



Notice is given of a Finance Committee Meeting to be held on:

Date: Thursday, 28 February 2019

Time: 9.30am Following Forestry

**Location: Council Chambers
Fairlie**

AGENDA

Finance Committee Meeting

28 February 2019

**Suzette van Aswegen
Chief Executive Officer**

Finance Committee Membership:

Mayor Graham Smith (Chair)
Russell Armstrong
Stuart Barwood
Chris Clarke
Paul Hannagan
James Leslie
Anne Munro

The purpose of local government:

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

(Local Government Act 2002)

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- 1 OPENING**
- 2 APOLOGIES**
- 3 DECLARATIONS OF INTEREST**
- 4 VISITORS**

5 REPORTS

5.1 MINUTES OF FINANCE COMMITTEE MEETING - 20 NOVEMBER 2018

File Reference: PAD

Author: Charlotte Borrell, Committee Administrator

Authoriser: Toni Morrison, Group Manager Projects and Administration

Attachments: 1. Minutes of Finance Committee Meeting - 20 November 2018

RECOMMENDATION

1. That the Minutes of the Finance Committee Meeting held on Tuesday 20 November 2018 be received and adopted as a true and accurate record of the meeting.



MINUTES

Finance Committee Meeting

20 November 2018

**MINUTES OF MACKENZIE DISTRICT COUNCIL
FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON TUESDAY, 20 NOVEMBER 2018 FOLLOWING THE STRATEGY COMMITTEE**

PRESENT: Mayor Graham Smith (Chairman), Cr Russell Armstrong, Cr Stuart Barwood, Cr Chris Clarke, Cr Paul Hannagan, Cr James Leslie, Cr Anne Munro

IN ATTENDANCE: Suzette van Aswegen (Chief Executive), Paul Morris (Group Manager Finance), Arlene Goss (Committee Administrator)

1 OPENING

The chairman opened the meeting.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

There were no visitors.

5 REPORTS

5.1 MINUTES OF FINANCE COMMITTEE MEETING - 9 OCTOBER 2018

COMMITTEE RESOLUTION FIN/2018/93

Moved: Cr Paul Hannagan

Seconded: Cr Stuart Barwood

That the Minutes of the Finance Committee Meeting held on Tuesday 9 October 2018 be received and adopted as a true and accurate record of the meeting.

CARRIED

5.2 COUNCIL FINANCIAL REPORT

This was the Financial report for Council for the period ending September, 2018. Group Manager Paul Morris took the report as read and asked for questions.

The Mayor said the higher governance consultancy expenses were unbudgeted. Mr Morris said Council could rate for deficits in future years and he recommended this. It was noted that governance costs would rise with the establishment of the new Feasibility Study Committee.

Mr Morris said he did not have any points of concern with Council's finances. He was currently working on the paperwork for borrowing, as outlined in the Long Term Plan. He was concerned about the need to borrow to take advantage of NZTA funding in coming years.

Capital spending on roading will catch up in summer. Cr Barwood was concerned that Council had very little alternative income other than rates. Mr Morris said central government needed to be lobbied regarding the tourist border tax, to ensure some of that money came to the district.

The chairman asked Mr Morris if he could report the Council's cash position to the councillors in future. The chief executive said the nature of the financial reporting was being reviewed and would be changing to reflect governance concerns. The cash position would be included in this.

COMMITTEE RESOLUTION FIN/2018/94

Moved: Cr Russell Armstrong

Seconded: Cr James Leslie

1. That the report be received and information noted.

CARRIED**6 PUBLIC EXCLUDED****6.1 CONFIRMATION OF PUBLIC EXCLUDED MINUTES****COMMITTEE RESOLUTION FIN/2018/95**

Moved: Cr Russell Armstrong

Seconded: Cr Chris Clarke

That the Minutes of the Public Excluded Finance Committee Meeting held on Tuesday 9 October 2018 be received and adopted as a true and accurate record of the meeting.

CARRIED

The Meeting closed at 10.58am.

The minutes of this meeting were confirmed at the Finance Committee Meeting held on 15 January 2019.

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CHAIRPERSON

5.2 COUNCIL FINANCIAL REPORT**File Reference:** Fin 1/2/1**Author:** Paul Morris, Group Manager Finance**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:**
1. Council financial report part a to December 2018  
2. Council financial report part b to December 2018  **PURPOSE OF REPORT**

The Financial reports for Council for the period ending December 2018.

STAFF RECOMMENDATIONS

1. That the reports be received and information noted.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	GOVERNANCE	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Income							
209,562	General Rates	222,048	222,048	-	0%	✓		444,090
15,486	Targeted Rates	15,846	15,846	-	0%	✓		31,700
16,504	Other Income	16,369	17,850	(1,481)	-8%	✗	1	35,700
241,552	Total Income	254,263	255,744	(1,481)				511,490
	Expenses							
30,969	Employment Expenses	33,095	27,168	(5,927)	-22%	✗	2	54,337
144,726	Members Expenses	163,130	176,790	13,660	8%	✓		353,600
17,609	Consultancy Expenses	23,671	11,700	(11,971)	-102%	✗	3	23,400
22,876	Administration Expenses	21,139	25,398	4,259	17%	✓		50,800
-	Internal interest Expense	-	60	60	100%	✓		124
4,852	Internal Charges	4,344	6,114	1,770	29%	✓		12,229
221,032	Total Expenses	245,378	247,230	1,852				494,490
20,520	Operating Surplus/(Deficit)	8,885	8,514	371				17,000

Variance Analysis:

1. This income is an estimate of reimbursement for the Upper Waitaki Zone Committee costs to date.
2. Employment expenses have increased due to a salary increase which happened after the 2018/19 budget had been set.
3. Consultancy expenses are over budget as \$21,000 was paid for the business strategy programme.

