



**TO THE MAYOR AND COUNCILLORS OF THE
MACKENZIE DISTRICT COUNCIL**

Membership of the Finance Committee:

Cr Graham Smith (Chairman)
Claire Barlow (Mayor)
Cr Russell Armstrong
Cr Murray Cox
Cr Noel Jackson
Cr James Leslie
Cr Evan Williams

Notice is given of a meeting of the Finance Committee to be held on Tuesday, February 3, 2015, following the conclusion of the Audit and Risk Committee meeting.

VENUE: Council Chambers, Fairlie.

BUSINESS: As per agenda attached

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER



FINANCE COMMITTEE

Agenda for Tuesday, February 3, 2015

APOLOGIES

DECLARATIONS OF INTEREST

MINUTES:

Confirm and adopt as the correct record the minutes of the Finance Committee meeting held on November 25, 2014, including such parts as were taken with the public excluded.

SUB-COMMITTEE MINUTES:

Receive the minutes of the Tekapo Property Group meeting held on January 20, 2015, including such parts as were taken with the public excluded.

REPORTS:

1. Financial Activity Report (attached).
2. Long Term Plan Project 2015-2025 (attached).

PUBLIC EXCLUDED:

Resolve that the public be excluded from the following part of the proceedings of this meeting namely:

1. Public excluded minutes of the Finance Committee meeting held on November 25, 2014.
2. Public excluded minutes of the Tekapo Property Group meeting held on January 20, 2015.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes of the Finance Committee, November 25, 2014	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Tekapo Property Group, January 20, 2015	Enable commercial negotiations Commercial sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *All matters under section 7(2)(i). Tekapo Property Group minutes also under section 7(2)(b)(ii).*

RESOLUTION TO RESUME OPEN MEETING

ADJOURNMENTS:

10.30am: Morning Tea.

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY, NOVEMBER 25, 2014, AT 9.57AM

PRESENT:

Cr Graham Smith (Chairman)
 Claire Barlow (Mayor)
 Cr Russell Armstrong
 Cr James Leslie
 Cr Evan Williams

IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)
 Paul Morris (Finance and Administration Manager)
 Arlene Goss (Committee Clerk)

APOLOGIES:

An apology was received from Cr Noel Jackson.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Finance Committee held on October 16, 2014, including such parts as were taken with the public excluded, be confirmed and adopted as the correct record of the meeting.

Claire Barlow/Russell Armstrong

SUB-COMMITTEE MINUTES:

Resolved that the minutes of the meeting of the Tekapo Property Group meeting held on November 11, 2014, including such parts as were taken with the public excluded, be received.

Claire Barlow/Murray Cox

REPORTS:

FINANCIAL ACTIVITY REPORT TO SEPTEMBER, 2014:

This is the financial report for council for the financial year to September, 2014. The chairman said the preparation of the financial report has been contracted out and this is the first report to be prepared by the contractor.

Resolved that the report be received.

Evan Williams/Russell Armstrong

The chairman commented on various items in the report. He is concerned about the degree of spending on the water zone committees. Paul Morris also commented on changes in depreciation affecting the budget. Potentially council hasn't rated enough to fund depreciation so might get a deficit come through. Governance income is down due to a timing issue. The chairman commented on higher consultancy expenses due to a number of projects currently underway.

The Mayor asked regarding administration expenses being \$6,000 over budget. Paul Morris said photocopying is up \$3,000, postage and freight up \$3,484.

The chairman said IT capital is underspent. This report is only for the first three months of the year and this is expected to remedy itself.

The chairman said the write-off of income from water created a \$10,000 deficit. Paul Morris explained there was a write off of some water accounts in Twizel and Fairlie. This related to leaks being fixed and the amount being remitted. This deficit was also due to budgeting for water meters once a year.

Regarding roading, the chairman said NZTA had been slow in reinstating so council was carrying roading expenses. This may be a timing issue. The Mayor asked regarding roading consultancy expenses. RAM has cost \$5,800. Lake Tekapo Footbridge was close to \$11,000, the roading collaboration contract was \$3,400. The Mayor said we wouldn't have budgeted for the extra money in these areas.

The chairman said the district plan review was over budget. He believed a lot of departments were going to be over budget with the extra work involved in the Long Term Plan this year. Paul Morris said the issues were around new legislation and needing 30 year infrastructure plans. A discussion was held on this process and what it meant for council. A report on this was also discussed later in the meeting.

Solid waste gate fees are down and we were not receiving as many recyclables. Waste cartage was ahead of budget. Cr Leslie asked if the gate fees budget was phased to allow for cycles in population numbers. It looks evenly phased so this might catch up over summer.

Cr Leslie questioned whether there might be the possible sale of Forestry Blocks. Paul Morris explained that some forestry was on council owned freehold land and some was on reserves. It was the freehold land that was being considered at the moment due to approaches from neighbouring landowners interested in buying the land. Paul Morris is preparing an analysis that looks at the returns on forestry compared with the benefits of selling the land. This will come to council at a later date.

BANCORP QUARTERLY REPORT:

Resolved that the report be received.

Evan Williams/Russell Armstrong

Finance and Administration Manager Paul Morris said the investment result was above benchmark, which was not bad considering the portfolio was shrinking. A workshop is planned for councillors to look at investment policy.

The chairman said there haven't been many years that we haven't been ahead of the benchmark, due to good management of council investments.

The meeting adjourned at 10.38am for morning tea and reconvened at 10.58am.

LONG TERM PLAN 2015-2025 PROJECT:

The purpose of this report was to inform council on the Long Term Plan project, costs and progress to date.

Paul Morris said he felt it was important to keep councillors informed of the progress and effort that has gone into this project. These figures were from the start of the project in May to the end of October.

Five key documents were needed. The Significance and Engagement Policy was ticked off. The 30 year infrastructure plan for water and roading needs to be adopted before consultation. The consultation document replaces the old draft Long Term Plan. This is effectively a list of the items the elected members want to consult with the public on. There may be other things in the plan but if they were not considered important they didn't have to go in the consultation document. This document goes out to the public. Will be about 20-30 pages. The fourth document is the Long term plan itself which has statutory standing. The final document is the financial strategy which determines the level of rates, rates increases and debt levels.

Paul Morris said the project to date had incurred significant staff and consultant input. The chairman said this work was part of the job. Paul Morris agreed but said the cost was in diverting staff from their regular jobs to carry out this work. There was no suggestion of paying staff more for this. Discussion was held on how difficult it is for smaller councils to meet the requirements of legislation to the same level as larger councils with more staff.

The Mayor suggested publishing something in the media regarding the hours and the work carried out, 'these are things we have to do as a matter of compliance'. The chairman said this has always been part of the job. The Mayor said the staff were under-resourced compared with other councils. The

Mayor said this was where rates were going and the public would never see any value for money from this work, but we had to do what every other council does.

