



**I, Steven May, Tumu Whakarae Chief Executive Officer, hereby give notice that
Finance, Audit & Risk Committee Meeting will be held on:**

Date: Tuesday, 14 April 2020
Time: 1.30pm
**Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa**

AGENDA

Finance, Audit & Risk Committee Meeting

14 April 2020

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 3 March 2020

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 3 MARCH 2020 AT 1.41PM**

- PRESENT:** His Worship the Mayor Craig Little, Cr Jeremy Harker, Cr Denise Eaglesome-Karekare
- IN ATTENDANCE:** Cr H Flood, Steven May (Tumu Whakarae Chief Executive Officer), Gary Borg (Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), Kimberley Tuapawa (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), Simon Mutohori (Kaiwhakahaere Ratonga Kiritaki/Customer Service Manager-Regulatory), Kitea Tipuna (Pouwhakarae – Hapori/Whakatūtaki Group Manager Community and Engagement), Stephen Heath (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services), Kevin Stevenson (Kaiurungi Kore Whakawhara/Zero Harm Officer) Gay Waikawa (Kaiurungi Mana Arahi – Governance Officer)

1 KARAKIA

Karakia was given by K Tipuna

2 APOLOGIES FOR ABSENCE

Nil

3 DECLARATION OF CONFLICT OF INTEREST

None.

4 CHAIRPERSON'S ANNOUNCEMENTS

The Chairperson acknowledged the passing of Richard Kerr's father.

5 LATE ITEMS OF URGENT BUSINESS

None.

6 PUBLIC PARTICIPATION

None.

7 MINUTES OF THE PREVIOUS MEETING

COMMITTEE RESOLUTION 2020/78

Moved: Cr Denise Eaglesome-Karekare

Seconded: His Worship the Mayor Craig Little

That the minutes [and confidential minutes] of the Ordinary Meeting held on 17 September 2019 be confirmed.

CARRIED

8 GENERAL ITEMS

8.1 HEALTH & SAFETY

COMMITTEE RESOLUTION 2020/79

Moved: Cr Jeremy Harker

Seconded: His Worship the Mayor Craig Little

That the Committee receive the report.

CARRIED

The Kaiurungi Kore Whakawhara/Zero Harm Officer presented his report and reported on Current Situation being Hazard identification/Register/Accident or Near Miss Reports and Gaiety Theatre, Staff training, Health and Safety Committee and Safety Audits Summary.

The Committee discussed:

Coronavirus is community ready?

Water still runs through taps and toilets still work.

Types of events – threatening behaviour – identify top five health & safety risk – allocate resources.

8.2 FINANCIAL PERFORMANCE TO 31 JANUARY 2020

COMMITTEE RESOLUTION 2020/80

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the Committee receive the report.

CARRIED

The Pouwhakarae-Putea/Tautāwhi Rangapū Group Manager Finance and Corporate Support reported on the financial results against estimated phased budgets for each Group of Activities and the whole of Council.

The Committee discussed:

Work Plan – Confirm finance and cost associated with the capital acquisition for PGF funding projects – next FAR Committee

Monthly report – complete information in timely fashion

Capital reporting

8.3 PROGRESS UPDATE ON DEVELOPMENT OF LONG TERM PLAN 2021 - 2031**COMMITTEE RESOLUTION 2020/81**

Moved: Cr Denise Eaglesome-Karekare

Seconded: His Worship the Mayor Craig Little

That the Committee receive the report.

CARRIED

The Pouwhakarae-Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience presented her report and reported on the process of developing the Long Term Plan 2021-203, What's been done, What's in Progress, How are we tracking and What's coming up.

8.4 FAR WORK PLAN**COMMITTEE RESOLUTION 2020/82**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the Committee receive the report.

CARRIED

8.5 UPDATE ON RISK MANAGEMENT**COMMITTEE RESOLUTION 2020/83**

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the Committee receive the report.

CARRIED

The Pouwhakarae-Putea/Tautāwhi Rangapū Group Manager Finance and Corporate Support reported on the nature of Council's diverse activities and its external interactions expose it to myriad risks. Internal audit being Contract Management, Procurement and Cyber Security.

