

6.10 DRAFT FINANCIAL REPORT AND CARRY FORWARDS FOR THE 2020/2021 FINANCIAL YEAR**File Number: COU1-1410****Author: Brent Chamberlain, Chief Financial Officer****Authoriser: Monique Davidson, Chief Executive****Attachments: 1. Draft Activity Funding Impact Statements for 30 June 2021****PURPOSE**

The matter for consideration by the Council is to give Councillors an early indication of the draft financial results for 2020/2021, and for Council to approve the proposed allocations to carry forwards, special funds, and between activities for the 2020/2021 Financial Year.

RECOMMENDATION FOR CONSIDERATION**That having considered all matters raised in the report:**

- a) **That Council receives the report entitled Draft Financial Report and Carry Forwards for the 2020/2021 Financial Year.**
- b) **Council approve the proposed allocations to carry forwards and special funds for the 2020/2021 Financial Year.**
- c) **Council approve that the 2020/2021 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.**
- d) **Council approves funding the \$428k shortfall in drinking water renewal budget via loan funding.**

EXECUTIVE SUMMARY

This report brings to Council the draft unaudited Financial Statements for the Council for the year ended 30 June 2021.

Contained in the report is a list of movements in Special Funds/Carry Forwards that are proposed to be funded from this year's activities, and a proposal that where a general rate funded activity has a surplus, that this surplus be applied to those general rate rated activities that have deficits.

BACKGROUND

Throughout the year Council has received quarterly management reports on Council Finances. This report brings to Council an early draft unaudited financial results for the year ended 30 June 2021, and the funding impact statement for both the whole of Council and each group of activities undertaken by Council.

DISCUSSION

Set out below is a summary of the draft unaudited financial results for the 2020/21 financial year:

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021

	Actual 2020 \$000	Note	Budget 2021 \$000	Actual 2021 \$000
Revenue				
Rates revenue	20,793	2	21,453	21,364
Subsidies and grants	10,004	2	7,566	26,322
Interest and dividends	215		92	215
Fees and Charges	3,781	2	4,338	4,791
Development contributions	92		107	322
Other revenue	513	2	265	523
Total revenue	35,398		33,821	53,538
Expenditure				
Personnel costs	5,567		5,829	5,696
Depreciation and amortisation	12,397	2	13,065	11,971
Finance costs	429		462	580
Other operating expenses	17,490	2	15,316	26,408
Total operating expenditure	35,883		34,673	44,654
Net Operating Surplus/(Deficit)	(485)		(851)	8,884
Other (Gains)/Losses				
(Gains)/Losses on Public Debt	0		0	0
(Gains)/Losses on Investments	0		0	0
Total Other (Gains)/Losses	0		0	0
Operating surplus/(deficit) before tax	(485)		(851)	8,884
Income tax expense	0		0	0
Net surplus/(deficit) after tax	(485)		(851)	8,884
Other comprehensive income				
Gains/(losses) on the revaluation of property, plant and equ	2,417	10	14,928	0
Impairment of Recreation and Community Assets	(1,082)		0	0
Total other comprehensive Income	1,335		14,928	0
Total comprehensive income for the year	850		14,076	8,884

It is important to note that this is based on traditional accounting presentation requirements and is more akin to how a "For Profit" entity would report. It is quite different to the Funding Impact Statement that the Local Government Act requires which looks at all sources of income/funds received and then how it has been applied/spent.

This years financial results have significantly been impacted by unbudgeted revenue and costs that relate to Central Government initiatives such as the Provincial Growth Fund, 3 Waters Reform, and economic stimulus packages post Covid.

Councils revenue is nearly \$20m ahead of budget, but almost all of this is in subsidises and grants received from external parties, and hasn't come from the rate payer.

This includes subsidises and grants include such projects as:

- 3 Waters Reform (water infrastructure upgrades) \$4.1m

- Route 52 Roothing Upgrade (PGF) \$6.2m
- Nga Ara Tipuna – Cultural Tourism (MBIE and others) \$2.4m
- Economic Recovery/Job Creation (MBIE) \$3.6m
- Responsible Camping (MBIE) \$0.1m

In addition to the earned subsidies and grants listed above, Council has received a further \$3.4m of unearned subsidies and grants as at 30 June 2021 and these have been treated as a liability (revenue in advance) rather than revenue. For example to date Council has received \$5.5m of 3 waters reform money, but it had only spent \$4.1m of it by balance date and the remaining \$1.4m has been treated as revenue in advance.

