,410	f
Planning & Reg	1,393,000	1,385,166	766,720	692,583	74,137	f
Cycletrail	-	5,074,000	818,422	2,537,000	(1,718,578)	(u)
Dividend & Interest	-	720,000	352,740	360,000	(7,260)	
Governance	697,000	696,500	349,009	348,250	759	
Stormwater	487,000	487,000	233,500	243,500	(10,000)	(u)
Wastewater	782,000	802,000	402,397	401,000	1,397	
Water Supply	2,236,000	2,235,800	1,144,548	1,117,900	26,648	f
Solid Waste	2,130,000	2,130,109	765,603	1,065,055	(299,451)	(u)
Transport	9,270,000	3,845,290	1,029,519	1,922,645	(893,126)	(u)
Other Infrastructure Assets	800,000	800,326	466,548	400,163	66,385	f
Overheads	-	1,522,877	570,706	761,439	(190,733)	(u)
	20,693,000	22,426,215	8,250,484	11,213,108	(2,962,623)	
Operating Expenditure						
Leisure & Cultural	2,445,000	2,452,583	1,559,255	1,226,292	332,964	(u)
Community Services	463,000	426,444	177,896	213,222	(35,326)	f
Planning & Reg	1,359,000	1,341,971	694,782	670,986	23,796	(u)
Cycletrail	-	-	103,314	-	103,314	(u)
Dividend & Interest	-	430,000	371,407	215,000	156,407	(u)
Governance	697,000	696,809	409,232	348,405	60,827	(u)
Stormwater	487,000	481,111	268,651	240,556	28,095	(u)
Wastewater	782,000	782,000	389,856	391,000	(1,144)	
Water Supply	2,022,000	1,994,199	1,048,619	997,100	51,520	(u)
Solid Waste	2,130,000	2,130,000	897,775	1,065,000	(167,225)	f
Transport	4,844,000	6,896,050	2,680,520	3,448,025	(767,505)	f
Other Infrastructure Assets	800,000	722,209	553,703	361,105	192,599	(u)
Overheads	-	3,581,569	1,921,248	1,790,785	(130,463)	(u)
Total Expenditure	16,029,000	21,934,945	11,076,259	10,967,473	(108,786)	
Total Surplus/(Deficit)	4,664,000	(491,270)	(2,825,775)	(245,635)	(3,071,410)	
Capital Expenditure						
Leisure & Cultural	-	130,775	89,384	65,388	23,996	(u)
Community Services	-	-	26,385	-	26,385	(u)
Planning & Reg	-	-	6,616	-	6,616	
Cycletrail	-	-	5,074,000	-	5,074,000	(u)
Dividend & Interest	-	3,101,793	-	1,550,897	(1,550,897)	f
Governance	-	-	6,308	-	6,308	
Stormwater	-	297,622	66,453	148,811	(82,358)	f
Wastewater	-	805,000	126,429	402,500	(276,071)	f
Water Supply	-	1,040,000	767,084	520,000	247,084	(u)
Solid Waste	-	840,000	105,106	420,000	(314,894)	f
Transport	-	2,052,050	126,594	1,026,025	(899,431)	f
Other Infrastructure Assets	-	220,000	249,200	110,000	139,200	(u)
Overheads	-	115,000	86,959	57,500	29,459	(u)
Total Capital Expenditure		8,602,240	6,730,518	4,301,120	2,429,398	

LEISURE & CULTURE ACTIVITIES

	LEISURE & CULTURAL ACTIVITIES SUMMARY				
	Budget	Actual	Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
Operating Revenue	2,385,146	1,138,363	1,192,573	54,210	(u)
Operating Expenditure	2,452,583	1,559,255	1,226,292	332,964	(u)
Surplus/(Deficit)	(67,437)	(420,892)	(33,719)	(387,174)	(u)
Capital Expenditure	130,775	89,384	65,388	23,996	(u)

	Library			Museum				
	Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
	FYR	YTD	YTD	\$ f/(u)	FYR	YTD	YTD	\$ f/(u)
	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue	448,057	226,314	224,029	2,285	264,100	143,580	132,050	11,530 f
Less Operating Expenditure	448,057	243,854	224,029	19,826 (u)	263,857	148,001	131,929	16,072 (u)
Surplus/(Deficit)	-	(17,541)	-	(17,541) (u)	243	(4,421)	122	(4,542)
Capital Expenditure	50,000	26,906	25,000	1,906	-	2,963	-	(2,963)

Library

Expenditure: is overspent due to unexpected computer support costs. A number of smaller budgets are ahead of the six month but should come in on budget at year-end.

