

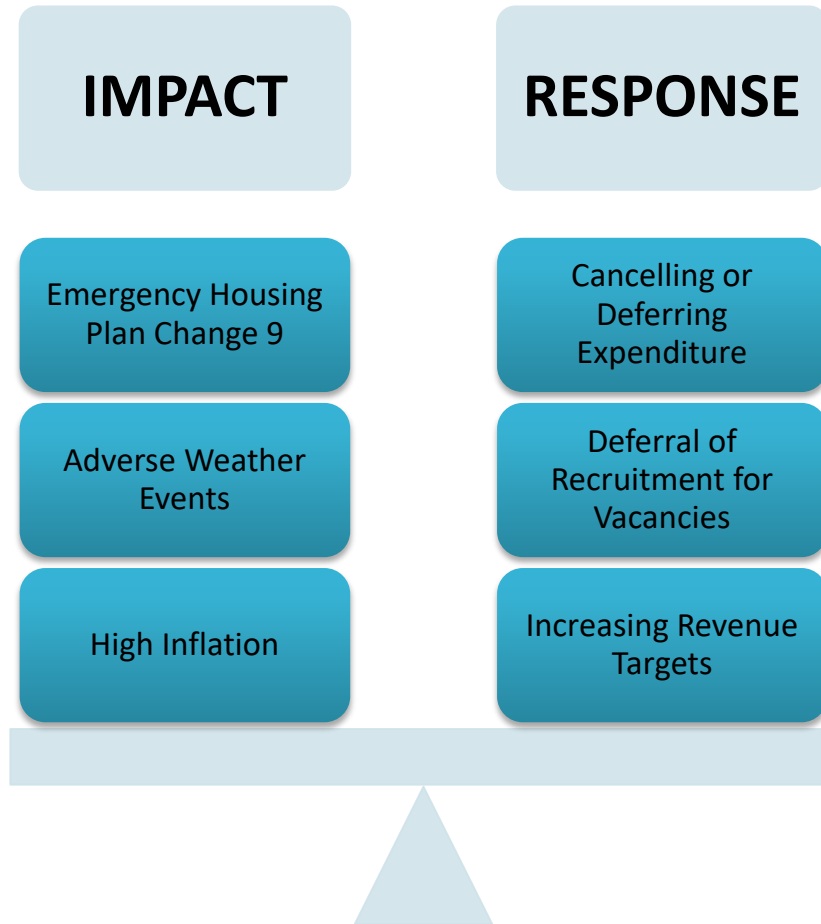


**ROTORUA
LAKES COUNCIL**

ROTORUA LAKES COUNCIL

Financial Update - June 2023

Operating Pressures



Council's Operating Environment

How are we tracking year to date?

INCOME

(\$27.8m)

- YTD Council revenue of \$163.8m vs budget of \$191.6m
- Capital subsidies \$31.4m 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

(\$4.8m)

- YTD Council expenses of \$166.4m vs budget of \$161.6m
- Operating expenses are higher YTD than budgeted, offset by lower than budgeted staff costs, interest expense, administration and related expenses.

CAPITAL EXPENDITURE

YTD spend

(\$49.7m)

- YTD Capex of \$94.1m vs budget of \$143.8m.