Paul Morris said he would update councillors at every meeting on progress with the Long Term Plan. He expected this project would take about 5000 man hours, which is two people full time. It's a big project and ratepayers needed to know what additional workload was put on staff and will be put on councillors with additional meetings and workshops.

He expects this project to go until June next year. The chairman asked if we were expecting another \$50,000 of unbudgeted expenses with consultants. Yes. When does it reach the point that we need more staff, or do we continue to deal with consultants? The chief executive said at this stage the plan was to deal with consultants. We would have had to engage staff some time ago. Employing them now at this late stage was not practical.

The chairman said he would like a revised budget on expenditure. The chief executive said he would provide a regular report to outline the work done and the consequences of this, including expenditure.

Paul Morris said if councillors had any questions regarding budgets it would be good to get hold of the budget manager and ask questions of them. They would give a better explanation for variances.

The chief executive said there was a need for a workshop on what councillors would like to include in the consultation document. He asked them to think about what things they believed were important or of significant public interest.

Resolved that the report be received and the content noted.

Claire Barlow/Russell Armstrong

AORAKI FOUNDATION:

The purpose of this report was to seek grant funding to assist with the administrative costs of the Aoraki Foundation.

The chief executive said he felt it was odd that the foundation had been set up without sufficient provision to handle administration. He looked into this and discovered there was some administration covered by endowment funding but it was not enough.

The chairman said this was a worthy cause. The Twizel Medical Trust have received some funds from the foundation, but Cr Leslie said the greatest benefit to the Medical Trust has been in using the expertise of staff from the Aoraki Foundation.

Resolved

1. That the report be received.

Evan Williams/Russell Armstrong

2. That the committee approve a grant of \$1,000 each year for three years (2014-15 – 2016-17) to assist with the administration of the Aoraki Foundation.

Russell Armstrong/Claire Barlow

PUBLIC EXCLUDED:

Resolved that the public be excluded from the following part of the proceedings of this meeting namely:

1. Public excluded minutes of the Finance Committee meeting held on October 16, 2014.
2. Public excluded minutes of the Tekapo Property Group meeting held on November 11, 2014.
3. Forestry Lease Agreement.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes of the Finance Committee, October 16, 2014	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Tekapo Property Group, November 11	Enable commercial negotiations	48(1)(a)(i)
Forestry Lease Agreement	Enable commercial negotiations	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *All matters under section 7(2)(i).*

Russell Armstrong/Evan Williams

The Finance Committee continued in open meeting.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 11.06AM

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE TEKAPO PROPERTY GROUP HELD IN THE LAKE TEKAPO COMMUNITY CENTRE, TEKAPO ON TUESDAY, JANUARY 20, 2015, AT 1.20PM

PRESENT:

Cr Murray Cox (Chair)
Mayor Claire Barlow
Richie Smith
Cr Russell Armstrong
Cr Graham Smith
Wayne Barnett (Chief Executive)

IN ATTENDANCE:

Stephen Gubb (Hughes Developments)
Arlene Goss (Committee Secretary)
One member of the public

APOLOGIES:

An apology was received from Paul Morris.

The Chairman tabled an email of resignation from Stella Sweney. The secretary was asked to send a letter of thanks to her.

Wayne Barnett and Paul Morris announced their resignation from the property group.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Some corrections to the public excluded section of the minutes have been noted in the public excluded section of these minutes.

Resolved that the minutes of the meeting of the Tekapo Property Group held on Tuesday, November 11, 2014, be confirmed and adopted as the correct record of the meeting, including those matters taken under public excluded.

Claire Barlow/Richie Smith

PRESENTATION OF TEKAPO LANDSCAPING CONCEPTS:

The chairman tabled Tekapo landscaping concepts from Bradley Parkes, a landscaping architect student. Bradley Parkes was unable to attend the meeting.

The chairman said the concepts were a student project and Bradley achieved 95% for the work.

The group laid out the plans on the floor so they could view them. Discussion was held on the various features in the plan and how elements could be included in the landscape design.

PUBLIC CONTRIBUTION:

The chairman asked the member of the public who was present if she had any specific questions for the group. She said she is a local real estate representative and people sometimes ask her regarding commercial opportunities in Tekapo. She said people have asked for opportunities to set up a small business and she is attending the meetings to be involved and informed. The chairman asked her to contact Stephen Gubb if she had interested parties to refer them to him. The Mayor said there will be opportunities for smaller retail and hospitality outlets in the future to lease premises in the larger buildings.

PUBLIC EXCLUDED

Resolved that the public, be excluded from the following part of the proceedings of this meeting namely:

1. Previous minutes, Tekapo Property Group, November 11.
2. Hughes Report to Tekapo Property Group.
3. Purchase of Tekapo Site.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes Tekapo Property Group, November 11.	Commercial sensitivity Enable commercial negotiations.	48(1)(a)(i)
Hughes Report to Tekapo Property Group	Commercial sensitivity	48(1)(a)(i)
Purchase of Tekapo Site	Commercial sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Previous minutes of the Tekapo Property Group under sections 7(2)(i) and 7(2)(b)(ii). Hughes Report to Tekapo Property Group and Purchase of Tekapo Site under section 7(2)(b)(ii).*

Graham Smith/Claire Barlow

The Tekapo Property Group continued in open meeting.

**THERE BEING NO FURTHER BUSINESS
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 3.35PM**

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE
SUBJECT: FINANCIAL REPORT – DECEMBER 2014
MEETING DATE: 3 FEBRUARY 2015
REF: FIN 1/2/1
FROM: MANAGER – FINANCE AND ADMINISTRATION
ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

Attached is the financial report for Council for the period ended 31 December 2014.

STAFF RECOMMENDATIONS:

1. That the report be received.

PAUL MORRIS
MANAGER – FINANCE AND ADMIN

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	GOVERNANCE	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
158,922	General Rates	179,172	179,172	-	✓		358,358
15,099	Targeted Rates	12,744	12,744	-	✓		25,500
11,630	Other Income	7,338	18,372	(11,034)	✗	1	36,750
185,651	Total Income	199,254	210,288	(11,034)			420,608
	Expenses						
22,741	Employment Expenses	29,675	28,819	(856)	✗		52,708
177,478	Members Expenses	153,841	157,608	3,767	✓		315,250
2,360	Consultancy Expenses	720	-	(720)	✗		-
21,700	Administration Expenses	24,409	23,022	(1,387)	✗		46,050
-	Internal interest Expense	-	156	156	✓		308
-	Depreciation	144	144	-	✓		292
1,474	Internal Charges	2,152	3,000	848	✓		6,000
225,754	Total Expenses	210,941	212,749	1,808			420,608
(40,103)	Operating Surplus/(Deficit)	(11,687)	(2,461)	(9,226)			-

Variance Analysis:

- Other Income - budgeted recoveries from Water Zone committees not billed for the December period until January 2015, timing difference only.