Museum

Revenue: is over-budget due to a grant received for the whitebait exhibition becoming a permanent display.

Expenditure: is over-spent due to salaries budgets being insufficient for current service level. Museum expenditure is forecast to be over budget by \$36,000 at year end for this reason.

	Swimming Pools				Elderly Housing			
	Budget FYR	Actual YTD	Budget YTD	Variance \$ f/(u)	Budget FYR	Actual YTD	Budget YTD	Variance \$ f/(u)
	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue	231,157	118,368	115,579	2,789	-	-	(2,488)	-
Less Operating Expenditure	229,348	141,305	114,674	26,631 (u)	-	-	73,693	-
Surplus/(Deficit)	1,809	(22,938)	905	(23,842) (u)	-	-	(76,181)	-
Capital Expenditure	-	-	-	-	-	-	-	-

Swimming:

Expenditure: is over-spent due to the budget not reflecting the proper costs of the management contract of the Hokitika swimming pool.
 Council expenditure includes unfunded depreciation. This is forecast to be overspent by \$20,000 at year-end.

Elderly Housing

Expenditure: is over-spent due to a miscode of GST.

	I-site						Events					
	Budget		Actual		Budget		Variance		Budget		Actual	
	FYR	YTD	\$	\$	YTD	\$	f/(u)	\$	FYR	YTD	YTD	\$
Operating Revenue	371,828	164,296		185,914		21,618	(u)		421,388		141,336	
Less Operating Expenditure	344,727	211,700		172,364		39,336	(u)		501,614		373,667	
Surplus/(Deficit)	27,101	(47,403)		13,551		(60,954)	(u)		(80,226)		(232,332)	
Capital Expenditure	-			417		-					(40,113)	
												(192,219)
												(u)

I-site

Revenue: is under-budget due to unrealistic retail sales budgets. Forecast revenue is expected to under-budget by \$46,000 being the full amount of the unrealistic budget and the impact of January flooding.

Expenditure: is over-spent due to the budget being insufficient to maintain current opening hours.

Events

Council has previously received a report on budget variances for Events. This report has been adjusted for the revised Wildfoods budget, but includes the deficit from the Whitebait festival.

	Community Halls & Buildings				Parks & Reserves			
	Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
	FYR	YTD	YTD	\$ f/(u)	FYR	YTD	YTD	\$ f/(u)
	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue	79,000	99,075	39,500	59,575 f	323,960	198,396	161,980	(36,416) f
Less Operating Expenditure	105,332	90,573	52,666	37,907 (u)	351,292	151,527	175,646	24,119 f
Surplus/(Deficit)	(26,332)	8,502	(13,166)	21,668 f	(27,332)	46,869	(13,666)	60,535 f
Capital Expenditure	-	44,612	-	(44,612) (u)	60,775	12,092	30,388	(18,295) f

Community Halls and Buildings

Revenue: variance is favourable due to the insurance for the heritage park.

Expenditure & capital: are over budget due to the insurance money being spent. (There may need to be an adjustment between these two codes)

Parks & Reserves

Parks budgets show favourable variances that should be close to budget at year-end. Reserves contributions are accounted for here, which are not budgeted \$25,000. Donovan's store MDI funding (\$10,000) has also been included here.