Operating and Capital Reserves								
20,520	Operating Surplus/(Deficit)	8,885	8,514					17,000
20,520	Total Operating Reserves	8,885	8,514					17,000
Equity								
(2,295)	Opening Balance	(1,470)	(1,146)					(2,295)
(2,295)	Total Capital Reserves	(1,470)	(1,146)					(2,295)

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	CORPORATE SERVICES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Income							
1,278,300	General Rates	1,469,256	1,469,256	-	0%	✓		2,938,517
66,295	Other Income	101,078	76,692	24,386	32%	✓		153,380
61,114	Internal Income	62,633	61,608	1,025	2%	✓		123,213
689	Internal Interest Income	514	672	(158)	-24%	✗		1,349
1,406,399	Total Income	1,633,480	1,608,228	25,252				3,216,459
	Expenses							
873,817	Employment Expenses	928,457	884,532	(43,925)	-5%	✗	1	1,769,045
108,644	Consultancy Expenses	175,058	106,896	(68,162)	-64%	✗	2	213,800
255,543	Administration Expenses	177,245	200,520	23,275	12%	✓		393,822
148,704	Operational and Maintenance	255,272	252,120	(3,152)	-1%	✗	3	504,226
2,546	Internal interest Expense	3,661	14,670	11,009	75%	✓		29,344
92,676	Depreciation	109,134	109,140	6	0%	✓		218,260
21,761	Internal Charges	19,861	29,892	10,031	34%	✓		59,792
(17)	Loss On Sale and Assets Written Off	-	-	-		✓		-
1,503,674	Total Expenses	1,668,689	1,597,770	(70,919)				3,188,289
(97,275)	Operating Surplus/(Deficit)	(35,209)	10,458	(45,667)				28,170

Variance Analysis:

1. Employment expenses are over budget by \$43,925 as a portion of the Asset Managers salary will be transferred to the Roding Business unit at year end, the increase was also attributable to salary increases for staff due to higher than anticipated salary movement indicators.
2. Consultancy expenses are \$68,162 over the budgeted amount. Tax advisory costs were up \$15,017 due to the final costs for the GST audit and the voluntary disclosure required. \$8,928 of legal fees were not budgeted for but were required in relation to property matters. Consultancy fees were up \$39,145 on budget with initial costs related to the organisational review, strategic planning and human resources.
3. Operational and maintenance expenses are just over budget due to higher IT costs related to software support and extra costs related to the payday filing upgrade.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	CORPORATE SERVICES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %	Full year Budget 30/06/19	
	Operating and Capital Reserves						
(97,275)	Operating Surplus/(Deficit)	(35,209)	10,458			28,170	
(97,275)	Total Operating Reserves	(35,209)	10,458			28,170	
	Equity						
(20,403)	Opening Balance	(4,779)	(236,832)			(473,659)	
91,854	Transfer Funded Depreciation from Operating Reserve	109,104	109,104			218,204	
(97,170)	Transfer Capital Expenditure from Operating Reserve	(51,276)	(130,506)			(261,000)	
798	Transfers between Reserves	864	864			1,722	
(24,922)	Total Capital Reserves	53,913	(257,370)			(514,733)	
	Capital Expenditure						
	Council Building - Fairlie						
26,393	0088916. Building Renovations	28,479	-	(28,479)	✗	1	-
13,400	0088935. Furniture & Fittings - Admin	5,539	-	(5,539)	✗	1	-
(17)	0088940. Furniture & Fittings - Other	260	10,002	9,742	97%	✓	20,000
39,776	Total Council Building - Fairlie	34,278	10,002	(24,276)	✗		20,000
	Council Building - Twizel						
9,096	0098916. Building Renovations	-	-	-		✓	-
739	0098940. Furniture & Fittings - Other	-	1,002	1,002	100%	✓	2,000
9,835	Total Council Building - Twizel	-	1,002	1,002		✓	2,000

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	CORPORATE SERVICES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Information Technology Support							
41,590	0788001. Records Mngt Program	-	-	-		✓		-
-	0788006. GIS Aerials	-	15,000	15,000	100%	✓		30,000
-	0788010. Network Infrastructure	-	4,998	4,998	100%	✓		10,000
2,000	0788012. Software	837	10,002	9,165	92%	✓		20,000
-	0788013. Information Management Systems	7,087	-	(7,087)		✗	2	-
-	0788014. Web site development	-	15,000	15,000	100%	✓		30,000
3,970	0788925. Plant and Equipment	3,033	2,502	(531)	-21%	✗	3	5,000
47,559	Total Information Technology Support	10,957	47,502	36,545	77%	✓		95,000
	Plant Operations							
-	2658930. Vehicles	6,041	72,000	65,959	92%	✓		144,000
-	Total Plant Operations	6,041	72,000	65,959		✓		144,000
97,170	Total Capital Expenditure	51,276	130,506	79,230				261,000

Variance Analysis:

1. \$16,479 has been spent setting up the new portacom as additional meeting room space. This was not budgeted for and will be paid for from reserves. Council approved the spend in the last financial year. \$12,000 has been spent to date on assessing Council buildings in relation to earthquake standards, again this will be funded from Capital Reserves.
2. \$7,087 was spent setting up Laserfiche (the new records management programme) in the printing systems. This is the washup of the project budgeted in the prior year.
3. \$3,033 has been spent on computer equipment and a television for the portacom, this is over the year to date budget due to timing.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	WATER	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %		Full year Budget 30/06/19
	Income						
591,193	Targeted Rates	644,809	644,982	(173)	0%	✗	1,289,963
4,802	Other Income	(9,461)	79,200	(88,661)	-112%	✗	158,400
300,699	Financial Contributions	525,568	-	525,568		✓	-
1,602	Internal Income	1,602	1,602	-	0%	✓	3,207
2,272	Internal Interest Income	2,659	966	1,693	175%	✓	1,926
-	Vested Assets	-	400,002	(400,002)	-100%	✗	800,000
900,568	Total Income	1,165,177	1,126,752	38,425			2,253,496
	Expenses						
13,009	Consultancy Expenses	5,860	-	(5,860)		✗	-
47,564	Administration Expenses	44,013	10,945	(33,068)	-302%	✗	70,028
312,926	Operational and Maintenance	358,340	289,308	(69,032)	-24%	✗	578,603
55,922	Internal interest Expense	29,240	94,374	65,134	69%	✓	188,744
289,938	Depreciation	302,004	302,004	-	0%	✓	604,016
1,602	Internal Charges	1,602	1,602	-	0%	✓	3,207
720,961	Total Expenses	741,060	698,233	(42,827)			1,444,598
179,607	Operating Surplus/(Deficit)	424,117	428,519	(4,402)			808,898

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	WATER	YTD Actual December 2018	YTD Budget December 2018	Variance	%	Full year Budget 30/06/19
Variance Analysis:						
1.	Water charges are lower than budget due to timing as invoices are generally sent out towards the end of the year.					
2.	Financial Contributions are dependent upon developer activity.					
3.	Vested assets have been budgeted to be received during the year, these have yet to be received.					
4.	Consultancy expenses have not been budgeted for, however costs have been incurred by Opus for pipework design on the Twizel intake.					
5.	Administration expenses are significantly higher than budgeted as rates have been charged to the individual areas this year.					
6.	Operational and maintenance costs are over budget to date by \$69,032 as repairs were needed for a leak in Nixons Road and in Tekapo, and repair the chlorine supply to Tekapo. Water restriction signs were purchased for Twizel. Contractor costs were up in September due to cost fluctuations and fixing issues such as the Nixons Road leak. Treatment costs of \$21,700 were incurred for filters in Twizel. \$7,334 was spent on contractors for the Allandale line as tank inspections were required on Clayton Road. A computer programme was purchased for drinking water compliance, and repairs were required in Kimbell and other areas in November.					

