

# SOUTH WAIRARAPA DISTRICT COUNCIL

3 APRIL 2019

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## AGENDA ITEM D4

### FINANCIAL REPORT

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#### **Purpose of Report**

To present financial results for the seven month period to 31 January 2019, as well as other related information.

#### **Recommendations**

Officers recommend that the Council:

1. *Receive the Financial Report.*
2. *To receive the financial statements and report for the period ended 31 January 2019.*

#### **1. Background**

Officers have prepared the following Financial Reports for review by the Finance, Audit and Risk Committee:

- Monthly financial statements to 31 January 2019
- Rates arrears report to 28 February 2019
- Quarterly CAPEX forecast report including 6 months actual and 6 months forecast capital expenditure

#### **2. Summary**

##### **2.1 Financial Statements**

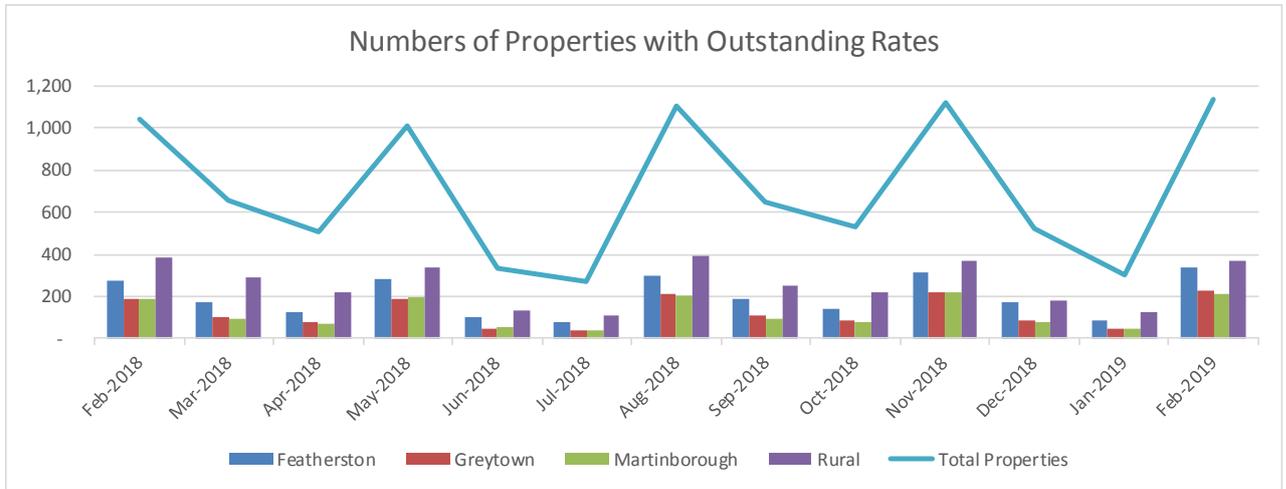
The financial statements for the seven month period to 31 January 2019 include commentary on results and variances year to date and are included in Appendix 1.

