

Report 16.184
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Committee Finance, Risk and Assurance
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Summary of Financial Statements for the ten months ended 30 April 2016

1. Purpose

For the Finance, Risk and Assurance Committee to receive the summary performance report ended 30 April 2016.

2. Background

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

Overall the Council is in favourable financial position against budget for both year to date and full year forecast.

Full Year Forecast

The full year operating surplus is forecast to be **\$3.9m favourable to budget** due largely to lower than budgeted public transport, catchment, and investment management costs. Much of this is due to finance and depreciation costs which are driven by low interest rates and timing on capital expenditure.

Note that there are several accounting adjustments to be made at year end relating to Wellington Water and the Wairarapa Water Use Project, which are now included in the forecast.

Capital expenditure is **\$32.1m favourable to budget** due primarily to a delay in delivery of Matangi trains and catchment programmes of work.

Year to 30 April 2016

The year to date operating position is **\$10.7m favourable to budget** primarily due to timing of activity and cost savings across all Groups other than Environment. Many of the savings are driven by lower finance and depreciation costs, as well as timing of spending on material and contractor expenses.

Capital expenditure is **\$42.4m favourable to budget** due to timing on delivery of the Matangi trains and catchment programmes of work.

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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Attachment 1: Financial Summary