The business as usual revenue lines have tracked closely to budget.

Fees and Charges are slightly ahead of budget particularly in the consenting area and reflects the hot property market, and the higher than normal sub-division and building activity experienced in our community.

When you turn your attention to expenses, you will note that these too are ahead of budget, particularly in the operational costs area.

Again much of this relates back to the additional external funding being spent. \$1m of the 3 waters reform money has been used to fund 3 waters operational costs (the balance in asset creation), the \$2.4m Nga Ara Tipuna Project has also been treated as operational (Council is essentially project managing the project on behalf of an independent trust), and \$3.6m Economic Recovery and \$0.1m Responsible Camping are also both operational.

As stated earlier, these financial results are early draft unaudited financial statements. The auditors don't arrive on site until the 23rd August 2021 and as a result the results are subject to refinements and audit adjustments.

For example you'll note that there is currently no revaluation movements recorded as officers are waiting on external contractors to pair review the revaluation of Council's roading assets. Stantec have provided the first draft of their report which shows an increase of Council's roading assets of \$8.9m (although most of this is asset additions during the year).

Also, Council (in conjunction with DOC), sold 5 former reserves in early 2021. To date Council has incurred significant sales costs and these have been funded through special funds account "S001 Capital Projects Fund" which is why this account is currently overdrawn by \$217k. The solicitors are in the process of finalising the sales proceeds and costs incurred by both parties, but it is expected that Council will receive approximately \$305k once the dust settles. This sale is yet to be booked as we are waiting on the final details.

External Debt/ Investments/ Asset Creation

During 2020/21 Council's external debt has remained unchanged at \$20m. This was partly because we drew some debt early (before it needed) late last year and held this money as an investment till it was required, and during the year Council has received 3 Waters reform money which has allowed some capital works to be externally funded.

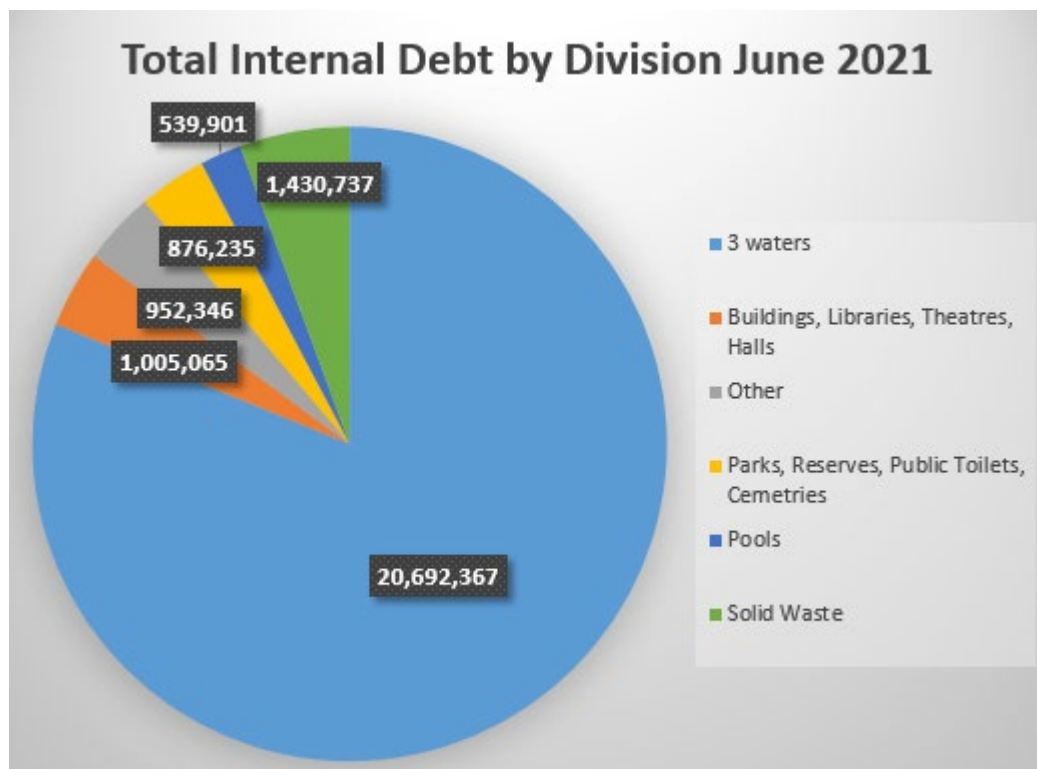
Council's weighted average cost of funds is 2.28% (2020: 2.28%), and the maturities are as the table below:

Debt Position	Draw Date	Maturity Date	Interest Rate	Amount		Movement
				30/06/2020	Amount Now	
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	2,000,000	-
LGFA - Fixed Rate	22/07/2019	15/04/2024	2.19%	10,000,000	10,000,000	-
LGFA - Fixed Rate	16/12/2019	15/04/2023	1.96%	4,000,000	4,000,000	-
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%	4,000,000	4,000,000	-
ANZ Seasonal Facility (\$1,500,000)				-	-	-
Total Debt			2.28%	20,000,000	20,000,000	-

Since balance date, Council has drawn a further \$2m for a period of 1 year at an interest rate of 1.25% pa.

During 2020/21 Council has spent \$25.9m on acquiring new assets or renewing existing assets.

While Council has external debt of \$20m, it also has internal debt (i.e. borrowings from other Council reserves). Total debt at 30 June was \$25.5m which means in addition to the \$20m external debt, Council has used \$5.5m of Councils internal funds to fund its infrastructure assets. The pie chart below shows how this debt is allocated to the various Council activities.



Special Funds

Special Funds and Trust Accounts are funded held for a specific purpose and are allocated interest annually from Councils investments/internal borrowings. Special Funds total just over \$7m.

Each year Council allocates its investment revenue to these special funds, and for 2020/21 Council is proposing to allocate \$206k of interest to Councils special funds which will represent an average 2.9% pa return.

Obviously, during 2020/21 Council has seen investment returns fall, so this year Officers propose a tiered interest payment to its special funds.

Tier One – these special funds are held for infrastructure replacements and require returns sufficient to offset inflation, and to provide an alternative to 100% rate funding of infrastructure. Officers propose to pay interest of 3.25% pa to this group.

Tier Two – These are Councils Scholarship Funds where Council gives away the interest to the scholarship recipients. Officers propose to pay interest of 3.00% pa to this group to maintain the capital base of these scholarship funds.

Tier Three – Mayoral Fund – this fund requires sufficient interest to top the fund back up to \$5k each year, rather than being based on a pure return basis.

Tier Four – Everything else. Here officers propose to provide a return of 1.5% pa which is in line with term deposit rates being offered by the high street banks.

Below is a table listing the various special funds, the current balance being held, and the proposed interest return:

Account	2020/21 Opening Balance	2020/21 YTD Actuals June	Interest Allocation	Interest Rate
S001. Capital Projects Fund	157,813	217,368	0	Overdrawn
S012. Ruahine W/d Disbursement Res	(673,362)	(614,644)	(9,875)	1.50%
S022. Ruataniwha W/d Disbursement Res	(37,729)	(18,295)	(566)	1.50%
S030. Aramoana W/d Disbursement Fund	(228,980)	(189,204)	(3,225)	1.50%
S110. Elections & Byelection Funding	(42,860)	(38,531)	(606)	1.50%
S438. Esplanade Reserves Fund Acct	(349,567)	(224,811)	(5,244)	1.50%
S515. Ruahine W/d Halls Maintenance Res	(42,926)	(43,570)	(644)	1.50%
S620. Rural Fire Reserve	(99,881)	(61,379)	(1,498)	1.50%
S621. Landfill Aftercare Reserve	(205,606)	(263,278)	(6,929)	3.25%
S625. Vehicle Depreciation Reserve	(460,015)	(516,440)	(14,951)	3.25%
S626. LT Vehicle Depreciation Reserve	(113,178)	(133,239)	(3,940)	3.25%
S630. Mayoral Fund	(7,420)	(6,366)	(1,776)	Top up to \$5k + WEIT
S635. Adverse Events Fund	(153,263)	(1,059,686)	(17,796)	3.25%
S637. Catastrophic Events Fund	(2,906,090)	(2,492,413)	(86,323)	3.25%
S675. Stormwater Renewal Reserve	(221,160)	(3,756)	(3,596)	3.25%
S711. Water Rates Smoothing Reserve	(275,000)	(275,000)	(8,938)	3.25%
S720. Wastewater Upgrade Reserve	(852,885)	(677,354)	(24,469)	3.25%
S765. Te Aute Drainage Scheme Reserve	(50,352)	(51,107)	(755)	1.50%
S861. Bridge Replacement Funding	(103,122)	(160,608)	(4,217)	3.25%
S862. Road Legalisation Funding	(22,159)	(22,491)	(332)	1.50%
S870. Recreation & Community Facilities Reserves	0	(20,150)	(150)	1.50%
S873. Waipukurau Libraries Donations Res	(6,126)	(6,218)	(92)	1.50%
S874. Waipawa Libraries Donations Res	(142,720)	(144,860)	(2,141)	1.50%
S875. EQC/DOC Grant Pourerere	(3,957)	(4,017)	(59)	1.50%
S877. District Landfill Levy Res	(44,325)	0	(577)	1.50%
S890. Housing Depreciation Reserve Acct	(139,882)	(118,238)	(2,098)	1.50%
S935. WPA Building Soc Scholarship Trust	(111,225)	(114,562)	(3,337)	3.00%
S940. Eric Tate Scholarship Trust	(70,920)	(73,048)	(2,128)	3.00%
S944. Rural Travel Fund Reserve	(63)	(64)	(1)	1.50%
	(7,206,959)	(7,115,961)	(206,263)	2.90%

The movements in the special funds during the year include the funding of, or the additional provision for:

- Water Security Funding - \$69k spent
- Nga Ara Tipuna Contribution - \$210k spent
- Te Paerahi Public Toilet - \$23k spent
- By Election Costs - \$5k spent
- Vehicle Replacements – \$57k provision
- Landfill Aftercare - \$51k part repay leachate loan
- Mayoral Fund - \$3k spent
- Adverse/Catastrophic Events – \$389k provision ex Reorganisation of balances, and addition of NZTA refund and surplus budget
- Stormwater Renewal - \$221k Tutaneikai Helicoil Project Spend
- Wastewater Upgrade - \$200k Wetlands Project Spend
- Drinking Water - \$9k Spend budget shortfall

Bridge Replacement - \$53k provision
 Planting - \$20k provision ex bequest
 Waste Minimisation - \$45k spend on Glass Bunker and education
 Retirement Housing - \$23k budget shortfall

Carry Forwards

Carry Forwards is the practice where Councils take projects that were budgeted to occur in a financial year, and therefore rated for but remain unspent at year end. These projects are expected to be completed in the following financial year so Council "Carries Forward" the rates funding to the following year to allow that project to be undertaken.

For the 2020/2021 below is a list of the Carry Forwards (note these are cumulative and include any carry forwards from previous years that remain unspent):