Operating and Capital Reserves

	Equity						
-	Opening Balance	-	-				-
-	Add back Non Cash Items	144	144				292
-	Transfer Funded Depreciation to Capital Reserve	(144)	(144)				(292)
(40,103)	Operating Surplus/(Deficit)	(11,687)	(2,461)				-
(40,103)	Total Operating Reserves	(11,687)	(2,461)				-
	Equity						
(4,839)	Opening Balance	(4,771)	-				-
-	Transfer Funded Depreciation from Operating Reserves	144	144				292
(4,839)	Total Capital Reserves	(4,627)	144				292

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014

LYTD Actual December 2013	CORPORATE SERVICES	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
936,583	General Rates	931,014	931,014	-	✓		1,862,112
57,168	Other Income	59,339	66,504	(7,165)	✗		133,000
48,472	Internal Income	51,895	65,166	(13,271)	✗	1	130,342
(226)	Internal Interest Income	(255)	1	(256)	✗		78
1,041,998	Total Income	1,041,993	1,062,685	(20,693)			2,125,532
	Expenses						
542,699	Employment Expenses	617,998	660,846	42,848	✓	2	1,321,752
62,750	Consultancy Expenses	123,932	61,254	(62,678)	✗	3	122,513
111,422	Administration Expenses	115,768	117,547	1,779	✓		308,454
126,724	Operational and Maintenance	114,558	136,247	21,689	✓	4	272,506
2,401	Internal interest Expense	3,740	7,119	3,379	✓		13,854
54,045	Depreciation	61,356	61,356	-	✓		122,710
22,656	Internal Charges	29,744	33,066	3,322	✓		66,137
922,696	Total Expenses	1,067,095	1,077,435	10,340			2,227,926
119,301	Operating Surplus/(Deficit)	(25,102)	(14,750)	(10,352)			(102,394)

Variance Analysis:

1. Internal Income - motor vehicle usage behind budget year to date.
2. Employment Expenses less than budgeted for Administration - District.
3. Consultancy Expenses - over budget as at 31 December 2014 due to valuation fees for insurance and annual reporting purposes relating to June 2014 year plus additional unbudgeted consultant costs for monthly reporting.
4. Operational and Maintenance costs less than budget due to motor vehicle costs less than forecast.

Operating and Capital Reserves

119,301	Operating Surplus/(Deficit)	(25,102)	(14,750)				(102,394)
119,301	Total Operating Reserves	(25,102)	(14,750)				(102,394)
	Equity						
(64,231)	Opening Balance	(112,900)	(155,000)				(155,000)
49,156	Transfer Funded Depreciation from Operating Reserves	61,326	66,516				133,019
(77,167)	Transfer Capital Expenditure from Operating Reserve	(114,214)	(121,560)				(173,118)
(92,242)	Total Capital Reserves	(165,787)	(210,044)				(195,099)

Capital Expenditure							
	Administration - District						
1,800	0018925. Plant and Equipment	535	1,500	965	✓		3,000
(1,800)	0018999. Transfer to Assets	-	-	-	✓		-
-	Total Administration - District	535	1,500	965			3,000
	Council Building - Fairlie						
12,564	0088916. Building Renovations	-	-	-	✓		-
-	0088925. Plant and Equipment	-	-	-	✓		20,000
-	0088935. Furniture & Fittings - Admin	536	1,056	520	✓		2,118
-	0088940. Furniture & Fittings - Other	444	4,002	3,558	✓		8,000
(3,330)	0088999. Transfer to Assets	-	-	-	✓		-
9,233	Total Council Building - Fairlie	980	5,058	4,078			30,118
	Council Building - Twizel						
5,171	0098916. Building Renovations	8,928	3,000	(5,928)	✗	1	3,000
(8,221)	0098999. Transfer to Assets	-	-	-	✓		-
(3,050)	Total Council Building - Twizel	8,928	3,000	(5,928)			3,000
	Information Technology Support						
-	0788001. Records Mngt Program	-	4,002	4,002	✓	2	8,000
50,093	0788002. PC Server	-	-	-	✓		-
-	0788010. Network Infrastructure	174	-	(174)	✗		-
6,157	0788011. Communications Equipment	5,997	-	(5,997)	✗	3	-
-	0788012. Software	17,850	17,500	(350)	✗		35,000
155	0788014. Web site development	-	3,500	3,500	✓	4	7,000
1,227	0788925. Plant and Equipment	-	-	-	✓		-
(57,477)	0788999. Transfer to Assets	-	-	-	✓		-
155	Total Information Technology Support	24,021	25,002	981			50,000
	Plant Operations						
-	2658930. Vehicles	80,821	87,000	6,179	✓	5	87,000
-	Total Plant Operations	80,821	87,000	6,179			87,000
6,338	Total Capital Expenditure	115,285	121,560	6,275			173,118

Variance Analysis:

1. Budget timing of building renovations. This will occur over the next three months
2. Budget phasing. No progress yet on this project
3. Carry over from the install of the phone systems replacement last year.
4. Budget phasing. No progress yet on this project
5. Budget phasing. Final vehicles purchased in December, better prices than forecast.

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	WATER	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
420,141	Targeted Rates	482,320	482,412	(92)	✗		964,858
(3,628)	Other Income	(6,822)	17,754	(24,576)	✗	1	86,054
6,390	Financial Contributions	6,000	-	6,000	✓	2	158,716
1,500	Internal Income	1,500	1,501	(1)	✗		3,000
23,768	Internal Interest Income	25,519	13,305	12,214	✓	3	26,373
-	Vested Assets	-	-	-	✓		77,000
448,172	Total Income	508,516	514,972	(6,456)			1,316,001
	Expenses						
2,637	Consultancy Expenses	3,618	6,842	3,224	✓		13,678
4,081	Administration Expenses	4,812	6,775	1,963	✓		11,731
190,808	Operational and Maintenance	194,568	219,430	24,862	✓	4	439,647
31,351	Internal interest Expense	29,354	63,560	34,206	✓	5	164,545
191,615	Depreciation	236,196	236,196	-	✓		472,425
1,500	Internal Charges	1,500	1,500	-	✓		3,000
421,993	Total Expenses	470,048	534,303	64,255			1,105,026
26,179	Operating Surplus/(Deficit)	38,468	(19,331)	57,799			210,975

Variance Analysis:

1. Other Income - debit balance result of water meter reading written off.
2. Financial Contributions are not budgeted for as they are dependent upon developer activity.
3. Internal Interest Income is below budget due to capital expenditure spent not at the beginning of the year which has resulted in capital reserve balances earning lower interest income.
4. Operational and Maintenance - Consent Monitoring and Quality Monitoring costs below budget year to date.
5. Internal Interest Income is below budget due to capital expenditure spent not at the beginning of the year which has resulted in capital reserve balances being charged lower interest expense.

