

# **REPORT OF THE FINANCE & POLICY MEETING HELD AT 10.17AM ON WEDNESDAY 18 JUNE 2014 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.**

**PRESENT:** Councillor J Howden (Chair), Mayor W Gray, Councillors T Blunt, J Diver, G Harmon, C Mackle, D Millton, D Morgan.

**IN ATTENDANCE:** S Grant (Chief Executive Officer), S Syme (Committee Secretary), A Limbdiwala (Assistant Accountant).

## **1. FINANCE REPORTS**

Cash had reduced by \$479,000 from the previous month with large payments made to the roading contractor and ongoing work on the Civic Building. The surplus had also reduced from the previous month due to the transfer of development contributions back to liabilities from revenue. The surplus was however still \$380,000 ahead of the budgeted surplus. A lot of that could be attributed to the sewer subsidy and distribution of forestry money. Overall income was up on budget.

In terms of interest revenue the interest rate budgeted was slightly higher than the actual interest rate that had been received and there was no interest from sinking funds. Timing of interest payments also caused significant impact. It was anticipated interest income would be down approximately \$50,000 over the whole financial year.

Expenditure was pretty much on track. Personnel costs were down, the Civic Building loan was yet to be raised, and Council had enjoyed slightly lower borrowing rates than budgeted. Financing expenses were down, every time a loan matured the aim was to refinance at a significantly lower amount without effecting working capital and was part of the debt management programme going forward. Liquidity was currently at \$4.58:1 and for cash the rate was \$1.52:1.

Councillor Blunt enquired regarding provisions under liabilities in the Statement of Financial Position. The Assistant Accountant advised Council had suspense accounts that were used for timing purposes. A tight leash was being kept on them to try and make sure money did not remain in these accounts for too long.

***Moved by Councillor Howden, seconded by Councillor Morgan and resolved that the Finance Reports be received.***

***There being no further business the meeting closed at 10.39am.***