

NOTICE IS HEREBY GIVEN THAT THE MONTHLY MEETING OF THE FINANCE AND POLICY COMMITTEE, WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 13 FEBRUARY 2007, FOLLOWING THE CONCLUSION OF THE OPERATIONS COMMITTEE MEETING

**Steve Parry
CHIEF EXECUTIVE**

7 February 2007

A G E N D A

1. Financial Report for November 2006
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2. Financial Report for December 2006
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3. Independent Inquiry into Local Government Rates
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FINANCE AND POLICY COMMITTEE AGENDA

FEBRUARY 2007

1. FINANCIAL REPORT FOR NOVEMBER 2006

(Memo from Temporary Chief Financial Officer – 20.12.06)

Operating Results

For the five months ended 30 November 2006, the Gore District Council recorded a surplus of \$5,415,000. This is favourable by \$155,000 on the budget result for the same period.

Our performance for the period is summarised in the table below. The full results can be found in the statements at the end of this report.

November							Full Year LTCCP
Actual	Budget	Variance		Actual	Budget	Variance	\$000
\$000	\$000	\$000		\$000	\$000	\$000	\$000
			Revenue				
0	0	0	Rates	8,668	8,629	39	8,629
381	387	(5)	Other	1,908	2,086	(178)	4,793
381	387	(5)		10,576	10,716	(139)	13,422
			Expenses				
55	45	(10)	Democracy	190	223	33	535
646	698	51	Assets	3,280	3,488	208	8,373
310	349	39	Corporate Services	1,692	1,746	54	4,192
1,011	1,091	80		5,162	5,456	295	13,099
(630)	(705)	75	Surplus (Deficit)	5,415	5,259	155	323

Variance Explanation

Income

Overall income is unfavourable by \$139k.

The Transfund subsidy is the major reason for the unfavourable variance as spending on roads has not been high so far this year. As a result the subsidy is \$180k behind budget. This is purely a timing difference.

The full rates strike for 2006/07 is included in the operating results giving the Council a large operating surplus. The rates figure will not change much for the rest of the year, therefore the surplus will steadily decrease towards the \$323k predicted at the end of the financial year.

Expenditure

Overall expenditure is favourable by \$155k. This is mainly due to timing differences. Although this is a positive result it is too early in the financial year to make any meaningful comment on the variance and the probable trend.

RECOMMENDATION

THAT the financial report for the five months ended 30 November 2006 be received.

**Gore District Council
Statement of Financial Performance
1 July - 30 November 2006**

November				Actual	Budget	Variance	LTCCP
Actual	Budget	Variance		Actual	Budget	Variance	LTCCP
\$000	\$000	\$000		\$000	\$000	\$000	\$000
Revenue							
0	0	0	Rates	8,668	8,629	39	8,629
10	10	0	Petroleum Tax	51	51	(0)	123
112	171	(59)	Transfund Subsidy	452	854	(402)	2,051
159	203	(44)	Licenses Fees & Other Revenue	1,285	1,169	117	2,590
100	2	98	Interest and Dividends	120	12	108	29
381	387	(5)		10,576	10,716	(139)	13,422
Expenses							
55	45	(10)	Democracy	190	223	33	535
247	264	17	Essential services	1,214	1,320	105	3,167
226	267	42	Roads	1,233	1,336	103	3,207
128	113	(15)	Reserves & Sport Facilities	583	563	(19)	1,352
46	54	8	Property	250	269	19	646
56	50	(6)	Regulatory	276	248	(29)	594
86	87	0	Aquatic Centres	393	434	41	1,041
66	74	8	Heritage Precinct	356	370	14	887
102	139	36	Administration	666	695	28	1,669
1,011	1,091	80		5,162	5,456	295	13,099
(630)	(705)	75	Surplus (Deficit)	5,415	5,259	155	323

**Gore District Council
Balance Sheet
As at 30 November 2006**

Actual		Actual	LTCCP
30 Jun 2006		30 Nov 2006	30 Jun 2007
\$000		\$000	\$000
	Equity		
137,223	Accumulated funds	142,639	138,388
106,982	Asset Revaluation Reserve	106,980	108,025
244,205		249,620	246,413
	Assets		
	Current Assets		
(16)	Bank	414	41
1,263	Debtors	5,583	900
711	Short Term Deposits	2,211	708
39	Inventory	48	0
1,997		8,256	1,649
	Non current Assets		
68	Investments	68	68
230	Loans to Community Groups	220	0
251,994	Fixed Assets	251,521	255,561
252,292		251,809	255,629
254,289	Total Assets	260,064	257,278
	Liabilities		
	Current Liabilities		
1,496	Creditors	1,856	1,525
	Non Current Liabilities		
8,400	Term Loans	8,400	9,196
188	Landfill Aftercare Provision	188	144
8,588		8,588	9,340
10,084	Total Liabilities	10,444	10,865
244,205	Net Assets	249,620	246,413

2. FINANCIAL REPORT FOR DECEMBER 2006

(Memo from Temp Chief Financial Officer – 25.01.07)

Operating Results

For the six months ended 31 December 2006, the Gore District Council recorded a surplus of \$4,876,000. This is favourable by \$322,000 on the budget result for the same period.