	Cemeteries						Communications					
	Budget		Actual		Budget		Variance		Budget		Actual	
	FYR	\$	YTD	\$	YTD	\$	f/(u)	\$	FYR	\$	YTD	\$
Operating Revenue	104,300		49,486		52,150		(2,664)		141,356		-	
Less Operating Expenditure	87,000		64,320		43,500		20,820	(u)	121,356		60,614	
Surplus/(Deficit)	17,300		(14,834)		8,650		(23,484)	(u)			20,000	(60,614)
Capital Expenditure	20,000		2,393		10,000		(7,607)				10,000	(70,614)

Cemeteries

Expenditure: the unfavourable variance is expected to be corrected by year-end.

Communications

Revenue: unfavourable variance is due to funding being transferred from events and I-site surpluses, which don't exist.

COMMUNITY SERVICES

	COMMUNITY SERVICES SUMMARY				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	342,001	212,410	171,001	41,410	f
Operating Expenditure	426,444	177,896	213,222	(35,326)	f
Surplus/(Deficit)	(84,443)	34,514	(42,222)	76,735	f
Capital Expenditure	-	26,385	-	26,385	(u)

	Community Development					Safer Community Council				
	Budget		Actual		Variance	Budget		Actual		Variance
	FYR	YTD	YTD	\$	f/(u)	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$	\$		\$	\$	\$	\$	
Operating Revenue	274,001	177,130	137,001	40,130	f	68,000	35,280	34,000	1,280	
Less Operating Expenditure	358,217	165,177	179,109	(13,932)	f	68,227	12,720	34,114	(21,394)	f
Surplus/(Deficit)	(84,216)	(11,953)	(42,108)	54,061	f	(227)	22,560	(114)	22,674	f
Capital Expenditure	-	26,385	-	26,385	(u)	-	-	-	-	

Community Development

Revenue and Expenditure: favourable variances are expected to come close to budget by year-end.

Capital: unbudgeted capital relates to town improvement works budgeted in community township development. Projects are expected to be under budget while reserves are to be confirmed.

Safer Community Council

Favourable variance should come close to budget by year-end.

PLANNING & REGULATORY

	PLANNING & REGULATORY SERVICES				
	Budget	Actual	Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
Operating Revenue	1,385,166	766,720	692,583	74,137	f
Operating Expenditure	1,341,971	694,782	670,986	23,796	(u)
Surplus/(Deficit)	43,195	71,938	21,598	50,340	f
Capital Expenditure		6,616		6,616	

	Inspections & Compliance				Resource Management			
	Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
	FYR	YTD	YTD	\$	FYR	YTD	YTD	\$
	\$	\$	\$	f/(u)	\$	\$	\$	f/(u)
Operating Revenue	775,424	415,158	387,712	27,446 f	372,176	184,201	186,088	(1,887)
Less Operating Expenditure	775,117	408,200	387,559	20,641 (u)	372,571	195,363	186,286	9,078
Surplus/(Deficit)	307	6,958	154	6,805	(395)	(11,162)	(198)	(10,965) (u)
Capital Expenditure	-	3,954	-	3,954	-	1,385	-	(1,385)

Inspections and Compliance

Revenue: the favourable variance is due to additional building consent processing fees as a result of complexity or deficiency in applications.

Expenditure: is over budget due to insurance costs being \$20,000 over budget.

Resource Management

Overall: The overall unfavourable variance is due to a favourable variance of \$35,000 as expenditure associated with the District Plan review is yet to commence and an unfavourable variance of \$45,000 due to recoveries of consent costs net yet invoiced.

	Animal Control				Emergency Management			
	Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
	FYR	YTD	YTD	\$ f/(u)	FYR	YTD	YTD	\$ f/(u)
	\$	\$	\$		\$	\$	\$	
Operating Revenue	92,000	91,522	46,000	45,522 f	145,566	75,838	72,783	3,055
Less Operating Expenditure	91,563	45,482	45,782	(299)	102,720	45,737	51,360	(5,623)
Surplus/(Deficit)	437	46,040	219	45,822 f	42,846	30,101	21,423	8,678
Capital Expenditure	-	1,277	-	1,277	-	-	-	-

Animal Control

The favourable variance has occurred due to Animal Control fees being invoiced at the start of the year. The forecast year-end result is to be on budget.

