

Subject: Economic Development Unit: Financial Results to 30 June 2010

Prepared By: Melanie Walker – Assistant Accountant

Meeting Date: 15 September 2010

Report to COMMUNITY DEVELOPMENT Committee for noting

SUMMARY

The financial reports for the Economic Development Unit for the year ending 30 June 2010 are attached.

The operating surplus for the 2010 financial year is \$21K against a budgeted deficit of \$4K. This represents a favourable variance of \$25K.

The 2010 Annual report is not yet complete. These figures are pre-audit. It is not anticipated that there will be any significant adjustments made as a result of the audit process.

RECOMMENDATION

That the Committee:

1. receives the report

Melanie Walker
Assistant Accountant

Nedine Thatcher-Swann
Community Planning and Development Manager

1. INTRODUCTION

Attached are the financial reports for the Economic Development Unit for the year ended 30 June 2010.

2. RESULTS FOR THE YEAR ENDED 30 JUNE 2010

	2009/10			2008/09
	Actual to Jun	Budget Full Year	YTD as % of Full Year Budget	Actual to Jun
Total Revenue	1,361	6,645	20%	50,178
Total Expenditure	415,642	431,756	96%	294,002
Operating Surplus/(Deficit)	(305,024)	(425,111)	71%	(136,155)
Targeted Rate	435,195	421,285	103%	318,272
Net Surplus/(deficit) of Activity	20,914	(3,826)	547%	74,448

Comment on Financial Results

The Economic Development Unit income received for the year is \$1,361K, the majority of which relates to receipts collected for the production of the Events Management brochure that will be produced later in 2009-10 year. Subsequent to the 30th June 2010 \$50K was received for the Warmer Homes Project which will be paid out in 2010-11.

The total expenditure for the year is \$415K, representing a \$16K favourable variance to budget. The 2008-09 comparative was \$294K. The main variance between the 2008-09 year and this year is the Heart of Gisborne payment of \$185K. This was originally paid from the Chief Executive's budget but has now been transferred across.

Salaries and wages are the main expenditure item. The total employee costs were \$105K being a \$12K favourable variance against the full year budget.

Expenditure this year includes \$3K for the Mayor's "Taskforce for Jobs" Trade graduates programme; \$4K for Pay Mark data which enabled economic analysis of electronic payments made over the Rhythm and Vines period. The Event Management brochure costs were \$4K, of which a small contribution of \$1K was received towards the costs.

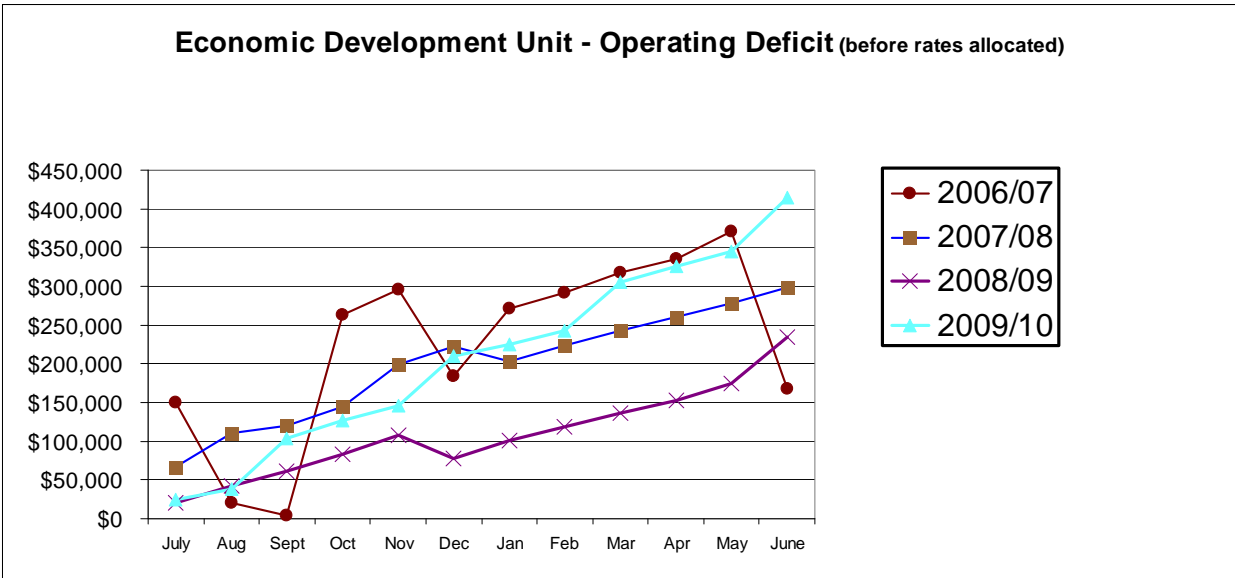
The net surplus for the year is \$21K against a budget deficit of \$4K. The variance is partly related to reduced employee costs combined with an overall effort to reduce spending.

Capital Expenditure

There is no capital expenditure.

Comparisons

A graph showing accumulated Net Operating Deficits is attached.



The sharp spikes in the operating deficit are due to the timing difference between the Energy Efficiency Retrofit (Warmer Homes) programme expenditure and the recovery of income from individuals and other community agencies. Council was involved in the Warmer Homes programme from 2005/06 to 2008/09 financial years.