Operating and Capital Reserves							
179,607	Operating Surplus/(Deficit)	424,117	428,519				808,898
179,607	Total Operating Reserves	424,117	428,519				808,898
Equity							
(2,203,842)	Opening Balance	(1,315,588)	(1,215,432)				(2,430,850)
300,699	Transfer - Financial Contributions	525,569	-				-
-	Transfer - from Operating Reserve	-	834				1,676
258,948	Transfer Funded Depreciation from Operating Reserve	275,274	275,274				550,555
(174,396)	Transfer Capital Expenditure from Operating Reserve	(156,631)	(1,306,500)				(2,613,000)
-	Transfer from Operating reserves	-	456				910
-	Transfer Vested Assets to Capital	-	400,002				800,000
7,146	Transfers between Reserves	30,660	30,660				61,311
(1,811,445)	Total Capital Reserves	(640,717)	(1,814,706)				(3,629,398)

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	WATER	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Capital Expenditure							
	Allandale Water Supply							
1,295	0158980. Comm Assets - Water Supply	-	4,998	4,998	100%	✓		10,000
1,295	Total Allandale Water Supply	-	4,998	4,998		✓		10,000
	Urban Water Supply							
-	0248193. Vested Assets	-	400,002	400,002	100%	✓		800,000
-	0248203. Reticulation	-	4,002	4,002	100%	✓		8,000
-	0248204. Head Works - Renewal	4,621	34,998	30,377	87%	✓		70,000
-	0248205. Treatment - renewal	16,529	450,000	433,471	96%	✓		900,000
30,985	0248206. Service Connections - Renewal	37,920	10,002	(27,918)	-279%	✗	1	20,000
140,821	0248211. Treatment - New	2,978	-	(2,978)		✗	2	-
-	0248214. Reticulation Fittings	-	55,002	55,002	100%	✓		110,000
-	0248215. Plant	13,137	12,498	(639)	-5%	✗		25,000
-	0248281. Reticulation - Renewal	81,445	210,000	128,555	61%	✓		420,000
-	0248285. Reticulation - New	-	124,998	124,998	100%	✓		250,000
1,295	0248804. Public Health Risk Management Plan	-	-	-		✓		-
173,101	Total Urban Water Supply	156,631	1,301,502	1,144,871		✓		2,603,000
174,396	Total Capital Expenditure	156,631	1,306,500	1,149,869				2,613,000

Variance Analysis:

1. Service connection renewal costs are for repairs required to tobies due to age. Any overspends will be paid for from reserves.
2. \$2,978 was paid to Filtration Tech for a report into the Pukaki Airport options.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	SEWER	YTD Actual December 2018	YTD Budget December 2018	Variance	%			Full year Budget 30/06/19
	Income							
299,190	Targeted Rates	306,503	306,606	(103)	0%	✗		613,205
6,597	Other Income	5,139	4,998	141	3%	✓		10,000
216,565	Financial Contributions	299,519	-	299,519		✓	1	-
15,792	Upgrade Contributions	-	-	-		✓	1	-
16,789	Internal Interest Income	18,734	-	18,734		✓	2	-
-	Vested Assets	-	574,998	(574,998)	-100%	✗	3	1,150,000
554,933	Total Income	629,896	886,602	(256,706)				1,773,205
	Expenses							
633	Consultancy Expenses	-	-	-		✓		-
33,553	Administration Expenses	32,027	5,993	(26,034)	-434%	✗	4	11,595
144,579	Operational and Maintenance	157,748	132,216	(25,532)	-19%	✗	5	264,416
-	Internal interest Expense	-	2,952	2,952	100%	✓		5,905
178,914	Depreciation	166,260	166,260	-	0%	✓		332,508
357,678	Total Expenses	356,035	307,421	(48,614)				614,424
197,254	Operating Surplus/(Deficit)	273,861	579,181	(305,321)				1,158,781

Variance Analysis:

1. Financial and upgrade contributions are dependent upon developer activity.
2. Internal interest income was calculated on the capital reserve balance, this was not budgeted for in the 2018/19 year.
3. Vested assets were budgeted to be received during the year, these have yet to be received.
4. Administration expenses are significantly higher than budgeted as rates have been charged to the individual activities this year.
5. Operational and maintenance expenses are slightly higher than budgeted as electricity is up on budget by \$1,049 and contractor costs were also up \$47,762 as extra was spent dealing with blocked sewers in Tekapo and Twizel. Earthworks were also required on the disposal field in Tekapo and cleaning fat from a pump station.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	SEWER	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
Operating and Capital Reserves								
197,254	Operating Surplus/(Deficit)	273,861	579,181					1,158,781
197,254	Total Operating Reserves	273,861	579,181					1,158,781
Equity								
2,039,754	Opening Balance	3,328,691	419,526					839,048
232,357	Transfer - Financial Contributions	299,519	-					-
178,914	Transfer Funded Depreciation from Operating Reserve	166,260	166,254					332,508
(153,375)	Transfer Capital Expenditure from Operating Reserve	(828,638)	(616,998)					(1,234,000)
-	Transfer Vested Assets to Capital	-	574,998					1,150,000
2,297,650	Total Capital Reserves	2,965,832	543,780					1,087,556
Capital Expenditure								
Urban Sewerage								
-	0258193. Vested Assets	-	574,998	574,998	100%	✓		1,150,000
5,225	0258401. Sewer Reticulation Renewal	-	42,000	42,000	100%	✓		84,000
-	0258410. Sewer Reticulation - New	87,711	-	(87,711)		✗	1	-
161,402	0258411. Sewer Treatment - New	740,927	-	(740,927)		✗	2	-
166,628	Total Urban Sewerage	828,638	616,998	(211,640)		✗		1,234,000
166,628	Total Capital Expenditure	828,638	616,998	(211,640)				1,234,000

Variance Analysis:

1. The sewer reticulation costs were Council's contribution towards the subdivision in Twizel as per the August Assets and Services meeting. This is unbudgeted expenditure and will be paid for from reserves.
2. Preliminary costs for the Twizel Waste Water plant upgrade. This is budgeted for in the 2019/20 year and needs to be completed before the consent expires. There will be further costs to come this year.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	STORMWATER	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Income							
97,311	Targeted Rates	56,650	56,670	(20)	0%	✗		113,334
5,768	Financial Contributions	-	-	-		✓		-
16,577	Internal Interest Income	11,745	-	11,745		✓	1	-
-	Vested Assets	-	507,948	(507,948)	-100%	✗	2	1,015,900
119,656	Total Income	68,395	564,618	(496,223)				1,129,234
	Expenses							
-	Consultancy Expenses	11,040	1,104	(9,936)	-900%	✗	3	2,206
9,661	Administration Expenses	11,493	700	(10,793)	-1542%	✗	4	700
15,555	Operational and Maintenance	15,364	16,164	800	5%	✓		32,318
-	Internal interest Expense	-	7,008	7,008	100%	✓		14,015
43,308	Depreciation	32,052	32,052	-	0%	✓		64,096
68,523	Total Expenses	69,949	57,028	(12,921)				113,335
51,133	Operating Surplus/(Deficit)	(1,554)	507,590	(509,144)				1,015,899

Variance Analysis:

1. Internal interest income of \$11,745 was calculated on the capital reserve balance. This had not been budgeted for in the 2018/19 year.
2. Vested assets had been budgeted to be received during the year with nothing received to date.
3. Consultancy expenses are significantly over the whole years budget as \$11,040 was paid to OPUS for preparation of the three towns stormwater management plans. \$85,520 was budgeted for this in the 2017/18 year and was not spent due to timing.
4. Administration expenses are significantly over budget as rates were higher than budgeted.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	STORMWATER	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %	Full year Budget 30/06/19
Operating and Capital Reserves						
51,133	Operating Surplus/(Deficit)	(1,554)	507,590			1,015,899
51,133	Total Operating Reserves	(1,554)	507,590			1,015,899
Equity						
559,785	Opening Balance	751,972	307,038			614,079
5,768	Transfer - Financial Contributions	-	-			-
43,308	Transfer Funded Depreciation from Operating Reserve	32,052	32,046			64,096
-	Transfer Capital Expenditure from Operating Reserve	-	(507,948)			(1,015,900)
-	Transfer Vested Assets to Capital	-	507,948			1,015,900
608,861	Total Capital Reserves	784,024	339,084			678,175
Capital Expenditure						
Urban Stormwater						
-	0598193. Vested Assets	-	507,948	507,948	100% ✓	1,015,900
-	Total Urban Stormwater	-	507,948	507,948	✓	1,015,900
-	Total Capital Expenditure	-	507,948	507,948		1,015,900

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	ROADING	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %		Full year Budget 30/06/19
	Income						
575,650	Targeted Rates	794,818	794,850	(32)	0%	✗	1,589,708
807,596	Subsidies and Grants	624,068	894,870	(270,802)	-30%	✗	1,789,730
2,460	Other Income	18,139	13,998	4,141	30%	✓	28,000
-	Vested Assets	-	360,498	(360,498)	-100%	✗	721,000
1,385,705	Total Income	1,437,025	2,064,216	(627,191)			4,128,438
	Expenses						
67,907	Employment Expenses	71,327	104,040	32,713	31%	✓	208,074
118,802	Consultancy Expenses	72,888	69,996	(2,892)	-4%	✗	140,000
7,198	Administration Expenses	12,031	-	(12,031)		✗	-
17,914	Internal interest Expense	29,250	82,260	53,010	64%	✓	164,518
1,013,752	Roadings	651,895	701,502	49,607	7%	✓	1,403,000
1,091,448	Depreciation	1,090,014	1,090,014	-	0%	✓	2,180,026
11,535	Internal Charges	10,581	7,728	(2,853)	-37%	✗	15,459
2,328,556	Total Expenses	1,937,986	2,055,540	117,554			4,111,077
(942,850)	Operating Surplus/(Deficit)	(500,961)	8,676	(509,637)			17,361

Variance Analysis:

- Subsidies and Grants is lower than budget as less money has been received from NZTA subsidies due to significantly lower capital expenditure than had been budgeted.
- Vested assets had been budgeted as being received during the year, however these have yet to eventuate.
- Consultancy expenses are just over the year to date budget due to the rating and roughness survey carried out in December and annual bridge inspections completed.
- Administration expenses have been incurred with no budget allowance this year. Insurance for the Lake Tekapo footbridge will be ongoing, a traffic counter and the associated equipment has been purchased with other sundry expenses for subscriptions and telephone costs.
- Roadings expenses - more detailed variance explanation is provided with the detailed roadings expenses report.
- Internal charges are over budget by \$2,853 as there has been further vehicle use than was anticipated due to development quality assurance, contract quality assurance and meetings.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	ROADING	YTD Actual December 2018	YTD Budget December 2018	Variance	%	Full year Budget 30/06/19
Operating and Capital Reserves						
(942,850)	Operating Surplus/(Deficit)	(500,961)	8,676			17,361
(942,850)	Total Operating Reserves	(500,961)	8,676			17,361
Equity						
(1,031,641)	Opening Balance	(1,584,765)	(1,090,908)			(2,181,816)
2,904	Transfer Funded Depreciation from Operating Reserve	2,832	2,832			5,660
-	Transfer - to/from Op Rsve	-	228,252			456,500
-	Transfer NZTA Capital Subsidy	-	469,200			938,400
-	Transfer Vested Assest from Op reserve	-	360,498			721,000
(347,112)	Transfer Capital Expenditure from Operating Reserve	(358,670)	(1,365,498)			(2,731,000)
-	Transfers between Reserves	32,070	32,070			64,144
(1,375,850)	Total Capital Reserves	(1,908,533)	(1,363,554)			(2,727,112)

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	ROADING	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
Capital Expenditure								
	District Roading							
-	2548193. Vested Assets	-	360,498	360,498	100%	✓		721,000
9,249	2548211. Unsealed Road Metalling	217,846	325,002	107,156	33%	✓		650,000
256,568	2548212. Sealed Road Resurfacing	-	250,002	250,002	100%	✓		500,000
1,788	2548213. Drainage Renewal	10,353	34,998	24,645	70%	✓		70,000
-	2548214. Sealed Road Pavement Rehabilitation	3,368	100,002	96,635	97%	✓		200,000
-	2548215. Structures Component replacements bridges	-	25,002	25,002	100%	✓		50,000
-	25482151. Structures Component replacements cattlest	-	4,998	4,998	100%	✓		10,000
26,251	2548222. Traffic Services Renewals	70,964	30,000	(40,964)	-137%	✗	1	60,000
459	2548310. Footpaths - Surfacing	925	15,000	14,075	94%	✓		30,000
53,913	2548341. Minor Improvements	55,214	150,000	94,786	63%	✓		300,000
-	2548395. Sealing Past Houses	-	70,002	70,002	100%	✓		140,000
348,229	Total District Roading	358,670	1,365,504	1,006,834		✓		2,731,000
348,229	Total Capital Expenditure	358,670	1,365,504	1,006,834				2,731,000

Variance Analysis:

1. Traffic services renewals is significantly over budget due to full remarking being carried out. Have pulled back on expenditure in this area.