WEST COAST CYCLE TRAIL

	WEST COAST CYCLE TRAIL				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	5,074,000	818,422	2,537,000	1,718,578	f
Operating Expenditure	-	103,314	-	(103,314)	(u)
Surplus/(Deficit)	5,074,000	715,108	2,537,000	1,821,892	f
Capital Expenditure	3,101,793	5,074,000	2,537,000	2,537,000	(u)

Council will receive a separate report on the finances for this whole (multi-year) project at its March meeting.

INTEREST AND DIVIDENDS

	RATES/PENALTIES/INTEREST & DIVIDENDS				
	Budget	Actual	Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
Operating Revenue	720,000	352,740	360,000	(7,260)	
Operating Expenditure	430,000	371,407	215,000	156,407	(u)
Surplus/(Deficit)	290,000	(18,667)	145,000	(163,667)	(u)
Capital Expenditure	-	-	-	-	

Operating Revenue shows to be on budget, but this includes the late 2012/13 Dividend from WHL.

Council debt is higher than budgeted. An unfavourable variance results from this and forecasts indicate a \$330,000 variance is likely at year end.

GOVERNANCE

	GOVERNANCE				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	
	\$	\$	\$	f/(u)	
Operating Revenue	696,500	349,009	348,250	759	
Operating Expenditure	696,809	409,232	348,405	60,827	(u)
Surplus/(Deficit)	(309)	(60,223)	(155)	(60,068)	(u)
Capital Expenditure	-	6,308	-	6,308	

Expenditure: the activity is over-budget due to consultants fees \$15k over budget (Haast Hollyford road \$10k CEO recruitment \$10k), subscriptions being paid in first half the year (LGNZ annual membership, remuneration authority annual membership).

STORMWATER

	STORMWATER				
	Budget		Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
Operating Revenue	487,000	233,500	243,500	(10,000)	(u)
Operating Expenditure	481,111	268,651	240,556	28,095	(u)
Surplus/(Deficit)	5,889	(35,151)	2,945	(38,095)	(u)
Capital Expenditure	297,622	66,453	148,811	82,358	f

Revenue: An unfavourable variance occurs due to a mysterious \$20,000 fees and charges budget.

Expenditure: is over budget due to depreciation being higher than budget.

Capital: A favourable variance is due to capital works being delayed, pending confirmation of funding sources.

WASTEWATER

	WASTEWATER				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	
	\$	\$	\$	f/(u)	
Operating Revenue	802,000	402,397	401,000	(1,397)	
Operating Expenditure	782,000	389,856	391,000	1,144	
Surplus/(Deficit)	20,000	12,541	10,000	2,541	
Capital Expenditure	805,000	126,429	402,500	276,071	f

Capital: A favourable variance is due to capital works being delayed, pending confirmation of funding sources.

WATER SUPPLY

	WATER SUPPLY				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	
	\$	\$	\$	f/(u)	
Operating Revenue	2,235,800	1,144,548	1,117,900	(26,648)	f
Operating Expenditure	1,994,199	1,048,619	997,100	(51,520)	(u)
Surplus/(Deficit)	241,601	95,929	120,801	(24,872)	(u)
Capital Expenditure	1,040,000	767,084	520,000	(247,084)	(u)

Revenue: A favourable variance occurs due metered water being slightly over budget.

Expenditure: is over budget due to depreciation being higher than budgeted.

Capital: An unfavourable variance occurs due to \$575,000 of carry forward expense on Hokitika Water while the \$800,000 Franz Josef project is only 10% complete.

SOLID WASTE

	SOLID WASTE				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	2,130,109	765,603	1,065,055	(299,451)	(u)
Operating Revenue					
Operating Expenditure	2,130,000	897,775	1,065,000	167,225	f
Surplus/(Deficit)	109	(132,172)	55	(132,226)	(u)
Capital Expenditure	840,000	105,106	420,000	314,894	f

Revenue: An unfavourable variance occurs due to lower returns at the gate (\$80,000) and budgeted waste levy income of \$225,000 for the 6 months not being received.

