

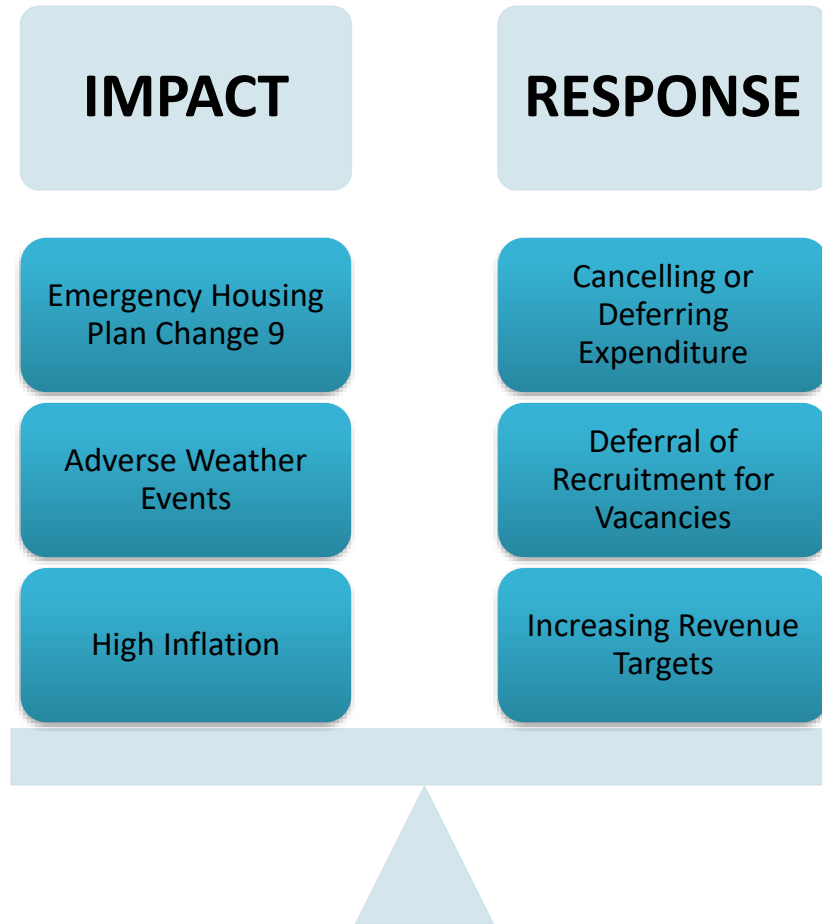


ROTORUA
LAKES COUNCIL

ROTORUA LAKES COUNCIL

Financial Update - May 2023

Operating Pressures



Council's Operating Environment

How are we tracking year to date?

INCOME

(\$22.9m)

- YTD Council revenue of \$152.5m vs budget of \$175.4m
- Capital subsidies \$26.4m behind budget due to delivery of capex programme.
- User fee revenue is lower YTD than budgeted, offset by higher rates, investment income and operational subsidies.

EXPENDITURE

(\$4.5m)

- YTD Council expenses of \$150.5m vs budget of \$146.0m
- Operating expenses are higher YTD than budgeted, offset by lower than budgeted staff costs, interest expense, administration and related expenses.

CAPITAL EXPENDITURE

YTD spend

(\$40.9m)

- YTD Capex of \$86.3m vs budget of \$127.2m.

