11.2 Financial Service Report - December 2025

Report To:	Council
Meeting Date:	Thursday, 26 February 2026
Author:	Wiki Cortesi
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Authorised by:	Executive Manager Business Support

Purpose

To inform the Council on the financial performance of Council to 31 December 2025.

Recommendation

That the Council:

a. Receives and notes the Financial Services Report – December 2025 (Resolve # 2026-34).

Executive Summary

The financial performance of Council at a point of time is primarily measured by the level of income received and expenses incurred against the budget estimates established as part of the 2025-26 Annual Plan as a variation of year 2 of the 2024-34 Long Term Plan (LTP). The net difference between revenue and expenditure is defined as the operating result and has an impact on Council equity position at the same point.

For the financial year to 31 December 2025, Council had a surplus of $1.33m (2025 surplus to 31 December 2024 of $922k). There is $1.34m of capital funding, expenses and financial gains/losses included in the surplus that makes the full picture look better than what is occurring from an operational perspective.

The Balancing the Books (BTB) graph shows that the operating deficit of $7k (2025 operating deficit to 31 December 2024 of $484k). This is $1.86m better than the budgeted year to date operating deficit. The explanations for the variances between year-to-date actuals and year-to-date budget are outlined in the report.

South Waikato District Council's net debt position at 31 December 2025 was $44.8m. Council is currently compliant with its Treasury Management Policy.

There are a lower number of rates accounts in arrears compared to this period last year. Council currently has rates arrears of $2.7m which relates to previous years. We have referred 35 rates arrears accounts, valued at $731,350, to Debt Management Central (DMC) to assist in improving our rates recovery performance. $48,705 has been collected/recovered so far.

The financial performance analysis, provided in this report for the year to 31 December 2025, indicates that Council is on track to meet its financial performance expectations by 30 June 2026, as set by the 2025-26 Annual Plan. The current positive surplus is primarily due to the timing of work. There are no indicators or risks that suggest that expected financial deliverables are not going to be met.

Context

The detail discussed in this report is aligned with the Council vision, Council policies, Council strategy and community outcomes. We want to keep Council informed and up to date with the relevant financial information through the financial services report.

Discussion

The Performance Report to 31 December 2025 has four main components. These are the consolidated statements of comprehensive revenue and expenditure and balancing the books measurement, treasury report, rates overview and sustainability measures.

Options

N/A

Linkage to Strategic Plan Priorities

N/A

Consultation (Internal and External)

Budget Managers

PriceWaterhouseCoopers (PwC) Treasury Advisors

Local Government Funding Agency (LGFA)

Financial Considerations

Financial sustainability

Risks

Impacts of legislative change on actual financial performance

Significance & Engagement Policy

N/A

Reference

2025-26 Annual Plan

2024-34 Long Term Plan

Attachments

1. Performance Report - December 2025