Operating and Capital Reserves

26,179	Operating Surplus/(Deficit)	38,468	(19,331)				210,975
26,179	Total Operating Reserves	38,468	(19,331)				210,975

	Equity						
788,802	Opening Balance	1,014,566	(886,000)				(886,000)
-	Transfer - Financial Contributions	6,000	-				158,716
-	Transfer - from Operating Reserve	-	-				1,023
176,040	Transfer Funded Depreciation from Operating Reserves	222,798	222,792				445,621
-	Transfer - Vested Assets	-	-				77,000
(200,538)	Transfer Capital Expenditure from Operating Reserve	(254,343)	(1,459,622)				(2,990,852)
-	Transfer from Operating reserves	-	354				707
764,303	Total Capital Reserves	989,021	(2,122,476)				(3,193,785)

Capital Expenditure

	Allandale Water Supply						
-	0158211. Treatment	-	5,400	5,400	✓		5,400
-	Total Allandale Water Supply	-	5,400	5,400			5,400
	Burkes Pass Water Supply						
6,362	0178211. Treatment Upgrade	-	-	-	✓		-
6,362	Total Burkes Pass Water Supply	-	-	-			-
	Fairlie Community Water Supply						
99,751	0118201. Town Reticulation - Renewal	4,141	54,996	50,855	✓	1	110,000
-	0118203. Reticulation	6,685	-	(6,685)	✗		-
480	0118206. Service Connections - Renewal	-	13,002	13,002	✓		26,000
21,043	0118211. Treatment - New	13,780	17,502	3,722	✓		35,000
-	0118982. Water Meters	-	1,248	1,248	✓		2,500
121,273	Total Fairlie Community Water Supply	24,606	86,748	62,142			173,500

	Manuka Terrace Water Supply						
-	0238210. Headworks	13,860	-	(13,860)	✗	2	-
-	Total Manuka Terrace Water Supply	13,860	-	(13,860)			-
	Tekapo Community Water Supply						
18,709	0128211. Treatment - New	-	18,498	18,498	✓	3	37,000
-	0128212. Service Connections - Renew	-	540	540	✓		1,075
-	0128216. Vested Assets	-	-	-	✓		77,000
-	0128251. Reticulation - Renewal	-	2,688	2,688	✓		5,377
-	0128981. Water Meters	-	1,500	1,500	✓		3,000
(18,709)	0128999. Transfer to Assets	-	-	-	✓		-
-	Total Tekapo Community Water Supply	-	23,226	23,226			123,452
	Twizel Community Water Supply						
34,647	0138206. Service Connections - Renewal	22,691	13,002	(9,689)	✗		26,000
-	0138207. Town Reticulation - New	19,000	-	(19,000)	✗	4	-
-	0138210. HeadWorks - New	41,291	100,000	58,709	✓		200,000
33,199	0138211. Treatment - New	139,908	1,225,000	1,085,092	✓	5	2,450,000
-	0138212. Service Connections - New	536	-	(536)	✗		-
-	0138251. Fire Hydrant Markers	-	4,998	4,998	✓		10,000
-	0138980. Community Assets- Water Supply	3,390	-	(3,390)	✗		-
-	0138984. Water Meters	444	1,248	804	✓		2,500
(10,726)	0138999. Transfer to Assets	-	-	-	✓		-
57,120	Total Twizel Community Water Supply	227,260	1,344,248	1,116,988			2,688,500
184,755	Total Capital Expenditure	265,726	1,459,622	1,193,896			2,990,852

Variance Analysis:

1. Fairlie Community Water Supply - Renewal project currently behind budget due to timing of budget phasing. Project has now started. Expected to be on budget for full year.
2. Manuka Terrace Water Supply - unbudgeted investigation expenses.
3. Tekapo - Treatment - New - Project currently behind budget due to timing of budget phasing. Project has now started. Expected to be on budget for full year.
4. Twizel - Town Reticulation - unbudgeted Opus report on useful life of pipes.
5. Twizel - Treatment - New - budget spread per quarter across the year. Actual spend behind budget year to date but expected to be on schedule for the full year.

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	SEWER	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
211,755	Targeted Rates	230,459	230,592	(133)	✗		461,198
1,927	Other Income	3,488	-	3,488	✓		-
9,787	Financial Contributions	4,768	-	4,768	✓		132,965
13,761	Internal Interest Income	19,042	18,648	394	✓		37,442
-	Vested Assets	-	-	-	✓		160,000
237,229	Total Income	257,756	249,240	8,516			791,605
	Expenses						
2,128	Consultancy Expenses	-	5,338	5,338	✓		10,677
3,653	Administration Expenses	3,844	5,312	1,468	✓		10,426
63,676	Operational and Maintenance	66,852	78,950	12,098	✓	1	157,898
2,927	Internal interest Expense	2,326	6,727	4,401	✓		13,073
126,518	Depreciation	148,194	148,194	-	✓		296,397
198,902	Total Expenses	221,217	244,521	23,304			488,471
38,327	Operating Surplus/(Deficit)	36,540	4,719	31,821			303,134

Variance Analysis:

- Operational and Maintenance behind budget due to internal pipeline inspection work yet to be carried out in Fairlie and Twizel.

Operating and Capital Reserves

38,327	Operating Surplus/(Deficit)	36,540	4,719				303,134
38,327	Total Operating Reserves	36,540	4,719				303,134

	Equity						
977,571	Opening Balance	1,399,313	1,007,000				1,007,000
-	Transfer - Financial Contributions	4,768	-				132,965
126,518	Transfer Funded Depreciation from Operating Reserves	148,194	148,200				296,397
-	Transfer - Vested Assets	-	-				160,000
(14,989)	Transfer Capital Expenditure from Operating Reserve	(29,147)	(54,248)				(268,500)
1,089,100	Total Capital Reserves	1,523,127	1,100,952				1,327,862

Capital Expenditure							
	Fairlie Community Sewerage						
-	0278401. Sewer Reticulation Renewal	7,648	-	(7,648)	✗	1	-
-	0278403. Sewer Pump Station Renewal	13,366	-	(13,366)	✗	2	-
-	0278410. New Reticulation - Eversley	862	-	(862)	✗		-
-	Total Fairlie Community Sewerage	21,875	-	(21,875)			-
	Tekapo Community Sewerage						
-	0288193. Vested Assets	-	-	-	✓		160,000
-	0288401. Sewer Reticulation - Renewal	-	3,000	3,000	✓		6,000
-	Total Community Sewerage	-	3,000	3,000			166,000
	Twizel Community Sewerage						
-	0298410. Sewer Reticulation - New	1,073	1,250	177	✓		2,500
18,571	0298411. Sewer Treatment - New	6,199	30,000	23,801	✓	3	60,000
-	0298807. Resource Consent Costs	-	19,998	19,998	✓	4	40,000
18,571	Total Twizel Community Sewerage	7,272	51,248	43,976			102,500
18,571	Total Capital Expenditure	29,147	54,248	25,101			268,500