Expenditure: is under budget due to \$170,000 interest expense not charged.

Capital: A favourable variance is due to capital works being delayed, pending confirmation of funding sources.

TRANSPORTATION

	TRANSPORTATION				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	3,845,290	1,029,519	1,922,645	893,126	(u)
Operating Expenditure	6,896,050	2,680,520	3,448,025	767,505	f
Surplus/(Deficit)	(3,050,760)	(1,651,001)	(1,525,380)	(125,621)	(u)
Capital Expenditure	2,052,050	126,594	1,026,025	899,431	f

Revenue, Expenditure and Capital: An unfavourable variance occurs due to most of the work occurring in the second half of the year. An unfavourable year-end budget is expected due to the Council share of January flood damage.

OTHER INFRASTRUCTURAL ASSETS AND SERVICES

	OTHER INFRASTRUCTURAL ASSETS & SERVICES				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	800,326	466,548	400,163	66,385	f
Operating Revenue					
Operating Expenditure	722,209	553,703	361,105	192,599	(u)
Surplus/(Deficit)	78,117	(87,155)	39,059	(126,214)	f
Capital Expenditure	220,000	249,200	110,000	139,200	(u)

	Land & Buildings						Public Toilets					
	Budget		Actual		Budget		Variance		Budget		Actual	
	FYR	YTD	\$	\$	YTD	\$	f/(u)	\$	FYR	YTD	\$	\$
Operating Revenue	227,326	179,223		113,663		(65,560)	f	174,000		87,000		87,000
Less Operating Expenditure	227,000	317,489		113,500		203,989	(u)	174,081		93,617		87,041
Surplus/(Deficit)	(326)	(138,266)		(163)		(138,429)	(u)	(81)		(6,617)		(6,576)
Capital Expenditure	-	27,092		-		27,092	(u)	-		-		-

Land and Buildings

Revenue: A favourable variance occurs due to \$70,000 capital gain on sale of property sold at Ross. (Book value at \$175,000 sold for \$245,000)

Expenditure: A unfavourable variance occurs due to costs of commission at \$92,000 on properties sold on the council's behalf. Insurance costs \$27,000 higher than budgets. A loss on disposal of land at a cost of \$63,000. Maintenance costs of \$21,000 of which the majority is Council Headquarters.

Capital: An favourable variance is a miscode of cost of disposal for land at Kaniere.

Community Township Development						
	Budget	Actual	Budget	Variance		
	FYR	YTD	YTD	\$	f/(u)	
	\$	\$	\$	\$	f/(u)	
Operating Revenue	399,000	200,325	199,500	(825)		
Less Operating Expenditure	321,128	142,598	160,564	(17,966)	f	
Surplus/(Deficit)	77,872	57,727	38,936	18,791	f	
Capital Expenditure	220,000	222,108	110,000	112,108	(u)	

Community Township and Development

Expenditure: A favourable variance occurs largely due to \$5,000 of Christmas decorations miscoded elsewhere.

Capital: An unfavourable variance is due to the spending of carry forward projects. Budgeted projects are running under budget at \$90,000 of the total \$120,000.

ADMINISTRATION - OVERHEADS

	ADMINISTRATION SUMMARY				
	Budget	Actual	Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
Operating Revenue	1,522,877	570,706	761,439	(190,733)	(u)
Operating Expenditure	3,581,569	1,921,248	1,790,785	(130,463)	(u)
Surplus/(Deficit)	(2,058,692)	(1,350,542)	(1,029,346)	(321,196)	(u)
Capital Expenditure	115,000	86,959	57,500	29,459	(u)

	Corporate Services				Chief Executive			
	Budget FYR	Actual YTD	Budget YTD	Variance \$ f/(u)	Budget FYR	Actual YTD	Budget YTD	Variance \$ f/(u)
	\$	\$	\$	\$ f/(u)	\$	\$	\$	\$ f/(u)
Operating Revenue	771,974	378,459	385,987	(7,528)		6,500	70	3,250
								(3,180)
Less Operating Expenditure	1,047,139	642,318	523,570	(118,748) (u)		378,702	109,556	189,351
								(79,795) f
Surplus/(Deficit)	(275,165)	(263,859)	(137,583)	(126,277) (u)		(372,202)	(109,486)	(186,101)
								76,615 f
Capital Expenditure	115,000	83,992	57,500	26,492 (u)		-	473	- (473)

Corporate Services

Expenditure: An unfavourable variance occurs due to high costs of accountancy support, including costs for LTP, Annual Report and financial management support.