9 PUBLIC EXCLUDED ITEMS**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2020/84**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the public be excluded from the following parts of the proceedings of this meeting at 3.03pm.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 – Purchasing Land at Mahia	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

COMMITTEE RESOLUTION 2020/85

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the Committee moves out of Closed Committee into Open Committee.

CARRIED

Closing karakia given by K Tipuna

The Meeting closed at 3.10pm.

The minutes of this meeting were confirmed at the Finance, Audit & Risk Committee Meeting held on 14 April 2020.

.....
CHAIRPERSON

8 GENERAL ITEMS

8.1 FINANCIAL PERFORMANCE TO 29 FEBRUARY 2020

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager Finance and Corporate Support

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Financial Performance to 29 February 2020 [↓](#)

1. PURPOSE

- 1.1 This summary report provides information on Council's performance for the 8 months ended 29 February 2020. No decisions are required by Committee at this stage.
- 1.2 This is an information report-only report because it provides an update on Council's progress against objectives established and decisions previously made in the Annual Plan 2019-20 and Long-term Plan 2018-28.

RECOMMENDATION

The Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager Finance and Corporate Support RECOMMENDS that Committee receive the report.

2. BACKGROUND



- 2.1 Council's minimum statutory obligations regarding reporting, public accountability and financial management are contained in Part 6 of the Local Government Act 2002. Monitoring financial performance on Council's behalf is included in the Committee's Terms of Reference.
- 2.2 Beyond this, regular performance reporting is good practice, keeping Council and the community informed of its financial performance and position.
- 2.3 In addition, reporting during the year provides an indication of full year outcomes and informs the decision-making process for each subsequent Annual Plan and Long-term Plan.
- 2.4 The financial performance report, attached as **Appendix 1**, sets out the financial results against estimated phased budgets for each Group of Activities and the whole of council.

References (to or from other Committees)

Council - 11 January 2020 – Half Year Performance 2019-20

Finance Audit and Risk Committee – 3 March 2020 – Financial Performance to 31 January 2020

Signatories

	
Author Gary Borg	Approved by Steven May

MONTHLY REPORT

TO 29 FEBRUARY 2020



TE WAIROA
WAIROA DISTRICT

FINANCIAL COMMENTARY

At the end of February 2020, Wairoa District Council had a Net Surplus on Operations of \$4,525K against a year to date (YTD) budget of \$4,443K. The greater than budgeted surplus is primarily a result of Capital Subsidy Revenue recognised for the Mahia East Coast Road traction sealing of almost \$1m and more than compensated for the wastewater costs spend on desludging of the oxidation ponds.

Similarly general increases in compliance costs, particularly are offset against unspent budget for development of the District Plan.

FUNDING IMPACT STATEMENT - WATER SUPPLY

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	116	116	199
Targeted rates (other than a targeted rate for water supply)	825	825	1,414
Subsidies and grants for operating purposes	-	-	-
Fees and charges	198	215	309
Internal charges and overheads recovered	407	284	427
Internal interest income	-	-	-
Interest and dividends from Investments	58	44	65
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,604	1,485	2,416
Applications of operating funding			
Payments to staff and suppliers	705	703	1,039
Finance costs	-	-	-
Internal charges and overheads applied	648	557	833
Internal interest charged	58	-	-
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,411	1,260	1,873
Surplus (deficit) of operating funding (A - B)	193	224	543
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	13	3	3
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	13	3	3
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	51	66	66
- to replace existing assets	100	257	324
Increase (decrease) in reserves	55	(96)	156
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	206	227	546
Surplus (deficit) of capital funding (C-D)	(193)	(224)	(543)
Funding balance ((A-B) + (C-D))	-	-	-

The variances internal recoveries and charges result from higher expected water consumption

Capital Expenditure includes \$48k on intake protection that was separately approved and funded by substitution. Expenditure on pipeline renewals has been minimal to date while work on the intake continues.