Variance Analysis:

1. Unbudgeted Council approved expenditure replacing the Fairlie camping ground Sewer pump.
2. Unbudgeted Council approved expenditure replacing the Fairlie camping ground Sewer pump.
3. Delay in land purchase has put this project behind schedule. Expected to be completed by year end.
4. Delay in land purchase has put this project behind schedule. Expected to be completed by year end.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014

LYTD Actual December 2013	STORMWATER	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
36,247	Targeted Rates	40,776	40,776	-	✓		81,546
3,860	Financial Contributions	1,062	-	1,062	✓		20,677
4,065	Internal Interest Income	4,717	6,884	(2,167)	✗		13,802
-	Vested Assets	-	-	-	✓		132,000
44,171	Total Income	46,555	47,660	(1,105)			248,025
	Expenses						
1,278	Consultancy Expenses	-	-	-	✓		-
307	Administration Expenses	291	1,935	1,644	✓		3,226
4,676	Operational and Maintenance	17,605	14,616	(2,989)	✗		30,179
30,196	Depreciation	30,966	30,966	-	✓		61,943
36,456	Total Expenses	48,863	47,517	(1,346)			95,348
7,715	Operating Surplus/(Deficit)	(2,307)	143	(2,450)			152,677
	Operating and Capital Reserves						
7,715	Operating Surplus/(Deficit)	(2,307)	143				152,677
7,715	Total Operating Reserves	(2,307)	143				152,677
	Equity						
338,349	Opening Balance	397,208	402,000				402,000
-	Transfer - Financial Contributions	1,062	-				20,677
30,196	Transfer Funded Depreciation from Operating Reserves	30,966	30,972				61,943
-	Transfer - Vested Assets	-	-				132,000
-	Transfer Capital Expenditure from Operating Reserve	(1,202)	-				(172,000)
368,545	Total Capital Reserves	428,034	432,972				444,620
	Capital Expenditure						
	Tekapo Stormwater						
-	0578193. Vested Assets	-	-	-	✓		132,000
-	0578456. S/Water Structure - New	-	-	-	✓		40,000
-	0578458. Stormwater Treatment	1,202	-	(1,202)	✗		-
-	Total Tekapo Stormwater	1,202	-	(1,202)			172,000
-	Total Capital Expenditure	1,202	-	(1,202)			172,000

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014

LYTD Actual December 2013	ROADING	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
654,731	Targeted Rates	659,364	659,364	-	✓		1,318,781
605,415	Subsidies and Grants	625,867	946,410	(320,543)	✗	1	1,505,430
-	Other Income	16,578	18,648	(2,070)	✗		37,300
5,918	Internal Interest Income	3,820	3,275	545	✓		373
-	Vested Assets	-	-	-	✓		290,000
1,266,065	Total Income	1,305,629	1,627,697	(322,068)			3,151,884
	Expenses						
9,653	Employment Expenses	58,123	53,334	(4,789)	✗		106,677
26,076	Consultancy Expenses	28,672	10,668	(18,004)	✗	2	21,342
807	Administration Expenses	933	2,802	1,869	✓		5,602
117	Internal interest Expense	707	438	(269)	✗		959
704,789	Roading	652,051	625,422	(26,629)	✗	3	1,183,185
820,764	Depreciation	943,242	943,242	-	✓		1,886,574
5,994	Internal Charges	4,843	6,648	1,805	✓		13,294
1,568,200	Total Expenses	1,688,571	1,642,554	(46,017)			3,217,633
(302,135)	Operating Surplus/(Deficit)	(382,942)	(14,857)	(368,085)			(65,749)

Variance Analysis:

1. Subsidies and Grants - NZTA subsidies received currently less than forecast due to phasing of capital works programme. Expected to be on budget for full year.
2. Consultancy Expenses - unbudgeted footbridge consultancy costs \$3,611 and Roothing Collaboration Project \$7,871 year to date. Further costs expected to be incurred before year end.
3. Roothing - variances shown in the Detailed Roothing Expenses Report.

Operating and Capital Reserves

(302,135)	Operating Surplus/(Deficit)	(382,942)	(14,857)				(65,749)
(302,135)	Total Operating Reserves	(382,942)	(14,857)				(65,749)
	Equity						
1,031,049	Opening Balance	580,439	45,000				45,000
386,185	Transfer Funded Depreciation from Operating Reserves	943,242	444,564				889,170
75,880	Transfer NZTA Capital Subsidy	-	576,468				801,398
-	Transfer Vested Asset from Op reserve	-	-				290,000
(471,304)	Transfer Capital Expenditure from Operating Reserve	(425,995)	(1,226,924)				(1,961,871)
1,021,811	Total Capital Reserves	1,097,686	(160,892)				63,697

Capital Expenditure							
District Roding							
-	2548193. Vested Assets	-	-	-	✓		290,000
19,356	2548211. Unsealed Road Metalling	253,526	212,490	(41,036)	✗		425,000
-	2548212. Sealed Road Resurfacing	-	520,000	520,000	✓	1	520,000
37,246	2548213. Drainage Renewal	44,084	36,000	(8,084)	✗		44,000
-	2548214. Sealed Road Pavement Rehabilitation	21,408	121,000	99,592	✓	2	121,000
-	2548215. Structures Component replacements bridges	40,267	5,000	(35,267)	✗	3	15,700
3,369	25482151. Structures Component replacements cattelstops	-	5,000	5,000	✓		10,000
29,289	2548222. Traffic Services Renewals	18,420	37,098	18,678	✓		74,200
-	2548231. Associated Improvements	-	2,502	2,502	✓		5,000
-	2548300. Footpath Minor Maintenance	1,830	-	(1,830)	✗		-
260	2548310. Footpaths - Surfacing	-	70,000	70,000	✓	4	70,000
67,070	2548341. Minor Improvements	24,759	125,000	100,241	✓	5	250,000
-	2548390. Streetscape Improvements	-	-	-	✓		21,300
-	2548395. Sealing Past Houses	-	-	-	✓		10,000
324,674	2548396. Manuka Terrace	-	80,000	80,000	✓	6	80,000
-	2548451. Walking?and?Cycling?Projects	15,401	-	(15,401)	✗	7	-
(32,658)	2548999. Transfer to Assets	-	-	-	✓		-
448,606	Total District Roding	419,695	1,214,090	794,395			1,936,200
Roding Professional Services							
-	0868001. Computers	12,690	12,834	144	✓		25,671
-	0868925. Plant and Equipment	502	-	(502)	✗		-
-	Total Roding Professional Services	13,192	12,834	(358)			25,671
448,606	Total Capital Expenditure	432,888	1,226,924	794,036			1,961,871

