

**6.10 FINANCIAL REPORTING FOR THE EIGHT MONTHS TO FEBRUARY 2021****File Number:** COU1-1410**Author:** Brent Chamberlain, Acting Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Financial Results to February 2021**PURPOSE**

The purpose of this report is to provide the Committee with a summary of Council's financial performance and highlight the key financials for the first eight months of 2020/21 financial year.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report on Council's financial performance for the first eight months of the 2020/21 financial year be noted.**

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as being of some significance.

**DISCUSSION**

The aim of this report is to provide Council with a summary of the financial performance of Council and highlights the key trends for the first eight months for the year ended 30 June 2021.

The report contains a Financial Overview for Whole of Council and the Groups of Activities.

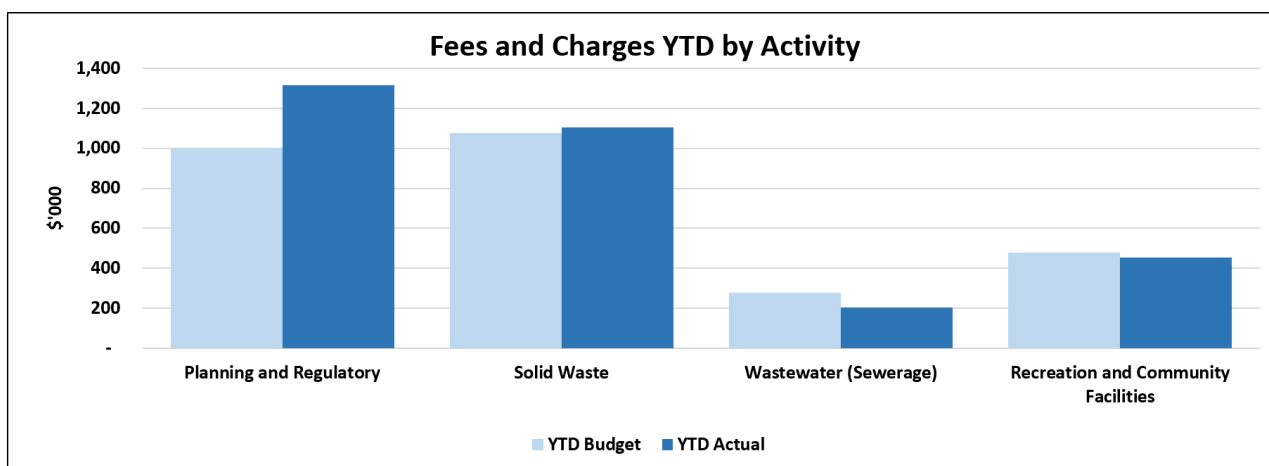
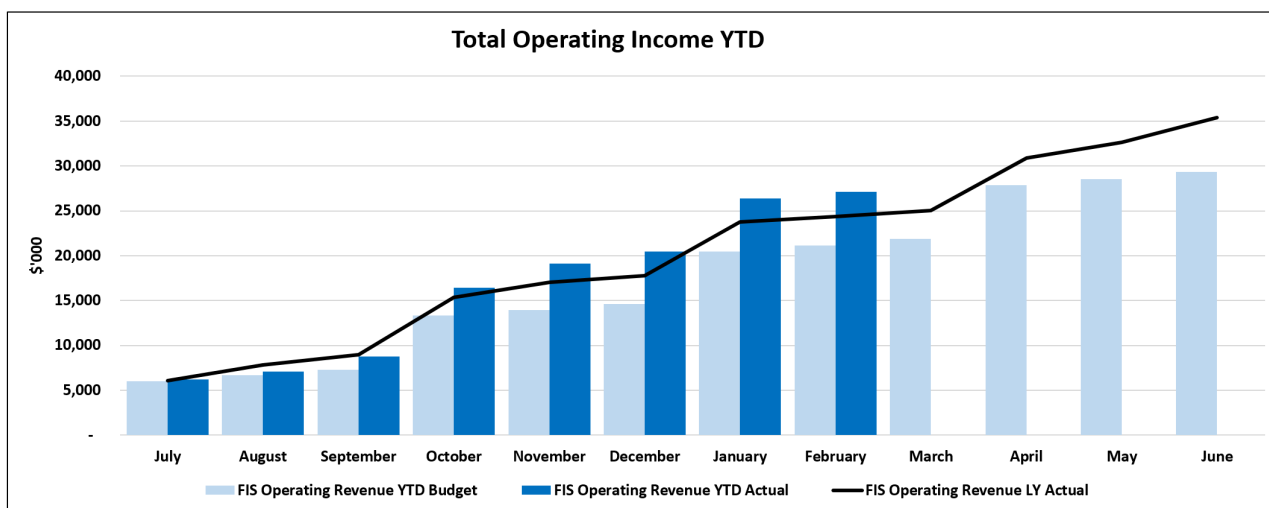
**Budget Commentary**