FUNDING IMPACT STATEMENT - STORMWATER

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	303	303	519
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2	-	-
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	31	26	39
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	335	330	559
Applications of operating funding			
Payments to staff and suppliers	89	82	118
Finance costs	-	-	-
Internal charges and overheads applied	50	36	55
Internal interest charged	95	106	159
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	234	225	332
Surplus (deficit) of operating funding (A - B)	101	103	226
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	66	154	231
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	66	154	231
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	66	154	231
- to replace existing assets	19	175	262
Increase (decrease) in reserves	82	(71)	(36)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	167	258	458
Surplus (deficit) of capital funding (C-D)	(101)	(103)	(226)
Funding balance ((A-B) + (C-D))	-	-	-

As at 29 February expenditure on piping open drains was at $\frac{1}{3}$ of the full year budget.
Expenditure on pipeline renewals has been minimal.

FUNDING IMPACT STATEMENT - WASTEWATER

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	922	922	1,581
Subsidies and grants for operating purposes	-	-	-
Fees and charges	21	87	130
Internal charges and overheads recovered	1	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	31	43	64
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	975	1,052	1,776
Applications of operating funding			
Payments to staff and suppliers	1,192	560	815
Finance costs	-	-	-
Internal charges and overheads applied	51	36	54
Internal interest charged	181	206	307
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,423	802	1,178
Surplus (deficit) of operating funding (A - B)	(448)	250	598
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	276	41	62
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	276	41	62
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	250	41	62
- to replace existing assets	543	491	737
Increase (decrease) in reserves	(966)	(242)	(138)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(172)	290	660
Surplus (deficit) of capital funding (C-D)	448	(249)	(598)
Funding balance ((A-B) + (C-D))	-	-	-

Payments to staff and suppliers are \$630k higher than budgeted run rate, primarily due to the cost of desludging the oxidation ponds. Capital expenditure to improve the level of service is \$209k higher than budgeted. As programmes advance, expenditure that was contemplated for later years in the LTP has been brought forward. The two key projects impacting this are the Wairoa wastewater discharge resource consent application and the Inflow and Infiltration project, to separate storm water and wastewater networks. The above statement shows how these variances have been funded by both an increase in debt (\$276k) and a decrease in reserves (\$966k).

FUNDING IMPACT STATEMENT – WASTE MANAGEMENT

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	719	719	1,232
Subsidies and grants for operating purposes	150	-	-
Fees and charges	460	431	641
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,328	1,151	1,874
Applications of operating funding			
Payments to staff and suppliers	903	858	1,299
Finance costs	-	15	23
Internal charges and overheads applied	17	24	36
Internal interest charged	133	151	224
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,053	1,048	1,583
Surplus (deficit) of operating funding (A - B)	275	102	292
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	238	570	570
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	238	570	570
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	238	570	570
- to replace existing assets	-	-	-
Increase (decrease) in reserves	275	102	292
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	513	672	862
Surplus (deficit) of capital funding (C-D)	(275)	(102)	(292)
Funding balance ((A-B) + (C-D))	-	-	-

Payments to staff and suppliers are \$45k higher than budgeted. Some of this has been volumetric as a result of processing the sludge from the oxidation ponds. Furthermore, landfill operations and monitoring costs are also higher than budgeted, as signing of new waste management agreement coincided with the 19/20 annual plan preparation. Associated upgrades to the site are proceeding in line with expectations, while the Mahia recycling centre is yet to commence because a suitable site has yet to be identified.

FUNDING IMPACT STATEMENT – TRANSPORT

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	46	46	78
Targeted rates (other than a targeted rate for water supply)	2,518	2,518	4,316
Subsidies and grants for operating purposes	4,076	4,496	6,744
Fees and charges	43	20	49
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,683	7,079	11,188
Applications of operating funding			
Payments to staff and suppliers	5,045	5,835	8,747
Finance costs	(8)	2	3
Internal charges and overheads applied	(32)		
Internal interest charged	952	1,097	1,635
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	5,956	6,934	10,385
Surplus (deficit) of operating funding (A - B)	726	145	803
Sources of capital funding			
Subsidies and grants for capital expenditure	6,110	6,686	10,029
Development and financial contributions	-	-	-
Increase (decrease) in debt	14	337	426
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,125	7,023	10,455
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,072	712	1,105
- to replace existing assets	6,803	7,733	11,472
Increase (decrease) in reserves	(1,024)	(1,277)	(1,319)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,851	7,168	11,257
Surplus (deficit) of capital funding (C-D)	(726)	(145)	(803)
Funding balance ((A-B) + (C-D))	-	-	-