##### **Highlights**

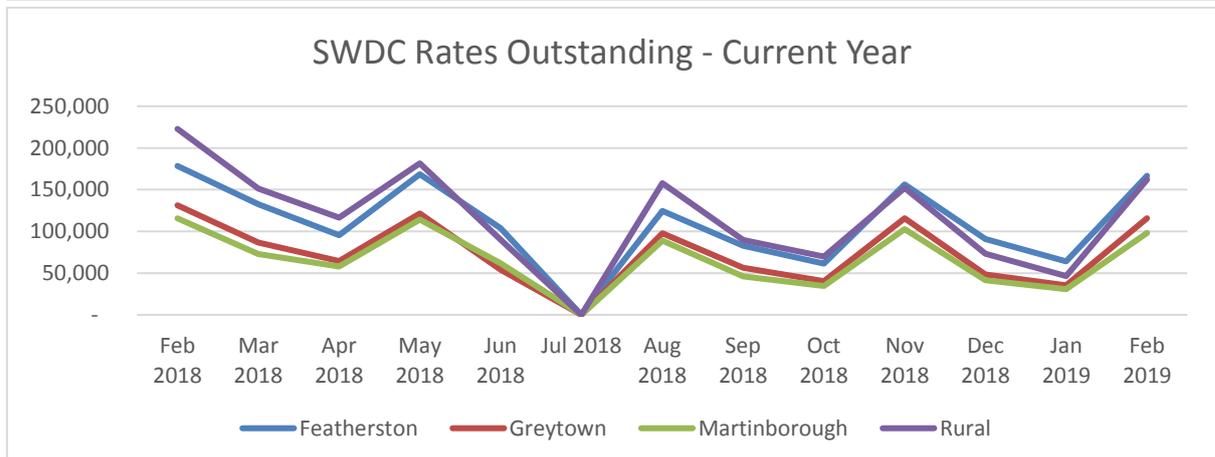
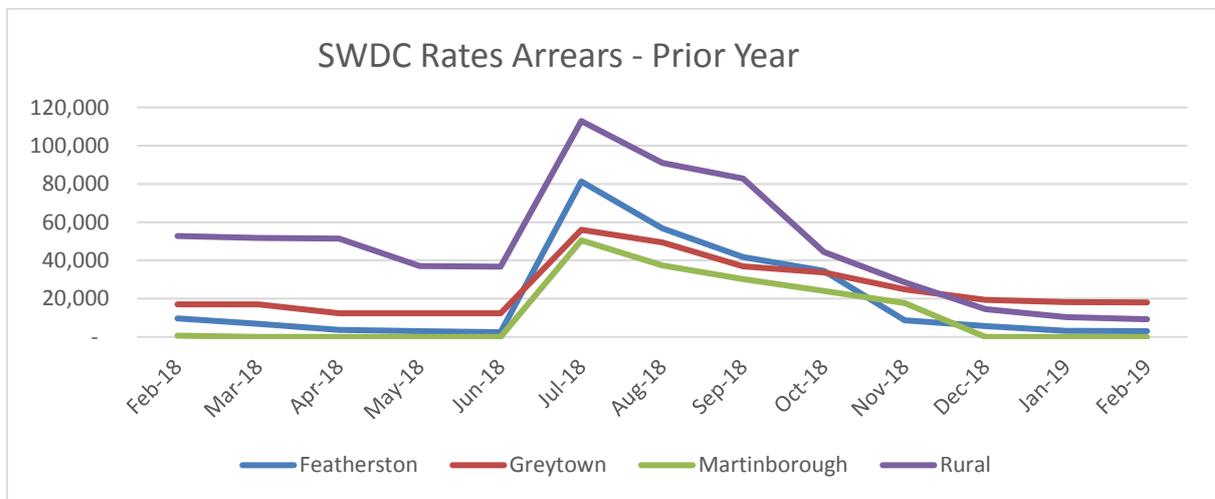
- Year to date operating surplus is 1,902K vs. budget surplus of \$1,758K the result is favourable to budget by \$144K.
- Total surplus YTD is \$3,917K vs. budget surplus \$2,546K, favourable by \$1,371K.

## 2.2 Rates Arrears

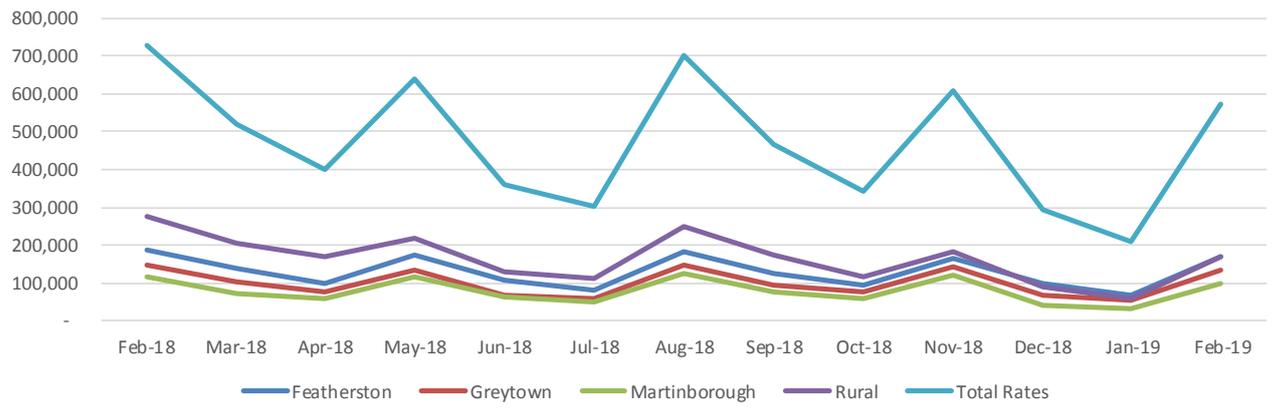
The rates arrears graphs below show continued improvement in the recovery of overdue rates which is due to a consistent approach to dealing with our overdue debtors.