Variance Analysis:

1. Timing of budget spend for the first six months does not match Actuals. This is expected to correct over the year.
2. Timing of budget spend for the first six months does not match Actuals. This is expected to correct over the year.
3. Timing of budget spend for the first six months does not match Actuals. This overspend will be covered by reduced spend in other roding areas.
4. Timing of budget spend for the first six months does not match Actuals. This is expected to correct over the year.
5. Timing of budget spend for the first six months does not match Actuals. This is expected to correct over the year.
6. Timing of budget spend for the first six months does not match Actuals. This is expected to correct over the year.
7. Timing of budget spend for the first six months does not match Actuals. This is expected to correct over the year.

Mackenzie District Council
Detailed Roding Activity
For The Year Ended December 2014

LYTD Actual December 2013		YTD Actual December 2014	YTD Budget December 2014	Variance		Full Year Budget 30/06/15
	Roding					
90,709	2546111. Sealed Pavement Mtce	138,281	120,000	(18,281)	✗	172,300
166,327	2546112. Unsealed Pavement Mtce	182,766	176,490	(6,276)	✗	353,000
25,203	2546113. Routine Drainage Mtce	71,274	35,598	(35,676)	✗	71,200
12,484	25461131. Drainage Mtce - St Cleaning	12,131	26,496	14,365	✓	53,000
15,367	2546114. Structures Maintenance Bridges	34,954	38,100	3,146	✓	76,200
2,792	25461141. Structures Maintenance Cattlestops	6,337	12,798	6,461	✓	25,600
74,166	2546121. Environmental Mtce	113,640	75,000	(38,640)	✗	150,000
14,983	2546122. Traffic Services Mtce	15,310	30,696	15,386	✓	61,400
13,175	25461221. Street Lighting - Maintenanc	15,184	24,300	9,116	✓	48,600
21,091	25461222. Street Lighting - Electricit	24,542	22,950	(1,592)	✗	45,900
240,897	2546288. Emergency Reinstatement	-	-	0	✓	-
2,262	2546301. Street Lights - Mtce - Trans	3,583	9,102	5,519	✓	18,200
4,930	2546302. Street Lights-Elect - Transi	5,376	5,850	474	✓	11,700
11,581	2546303. Drainage Mtce - St Cleaning Transit	11,756	12,252	496	✓	24,500
8,382	2546304. Footpaths	16,917	35,472	18,555	✓	70,945
-	2546305. New Year Road Sweep	-	318	318	✓	640
441	2546306. Alps2ocean	-	-	0	✓	-
704,789		652,051	625,422	(26,629)		1,183,185

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	SOLID WASTE	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
230,526	General Rates	66,030	66,030	-	✓		132,074
76,996	Targeted Rates	253,806	251,298	2,508	✓		502,608
59,985	Other Income	61,471	70,044	(8,573)	✗	1	140,100
367,508	Total Income	381,307	387,372	(6,065)			774,782
	Expenses						
11,718	Employment Expenses	14,933	13,056	(1,877)	✗		26,118
5,587	Consultancy Expenses	4,451	17,018	12,567	✓	2	31,143
6,237	Administration Expenses	6,438	2,628	(3,810)	✗		5,266
346,921	Operational and Maintenance	341,306	347,328	6,022	✓		687,200
8,092	Internal interest Expense	6,012	13,406	7,394	✓		26,532
10,046	Depreciation	10,230	10,230	-	✓		20,479
2,649	Internal Charges	1,133	5,460	4,327	✓		10,916
391,251	Total Expenses	384,502	409,126	24,624			807,654
(23,743)	Operating Surplus/(Deficit)	(3,195)	(21,754)	18,559			(32,872)

Variance Analysis:

1. Other Income - RRP Gate Fees below budget \$3,232 and sale of recycleable materials \$5,636 below budget..
2. Consultancy Expenses - variance to budget is a result of timing issues - legal fees and hazardous waste contribution costs not yet incurred.

Operating and Capital Reserves

(23,743)	Operating Surplus/(Deficit)	(3,195)	(21,754)				(32,872)
(23,743)	Total Operating Reserves	(3,195)	(21,754)				(32,872)
	Equity						
(464,156)	Opening Balance	(448,033)	(444,000)				(444,000)
10,046	Transfer Funded Depreciation from Operating Reserves	7,938	7,944				15,890
(454,110)	Total Capital Reserves	(440,095)	(436,056)				(428,110)

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014

LYTD Actual December 2013	PLANNING	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
78,581	General Rates	117,954	117,954	-	✓		235,913
49,883	Other Income	47,895	48,144	(249)	✗		96,300
8,696	Reserve Contributions	2,701	-	2,701	✓	1	120,000
6	Internal Interest Income	8	12	(4)	✗		24
137,165	Total Income	168,558	166,110	2,448			452,237
	Expenses						
120,895	Employment Expenses	128,332	175,236	46,904	✓	2	350,488
99,479	Consultancy Expenses	101,367	142,500	41,133	✓	3	285,000
4,689	Administration Expenses	8,079	12,834	4,755	✓		25,672
1,373	Operational and Maintenance	453	4,368	3,915	✓		8,728
81	Depreciation	12	12	-	✓		30
4,356	Internal Charges	2,448	3,252	804	✓		6,500
230,873	Total Expenses	240,691	338,202	97,511			676,418
(93,708)	Operating Surplus/(Deficit)	(72,133)	(172,092)	99,959			(224,181)

Variance Analysis:

1. Reserve Contributions - contribution income is not budgeted as it is dependent on developer activity.
2. Employment Expenses - behind budget year to date due to senior planner not yet replaced for District Plan review.
3. Consultancy Expenses overall behind budget year to date. Plan Change 13 costs behind budget \$29,101 and District Plan review costs over budget \$13,946.