Overall, allowing for seasonal fluctuations activity in the Transport Group of Activities is considered to be on track. The operating surplus is higher than expected because the subsidised roading activity is prioritised, so the operating subsidy received is a higher percentage of total operating expenditure.

FUNDING IMPACT STATEMENT – COMMUNITY FACILITIES

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	560	560	959
Targeted rates (other than a targeted rate for water supply)	1,060	1,060	1,817
Subsidies and grants for operating purposes	118	55	60
Fees and charges	47	29	48
Internal charges and overheads recovered	1	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,785	1,704	2,886
Applications of operating funding			
Payments to staff and suppliers	1,152	1,180	1,737
Finance costs	(4)	15	23
Internal charges and overheads applied	78	-	-
Internal interest charged	180	201	299
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,407	1,396	2,061
Surplus (deficit) of operating funding (A - B)	378	307	825
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	89	82	142
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	90	82	142
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	160	100	112
- to replace existing assets	47	84	254
Increase (decrease) in reserves	261	205	601
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	468	390	967
Surplus (deficit) of capital funding (C-D)	(378)	(307)	(825)
Funding balance ((A-B) + (C-D))	-	-	-

Subsidy revenue is \$63k higher than budgeted which relates to unbudgeted grants received for Computers in homes (\$12k) along with higher than budgeted grants from Creative NZ (\$19k), the SPARC Rural Travel Grant (\$13k) and the Summer Reading Program (\$6k). Note that as some grants are not received evenly throughout the year and the timing of grant receipts can be difficult to predict.

Capital expenditure is slightly higher than budget and includes design work and scoping for projects that are expected to contribute to wider PGF funded programmes.

FUNDING IMPACT STATEMENT – LEADERSHIP & GOVERNANCE

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,974	1,974	3,385
Targeted rates (other than a targeted rate for water supply)	478	478	820
Subsidies and grants for operating purposes	56	-	-
Fees and charges	200	208	312
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,709	2,662	4,518
Applications of operating funding			
Payments to staff and suppliers	1,246	1,207	1,814
Finance costs	9	3	4
Internal charges and overheads applied	7	2	3
Internal interest charged	1,046	1,096	1,630
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	2,308	2,308	3,451
Surplus (deficit) of operating funding (A - B)	400	353	1,067
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	522	6	6
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	522	6	6
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	532	11	11
- to replace existing assets	37	11	11
Increase (decrease) in reserves	354	337	1,051
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	922	359	1,073
Surplus (deficit) of capital funding (C-D)	(400)	(353)	(1,067)
Funding balance ((A-B) + (C-D))	-	-	-

At the operating level this Group of Activities is close to budget. Capital expenditure, and the increase in debt, includes the acquisition of facilities that will contribute to the PGF funded Te Wairoa e Whanake hinonga.

FUNDING IMPACT STATEMENT – PLANNING AND REGULATORY

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	18	18	32
Targeted rates (other than a targeted rate for water supply)	791	791	1,356
Subsidies and grants for operating purposes	28	-	-
Fees and charges	448	366	452
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,285	1,177	1,841
Applications of operating funding			
Payments to staff and suppliers	843	1,041	1,560
Finance costs	20	12	18
Internal charges and overheads applied	6	3	5
Internal interest charged	217	226	336
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,086	1,282	1,920
Surplus (deficit) of operating funding (A - B)	200	(106)	(79)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	12	17
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	12	17
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	73	42	62
- to replace existing assets	38	-	-
Increase (decrease) in reserves	89	(136)	(124)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	200	(95)	(62)
Surplus (deficit) of capital funding (C-D)	(200)	106	79
Funding balance ((A-B) + (C-D))	-	-	-

Income is 108k better than budget relating to an unbudgeted subsidy, received from the Tourism Infrastructure Fund to support control of freedom camping. This has supported and increase in revenue from fees and charges because it has increased coverage.