The total amount owing in arrears from prior years is \$30,000, possibly an all-time record. This represents 12 ratepayers of which 4 are on repayment plans, 3 have issues with the title of their property, 2 have been lodged with our debt collectors and 3 are \$200 or less.



SWDC Total Rates Outstanding



## 2.3 Quarterly CAPEX forecast

The Quarterly CAPEX forecast report includes 6 months actual capital expenditure to 31 December 2018 and 6 months forecast expenditure to 30 June 2019. This shows most CAPEX budgets will be spent this year apart from those noted as being carried over to next financial year.

<b>SOUTH WAIRARAPA DISTRICT COUNCIL</b>									
<b>CAPITAL EXPENDITURE QUARTERLY FORECAST - 2018/19 financial year</b>									
<b>Based on second quarter actual expenditure</b>									
<b>DESCRIPTION</b>	<b>Year to Date</b>			<b>Budget</b>	<b>Total</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>Full</b>	<b>Variance</b>
	<b>Dec-19</b>	<b>Dec-19</b>	<b>Full year</b>	<b>Carried</b>	<b>Available</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Year</b>	<b>to FY</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Forward</b>	<b>Budget</b>	<b>Jan to March</b>	<b>April to June</b>	<b>Forecast</b>	<b>Budget</b>
<b>Baseline CAPEX:</b>									
Amenities	1,595,758	379,230	758,424	1,922,205	2,680,629	409,129	592,858	2,597,744	82,885
Water Supply	191,778	400,620	801,248	358,963	1,160,211	55,000	896,600	1,143,378	16,833
Solid Waste Management	-	168,228	336,450	20,000	356,450	-	321,450	321,450	35,000
Stormwater Reticulation	-	27,390	54,779	53,600	108,379	25,000	40,000	65,000	43,379
Wastewater*	2,293,949	1,136,976	2,273,950	3,048,300	5,322,250	1,446,000	850,000	4,589,949	732,302
Land Transport	737,226	1,066,968	2,133,934	-	2,133,934	663,262	733,446	2,133,934	0
Information Technology	77,866	78,876	157,748	53,753	211,501	60,000	73,635	211,501	0
Council Property**	3,295	305,664	611,319	32,745	644,064	39,000	101,082	143,377	500,687
	<b>4,899,871</b>	<b>3,563,952</b>	<b>7,127,852</b>	<b>5,489,566</b>	<b>12,617,418</b>	<b>2,697,391</b>	<b>3,609,071</b>	<b>11,206,332</b>	<b>1,411,086</b>
*Papawai pipeline delayed due to other priorities, partially offset by purchase of FTN Golf Club and additional costs for FTN WW to land consent									
**Delay office refurbishment until next financial year									