Account	2019/20 Full Year Actuals	2020/21 YTD Actuals June	Composition of Carry Forward	
CF401. Leadership Carry Fwd	- 37,984	- 46,993	Maori Engagement unspent	45,431
			CVOS Grants	1,562
CF406. Health Carry Fwd	- 25,000	- 17,460	District Licensing Committee	17,460
CF411. Solid Waste Carry Fwd	- 9,793	-	Solid Waste Carry Fwd	-
CF412. Water Carry Fwd	- 1,703	-	Water Carry Fwd	-
CF413. Waste Water Carry Fwd	- 49,536	-	Waste Water Carry Fwd	-
CF414. Stormwater Carry Fwd	- 278,001	- 476,471	Stormwater Carry Fwd	476,471
CF415. Parks Reserves Pools Carry Fwd	- 20,962	- 89,862	Te Reo Signage	5,400
			Parks Renewals	562
			War Memorial Renewals	4,500
			Waipukurau Camp Ground	60,000
			Camp Ground Renewals	9,400
			District Wide Renewals	10,000
CF419. Theatres Halls Carry Fwd	- 42,564	- 93,580	Civic Theatre	5,632
			District Halls	22,320
			Municipal Theatre	5,608
			Settlers Museum	10,424
			Memorial Hall	21,078
			Waipawa Pool	28,519
CF420. Cemeteries Carry Fwd	- 13,000	- 25,649	Cemeteries Carry Fwd	25,649
CF421. Properties Carry Fwd	- 67,787	- 115,176	Admin Building	28,263
			Library Renewals	54,877
			Library Book Replacements	8,981
			Library Program Donations	19,302
			Community Renewals	3,753
CF422. IT Carry Fwd	- 133,222	- 40,500	Server Relocation to HDC	40,500
CF423. Administration Carry Fwd	- 155,081	- 120,583	Document Scanning	95,583
			PBE Staff Training	25,000
CF424. Chief Exec CFWD	- 4,021	- 23,023	CE professional Development	8,023
			Residents Survey	15,000
CF425. Finance Services Carry Fwd	- 72,483	- 13,721	Finance Staff Training	4,100
			Maori Land	9,621
CF429. GIS Carry Fwd	- 82,122	- 135,391	Aerial Mapping	135,391
CF470R. LT Sub Carry Fwd Renewal	- 1,419,132	- 174,487	Adverse Events	100,000
			Footpaths	74,487
CF471R. LT Unsub Carry Fwd Renewal	- 28,013	- 125,623	Footpaths	85,623
			Carpark	40,000
	- 2,440,404	-1,498,519		1,498,520

You'll note that in the community facilities space there is significant renewals being carried forward. That is because they tend to rate for capital works over several years, and then undertake a significant piece of work once the funds are available.

Group Surplus and Deficits

Once you that taken into account the operating result of each Council Activity, and the movements in Special Funds and Carry Forwards above, Council is still left with a surplus/(deficit) in each activity.

For those activities are aren't funded by targeted rates we are able to apply the surpluses against the deficits and this looks like the following table:

Activity	Surplus/(Deficit)
Leadership	22,608
Economic and Social Development	(35,347)
District Planning	2,166
Resource Consents	(75,446)
Building Control	158,602
Public Health	(2,104)
Animal Control	5,829
Compliance	18,390
Solid Waste	(72,092)
Parks & Reserves	28,774
Public Toilets	7,466
Community Facilities	(23,987)
Properties	(34,861)
Total	-

For those activities that are funded through targeted rates (3 Waters and Roading) any surpluses and deficits are ring fenced to those activities. Any surpluses are carried forward to future years, and any deficits are funded from prior year surpluses from that activity.

This has been achieved in all cases except Drinking Water. Below is the Funding Impact Statement (FIS) for Drinking Water and as you can see from the highlighted line Council has spent \$637k more on renewals than budgeted, or rated for. While through the use of carry forwards and reserves we have managed to fund \$209k of this, the remaining \$428k could not be covered and has had to be borrowed.

In the Long Term Plan for years 1-5 Council has programmed a large renewal program that will be loan funded, however due to failures throughout the year of Councils reticulation network some of this work has had to be undertaken this year and officers propose to reduce renewal work in year 1 of the Long Term Plan by the \$428k to offset this early loan drawdown. Essentially Council has (due to asset failures) had to get ahead of the curve and do some of the work planned for year 1 of the Long Term Plan, before the start of the new financial year. This situation was signalled earlier in the year when Council considered the end of year forecast.