Revenue increase across all regulatory areas have been achieved through increased volumes, which has been delivered through the application of focused and supplementary resources.

The associates costs are offset by unspent budget for the development of the District Plan.

FUNDING IMPACT STATEMENT – CORPORATE FUNCTIONS

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	168	168	289
Targeted rates (other than a targeted rate for water supply)	(698)	(698)	(1,197)
Subsidies and grants for operating purposes	-	-	-
Fees and charges	97	78	117
Internal charges and overheads recovered	3,130	3,437	5,119
Internal interest income	112	(112)	(169)
Interest and dividends from Investments	599	639	959
Local authorities fuel tax, fines, infringement fees, and other receipts	41	43	87
Total operating funding (A)	3,450	3,557	5,206
Applications of operating funding			
Payments to staff and suppliers	3,325	3,432	5,059
Finance costs	95	63	303
Internal charges and overheads applied	15	7	10
Internal interest charged	80	82	122
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	3,516	3,583	5,495
Surplus (deficit) of operating funding (A - B)	(66)	(27)	(289)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	38	294	437
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	38	294	437
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	101	260	271
- to replace existing assets	148	518	706
Increase (decrease) in reserves	(277)	(511)	(829)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(28)	267	148
Surplus (deficit) of capital funding (C-D)	66	27	289
Funding balance ((A-B) + (C-D))	-	-	-

At the operating level this Group of Activities is close to budget. The variance in capital expenditure is the archives building upgrade which has been deferred for consideration alongside Te Wairoa e Whanake.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the 8 months ended 29 February 2020

	Actual 8 months to 29 Feb 2020 \$000	Annual Plan 8 months to 29 Feb 2020 \$000	Variance			Annual Report 12 months to 30 June 2019 \$000
			\$000	%		
Revenue						
Rates	9,799	9,800	(1)	0%		12,517
Subsidies and grants	10,539	11,237	(698)	-6%	A	14,070
Petrol tax	41	43	(2)	-5%		88
Fees and charges	1,514	1,430	84	6%		2,811
Investment income	718	753	(35)	-5%		609
Miscellaneous income	-	-				194
Total revenue	22,611	23,263				30,289
Expense						
Water supply	1,768	1,665	103	6%		2,535
Stormwater	362	359	3	1%		600
Wastewater	1,606	952	654	69%	B	1,903
Solid waste	1,125	1,131	(6)	-1%		1,838
Transport	7,877	8,948	(1,071)	-12%	A	13,560
Community Facilities	1,564	1,584	(20)	-1%		2,462
Planning and Regulatory	1,131	1,362	(231)	-17%	C	1,558
Leadership and Governance	2,348	2,339	9	0%		3,372
Corporate Functions	711	764	(53)	-7%		614
Total expense	18,086	18,820				28,442
Net surplus (deficit) on operations	4,525	4,443				1,847
Taxation	-	-				-
Net surplus (deficit) after taxation	4,525	4,443				1,847
Other comprehensive income						
Increase (decrease) in revaluation reserve	-	-				-
Increase (decrease) in AFS reserve	16					-
Total comprehensive revenue and expense	4,541	4,443				1,847

Variance explanations (29 February 2020 actual compared to annual plan YTD)

- A** The adverse variance in subsidy revenue is balanced by a favourable variance in expenses in the transport activity. As at 29 February the activity was considered to be broadly on track, recognising that expenditure does not occur evenly throughout the year.
- B** Wastewater costs are 69% (\$654k) higher than budget. This is primarily due to the \$458k spent YTD on desludging of the oxidation ponds. The cost of this project is budgeted as a capital expenditure in the long term plan, however has been reported as an operating expenses in line with financial reporting standards. There is also higher than budgeted costs associated with Wairoa Wastewater treatment operations and maintenance - along with greater costs at Mahia and Opoutama operations.
- C** The planning and regulatory budget in the annual plan includes \$530k for plan management (District Plan review and e-plan maintenance) of which the spend YTD is nil. These savings have been slightly offset by higher than budgeted consulting costs. District Plan review work has been deferred whilst Council has focused on delivering on business as usual service. The additional costs incurred in these areas are reflected in increased revenue from fees and charges.