### **3. Appendices**

Appendix 1 – Financial Statements to 31 January 2019

Contact Officer: Jennie Mitchell, Group Manager Corporate Support

**Appendix 1 – Financial  
Statements to 31 January  
2019**

**MONTHLY FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 JANUARY 2019**

STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CASHFLOWS

SCHEDULE OF CAPITAL EXPENDITURE

SCHEDULE OF INVESTMENTS

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 JANUARY 2019

2018		YTD			2019	
LY Actual		Actual	Budget	Variance	Budget	% of Budget
	<b><u>OPERATING INCOME</u></b>					
9,906,151	Rates	10,521,405	10,502,056	19,349	13,993,011	75%
98,808	Rates Penalty	79,791	94,056	(14,265)	140,000	57%
263,576	Interest	268,042	243,432	24,610	449,099	60%
12,299	Internal Interest Loans	12,299	12,300	(1)	20,880	59%
742,285	Fees & Licences	810,613	727,170	83,443	1,154,450	70%
368,320	User Levies	346,524	318,252	28,272	700,315	49%
43,137	Commissions	44,106	40,989	3,117	69,650	63%
757,347	NZ Transport Agency Subsidy	570,205	547,290	22,915	1,261,390	45%
54,330	Petrol Tax	57,699	46,841	10,858	82,905	70%
459,461	Grants, Donations & Subsidies	16,267	11,242	5,025	15,198	107%
302,537	Rental / Hire	321,445	283,445	38,000	503,938	64%
50,572	Profit on Sale of Assets	0	0	0	0	0%
233,958	Miscellaneous Income	(12,390)	69,856	(82,246)	137,689	-9%
<b>13,292,780</b>	<b>Total Operating Income</b>	<b>13,036,006</b>	<b>12,896,929</b>	<b>139,077</b>	<b>18,528,525</b>	
	<b><u>OPERATING EXPENDITURE</u></b>					
1,067,513	Corporate Services	1,166,841	1,159,888	(6,953)	2,017,155	58%
539,305	In-House Professional Services	647,892	593,993	(53,899)	1,034,152	63%
284,526	Governance, Leadership & Advocacy	357,432	300,775	(56,657)	546,556	65%
737,658	Public Protection	758,557	784,261	25,705	1,355,145	56%
287,765	Resource Management	250,256	295,958	45,702	526,493	48%
236,106	Economic, Cultural & Community Development	310,330	317,015	6,685	464,229	67%
1,533,978	Amenities	1,736,259	1,686,271	(49,988)	2,735,816	63%
2,981,736	Land Transport	2,529,295	2,597,581	68,286	5,110,234	49%
1,357,535	Water Supply	1,437,093	1,386,941	(50,152)	2,388,643	60%
825,108	Solid Waste Management	870,905	752,490	(118,415)	1,414,226	62%
889,445	Wastewater	949,197	1,115,080	165,883	1,886,427	50%
106,616	Stormwater Drainage	98,946	118,220	19,274	184,425	54%
13,751	Rate Debtors Remissions	14,131	30,337	16,206	40,000	35%
-	Loss on Sale of Assets	2,058	0	(2,058)	0	0%
<b>10,861,042</b>	<b>Total Operating Expenditure</b>	<b>11,133,475</b>	<b>11,138,810</b>	<b>5,335</b>	<b>19,703,501</b>	
<b>2,431,738</b>	<b>Operating Surplus/(Deficit)</b>	<b>1,902,531</b>	<b>1,758,119</b>	<b>144,412</b>	<b>(1,174,976)</b>	
	<b><u>CAPITAL EXPENDITURE INCOME</u></b>					
367,504	NZ Transport Agency Subsidy	532,405	470,051	62,354	1,192,296	45%
728,800	Grants, Donations & Subsidies	415,000	0	415,000	0	0%
428,321	Contributions	478,351	318,262	160,089	1,036,888	46%
<b>1,524,625</b>	<b>Total Capital Expenditure Income</b>	<b>1,425,756</b>	<b>788,313</b>	<b>637,443</b>	<b>2,229,185</b>	
	<b><u>OTHER INCOME</u></b>					
-	Assets Vesting in Council	589,137	0	589,137	0	0%
-	Gain on Asset Revaluations	0	0	0	38,868	0%
<b>-</b>	<b>Total Other Income</b>	<b>589,137</b>	<b>0</b>	<b>589,137</b>	<b>38,868</b>	
<b>\$ 3,956,363</b>	<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>3,917,425</b>	<b>2,546,432</b>	<b>1,370,993</b>	<b>1,093,077</b>	

Included in the operating expenditure is:

2,604,313	Depreciation	2,600,506	2,806,718	(206,212)	4,892,393	53%
322,702	Interest	351,591	427,294	(75,703)	740,220	47%

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2019

	31 JANUARY 2019	30 JUNE 2018	MOVEMENT
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Bank	91,102	161,549	(70,447)
Short Term Deposits	1,110,310	4,050,072	2,260,745
Reserve and Loan redemption Term deposits	5,200,507	-	(2,536,428)
Investments	6,529,314	9,065,743	(2,536,428)
Prepayments & Receivables	5,285,273	2,757,040	2,528,233
Inventories	17,072	23,647	(6,574)
Properties Intended For Sale	-	1,500,000	(1,500,000)
<b>Total Current Assets</b>	<b>18,233,578</b>	<b>17,558,050</b>	<b>675,528</b>
<b><u>Non-Current Assets</u></b>			
Investments	371,898	375,022	(3,124)
Term Deposits	-	1,765,421	(1,765,421)
Investment Properties	8,435,000	8,435,000	-
Intangible Assets	101,314	124,513	(23,200)
Properties Intended For Sale	1,500,000	-	1,500,000
Property, Plant & Equipment	443,380,784	438,692,798	4,687,986
<b>Total Non-Current Assets</b>	<b>453,788,996</b>	<b>449,392,754</b>	<b>4,396,242</b>
<b>TOTAL ASSETS</b>	<b>\$ 472,022,574</b>	<b>\$ 466,950,804</b>	<b>\$ 5,071,769</b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Cash and Bank	-	-	-
Payables and Accruals	3,585,879	4,373,741	(787,862)
Employee Entitlements	289,976	347,769	(57,793)
Public Debt - Current Portion	-	4,000,000	(4,000,000)
Provisions - Current Portion	34,043	34,043	-
<b>Total Current Liabilities</b>	<b>3,909,898</b>	<b>8,755,554</b>	<b>(4,845,655)</b>
<b><u>Non-Current Liabilities</u></b>			
Public Debt - Non-Current Portion	19,500,000	13,500,000	6,000,000
Provisions - Non-Current Portion	433,901	433,900	-
<b>Total Non-Current Liabilities</b>	<b>19,933,901</b>	<b>13,933,900</b>	<b>6,000,000</b>
<b><u>EQUITY</u></b>			
Public Equity	155,000,674	151,083,249	3,917,425
Special Separate & Trust Funds	22,724,914	22,724,914	-
Asset Revaluation Reserve	270,450,885	270,450,885	-
Sinking Fund Reserves	-	-	-
Other Reserves	2,303	2,303	-
<b>Total Equity</b>	<b>448,178,775</b>	<b>444,261,350</b>	<b>3,917,426</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 472,022,574</b>	<b>\$ 466,950,804</b>	<b>\$ 5,071,769</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF CASHFLOWS AS AT 31 JANUARY 2019