Account	2019/20 Full Year Actuals	2020/21 Approved Budget	2020/21 YTD Actuals June	2020/21 YTD Variance June
Grand Total	0	0	0	0
Sources of Operating	-3,160,466	-3,419,340	-3,658,977	-239,637
Targeted rates	-3,155,798	-3,416,220	-3,330,827	85,393
Subsidies and Grants for Operating Purposes	0	0	-318,530	-318,530
Fees, charges	-4,667	-3,120	-9,620	-6,500
Applications of Operating	2,475,392	2,571,852	2,948,807	376,955
Payments to staff and suppliers	1,849,178	1,522,166	2,361,694	839,528
Finance costs	112,173	346,566	130,440	-216,126
Other operating funding applications	514,040	703,120	456,673	-246,447
Sources of Capital	-5,152,301	-1,724,945	-2,806,531	-1,081,586
Subsidies and grants for capital expenditure	-263,131	0	-1,628,618	-1,628,618
Development and financial contributions	-84,796	-50,000	-218,042	-168,042
Increase (decrease) in debt	-4,804,374	-1,674,945	-959,870	715,075
Applications of Capital	5,837,375	2,572,433	3,516,701	944,268
to improve the level of service	5,867,200	1,990,394	2,092,589	102,195
to replace existing assets	215,518	832,039	1,469,264	637,225
Increase (decrease) in reserves	-245,344	-250,000	-45,152	204,848

Having done all done all this Council has a balanced Funding Impact Statement (as per the table below):

Account	2019/20 Full Year Actuals	2020/21 Approved Budget	2020/21 YTD Actuals June	2020/21 YTD Variance June
Grand Total	0.00	0.00	0.00	0.00
Sources of Operating	(29,777,697)	(28,828,051)	(38,052,676)	(9,224,625)
General rates, uniform annual general charges and rates penalties	(13,379,846)	(13,949,917)	(13,942,328)	7,589
Targeted rates	(7,413,116)	(7,503,245)	(7,421,275)	81,970
Subsidies and Grants for Operating Purposes	(4,496,855)	(2,714,626)	(11,177,398)	(8,462,772)
Fees, charges	(3,781,277)	(4,336,604)	(4,791,269)	(454,665)
Interest and dividends from investments	(214,937)	(92,294)	(214,922)	(122,628)
Local authorities fuel tax, fines, infringement fees and other	(491,666)	(231,365)	(505,484)	(274,119)
Applications of Operating	23,251,180	21,564,866	32,550,150	10,985,284
Payments to staff and suppliers	22,887,102	21,325,154	32,103,362	10,778,208
Employee Costs	5,567,072	5,829,438	5,695,588	(133,850)
Operational & Maintenance	15,745,691	13,830,377	24,824,068	10,993,691
Grants	502,046	537,745	485,412	(52,333)
Uncontrollable	1,072,292	1,127,594	1,098,294	(29,300)
Finance costs	364,078	419,390	446,788	27,398
Other operating funding applications	(0)	(179,678)	0	179,678
Sources of Capital	(23,617,962)	(7,755,297)	(15,487,436)	(7,732,139)
Subsidies and grants for capital expenditure	(5,507,054)	(4,851,768)	(15,145,013)	(10,293,245)
Gross proceeds from sale of assets	(18,811)	(34,661)	(20,183)	14,478
Development and financial contributions	(92,097)	(106,972)	(322,240)	(215,268)
Increase (decrease) in debt	(18,000,000)	(2,761,896)	0	2,761,896
Applications of Capital	30,144,479	15,018,482	20,989,962	5,971,480
to improve the level of service	12,439,478	5,651,907	8,105,268	2,453,361
to replace existing assets	7,324,211	9,554,195	17,750,453	8,196,258
Increase (decrease) in reserves	(468,641)	0	(6,865,759)	(6,865,759)
Increase (decrease) of investments	10,849,431	(187,620)	2,000,000	2,187,620

RISK ASSESSMENT AND MITIGATION

The proposed actions ensure that the targeted rates remain ring fenced for the use of 3 waters and roading, and that the general rate funds are only applied to those activities that are to be funded by general rates under Council's Revenue and Financing Policy.

FOUR WELLBEINGS

This report delivers an update on Council's finances, and shows that Council is acting in a transparent, fiscally prudent manner, with the best interests of Central Hawkes Bay District in mind.

DELEGATIONS OR AUTHORITY

While much of the movements in special funds and carry forwards reflect previous Council resolutions, how to deal with the residual activity surplus (deficits) needs to be decided.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some importance.

OPTIONS ANALYSIS

Council as the ability to approve the proposed allocations to carry forwards and special funds, and the drinking water renewal loan of \$428k for the 2020/2021 Financial Year and that the 2020/2021

activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.

Or Council can chose not approve the proposed allocations, and provide officers with guidance how they wish to allocate the surplus/ (deficits) between special funds/carry forwards/and activities.