At a high level, operating revenue is \$5.9m ahead of budget at February 2021 (\$27.1m achieved versus \$21.1m budget).

This difference is largely caused by unbudgeted external funding - 3 Waters Reform \$1.175m operational, Economic Development Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m.

The balance is driven by additional fees and charges and is volume related. For example, Council continues to experience a high demand for Resource Consents and Building Consents and this revenue is \$331k up on budget.

In addition, Council has received a one off back payment from NZTA of \$280k due to the change in the FAR rate (Funding Assistance Rate).

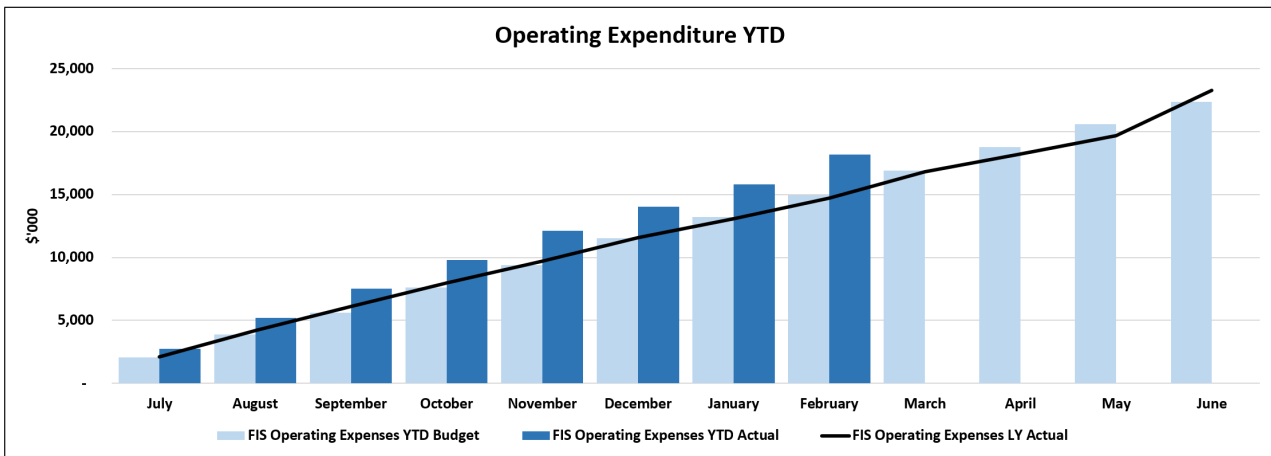


Just like revenue, operating costs are also up on budget by \$3.2m (actually spent \$18.2m versus a budget of \$14.9m).