	31 JANUARY 2019	30 JUNE 2018
<b><u>OPERATING ACTIVITIES</u></b>		
<b><u>Cash was provided from:</u></b>		
Rates	8,322,392	13,320,429
Grants & Subsidies	2,404,084	4,514,636
Petrol Tax	48,536	95,559
Other Income	1,935,426	4,293,551
Interest on Investments	211,637	414,296
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<b>Total Operating Cash Inflow</b>	<b>12,922,076</b>	<b>22,638,471</b>
<b><u>Cash was applied to:</u></b>		
Payments to Suppliers & Employees	10,060,327	12,302,325
Interest Paid	298,211	570,471
	<hr/>	<hr/>
<b>Total Operating Cash Outflow</b>	<b>10,358,539</b>	<b>12,872,796</b>
<b>Net Cashflow from Operating Activities</b>	<b>2,563,537</b>	<b>9,765,675</b>
<b><u>INVESTING ACTIVITIES</u></b>		
<b><u>Cash was provided from:</u></b>		
Sale of Property, Plant & Equipment	-	276,612
Term Investments, Shares & Advances	4,301,849	6,510,056
Investments in Loan Redemption & Sinking Funds	-	-
	<hr/>	<hr/>
<b>Total Investing Cash Inflow</b>	<b>4,301,849</b>	<b>6,786,668</b>
<b><u>Cash was applied to:</u></b>		
Purchase of Property, Plant & Equipment	6,673,031	7,969,751
Term Investments, Shares & Advances	2,058	10,895,165
Investments in Loan Redemption & Sinking Funds	-	-
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<b>Total Investing Cash Outflow</b>	<b>6,675,089</b>	<b>18,864,916</b>
<b>Net Cashflow from Investing Activities</b>	<b>(2,373,238)</b>	<b>(12,078,248)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
<b><u>Cash was provided from:</u></b>		
Public Debt	2,000,000	4,000,000
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<b>Total Financing Cash Inflow</b>	<b>2,000,000</b>	<b>4,000,000</b>
<b><u>Cash was applied to:</u></b>		
Repayment of Public Debt	(0)	4,000,000
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<b>Total Financing Cash Outflow</b>	<b>(0)</b>	<b>4,000,000</b>
<b>Net Cash Flow from Financing Activities</b>	<b>2,000,000</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>2,190,299</b>	<b>(2,312,572)</b>
<b>OPENING CASH BALANCE</b>	<b>1 JULY 2018</b>	<b>6,524,195</b>
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<b>CLOSING CASH BALANCE</b>	<b>31 JANUARY 2019</b>	<b>4,211,621</b>
	<hr/>	<hr/>
	<b>\$ 6,401,920</b>	<b>\$ 4,211,621</b>
<b><u>REPRESENTED BY:</u></b>		
Cash and Cash equivalents	91,102	161,549
Short Term Deposits	6,310,818	4,050,072
Investments (Current)	<hr/>	<hr/>
	<b>\$ 6,401,920</b>	<b>\$ 4,211,621</b>
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# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 JANUARY 2019

