



ATTACHMENTS

**Strategy, Finance and Risk Committee
meeting
Separate Attachments 1**

Monday, 13 February 2023

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Financial Statements

Year to 31 December 2022

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Favourable
(Unfavourable)

FULL YEAR

	\$'000	Actual YTD	Budget YTD	Variance	Variance %	Forecast	Total Budget	Variance
OPERATING REVENUE								
Rates		132,685	134,534	(1,849)	-1%	266,311	269,883	(3,572)
Subsidies & Grants		12,766	4,608	8,159	177%	20,147	9,153	10,994
Other Revenue		29,819	30,826	(1,007)	-3%	57,378	61,374	(3,996)
Finance Revenue		3,059	1,802	1,258	70%	5,500	3,604	1,896
Total Operating Revenue		178,330	171,770	6,560	4%	349,336	344,014	5,322
ASSET DEVELOPMENT REVENUE & OTHER GAINS								
Development Contributions		21,748	17,497	4,251	24%	34,993	34,993	0
Other Gains/(Losses)		2,609	690	1,919	278%	4,380	1,380	3,000
Subsidies & Grants Capital Expenditure Contributions		27,370	38,869	(11,498)	-30%	85,301	104,668	(19,367)
Assets vested to Tauranga City Council		10,356	11,898	(1,542)	-13%	23,795	23,795	0
Total Asset Development Revenue & Other Gains		62,083	68,953	(6,870)	-10%	148,469	164,837	(16,367)
TOTAL REVENUE		240,413	240,723	(310)	0%	497,806	508,851	(11,045)
OPERATING EXPENDITURE								
Personnel Expense		45,894	45,307	(587)	-1%	93,805	90,667	(3,138)
Depreciation & Amortisation Expense		40,189	37,607	(2,582)	-7%	82,213	75,213	(7,000)
Finance Expense		15,313	15,613	300	2%	36,800	31,225	(5,575)
Consultants & Contractors		23,456	17,272	(6,183)	-36%	53,999	34,431	(19,568)
Other Expenses:		64,585	76,705	12,120	16%	153,711	154,677	966
R&M		14,209	14,889	680	5%	33,215	32,436	(779)
Community contributions & grants		8,690	15,673	6,983	45%	28,530	31,457	2,927
Operational costs		17,144	21,488	4,344	20%	45,379	42,807	(2,572)
Power & rates		8,146	7,591	(555)	-7%	14,312	14,944	632
Administration		16,397	17,064	667	4%	32,275	33,033	758
Total Operating Expenditure		189,437	192,504	3,067	2%	420,528	386,213	(34,315)
OTHER EXPENSES								
Total Other Expenses		0	0	(0)	0%	1,200	1,200	0
TOTAL EXPENDITURE		189,437	192,504	3,067	2%	421,728	387,413	(34,315)
SURPLUS/(DEFICIT)		50,976	48,219	2,757	6%	76,078	121,437	(45,359)
OPERATING SURPLUS/(DEFICIT)		(11,107)	(20,734)	9,627	46%	(71,192)	(42,199)	(28,992)

Overall Comments on Year to Date Balances

Rates revenue is behind budget, reflecting lower water by meter revenue due to reduced water consumption.

Subsidies & Grants revenue mainly comprises the Waka Kotahi subsidy, but includes other grants (including government grants for waters reforms) and donations for this period. Tauriko West project subsidies are now accounted for as operating subsidies, generating the positive variance. Full year forecast includes \$8.7m for Tauriko West.

Other Revenue, primarily user fees, is tracking below budget. Details of variances can be found in the user fees and expenditure variance by activity report, attached.

Finance Revenue includes interest on deposits and dividends, which have both exceeded budgets due to additional funds on deposit (slower capital programme), higher interest rates and higher dividend payments. The forecast reflects the increase in interest rates.

Development Contributions are primarily from city-wide development contributions, Papamoa East and Tauriko Business Estate development contributions.