STATEMENT OF FINANCIAL POSITION

As at 29 February 2020

	Actual As at 29 Feb 2020 \$000	Annual Plan As at 29 Feb 2020 \$000	Annual Report As at 30 June 2019 \$000	Variance		
				\$000	%	
Current Assets						
Cash and cash equivalents	7,591	3,057	2,473	5,118	207%	A
Inventories	51	56	55	(4)	-7%	
Trade and other receivables	3,518	4,042	5,908	(2,390)	-40%	B
Financial assets at fair value	-	-	509	(509)	-100%	
Total current assets	11,160	7,155	8,945			
Current liabilities						
Trade and other payables	4,192	10,459	5,973	(1,781)	-30%	C
Advance funding - PGF	3,005	-	-	3,005	100%	D
Borrowings	-	-	1,500	(1,500)	-100%	
Total current liabilities	7,197	10,459	7,473			
Working Capital	3,963	(3,304)	1,472			
Non current assets						
Property, plant and equipment	254,649	265,913	258,054	6,873	3%	
Work in progress	18,447	11,192	8,169			
Investment in subsidiary	1,250	1,250	1,250	-	0%	
Investment property	405	-	405	-	0%	
Biological asset - forestry	260	260	260	-	0%	
Available for sale financial assets	37	23	37	-	0%	
Intangible assets	37	241	69	(32)	-46%	
Financial assets held to maturity	144	-	56	88	157%	
Financial assets at fair value	5,982	9,255	5,408	574	11%	
	281,211	288,134	273,708			
Non current liabilities						
Employee entitlements	75	114	121	(46)	-38%	
Landfill aftercare	1,054	730	1,055	(1)	0%	
Borrowings	9,000	8,183	3,500	5,500	157%	E
	10,129	9,027	4,676			
Net assets	275,045	275,803	270,504			
Represented by						
Equity	275,045	275,803	270,504			

Variance explanations (29 February 2020 compared to 30 June 2019)

- A** Cash reserves (including short term deposits) are 171% (\$4.2m) higher than at year end. This is due to an increase in WDC's short term deposits as a result of PGF funds received to allow cash for the Mahia East Coast Road project to commence. It is expected that \$3 million of this will be expended by year end. The reduction in trade payables also represents greater cash collection since year end, further increasing cash reserves.
- B** Trade and other receivables are 39% (\$2.3m) less than at year end. This is a reflection of NZTA claims being processed promptly.
- C** Trade payable are lower than year end. The year end balance is generally higher as provisions and accruals are updated. However this movement also reflects improvements in timing and control of payables via contract management and purchase order disciplines.
- D** The \$3.0m in prepayments is the balance of \$4 million received from PGF for roading projects (Alternative Route Nuhaka-Ōpoutama Road Investigation (\$400k) and Mahia East Coast Road Traction Sealing (\$3.6m). It is held as a prepayment as the funds are available for clawback unless spent in accordance with the grant. These funds will therefore be released to match expenditure.
- E** Borrowings increased due to the acceleration capital programmes and acquisitions made by Council in respect of PGF approved projects.