<u>DESCRIPTION</u>	Year to Date		Annual	Budget	Total	Full	Carry
	Actual	Budget	Budget	Brought Forward from Prev Years	Budget Available	Year Forecast	Forward to 2019-20
<b>Baseline CAPEX:</b>							
Amenities	1,677,242	442,435	758,424	1,922,205	2,680,629	2,597,744	82,885
Water Supply	194,169	467,390	801,248	358,963	1,160,211	1,143,378	16,833
Solid Waste Management	-	196,266	336,450	20,000	356,450	321,450	35,000
Stormwater Reticulation	-	31,955	54,779	53,600	108,379	65,000	43,379
Wastewater	3,565,432	1,326,472	2,273,950	3,048,300	5,322,250	4,589,949	732,302
Land Transport	1,068,500	1,244,796	2,133,934	-	2,133,934	2,133,934	0
Information Technology	88,735	92,022	157,748	53,753	211,501	211,501	0
Council Property	3,295	356,608	611,319	32,745	644,064	143,377	500,687
	<u>\$ 6,597,372</u>	<u>\$ 4,157,944</u>	<u>\$ 7,127,852</u>	<u>\$ 5,489,566</u>	<u>\$ 12,617,418</u>	<u>\$ 11,206,332</u>	<u>\$ 1,411,086</u>

## SUMMARY OF INVESTMENTS

ORGANISATION		INTEREST RATE	INVESTED DATE	MATURITY DATE	Term	TOTAL INVESTED
<b>SHORT TERM FUNDS</b>						
<b>Registered Banks</b>	<b>Code</b>					
ASB Call account	99182811	1.25%	20-Jun-17	On Call	On Call	\$75,085.71
ASB Reserve Fund	99182811	3.58%	13-Jun-18	13-Jun-19	365 days	\$300,000.00
ASB Term Deposit - Loan redemption	99182811	3.68%	23-Jan-18	15-Jul-19	538 days	\$225,000.00
ASB Term Deposit - Loan redemption	99182811	3.58%	25-Jul-18	25-Jul-19	365 days	\$225,000.00
ASB Term Deposit - Loan redemption	99182811	3.76%	27-Apr-18	17-Oct-19	538 days	\$226,000.00
						<b>\$1,051,085.71</b>
ANZ CALL ACCOUNT	99182813	0.70%	31-Jan-19	On Call	On Call	\$71.32
ANZ Term Deposit	99182813	3.10%	23-Oct-18	20-Feb-19	120 days	\$500,000.00
ANZ Term Deposit	99182813	3.42%	20-Nov-18	20-May-19	181 days	\$1,000,000.00
ANZ Reserve Fund	99182813	3.54%	22-Jun-18	24-Jun-19	367 days	\$750,000.00
ANZ Term Deposit - Loan redemption	99182813	3.45%	4-Jan-19	3-Jan-20	365 days	\$150,000.00
						<b>\$2,400,071.32</b>
BNZ AUTOCALL (-025)	99182812	0.10%	31-Jan-19	On Call	On Call	\$1,000,194.17
BNZ Term Deposit	99182812	2.92%	21-Nov-18	19-Feb-19	90 days	\$1,000,000.00
BNZ Reserve Fund	99182812	3.66%	24-May-18	24-May-19	365 days	\$1,000,000.00
BNZ Loan Redemption	99182812	3.61%	12-Nov-18	12-Nov-19	365 days	\$375,000.00
						<b>\$3,375,194.17</b>
KIWIBANK Term Deposit	99182819	1.75%	31-Jan-19	On call	On call	\$0.00
KIWIBANK Term Deposit	99182819	3.15%	20-Nov-18	20-Mar-19	120 days	\$1,000,000.00
KIWIBANK Term Deposit	99182819	3.10%	23-Oct-18	23-Apr-19	182 days	\$500,000.00
KIWIBANK Loan Redemption	99182819	3.45%	23-Oct-18	23-Oct-19	365 days	\$500,000.00
KIWIBANK Loan Redemption	99182819	3.60%	13-Nov-18	13-Nov-19	365 days	\$225,000.00
						<b>\$2,225,000.00</b>
WBS Call account	99182816	0.50%	31-Jan-19	On Call	On Call	\$1.29
WBS Reserve fund	99182816	3.60%	22-Nov-18	22-Nov-19	365 days	\$190,705.06
WBS Reserve fund	99182816	3.60%	25-Nov-18	25-Nov-19	365 days	\$184,799.54
WBS Reserve fund	99182816	3.55%	21-Dec-18	21-Dec-19	365 days	\$150,000.00
						<b>\$525,505.89</b>
WESTPAC TRUST ONLINE CALL	99182814	0.10%	31-Jan-19	On Call	On Call	\$13.24
WESTPAC Term Deposit	99182814	2.63%	21-Dec-18	19-Feb-19	60 Days	\$400,000.00
WESTPAC Term Deposit	99182814	2.63%	3-Jan-19	4-Mar-19	60 Days	\$1,000,000.00
WESTPAC Reserve Fund	99182814	3.45%	22-Jun-18	24-Jun-19	367 days	\$1,314,421.02
WESTPAC Term Deposit - Loan redemp	99182814	3.45%	23-Oct-18	23-Oct-19	365 days	\$500,000.00
						<b>\$3,214,434.26</b>
<b>TOTAL</b>						<b>\$12,791,291.35</b>
<b>INVESTMENTS</b>						
LGFA Borrower Bonds	NZLFGDG472C5	3.01%	20-Jun-16	15-Apr-23		\$28,800.00
LGFA Borrower Bonds	NZLFGDG472C3	2.81%	20-Jun-16	15-May-21		\$91,200.00
LGFA Borrower Bonds		2.65%	20-Feb-17	15-Mar-19		\$64,000.00
LGFA Borrower Bonds		2.98%	20-Feb-17	15-Apr-20		\$32,000.00
LGFA Borrower Bonds		2.98%	21-Aug-17	15-May-22		\$40,000.00
LGFA Borrower Bonds		3.08%	19-Feb-18	15-Apr-23		\$24,000.00
						<b>\$280,000.00</b>
<b>FORESTRY</b>						
Plantation - Hurupi Stock	99283827					\$9,305.00
						<b>\$9,305.00</b>
<b>SHARES</b>						
AIRTEL LTD	99283824					\$0.00
FARMLANDS	99283825					\$1,159.00
NZ LOC GOVT INS CO	99283823					\$81,434.30
						<b>\$82,593.30</b>
<b>TOTAL INVESTMENTS</b>						<b>\$13,163,189.65</b>
<b>Bank of New Zealand</b>		\$3,375,194.17		<b>ASB</b>		\$1,051,085.71
<b>ANZ</b>		\$0.00		<b>ANZ</b>		\$2,400,071.32
<b>Westpac</b>		\$3,214,434.26				
<b>Wairarapa Building Society</b>		\$525,505.89				\$3,451,157.03
<b>KiwiBank</b>		\$2,225,000.00				
		<b>\$9,340,134.32</b>		<b>SHORT TERMS:</b>		<b>\$12,791,291.35</b>
				<b>SHARES</b>		<b>\$82,593.30</b>
				<b>FORESTRY</b>		<b>\$9,305.00</b>
				<b>BORROWER NOTES</b>		<b>\$280,000.00</b>
						<b>\$13,163,189.65</b>