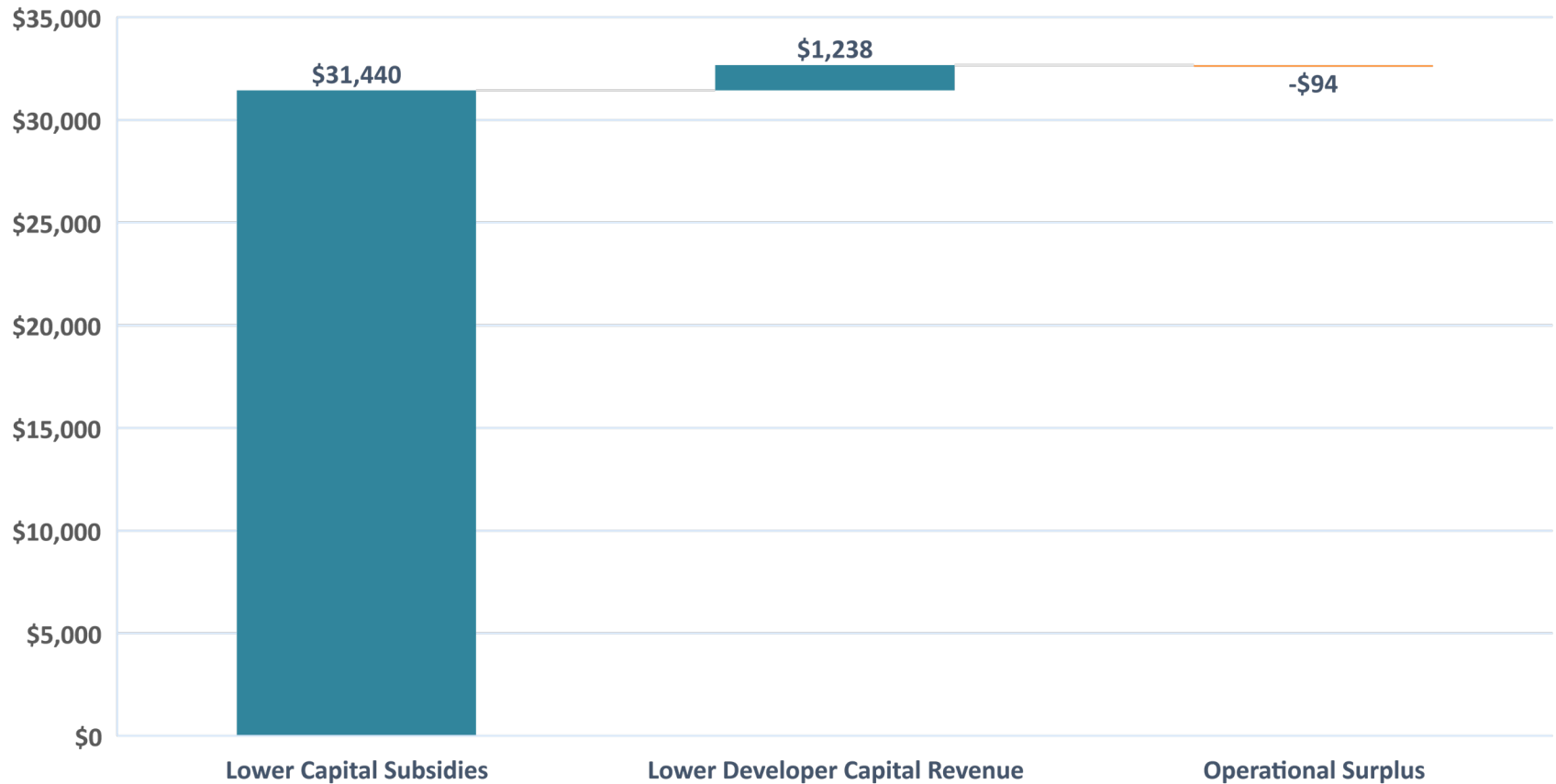
NET DEBT

\$339.8m

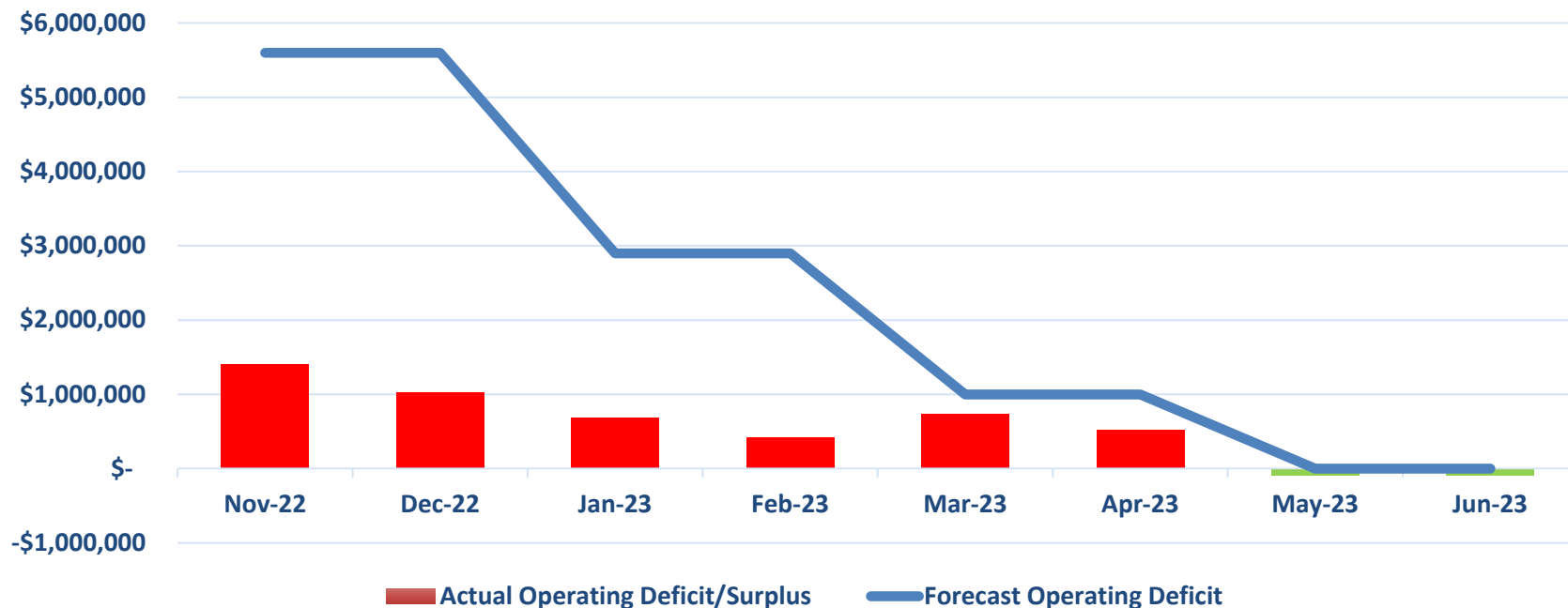
- Council has gross borrowing of \$350.6m, and cash on hand of \$10.8m.

June 2023 Deficit

Breakdown of Deficit as at June 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

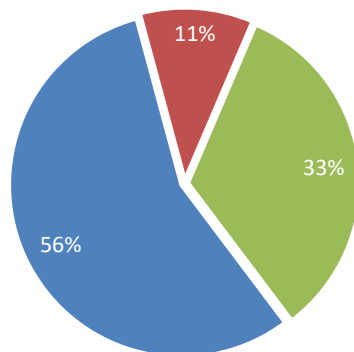
May 2023 – Forecast to be on budget for year-end

June 2023 – Draft, unaudited surplus of \$94k

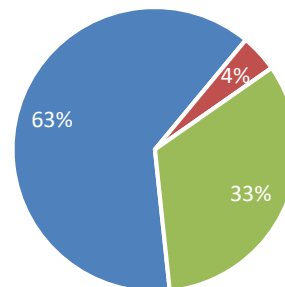


June 2023 YTD Capex

Actual \$94m



Budget \$144



■ LOS ■ Growth ■ Renewals

	YTD Actual	YTD Budget
Community Leadership	\$8.8m	\$8.8m
Community Wellbeing	\$25.9m	\$66.4m
District Development and Regulatory	\$0.1m	\$1.1m
Roading and Footpaths	\$11.4m	\$13.0m
Sewerage and Sewage	\$24.4m	\$30.9m
Stormwater and Land Drainage	\$14.2m	\$14.2m
Water Supplies	\$9.3m	\$9.3m
Total YTD	\$94.1m	\$143.8m

Questions?