STATEMENT OF CHANGES IN EQUITY

For the 8 months ended 29 February 2020

	Actual As at 29 Feb 2020 \$000	Annual Plan As at 29 Feb 2020 \$000	Annual Report As at 30 June 2019 \$000
Total equity - opening balance	270,504	271,360	268,657
Net surplus (deficit) for period	4,525	4,443	1,847
Other comprehensive income	16	-	-
Total comprehensive income	4,541	4,443	1,847
Total equity - closing balance	275,045	275,803	270,504
Components of equity			
Ratepayers equity - opening balance	135,156	142,273	132,248
Net surplus/(deficit) for period	4,525	4,443	1,847
Transfers from restricted reserves	782	2,669	6,030
Transfers to restricted reserves	(8)	(2,559)	(5,231)
Transfer from revaluation reserve on disposal	2,610	-	262
Ratepayers equity - closing balance	143,065	146,826	135,156
Special funds - opening balance	22,076	17,173	22,875
Transfer from ratepayers equity	8	2,559	5,231
Transfer to ratepayers equity	(782)	(2,669)	(6,030)
Special funds - closing balance	21,302	17,063	22,076
Revaluation reserves - opening balance	113,272	111,914	113,534
Net transfer from revaluation reserve on disposal	(2,610)	-	(262)
Transfer to revaluation	16	-	-
Revaluation reserves - closing balance	110,678	111,914	113,272
Total equity - closing balance	275,045	275,803	270,504

STATEMENT OF CASHFLOWS

For the 8 months ended 29 February 2020

		Actual 8 months to 29 Feb 2020 \$000	Annual Report 12 months to 30 June 2019 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>	Rates received	9,264	12,552
	Other revenue	18,040	14,630
	Dividends received	369	110
	Finance income	349	500
		28,022	27,792
<i>Cash was applied to:</i>	Payments to staff and suppliers and employees	16,404	21,883
	Taxation	-	-
	Interest paid	69	189
		16,473	22,072
Net cash flows from operating activities		11,549	5,720
Cash flows from investing activities			
<i>Cash was provided from:</i>	Sale of property, plant and equipment	-	285
	Repayment of advances	-	-
	Sale of financial assets	-	4,438
		-	4,723
<i>Cash was applied to:</i>	Purchase of intangibles	-	-
	Purchase of financial assets	153	-
	Purchase of property, plant and equipment	10,278	11,390
		10,431	11,390
Net cash flows from investing activities		(10,431)	(6,667)
Cash flows from financing activities			
<i>Cash was provided from:</i>	Loans raised	5,500	6,500
		5,500	6,500
<i>Cash was applied to:</i>	Borrowings repaid	1,500	6,512
		1,500	6,512
Net cash flows from financing activities		4,000	(12)
Net increase/(decrease) in cash and cash equivalents		5,118	(959)
Cash and cash equivalents at beginning of year		2,473	3,432
Cash and cash equivalents at end of year		7,591	2,473
Made up of:			
Cash		(36)	22
Short Term Deposits		7,627	2,451
Bank Overdraft		-	-
Cash and cash equivalents at end of year		7,591	2,473

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

For the period ended 29 February 2020

	Actual 29 Feb 2020 \$000	Annual Plan 29 Feb 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding	2,882	2,882	4,941
General rates, uniform annual general charges, rates penalties	6,917	6,917	11,859
Targeted rates (other than a targeted rate for water supply)	5,423	4,551	6,804
Subsidies and grants for operating purposes	1,516	1,434	2,060
Fees and charges	112	(112)	(169)
Internal charges and overheads recovered	3,537	3,722	5,545
Internal interest income	719	751	1,127
Interest and dividends from Investments	41	43	87
Local authorities fuel tax, fines, infringement fees, and other receipts	2,882	2,882	4,941
Total operating funding (A)	21,148	20,190	32,255
Applications of operating funding			
Payments to staff and suppliers	14,499	14,899	22,188
Finance costs	113	110	373
Internal charges and overheads applied	250	108	163
Internal interest charged	3,533	3,722	5,545
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	18,394	18,839	28,271
Surplus (deficit) of operating funding (A - B)	2,754	1,350	3,984
Sources of capital funding			
Subsidies and grants for capital expenditure	5,115	6,686	10,029
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,257	1,500	1,895
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,372	8,186	11,924
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,542	1,956	2,490
- to replace existing assets	7,734	9,270	13,766
Increase (decrease) in reserves	(1,150)	(1,690)	(347)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	9,126	9,536	15,909
Surplus (deficit) of capital funding (C-D)	(2,754)	(1,350)	(3,984)
Funding balance ((A-B) + (C-D))	-	-	-