# South Wairarapa District Council

## For the seven months ending 31 January 2019

### Financial Report

#### 1. SUMMARY & HIGHLIGHTS

##### **Purpose**

The purpose of this report is to provide Council with a commentary on:

- Year to date budget vs actual.
- Commentary on material variances.
- Full year risks (if any) for each significant activity.

##### **Highlights**

- Year to date operating surplus is 1,902K vs. budget surplus of \$1,758K the result is favourable to budget by \$144K.
- Total surplus YTD is \$3,917K vs. budget surplus \$2,546K, favourable by \$1,371K.
- Rates Penalties unfavourable by \$14K.
- Interest receivable favourable \$25K
- Fess and Licences favourable \$83k
- User Levies favourable \$28k
- Overall Operating income is favourable by \$139K.
- Operating Expenditure is on budget YTD.
- Working Capital which expresses the ability of council to meet its short term obligations is strong with a ratio in excess of 4 times, and a total value of \$14,324K.
- Interest cost 3.35% of rates revenue, SWDC maximum 12%.
- Current Net debt \$19,500K, at 3.15% average borrowing rate. Maximum debt per LTP: \$25,820k.
- Budgets have been phased based on last years actual spend. Some variances are due to actual spending patterns being different between years.

#### 2. STATEMENT OF FINANCIAL PERFORMANCE

##### **OPERATING INCOME**

###### **Rates**

Favourable to budget \$19K.

###### **Rates Penalty**

Revenue from rates penaliies are underbudget by \$14k reflecting the work the rates team does collecting overdue rates and getting people onto payment plans and direct debits early

###### **Interest Revenue**

Interest received on term deposits has a 24k favourable variance YTD. This is a reflection of slightly higher short term deposit rates, and timings of investments.

