

Report 17.148
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Committee Finance, Risk and Assurance
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Summary of Financial Statements for year to 31 March 2017

1. Purpose

For the Finance, Risk and Assurance Committee to receive the summary performance report for the nine months ended 31 March 2017 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 (**Attachment 1**).

Overall the Council is in a favourable financial position against budget for the year-to-date position; however, this is forecast to be unfavourable for the full year forecast.

Full Year Forecast

The first full year forecast of the year shows an operating deficit that is currently **\$0.4m unfavourable to budget**. Excluding earthquake related costs and loss revenue totalling \$4.7m, performance is forecast to be \$4.3m favourable to budget.

The favourable variance (excluding earthquake impact) is primarily due to timing in the delivery of the Public Transport Transformation programme, lower bus and rail operations costs, higher rail patronage, and timing of activity in the Catchment and Environment Management groups.

Capital expenditure is forecast to be **\$9.7m favourable to budget** primarily due to timing of property acquisitions for the Riverlink project and later than planned utilisation of the Matangi 1 upgrade contingency to fund a training simulator, decrease in Maitangi 1 retrofit costs, and lower heavy maintenance on trains. This is offset by unplanned expenditure to address the algae issue at the Te Marua water treatment plant.

Year to 31 March 2017

The year to date operating position is **\$7.1m favourable to budget**. Excluding earthquake related costs of \$1.0m, performance is \$8.1m favourable to budget. The favourable variance is due to timing of activity across Public Transport, Environment and Catchment.

Capital expenditure is **\$13.6m favourable to budget** due to the timing of Public Transport upgrade and rail heavy maintenance expenditure, Riverlink property acquisitions, ICT expenditure, and a number of smaller projects in the Environment group.

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