Recommended Option

This report recommends option number one, approving the proposed allocations for addressing the matter.

NEXT STEPS

Officers will action whatever decision is made, and proceed to have the Auditor General audit these financial statements.

RECOMMENDATION
<p>a) That Council receives the report entitled Draft Financial Report and Carry Forwards for the 2020/2021 Financial Year.</p> <p>b) Council approve the proposed allocations to carry forwards and special funds for the 2020/2021 Financial Year.</p> <p>c) Council approve that the 2020/2021 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.</p> <p>d) Council approves funding the \$428k shortfall in drinking water renewal budget via loan funding.</p>

FUNDING IMPACT STATEMENT FOR Community Leadership
Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	1,229	1,251	1,406	1,405
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	47	48	35	6,146
Fees, charges	0	0	29	41
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	1,276	1,299	1,470	7,592
Applications of operating funding				
Payments to staff and suppliers	1,010	1,032	1,142	8,161
Finance costs	0	0	0	0
Internal charges and overheads applied	281	282	343	332
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,291	1,315	1,485	8,493
Surplus (deficit) of operating funding	(15)	(15)	(15)	(901)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(15)	(15)	(15)	(901)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	(15)	(15)	(15)	(901)
Surplus (deficit) of capital funding	15	15	15	901
Funding balance	0	(0)	0	0

FUNDING IMPACT STATEMENT FOR Planning & Regulatory
Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	785	807	823	819
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	1,030	1,041	1,393	2,108
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	21	22	17	3
Total operating funding	1,836	1,870	2,233	2,930
Applications of operating funding				
Payments to staff and suppliers	1,329	1,334	1,583	2,606
Finance costs	9	19	35	6
Internal charges and overheads applied	482	484	585	627
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,821	1,837	2,202	3,239
Surplus (deficit) of operating funding	15	33	31	(309)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	194	201	695	392
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	194	201	695	392
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	234	726	0
- to replace existing assets	208	0	0	0
Increase (decrease) in reserves	0	0	0	83
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	208	234	726	83
Surplus (deficit) of capital funding	(15)	(33)	(31)	309
Funding balance	0	0	0	0

FUNDING IMPACT STATEMENT FOR Land Transport

Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	6,564	6,707	6,854	6,854
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	2,554	2,571	2,613	3,660
Fees, charges	19	19	36	67
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	162	165	162	462
Total operating funding	9,299	9,462	9,664	11,043
Applications of operating funding				
Payments to staff and suppliers	4,602	4,635	4,705	5,706
Finance costs	0	0	0	0
Internal charges and overheads recovered	1,169	1,178	1,497	1,622
Other operating funding applications	0	0	0	0
Total applications of operating funding	5,771	5,813	6,201	7,328
Surplus (deficit) of operating funding	3,528	3,649	3,463	3,715
Sources of capital funding				
Subsidies and grants for capital expenditure	4,499	4,663	4,852	12,110
Development and financial contributions	3	3	3	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	4,502	4,666	4,855	12,110
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	300	300	1,000	1,602
- to replace existing assets	7,713	7,999	7,299	14,795
Increase (decrease) in reserves	16	16	19	(572)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	8,029	8,315	8,318	15,825
Surplus (deficit) of capital funding	(3,528)	(3,649)	(3,463)	(3,715)
Funding balance	0	0	0	0

FUNDING IMPACT STATEMENT FOR Solid Waste
Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	1,193	1,195	1,196	1,227
Targeted rates	236	242	373	374
Subsidies and grants for operating purposes	53	54	53	132
Fees, charges	1,132	1,156	1,713	2,002
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	2,614	2,648	3,335	3,735
Applications of operating funding				
Payments to staff and suppliers	1,911	1,942	2,472	2,936
Finance costs	92	85	44	27
Internal charges and overheads applied	341	342	501	484
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,344	2,369	3,017	3,447
Surplus (deficit) of operating funding	270	278	318	288
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	20
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(115)	(122)	(129)	(54)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions		0	0	0
Total sources of capital funding	(115)	(122)	(129)	(34)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	80
- to replace existing assets	95	97	97	94
Increase (decrease) in reserves	59	59	93	80
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	154	157	190	254
Surplus (deficit) of capital funding	(270)	(278)	(318)	(288)
Funding balance	0	0	0	0