### **Fees & Licences**

Favourable \$83K. The number of building consents remains high \$62K over budget, resource consents income also up \$40K over budget, Liquor & Health licences are trending higher than last year so up on budget \$13K.

### **User Levies**

Favourable by \$28K.

### **NZTA Subsidy**

Operating Income \$23K favourable, Capital Income \$62K favourable. The full year programme will be met so actual should align with budget at year end.

### **Rental / Hire**

Favourable \$38K, made up of rental income \$18K F and wastewater rental \$19K F

### **Miscellaneous Income**

Unfavourable \$82K, this includes \$22K of footpath deposits being repaid to property owners.

## **OPERATING EXPENDITURE**

### **Corporate Services**

On Budget.

### **In-house Professional Services**

Unfavourable \$54K, mainly due to valuation costs not budgeted until later in the year, plus salaries and wages being over budget.

### **Governance**

Unfavourable \$57K. \$45K is the Featherston sculpture grant which is using funds carried forward from previous years.

### **Public Protection**

Overall Public Protection expenditure is Favourable to budget \$26K, there are some variances in the outputs below that offset each other.

### **Public Protection & Health**

On Budget

### **Building and Construction**

Favourable \$29K, due to savings in vehicle expenses and software licences YTD.

### **Animal Control**

On budget.

### **Emergency Management**

Unfavourable \$8K.

### **Resource Management**

Favourable \$46K, Salaries and wages \$19K F due to staff changes and vacancy for a short time, Legal expenses \$18K F.

### **Economic Cultural & Community Development**

### **Economic Development**

On budget.

### ***Community Wellbeing***

Favourable 28K due to Grants being under budget by 24K

### **Amenities**

Overall Amenities are Unfavourable by \$50K, there are some variances in the outputs below that offset each other.

#### ***Swimming Pools***

Favourable \$90K, mainly due to Contractors being favourable \$50K and routine maintenance \$18K favourable but likely to be on budget going forward.

#### ***Community Buildings***

On budget.

#### ***Cemeteries***

On budget.

#### ***Rental Properties***

Unfavourable \$45K, \$30K due to expenses on properties intended for sale not budgeted. R&M unfavourable \$11K due to FTN sport stadium overlay interior walls with ply and lighting not budgeted for.

#### ***Toilets***

Unfavourable \$36K, mainly routine maintenance \$20K unfavourable to budget YTD. Should balance out at end of the year.

### **Land Transport**

Actual Expenditure YTD \$2,530K, made up of:

- Subsidised \$2,382K
- Non Subsidised \$147K

Favourable \$68K, to budget year to date, expected to be on track at year end.

### **Water Supply**

Unfavourable \$50K, due to depreciation being higher than budgeted.

### **Solid Waste Management**

Unfavourable \$118k due to a significant increase in landfill maintenance, and increased visitor numbers

### **Wastewater**

Favourable \$166K. This includes a reduction in depreciation of \$61k due to delayed capital expenditure, and utilities and routine maintenance being under budget YTD.

### **Stormwater Drainage**

Favourable \$19K, mainly due to favourable routine maintenance spend.

## **CAPITAL EXPENDITURE INCOME**

### **NZ Transport Agency**

\$62K Unfavourable to budget YTD.

### **Grants**

\$415K favourable to budget due to Waihinga Centre grants and donations budgeted in previous years.

### **Contributions**

Favourable \$160K due to increased development activity in the district.

### **3. STATEMENT OF FINANCIAL POSITION**

#### **Working Capital**

Working capital (current assets less current liabilities) stands at \$14,324K. (30 June 2018 \$8,802K).

#### **Prepayments and Receivables**

Prepayments and receivables total \$5,285K. Key components are Rates \$3,847K, general Debtors \$319K, Interest receivable \$161K, Future installments \$342K & NZTA subsidies \$416K.

#### **Payables and Accruals**

Payables and accruals total \$3,586K. Key items are Sundry creditors \$530K, Rates in advance SWDC \$240K, Rates owing to GWRC \$1,038K, Contract retentions \$252K

#### **Public Debt Current Portion**

The comparative column shows a variance between the 30 June amount and that now reported. For the annual report we are required to split out the current and term portions of the public debt. For management reporting we report all public debt as one amount. (Non-current)

#### **Gross Public Debt**

Total public debt stands at \$19,500K. This is an increase of \$2m from 30 June 2018