Mackenzie District Council
Detailed Roding Activity
For The Year Ended December 2018

LYTD Actual December 2017			YTD Actual December 2018	YTD Budget December 2018	Variance			Notes	Full Year Budget 30/06/19
					Variance	%			
	101,418	2546111. Sealed Pavement Mtce	111,527	107,502	(4,025)	-4%	✗	1	215,000
	131,869	2546112. Unsealed Pavement Mtce	250,329	199,998	(50,331)	-25%	✗	2	400,000
	44,658	2546113. Routine Drainage Mtce	85,800	60,000	(25,800)	-43%	✗	3	120,000
	4,081	25461131. Drainage Mtce - St Cleaning	4,335	4,998	663	13%	✓		10,000
	52,112	2546114. Structures Maintenance Bridges	12,048	70,002	57,954	83%	✓		140,000
	140	25461141. Structures Maintenance Cattlestops	-	7,998	7,998	100%	✓		16,000
	162,664	2546121. Environmental Mtce	114,757	79,998	(34,759)	-43%	✗	4	160,000
	42,520	2546122. Traffic Services Mtce	29,038	25,002	(4,036)	-16%	✗	5	50,000
	7,043	25461221. Street Lighting - Maintenance	1,242	31,500	30,258	96%	✓		63,000
	20,987	25461222. Street Lighting - Electricity	19,330	37,500	18,170	48%	✓		75,000
	51,800	2546140. Minor Events	-	25,002	25,002	100%	✓		50,000
	377,798	2546288. Emergency Reinstatement	-	-	-		✓		-
	1,270	2546301. Street Lights - Mtce - Transit	3,649	3,750	101	3%	✓		7,500
	4,658	2546302. Street Lights-Elect - Transit	6,028	6,252	224	4%	✓		12,500
	4,081	2546303. Drainage Mtce - St Cleaning Transit	4,335	4,002	(333)	-8%	✗		8,000
	1,210	2546304. Footpaths	3,806	18,000	14,194	79%	✓		36,000
	5,442	2546305. New Year Road Sweep	5,672	19,998	14,326	72%	✓		40,000
	1,013,751		651,896	701,502	49,606				1,403,000

Variance Analysis:

- Sealed pavement maintenance is over budget by \$4,025 due to timing as very little occurs in the winter months. Preseal repairs and a number of edge breaks have been undertaken.
- Unsealed pavement maintenance is over budget by \$50,331 as works were carried out on Lilybank Road to protect the surface during the ski season and extra grading has been carried out with logging and the skifield. There have also been scour repairs from flooding. An additional grader is being implemented to keep on top of the unsealed road maintenance.
- Routine drainage maintenance is above budget by \$25,800 as the methodology adopted by the contractor has been changed to focus on drainage for the early and later months of the year so this is a timing issue.
- Environmental maintenance is up on budget by \$34,759 as a high growth season. Contractor costs in November were above budget due to the flooding that occurred.
- Traffic services maintenance is over budget by \$4,036 as a result of additional signage installed. A height restrictor has been purchased for the Cass River bridge and signage has also been replaced for expired life. Road marking is also underway.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	SOLID WASTE	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Income							
102,486	General Rates	111,258	111,258	-	0%	✓		222,510
363,360	Targeted Rates	379,206	379,254	(48)	0%	✗		758,509
121,346	Other Income	101,560	100,380	1,180	1%	✓		200,768
568	Internal Interest Income	513	-	513		✓		-
587,760	Total Income	592,538	590,892	1,646				1,181,787
	Expenses							
19,471	Employment Expenses	20,903	17,514	(3,389)	-19%	✗	1	35,022
13,064	Consultancy Expenses	10,298	19,770	9,472	48%	✓		31,740
6,847	Administration Expenses	5,457	7,600	2,143	28%	✓		10,906
369,663	Operational and Maintenance	431,817	519,876	88,059	17%	✓		1,039,751
10,211	Internal interest Expense	6,206	12,294	6,088	50%	✓		24,590
9,924	Depreciation	10,266	10,266	-	0%	✓		20,533
1,810	Internal Charges	1,833	3,444	1,611	47%	✓		6,883
430,990	Total Expenses	486,781	590,764	103,983				1,169,425
156,770	Operating Surplus/(Deficit)	105,757	128	105,629				12,362

Variance Analysis:

- Employment expenses are currently higher than budget due in part to a salary increase. The salary movement indicators were higher than anticipated this year.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	SOLID WASTE	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Operating and Capital Reserves							
156,770	Operating Surplus/(Deficit)	105,757	128					12,362
156,770	Total Operating Reserves	105,757	128					12,362
	Equity							
(672,515)	Opening Balance	(360,737)	(320,334)					(640,669)
-	Transfer Capital Expenditure from Operating Reserve	(8,988)	(75,000)					(150,000)
15,840	Transfers between Reserves	16,446	16,446					32,895
(656,675)	Total Capital Reserves	(353,278)	(378,888)					(757,774)
	Capital Expenditure							
	Waste Management							
-	0358807. Resource Consent	8,988	45,000	36,012	80%	✓		90,000
-	0358925. Plant and Equipment	-	30,000	30,000	100%	✓		60,000
-	Total Waste Management	8,988	75,000	66,012		✓	1	150,000
-	Total Capital Expenditure	8,988	75,000	66,012				150,000

Variance Analysis:

- The capital expenditure budget is for the renewal of resource consent for the three cleanfill sites in the district. The resource consent process is in the early preparation stage and is planned to take place over the next six months.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	PLANNING	YTD Actual December 2018	YTD Budget December 2018	Variance	%			Full year Budget 30/06/19
	Income							
255,204	General Rates	362,910	362,910	-	0%	✓		725,825
175,441	Other Income	116,560	200,004	(83,444)	-42%	✗	1	400,000
1,034,359	Reserve Contributions	283,243	75,000	208,243	278%	✓	2	150,000
1,465,003	Total Income	762,714	637,914	124,800				1,275,825
	Expenses							
249,571	Employment Expenses	250,427	336,846	86,419	26%	✓		673,690
371,302	Consultancy Expenses	193,274	207,498	14,224	7%	✓		415,000
16,317	Administration Expenses	5,045	8,496	3,451	41%	✓		17,000
-	Operational and Maintenance	(30)	3,750	3,780	101%	✓		7,500
27,967	Internal interest Expense	32,854	29,208	(3,646)	-12%	✗	3	58,412
12	Depreciation	18	18	-	0%	✓		30
6,150	Internal Charges	10,208	360	(9,848)	-2736%	✗	4	720
671,318	Total Expenses	491,796	586,176	94,380				1,172,352
793,686	Operating Surplus/(Deficit)	270,917	51,738	219,179				103,473

Variance Analysis:

- Other income is less than budget by \$83,444, fees from resource consent applications were up on budget by \$65,566, while income from LIMS and recoverable services was down \$149,010 due to \$11,608 received from recoverable services against a budget of \$145,002.
- Reserve contributions are dependent upon developer activity.
- Internal interest expense is higher than budgeted, as the Capital Reserve balance is higher than anticipated when the budget was set.
- Internal charges are higher than budget. Internal vehicle charges full year budget is only \$720 compared to full year actuals in the 2017/18 year of \$11,493.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	PLANNING	YTD Actual December 2018	YTD Budget December 2018	Variance	%	Full year Budget 30/06/19
	Operating and Capital Reserves					
793,686	Operating Surplus/(Deficit)	270,917	51,738			103,473
793,686	Total Operating Reserves	270,917	51,738			103,473
	Equity					
(2,212,584)	Opening Balance	(2,513,863)	(1,081,572)			(2,163,140)
24,714	Transfers between Reserves	44,250	(23,250)			(46,497)
(2,187,870)	Total Capital Reserves	(2,469,613)	(1,104,822)			(2,209,637)

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	REGULATORY	YTD Actual December 2018	YTD Budget December 2018	Variance				Full year Budget 30/06/19
	Income							
38,016	General Rates	34,584	34,584	-	0%	✓		69,175
468,884	Other Income	465,919	458,122	7,797	2%	✓	1	875,639
228	Internal Interest Income	108	174	(66)	-38%	✗		346
507,128	Total Income	500,611	492,880	7,731				945,160
	Expenses							
236,796	Employment Expenses	240,283	272,436	32,153	12%	✓		544,866
146,163	Consultancy Expenses	161,530	64,998	(96,532)	-149%	✗	2	130,000
23,081	Administration Expenses	16,439	21,048	4,609	22%	✓		42,120
33,407	Operational and Maintenance	13,389	99,376	85,987	87%	✓		194,680
500	Internal interest Expense	246	300	54	18%	✓		602
2,700	Depreciation	2,358	2,358	-	0%	✓		4,719
15,006	Internal Charges	15,905	14,064	(1,841)	-13%	✗	3	28,130
457,653	Total Expenses	450,151	474,580	24,429				945,117
49,476	Operating Surplus/(Deficit)	50,460	18,300	32,160				43

Variance Analysis:

1. Other income is above budget as the number of building consents received and being processed is higher than forecast.
2. Consultancy expenses are \$96,532 over budget. This is due to building consent costs of \$150,000 which will be recovered (\$30,000 budgeted).
3. Internal charges are slightly higher than budgeted as vehicle use by the building inspectors has been higher than anticipated, and a small amount of vehicle use by Civil Defence which had not been budgeted for.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	REGULATORY	YTD Actual December 2018	YTD Budget December 2018	Variance				Full year Budget 30/06/19
Operating and Capital Reserves								
49,476	Operating Surplus/(Deficit)	50,460	18,300					43
49,476	Total Operating Reserves	50,460	18,300					43
Equity								
9,333	Opening Balance	2,822	930					1,861
2,580	Transfer Funded Depreciation from Operating Reserve	2,178	2,178					4,355
-	Transfer Capital Expenditure from Operating Reserve	-	(19,500)					(39,000)
120	Transfers between Reserves	204	204					406
12,033	Total Capital Reserves	5,204	(16,188)					(32,378)
Capital Expenditure								
Civil Defence								
-	0108925. Plant and Equipment	-	19,500	19,500	100%	✓		39,000
-	Total Civil Defence	-	19,500	19,500		✓		39,000
Inspectorate								
2,550	0718001. Computers	1,400	-	(1,400)		✗	1	-
2,550	Total Inspectorate	1,400	-	(1,400)		✗		-
2,550	Total Capital Expenditure	1,400	19,500	18,100				39,000
Variance Analysis:								
1.	The \$1,400 of unbudgeted expenditure was incurred for the integration of Laserfiche (the new records management programme) with Go Get.							

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	COMMUNITY FACILITIES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Income							
185,226	General Rates	157,140	157,140	-	0%	✓		314,274
757	Subsidies and Grants	341,647	354	341,293	96410%	✓	1	713
67,187	Other Income	67,813	71,640	(3,827)	-5%	✗	2	143,271
1,315	Internal Interest Income	1,338	1,284	54	4%	✓		2,563
254,484	Total Income	567,938	230,418	337,520				460,821
	Expenses							
25,761	Administration Expenses	22,101	23,065	964	4%	✓		31,007
167,870	Operational and Maintenance	152,206	129,228	(22,978)	-18%	✗	3	258,432
9,873	Internal interest Expense	16,848	43,884	27,036	62%	✓		87,770
39,918	Depreciation	51,258	51,258	-	0%	✓		102,502
243,422	Total Expenses	242,413	247,435	5,022				479,711
11,063	Operating Surplus/(Deficit)	325,524	(17,017)	342,541				(18,890)

Variance Analysis:

- Subsidies and grants is significantly higher than budget as \$340,890 has been received from the Government tourism grant (MBIE).
- Other Income is slightly lower than budget as toilet donations were \$4,740 lower than anticipated and cemetery fees (plot and burial) were down \$968 on budget.
- Operational and maintenance costs are higher than budgeted as cemetery repairs were up \$19,002 as concrete beams were installed in Fairlie and Twizel to cater for reservations and having plots available. Toilet maintenance was up \$8,133 due to extra servicing and general maintenance. Some of these maintenance costs will be recovered through MBIE funding and LINZ cost recovery work (Pines and Peters Lookout).