FUNDING IMPACT STATEMENT FOR Water Supply
Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,109	3,272	3,416	3,331
Subsidies and grants for operating purposes	0	0	0	319
Fees, charges	0	0	3	10
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	3,109	3,272	3,419	3,660
Applications of operating funding				
Payments to staff and suppliers	1,223	1,532	1,522	2,363
Finance costs	453	616	347	130
Internal charges and overheads recovered	509	511	703	457
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,185	2,659	2,572	2,950
Surplus (deficit) of operating funding	924	613	847	710
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	1,629
Development and financial contributions	5	5	50	218
Increase (decrease) in debt	6,319	220	1,675	960
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	6,324	225	1,725	2,807
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	1,990	2093
- to replace existing assets	7,123	1,088	832	1469
Increase (decrease) in reserves	125	(250)	(250)	(45)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	7,248	838	2,572	3,517
Surplus (deficit) of capital funding	(924)	(613)	(847)	(710)
Funding balance	0	0	0	0

FUNDING IMPACT STATEMENT FOR Wastewater				
Funding impact statement for the year ending 30 June 2021				
	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,319	3,573	2,932	2,933
Subsidies and grants for operating purposes	0	0	0	743
Fees, charges	240	245	417	(83)
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	3,559	3,818	3,349	3,593
Applications of operating funding				
Payments to staff and suppliers	1,404	1,519	1,459	1,879
Finance costs	620	698	375	213
Internal charges and overheads recovered	509	511	675	782
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,533	2,728	2,509	2,874
Surplus (deficit) of operating funding	1,026	1,090	841	719
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	1,387
Development and financial contributions	10	10	50	96
Increase (decrease) in debt	2,163	1,100	977	2,143
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	2,173	1,110	1,027	3,626
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	4181
- to replace existing assets	3,168	2,168	1,609	408
Increase (decrease) in reserves	31	32	259	(244)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	3,199	2,200	1,868	4,345
Surplus (deficit) of capital funding	(1,026)	(1,090)	(841)	(719)
Funding balance	0	0	(0)	0

FUNDING IMPACT STATEMENT FOR Storm Water
Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties		0	0	0
Targeted rates	670	713	782	784
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	670	713	782	784
Applications of operating funding				
Payments to staff and suppliers	258	250	312	216
Finance costs	27	28	17	7
Internal charges and overheads recovered	165	166	208	227
Other operating funding applications	0	0	0	0
Total applications of operating funding	451	444	538	450
Surplus (deficit) of operating funding	220	269	245	334
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	7
Increase (decrease) in debt	70	(43)	(19)	(11)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	70	(43)	(19)	(4)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	9
- to replace existing assets	304	226	226	344
Increase (decrease) in reserves	(15)	0	0	(23)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	289	226	226	330
Surplus (deficit) of capital funding	(219)	(269)	(245)	(334)
Funding balance	0	0	(0)	0

FUNDING IMPACT STATEMENT FOR Recreation & Community
Funding impact statement for the year ending 30 June 2021

	2020 Long Term Plan \$000	2021 Long Term Plan \$000	2021 Annual Plan \$000	2021 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	3,400	3,561	3,644	3,637
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	17	17	13	178
Fees, charges	554	566	746	646
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	130	6	51	41
Total operating funding	4,100	4,150	4,454	4,502
Applications of operating funding				
Payments to staff and suppliers	2,303	2,375	2,659	3,033
Finance costs	166	174	98	75
Internal charges and overheads recovered	773	776	934	903
Other operating funding applications	0	0	0	0
Total applications of operating funding	3,241	3,324	3,691	4,011
Surplus (deficit) of operating funding	859	826	763	491
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	4	4	4	1
Increase (decrease) in debt	134	185	129	(160)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	138	189	133	(159)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	120	0	326	79
- to replace existing assets	698	959	586	378
Increase (decrease) in reserves	179	56	(16)	(125)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	997	1,015	897	332
Surplus (deficit) of capital funding	(859)	(826)	(763)	(491)
Funding balance	0	0	(0)	0