Operating and Capital Reserves

(93,708)	Operating Surplus/(Deficit)	(72,133)	(172,092)				(224,181)
(93,708)	Total Operating Reserves	(72,133)	(172,092)				(224,181)
	Equity						
473	Opening Balance	631	(1,000)				(1,000)
81	Transfer Funded Depreciation from Operating Reserves	12	12				30
-	Transfer From Operating Reserves	-	-				1,030
554	Total Capital Reserves	643	(988)				60

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	REGULATORY	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
47,085	General Rates	129,954	19,938	110,016	✓		39,882
73,828	Targeted Rates	77,436	77,436	-	✓		154,882
242,278	Other Income	200,607	213,040	(12,433)	✗		435,373
402	Internal Interest Income	269	287	(18)	✗		624
363,593	Total Income	408,266	310,701	97,565			630,761
	Expenses						
88,817	Employment Expenses	149,283	142,002	(7,281)	✗		284,015
15,070	Consultancy Expenses	25,331	23,502	(1,829)	✗		47,000
29,249	Administration Expenses	21,870	30,269	8,399	✓		60,432
109,579	Operational and Maintenance	64,604	58,224	(6,380)	✗		180,447
2,936	Internal interest Expense	2,647	3,208	561	✓		5,957
19,304	Depreciation	22,686	22,686	-	✓		45,375
9,910	Internal Charges	12,732	20,394	7,662	✓		40,789
274,865	Total Expenses	299,153	300,285	1,132			664,015
88,728	Operating Surplus/(Deficit)	109,114	10,416	98,698			(33,254)
	Operating and Capital Reserves						
88,728	Operating Surplus/(Deficit)	109,114	10,416				(33,254)
88,728	Total Operating Reserves	109,114	10,416				(33,254)
	Equity						
(49,280)	Opening Balance	(86,294)	(96,000)				(96,000)
19,304	Transfer Funded Depreciation from Operating Reserves	22,686	22,686				45,375
(55,500)	Transfer Capital Expenditure from Operating Reserve	(11,024)	(26,600)				(26,600)
(85,476)	Total Capital Reserves	(74,632)	(99,914)				(77,225)

Capital Expenditure							
	Civil Defence						
-	0108925. Plant and Equipment	7,774	1,600	(6,174)	✗		1,600
-	Total Civil Defence	7,774	1,600	(6,174)	✗		1,600
	Rural Fires						
8,000	0838925. Plant and Equipment	3,250	-	(3,250)	✗		-
47,500	0838930. Vehicles	-	20,000	20,000	✓	1	20,000
(52,197)	0838999. Transfer to Assets	-	-	-	✓		-
3,303	Total Rural Fires	3,250	20,000	16,750	✓		20,000
3,303	Total Capital Expenditure	11,024	21,600	10,576			21,600

Variance Analysis:

1. Motor Vehicle purchased in 2014 financial year. Budget in 2015 year

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014

LYTD Actual December 2013	RECREATIONAL FACILITIES	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
59,818	General Rates	57,600	57,600	-	✓		115,199
548,195	Targeted Rates	686,418	686,418	-	✓		1,372,893
13,274	Subsidies and Grants	4,455	10,704	(6,249)	✗		21,407
123,878	Other Income	147,868	124,432	23,436	✓	1	197,813
1,085	Internal Interest Income	2,049	2,948	(899)	✗		6,082
746,250	Total Income	898,390	882,102	16,288			1,713,394
	Expenses						
25,286	Employment Expenses	39,629	34,331	(5,298)	✗		91,322
186,378	Administration Expenses	159,785	179,490	19,705	✓		258,364
390,527	Operational and Maintenance	369,142	555,714	186,572	✓	2	1,111,513
14,764	Internal interest Expense	13,310	18,179	4,869	✓		35,299
112,788	Depreciation	116,862	116,862	-	✓		233,769
1,463	Internal Charges	-	-	-	✓		-
731,205	Total Expenses	698,728	904,576	205,848			1,730,267
15,044	Operating Surplus/(Deficit)	199,662	(22,474)	222,136			(16,873)

Variance Analysis:

1. Other income ahead of budget due to Holiday Park lease income not budgeted for.
2. Operational and Maintenance - Fairlie & Tekapo township projects behind budget year to date due to budget phasing.

Operating and Capital Reserves

15,044	Operating Surplus/(Deficit)	199,662	(22,474)				(16,873)
15,044	Total Operating Reserves	199,662	(22,474)				(16,873)

	Equity						
(690,943)	Opening Balance	(589,269)	(763,000)				(763,000)
35,039	Transfer Funded Depreciation from Operating Reserves	63,462	32,160				64,325
-	Transfer - to/from Op Rsve	-	44,340				88,689
(38,566)	Transfer Capital Expenditure from Operating Reserve	(10,786)	(12,504)				(25,000)
(694,469)	Total Capital Reserves	(536,593)	(699,004)				(634,986)

Capital Expenditure							
	Fairlie Township						
-	0528965. Comm Asset - Public Amenities	80	-	(80)	✗		-
-	Total Fairlie Township	80	-	(80)			-
	Mackenzie Community Centre						
-	1228925. Plant and Equipment	499	10,002	9,503	✓	1	20,000
-	1228940. Furniture & Fittings - Other	-	2,502	2,502	✓	2	5,000
-	Total Mackenzie Community Centre	499	12,504	12,005			25,000
	Tekapo Community Hall						
906	1248917. Aorangi Cres Upgrade	-	-	-	✓		-
20,444	1248940. Furniture & Fittings - Other	10,207	-	(10,207)	✗	3	-
15,076	1248978. Resurfacing Tennis Court	-	-	-	✓		-
(45,173)	1248999. Transfer to Assets	-	-	-	✓		-
(8,747)	Total Tekapo Community Hall	10,207	-	(10,207)			-
	Twizel Reserves						
-	1068192. Other Projects	18,418	-	(18,418)	✗	4	-
-	1068925. Plant and Equipment	22,462	-	(22,462)	✗	5	-
-	Total Twizel Reserves	40,880	-	(40,880)			-
(8,747)	Total Capital Expenditure	51,666	12,504	(39,162)			25,000

Variance Analysis:

1. Budgeted spend not yet occurred
2. Budgeted spend not yet occurred
3. Carry over from completion of Capex from 2014 year. Budgeted last year.
4. Work budgeted in the 2014 year. Completed in this financial year.
5. Work budgeted in the 2014 year. Completed in this financial year.