Operating and Capital Reserves								
11,063	Operating Surplus/(Deficit)	325,524	(17,017)					(18,890)
11,063	Total Operating Reserves	325,524	(17,017)					(18,890)

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	COMMUNITY FACILITIES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Equity							
(370,247)	Opening Balance	(697,753)	(727,236)					(1,454,485)
27,654	Transfer Funded Depreciation from Operating Reserve	41,814	41,814					83,613
(80,375)	Transfer Capital Expenditure from Operating Reserve	(418,765)	(4,500)					(9,000)
-	Transfers between Reserves	340,890	-					-
(422,967)	Total Capital Reserves	(733,815)	(689,922)					(1,379,872)
	Capital Expenditure							
	Community Library Services							
-	1808950. Community Assets - Buildings	17,391	-	(17,391)		✗	1	-
-	Total Community Library Services	17,391	-	(17,391)		✗		-
	Public Toilets							
97,709	1518916. Buildings	418,765	-	(418,765)		✗	2	-
97,709	Total Public Toilets	418,765	-	(418,765)		✗		-
	Pensioner Housing - Twizel							
-	1918940. Furniture & Fittings - Other	-	4,500	4,500	100%	✓		9,000
-	Total Pensioner Housing - Twizel	-	4,500	4,500		✓		9,000
97,709	Total Capital Expenditure	436,157	4,500	(431,657)				9,000

Variance Analysis:

- \$17,391 was spent on the upgrade of the library foyer. This unbudgeted expenditure was approved by Council in the prior year and will be funded from the Land Subdivision Reserve.
- \$418,765 has been spent to date on toilet projects; Burkes Pass, Lakeside Drive and Pukaki. \$340,890 was received from MBIE to help fund this expenditure.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	RECREATIONAL FACILITIES	YTD Actual December 2018	YTD Budget December 2018	Variance	%		Full year Budget 30/06/19
	Income						
57,863	General Rates	84,069	84,096	(27)	0%	✗	168,196
646,350	Targeted Rates	594,378	594,450	(72)	0%	✗	1,188,876
13,956	Subsidies and Grants	13,956	15,248	(1,292)	-8%	✗	21,000
202,424	Other Income	179,234	145,898	33,336	23%	✓	236,697
2,448	Internal Interest Income	2,713	2,466	247	10%	✓	4,928
923,041	Total Income	874,350	842,158	32,192			1,619,697
	Expenses						
33,436	Employment Expenses	26,915	45,814	18,899	41%	✓	106,081
203	Consultancy Expenses	-	-	-	0%	✓	-
151,256	Administration Expenses	84,202	93,492	9,291	10%	✓	162,061
896,067	Operational and Maintenance	684,808	546,465	(138,343)	-25%	✗	1,099,539
6,346	Internal interest Expense	10,020	17,814	7,794	44%	✓	35,634
137,448	Depreciation	133,158	133,158	-	0%	✓	266,274
1,224,756	Total Expenses	939,103	836,743	(102,360)			1,669,589
(301,715)	Operating Surplus/(Deficit)	(64,753)	5,415	(70,168)			(49,892)

Variance Analysis:

- Other income is significantly higher than budgeted with rentals from Lake Alexandrina coming in \$36,000 higher than budgeted, and a donation of \$18,920 was received for the upgrade of the Mackenzie Community Centre. Hireage of the Twizel Community Centre is up \$9,421 due to hosting the Christ's College rowing teams.
- Administration expenses are showing as under budget however rates were higher this year as they were charged to the individual areas, offset by less donations made to date than had been budgeted.
- Operational and maintenance costs are significantly over budget as lawnmowing in Twizel is up on budget by \$21,114, Lake Tekapo litterbin collections are up as more rubbish bins were installed than were budgeted for. The entire \$50,000 budget for Tekapo projects has been spent with \$59,587 on the design and block work at the Church of the Good Shepherd, \$5,592 for the concrete pads and signs for the rubbish bins. \$4,832 spent on the Kwila ramp for the town centre, and \$39,685 has been spent on the Tekapo playground. \$45,507 has been spent on landscaping around the dog statue in Tekapo. The Tekapo Church of the Good Shepherd and dog statue projects will be charged through the Tekapo projects budget as a means of keeping track of it. This budget will be over spent however these projects will be funded from MBIE, COGS and China Airlines.

Mackenzie District Council
Finance Report
For The Period Ended December 2018

LYTD Actual December 2017	RECREATIONAL FACILITIES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %	Full year Budget 30/06/19
	Operating and Capital Reserves					
(301,715)	Operating Surplus/(Deficit)	(64,753)	5,415			(49,892)
(301,715)	Total Operating Reserves	(64,753)	5,415			(49,892)
	Equity					
(113,427)	Opening Balance	(38,183)	(126,942)			(253,911)
39,696	Transfer Funded Depreciation from Operating Reserve	43,908	43,908			87,809
-	Transfer - Interest Earned	-	282			561
(41,271)	Transfer Capital Expenditure from Operating Reserve	(486,658)	(442,002)			(884,000)
45,528	Transfers between Reserves	58,753	176,220			352,447
(69,474)	Total Capital Reserves	(422,180)	(348,534)			(697,094)
	Capital Expenditure					
	District - General					
-	0488805. Strategic Development Policy	224,226	-	(224,226)		1
36,521	0488916. Community Assets - Other	-	-	-		-
36,521	Total District - General	224,226	-	(224,226)		-
	Fairlie Township					
-	0528977. Playground Upgrade	-	25,002	25,002	100%	50,000
-	Total Fairlie Township	-	25,002	25,002		50,000