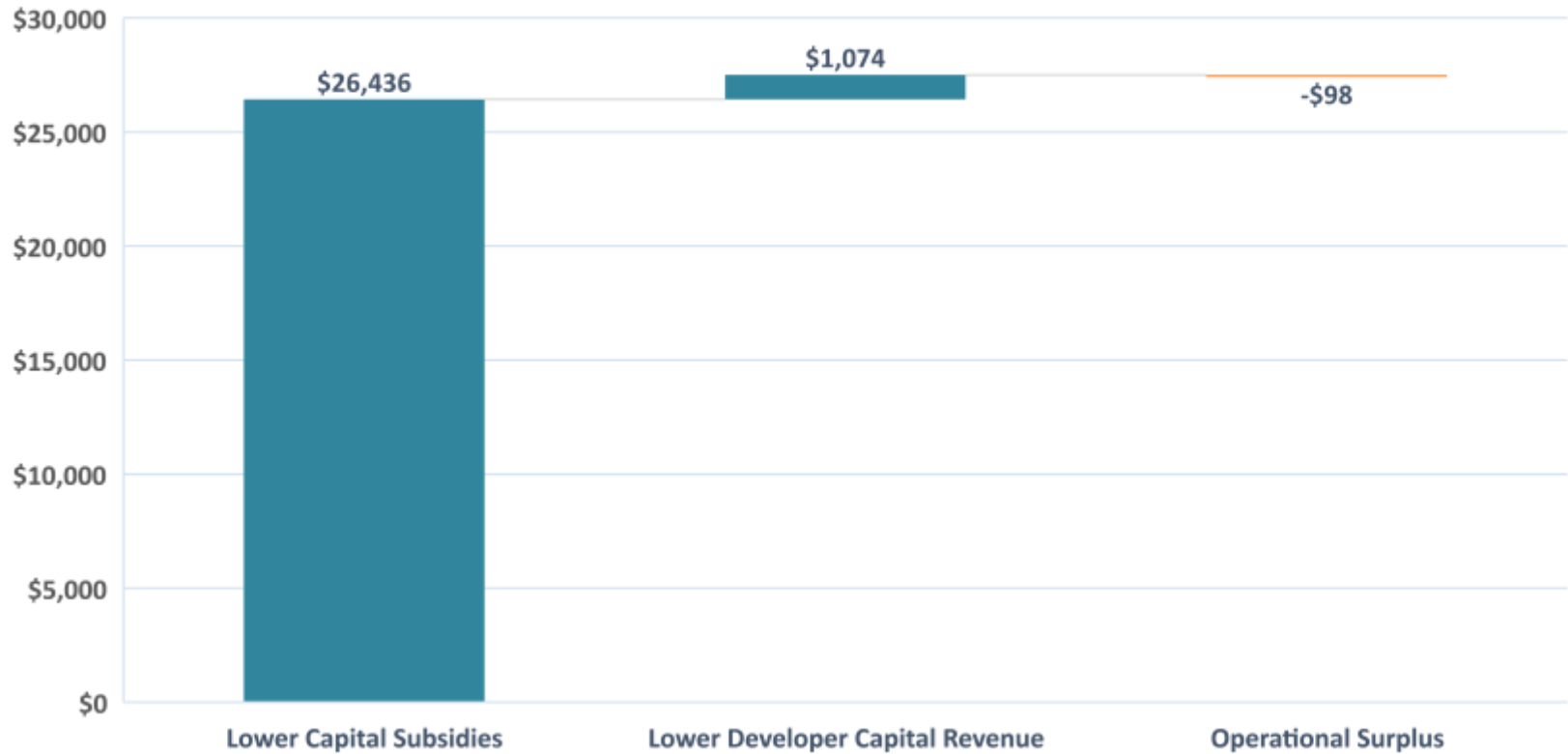
NET DEBT

\$327.9m

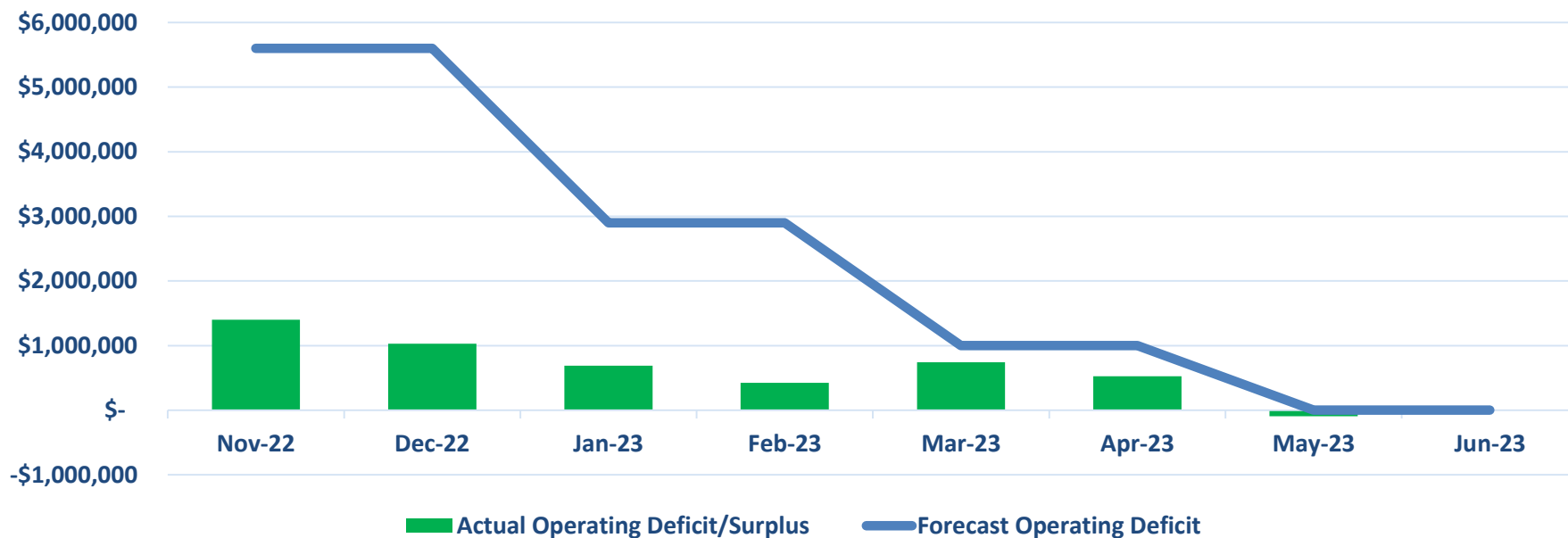
- Council has gross borrowing of \$336.6m, and cash on hand of \$8.7m.

May 2023 Deficit

Breakdown of Deficit as at May 2023
\$'000



Year End Operating Forecast



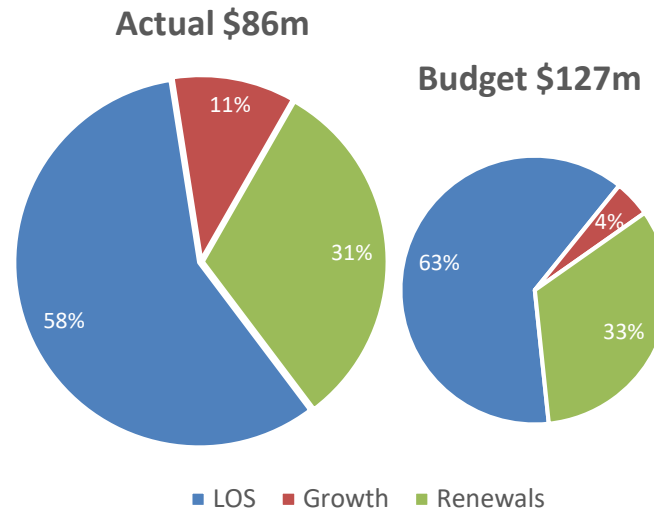
Nov 2022 – Forecast operating deficit of \$5.6m identified, cost saving initiatives implemented

Jan 2023 – Forecast deficit downgraded to \$2.9m, further savings initiatives introduced

Mar 2023 – Forecast deficit cut further to \$1m as initiatives deliver planned savings

May 2023 – Forecast to be on budget for year-end

May 2023 YTD Capex



	YTD Actual	YTD Budget
Community Leadership	\$7.1m	\$6.6m
Community Wellbeing	\$23.6m	\$58.7m
District Development and Regulatory	\$0.1m	\$0.1m
Roading and Footpaths	\$13.5m	\$11.9m
Sewerage and Sewage	\$21.2m	\$28.4m
Stormwater and Land Drainage	\$13.4m	\$13.0m
Water Supplies	\$7.4m	\$8.5m
Total YTD	\$86.3	\$127.2m

Questions?