Capital: An unfavourable variance is due to the purchase of the IBIS Rates modelling software of \$29,000

Chief Executive

Expenditure: A favourable variance occurs due to lower than expected salary costs.

	IT			Operations Administration		
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u) \$	Budget FYR
	\$	\$	\$			\$
Operating Revenue	2,600	1,308	1,300	(8)		10,000
Less Operating Expenditure	123,078	67,998	61,539	6,459		681,078
Surplus/(Deficit)	(120,478)	(66,690)	(60,239)	(6,451)		(671,078)
Capital Expenditure	-	-	-	-		(306,599)
						(335,539)
						28,940
						f

Operations Administration

Expenditure: A favourable variance occurs due to some salary costs being charged to the in house professional services budget.

	Planning & Regulatory Manager				In House Professional Services			
	Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
	FYR	YTD	YTD	f/(u)	FYR	YTD	YTD	f/(u)
	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue	5,000	105	2,500	(2,395)	437,000	-	218,500	(218,500) (u)
Less Operating Expenditure	361,057	181,233	180,529	704	700,712	382,850	350,356	32,494 (u)
Surplus/(Deficit)	(356,057)	(181,128)	(178,029)	(3,099)	(263,712)	(382,850)	(131,856)	(250,994) (u)
Capital Expenditure	-	199	-	199	-	1,437	-	1,437

In House Professional Services

Revenue: An unfavourable variance occurs due to NZTA claims being coded to the transportation budget. This will be corrected; however there is an additional \$85,000 of fees revenue budgeted an no identified source of these fees. This will remain in variance at year-end.

Expenditure: An unfavourable variance occurs due to salary expenses being over budget as the salary is budgeted in the Operations Administration budget.

	Jacksons Bay Wharf			Airport		
	Budget	Actual	Budget	Variance	Budget	Actual
	FYR	YTD	YTD	\$	FYR	YTD
	\$	\$	\$	f/(u)	\$	\$
Operating Revenue	-	6,361	-	6,361	-	-
Less Operating Expenditure	-	18,360	-	18,360 (u)	-	13,847
Surplus/(Deficit)	-	(12,000)	-	(12,000) (u)	-	(13,847) (u)
Capital Expenditure	-	-	-	-	-	-

Jacksons Bay Wharf

Revenue: A favourable variance occurs due to insurance claims.

Expenditure: is over-spent due to the budget not reflecting depreciation charges and insurance recoveries not yet made.

Airport

Expenditure: An unfavourable variance occurs due to timing difference on recoverable insurance.

	Franz Airport			Vehicles		
	Budget	Actual	Budget	Variance	Budget	Actual
	FYR	YTD	YTD	\$	FYR	YTD
	\$	\$	\$	\$	\$	\$
Operating Revenue	-	-	-	-	39,512	-
Less Operating Expenditure	-	940	-	940	39,485	-
Surplus/(Deficit)	-	(940)	-	(940)	-	27
Capital Expenditure	-	-	-	-	-	-

Vehicles

While income and expenditure is not budgeted, as these costs are fully allocated to activities, where budgets do exist, this variance is not significant.

	Community Assistance			
	Budget FYR	Actual YTD	Budget YTD	Variance \$ f/(u)
	\$	\$	\$	
Operating Revenue	289,803	139,901	144,902	(5,000)
Less Operating Expenditure	289,803	153,072	144,902	(8,170)
Surplus/(Deficit)	-	(13,170)	-	(13,170) (u)
Capital Expenditure	-	-	-	-