Mackenzie District Council
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LYTD Actual December 2017	RECREATIONAL FACILITIES	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %			Full year Budget 30/06/19
	Mackenzie Community Centre							
-	1228950. Community Assets - Buildings	-	10,002	10,002	100%	✓		20,000
-	Total Mackenzie Community Centre	-	10,002	10,002		✓		20,000
	Tekapo Township							
-	0548516. Implement of Development Plan	-	109,998	109,998	100%	✓		220,000
-	Total Tekapo Township	-	109,998	109,998		✓		220,000
	Twizel Community Centre							
-	1268940. Furniture & Fittings - Other	23,887	-	(23,887)		✗	2	-
-	1268950. Community Assets - Buildings	-	15,000	15,000	100%	✓		30,000
-	Total Twizel Community Centre	23,887	15,000	(8,887)		✗		30,000
	Twizel Swimming Pool							
4,750	1428925. Plant and Equipment	-	-	-		✓		-
-	1428965. Comm Asset - Public Amenities	238,545	250,002	11,457	5%	✓		500,000
4,750	Total Twizel Swimming Pool	238,545	250,002	11,457		✓		500,000
	Twizel Township							
-	0558516. Implement of Development Plan	-	31,998	31,998	100%	✓		64,000
-	Total Twizel Township	-	31,998	31,998		✓		64,000
41,271	Total Capital Expenditure	486,658	442,002	(44,656)				884,000

Variance Analysis:

- Costs here are for 7 long drop toilets to be installed at multiple locations around the district. This is unbudgeted expenditure and is to be funded from MBIE grants.
- The \$23,887 was a deposit on theatre seating. \$52,500 had been budgeted for this project in the prior year but was held up due to delays.

Mackenzie District Council
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LYTD Actual December 2017	COMMERCIAL	YTD Actual December 2018	YTD Budget December 2018	Variance	%		Full year Budget 30/06/19
	Income						
(602,102)	General Rates	(641,234)	(641,232)	(2)	0%	✗	(1,282,464)
180,971	Targeted Rates	170,151	170,166	(15)	0%	✗	340,344
299,339	Investment Income	466,501	358,512	107,989	30%	✓	717,024
268,871	Other Income	469,983	395,292	74,691	19%	✓	790,561
105,364	Other Gains and Losses	11,522	132,600	(121,078)	-91%	✗	265,206
-	Internal Income	-	32,004	(32,004)	-100%	✗	64,000
202,214	Internal Interest Income	182,922	304,830	(121,908)	-40%	✗	609,658
454,657	Total Income	659,843	752,172	(92,329)			1,504,329
	Expenses						
49,370	Employment Expenses	53,301	24,504	(28,797)	-118%	✗	49,004
27,404	Members Expenses	26,923	25,002	(1,921)	-8%	✗	50,000
62,480	Consultancy Expenses	39,778	90,996	51,218	56%	✓	182,000
70,469	Administration Expenses	131,584	37,214	(94,370)	-254%	✗	51,817
312,241	Operational and Maintenance	327,510	204,306	(123,204)	-60%	✗	408,600
-	Finance Expense	-	57,300	57,300	100%	✓	114,600
111,822	Internal Interest Expense	95,728	5,556	(90,172)	-1623%	✗	11,110
44,946	Depreciation	32,376	32,376	-	0%	✓	64,735
678,732	Total Expenses	707,199	477,254	(229,945)			931,866
(224,075)	Operating Surplus/(Deficit)	(47,356)	274,918	(322,274)			572,463

Mackenzie District Council
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For The Period Ended December 2018

LYTD Actual December 2017	COMMERCIAL	YTD Actual December 2018	YTD Budget December 2018	Variance	Variance %	Full year Budget 30/06/19
Variance Analysis:						
1.	Investment income is up on budget due to the interest on the term investment being higher at maturity than anticipated. Dividend income is also up on budget due to late payment of a dividend related to the prior year.					
2.	Other income is up on budget as \$281,908 was received from the sale of carbon credits, against a budget of \$31,998. Rental income of \$70,382 has been received from various sites which had not been included in the budget. This was offset by \$173,598 budgeted as a donation towards the alps to ocean cycleway, this will be dependent upon cycleway timing and has not occurred yet.					
3.	Other gains and losses is less than budget as there has only been one section sale (Argyle Street) this year to date.					
4.	Internal interest income is significantly lower than budgeted as Water, Real Estate, Public Toilets and Roding capital reserve balances were higher than anticipated.					
5.	Employment expenses are over budget due to an increase in the amount of Tourism wages paid in the information centre due to demand. This increase occurred after the 2019 budget had been set.					
6.	Member expenses are higher than budgeted as Council approved an increase in the level of fees paid to the Airport Committee after the 2019 budget had been set.					
7.	Administration expenses are over budget by \$94,370 as \$8,000 of legal fees had been incurred by the Pukaki airport in regards to leases, accountancy fees have increased, and travel costs, repairs and runway costs were also higher than anticipated for the Pukaki Airport. Rates were higher than budgeted this year in the real estate and forestry areas.					
8.	Operational and maintenance costs are up on budget by \$123,204 as significant forestry costs have been incurred for spraying of the plantations, and tree purchases and planting in the Simons Pass plantation. This was not budgeted for as the trees were harvested earlier than anticipated. \$16,775 was also spent on windrowing to minimise the fire risk. \$21,000 was spent on repainting the old Post Office units which had not been budgeted for and \$38,547 was spent on postal supplies which have been on sold with income included in Other Income above.					
9.	Internal interest expense is higher than budgeted as the amount charged to the Sewer, Stormwater and Forestry activities is higher than forecast as their capital reserve balances are higher than anticipated.					

Mackenzie District Council
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LYTD Actual December 2017	COMMERCIAL	YTD Actual December 2018	YTD Budget December 2018	Variance	%	Full year Budget 30/06/19
Operating and Capital Reserves						
(224,075)	Operating Surplus/(Deficit)	(47,356)	274,918			572,463
(224,075)	Total Operating Reserves	(47,356)	274,918			572,463
Equity						
3,766,434	Opening Balance	6,378,291	1,713,942			3,427,891
-	Transfer - from Operating Reserve	-	22,110			44,218
(103,459)	Transfer Capital Expenditure from Operating Reserve	-	-			-
-	Transfers between Reserves	(13,626)	(224,622)			(449,252)
3,662,974	Total Capital Reserves	6,364,665	1,511,430			3,022,857
Capital Expenditure						
Pukaki Airport						
21,652	0708905. Land - Admin & Operating	-	-	-	✓	-
21,652	Total Pukaki Airport	-	-	-	✓	-
Real Estate						
800,493	0818905. Land - Administrative, Operato	-	-	-	✓	-
800,493	Total Real Estate	-	-	-	✓	-
Tourism and Economic Development						
30,167	1348007. Alps2Ocean Capex	20,400	270,000	249,600	92% ✓	540,000
30,167	Total Tourism and Economic Development	20,400	270,000	249,600	✓	540,000
852,313	Total Capital Expenditure	20,400	270,000	249,600		540,000

6 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Asset Valuations	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7