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	COMMUNITY FACILITIES	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
140,718	General Rates	164,100	164,100	-	✓		328,208
435	Subsidies and Grants	757	378	379	✓		757
61,600	Other Income	61,225	58,950	2,275	✓		117,893
1,154	Internal Interest Income	1,383	1,861	(478)	✗		3,833
203,906	Total Income	227,465	225,289	2,176			450,691
	Expenses						
21,994	Administration Expenses	22,710	15,527	(7,183)	✗	1	21,741
173,843	Operational and Maintenance	185,836	183,522	(1,984)	✗		367,751
310	Internal interest Expense	6,653	18,350	11,697	✓	2	28,366
25,088	Depreciation	24,612	24,612	-	✓		49,236
221,235	Total Expenses	239,810	242,341	2,531			467,094
(17,328)	Operating Surplus/(Deficit)	(12,345)	(17,052)	4,707			(16,403)

Variance Analysis:

1. Fairlie Pensioner housing costs exceed current budget year to date.
2. Internal Interest Expense is under budget due to capital expenditure not being spent at the beginning of the year which has resulted in capital reserve balances being charged a

Operating and Capital Reserves

(17,328)	Operating Surplus/(Deficit)	(12,345)	(17,052)				(16,403)
(17,328)	Total Operating Reserves	(12,345)	(17,052)				(16,403)
	Equity						
102,491	Opening Balance	8,745	(187,000)				(187,000)
8,355	Transfer Funded Depreciation from Operating Reserves	24,612	16,062				32,122
(30,613)	Transfer Capital Expenditure from Operating Reserve	(297,200)	-				(317,652)
80,233	Total Capital Reserves	(263,843)	(170,938)				(472,530)

Capital Expenditure							
	Public Toilets						
26,552	1518916. Buildings	343,215	-	(343,215)	✗	1	317,652
26,552	Total Public Toilets	343,215	-	(343,215)			317,652
26,552	Total Capital Expenditure	343,215	-	(343,215)			317,652

Variance Analysis:

1. Public Toilets - Buildings - variance to budget due to timing. Full year budget sitting in June 2015.

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended December 2014**

LYTD Actual December 2013	COMMERCIAL ACTIVITIES	YTD Actual December 2014	YTD Budget December 2014	Variance			Full year Budget June 2015
	Income						
80,894	General Rates	(535,368)	(535,368)	-	✓		(1,070,778)
43,946	Targeted Rates	111,634	111,816	(182)	✗		223,630
318,918	Investment Income	424,863	468,794	(43,931)	✗	1	1,016,620
260,857	Other Income	73,576	75,412	(1,836)	✗		194,616
(41,899)	Other Gains and Losses	(22,439)	(19,330)	(3,109)	✗	2	1,897,666
71,638	Internal Interest Income	73,021	112,677	(39,656)	✗	3	266,828
734,354	Total Income	125,287	214,001	(88,713)			2,528,582
	Expenses						
25,569	Employment Expenses	41,447	-	(41,447)	✗	4	-
9,231	Members Expenses	10,154	10,002	(152)	✗		20,000
46,699	Consultancy Expenses	105,149	43,746	(61,403)	✗	5	87,491
62,572	Administration Expenses	66,765	57,764	(9,001)	✗	6	78,140
101,698	Operational and Maintenance	150,320	231,733	81,413	✓	7	463,481
58,673	Internal interest Expense	64,824	40,691	(24,133)	✗	8	81,207
-	Asset Impairment	-	-	-	✓		30,000
24,544	Depreciation	39,330	39,330	-	✓		78,669
328,985	Total Expenses	477,989	423,266	(54,723)			838,988
405,369	Operating Surplus/(Deficit)	(352,702)	(209,265)	(143,437)			1,689,594

Variance Analysis:

- Investment Income is below budgeted due to interest income less than forecast.
- Other Gains and Losses (\$22,439) are costs relating to Market Place subdivision. Revenue will come when the subdivision is complete and the sale is made.
- Internal Interest Income is below budget due to capital expenditure spent at the beginning of the year which has resulted in capital reserve balances earning the commercial activity lower interest income and increased interest expense.
- Employment Expenses - costs associated with the Information Centre. Budget is held in Administration activity.
- Consultancy Expenses - ahead of budget due to legal fees associated with Tekapo land sales over budget to date.
- Administration Expenses - Rates internally charged. Now picked up by Real Estate activity.
- Operational and Maintenance - Forestry costs are lower than budget by \$10,690 due to budget timing. Costs for A20 are \$12,498 lower than budget due to timing. Tourism service contributions are \$9,585 lower than budget as CCT have not billed us as per budget.
- Internal Interest Expense is over budget due to lower capital expenditure spent at the beginning of the year which has resulted in capital reserve balances costing the commercial activity higher interest expense.

Operating and Capital Reserves

405,369	Operating Surplus/(Deficit)	(352,702)	(209,265)				1,689,594
405,369	Total Operating Reserves	(352,702)	(209,265)				1,689,594

Equity

52,557	Opening Balance	(431,554)	716,000				716,000
-	Transfer from Operating reserves	-	-				80,000
52,557	Total Capital Reserves	(431,554)	716,000				796,000

Capital Expenditure

	Old Library Café						
-	0668920. Building - Renewal	563,172	-	(563,172)	✗	1	-
-	Total Old Library Café	563,172	-	(563,172)			-
	Real Estate						
115,986	0818906. Twizel Industrial Subdivision	227,869	3,700,000	3,527,364	✓	2	3,700,000
115,986	Total Real Estate	227,869	3,700,000	3,527,364			3,700,000
115,986	Total Capital Expenditure	791,041	3,700,000	2,964,192			3,700,000

Variance Analysis:

1. Old Library Café costs are unbudgeted as Council was unsure whether building was to be repaired or rebuilt. Costs are covered by insurance monies.
2. Tekapo lake front development expected to be further progressed at this time. Delayed due to resource consent issues around stormwater.

MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE
SUBJECT: LONG TERM PLAN 2015-2025
MEETING DATE: 3 FEBRUARY 2015
REF: LTP 2015-2025
FROM: MANAGER FINANCE & ADMINISTRATION

PURPOSE OF REPORT:

To inform Council on the Long-Term Plan project, costs and progress to date.

STAFF RECOMMENDATIONS:

1. That the report be received and the content noted.

PAUL MORRIS
MANAGER FINANCE & ADMINISTRATION

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

BACKGROUND:

Council is required, every three years, to produce a Long-Term Plan document setting out the way forward over a ten year period. With the latest amendment to the Local Government Act, five key documents (3 new) are required:

1. Significance & Engagement policy (approved for public consultation on 16th October 2014) to be in place by 1 December 2014. This has been adopted.
2. 30 year infrastructure plan for 3 Waters and Rooding. We are planning for Council to adopt these on 17th February..
3. Consultation document – replaces the old draft Long-Term Plan. There is now no statutory standing for a Draft Long-Term Plan as the name suggests this is the main consultation document.
4. Long-Term Plan.
5. Financial Strategy.

The consultation document will require an audit review and sign-off and a special consultative process will be required to be undertaken.

The project to date has incurred significant staff input and cost –

	Hours
Bernie Haar	400
Geoff Horler	136
Suzy Ratahi	275
Angie Taylor	4
Nathan Hole	45
Garth Nixon	45
Paul Morris	725
Total hours	1630

The major concern is time and workload in addition to the team's normal workload.

The cost of employing PriceWaterhouseCoopers of Christchurch is \$15,000 to December 2015.