Our performance for the period is summarised in the table below. The full results can be found in the statements at the end of this report.

Operating Results

December							Full Year LTCCP
Actual	Budget	Variance		Actual	Budget	Variance	\$000
\$000	\$000	\$000		\$000	\$000	\$000	\$000
			Revenue				
0	0	0	Rates	8,668	8,629	39	8,629
409	387	22	Other	2,317	2,473	(156)	4,793
409	387	22		10,985	11,102	(117)	13,422
			Expenses				
20	45	25	Democracy	210	267	57	535
636	698	61	Assets	3,916	4,186	270	8,373
291	349	58	Corporate Services	1,983	2,095	112	4,192
947	1,091	144		6,109	6,548	439	13,099
(538)	(705)	166	Surplus (Deficit)	4,876	4,555	322	323

Variance Explanation

Income

Overall income is unfavourable by \$117k.

The Transfund subsidy is the major reason for the unfavourable variance as spending on roads has not been high so far this year. As a result the subsidy is \$180k behind budget. This is purely a timing difference.

The full rates strike for 2006/07 is included in the operating results giving the Council a large operating surplus. The rates figure will not change much for the rest of the year, therefore

the surplus will steadily decrease towards the \$323k predicted at the end of the financial year.

Expenditure

Overall expenditure is favourable by \$439k. This is mainly due to timing differences. Although this is a positive result it is too early in the financial year to make any meaningful comment on the variance and the probable trend.

RECOMMENDATION

THAT the financial report for the six months ended 31 December 2006 be received.

Gore District Council
Statement of Financial Performance
1 July - 31 December 2006

December				Actual	Budget	Variance	LTCCP
Actual	Budget	Variance		Actual	Budget	Variance	LTCCP
\$000	\$000	\$000		\$000	\$000	\$000	\$000
Revenue							
0	0	0	Rates	8,668	8,629	39	8,629
10	10	(0)	Petroleum Tax	61	61	(0)	123
193	171	22	Transfund Subsidy	645	1,025	(380)	2,051
172	203	(31)	Licenses Fees & Other Revenue	1,457	1,372	85	2,590
34	2	32	Interest and Dividends	154	14	139	29
409	387	22		10,985	11,102	(117)	13,422
Expenses							
20	45	25	Democracy	210	267	57	535
218	264	46	Essential services	1,432	1,584	151	3,167
267	267	0	Roads	1,500	1,603	103	3,207
107	113	6	Reserves & Sport Facilities	690	676	(14)	1,352
45	54	9	Property	294	323	28	646
40	50	9	Regulatory	317	297	(20)	594
78	87	9	Aquatic Centres	471	521	50	1,041
71	74	3	Heritage Precinct	427	444	16	887
102	139	37	Administration	768	834	66	1,669
947	1,091	144		6,109	6,548	439	13,099
(538)	(705)	166	Surplus (Deficit)	4,876	4,555	322	323

**Gore District Council
Balance Sheet
As at 31 December 2006**

Actual		Actual	LTCCP
30 Jun 2006		31 Dec 2006	30 Jun 2007
\$000		\$000	\$000
	Equity		
137,223	Accumulated funds	142,100	138,388
106,982	Asset Revaluation Reserve	106,980	108,025
244,205		249,081	246,413
	Assets		
	Current Assets		
(16)	Bank	138	41
1,263	Debtors	5,510	900
711	Short Term Deposits	1,626	708
39	Inventory	51	0
1,997		7,325	1,649
	Non current Assets		
68	Investments	68	68
230	Loans to Community Groups	220	0
251,994	Fixed Assets	251,272	255,561
252,292		251,560	255,629
254,289	Total Assets	258,885	257,278
	Liabilities		
	Current Liabilities		
1,496	Creditors	1,226	1,525
	Non Current Liabilities		
8,400	Term Loans	8,400	9,196
188	Landfill Aftercare Provision	178	144
8,588		8,578	9,340
10,084	Total Liabilities	9,804	10,865
244,205	Net Assets	249,081	246,413

3. INDEPENDENT INQUIRY INTO LOCAL GOVERNMENT RATES

(Memo from Chief Executive – 23.01.07)

Attached is the first letter received from the independent panel appointed to inquire into local authority rates.

A copy of the terms of reference is attached and further information will be provided as it comes to hand.

RECOMMENDATION

THAT the information be received.