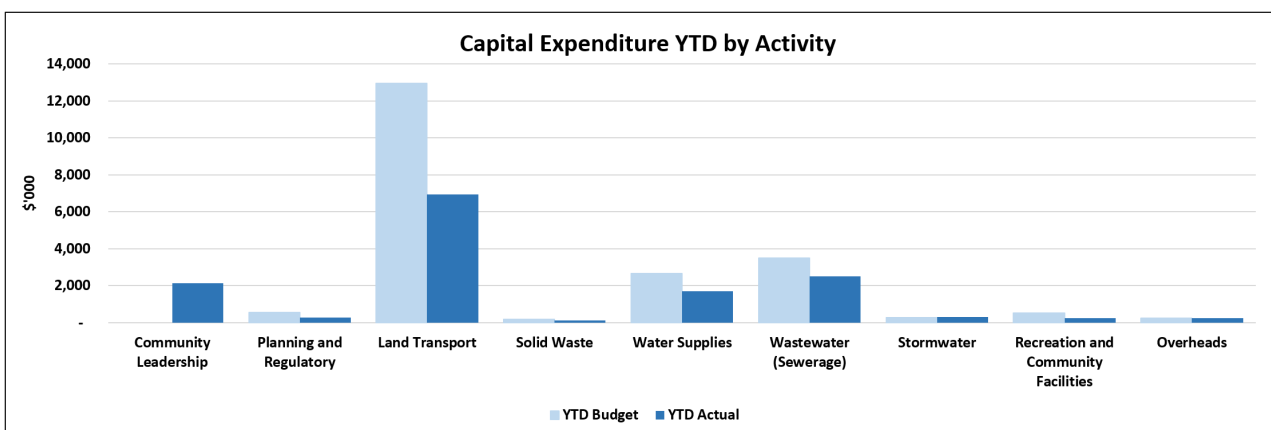
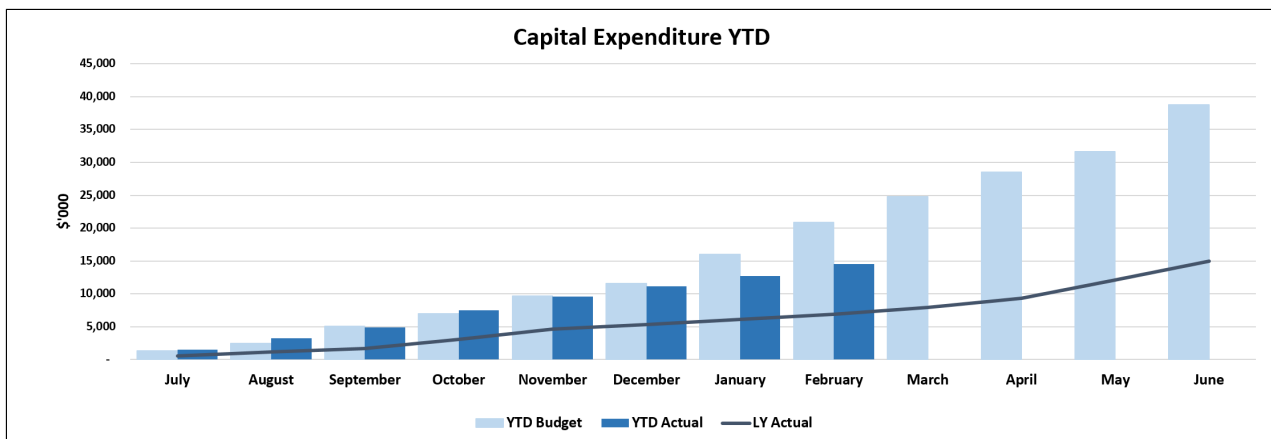
The unbudgeted revenue, also comes with unbudgeted costs - \$2.2m of Work Creation payments. Note that this project should be rate neutral which suggests at 28 February Council is holding \$1.3m of unspent work creation revenue.

In terms of business as usual, Council is also experiencing cost overruns which is a mixture of demand/volume driven, and operational overspends.

For consents, matching to the additional revenue, Council has spent an additional \$320k on outsourcing consent processing. Solid Waste is \$249k overspent due to a series of events including the disposal of accumulated tyres and concrete, transport of green waste to Napier, S17a review costs, and the purchase of carbon credits. Our 3 waters maintenance contracts are also over due to additional reactive maintenance - Water Supplies \$461k (includes \$44k to be recharged to 3<sup>rd</sup> parties for new connections), Wastewater \$157k, and is offset by storm water savings of \$63k.



Council is behind budget in capital spend, mainly in land transport but slightly offset by Community Leadership. The Land Transport under spend is largely a timely issue with reseals and bridge strengthening programs being behind schedule. The reseals as subsequently been completed and the bridge strengthening work is underway. The Nga Ara Tipuna Project is what is driving the Community Leadership spend. It is unbudgeted but is being funded by external sources so has little rating impact..

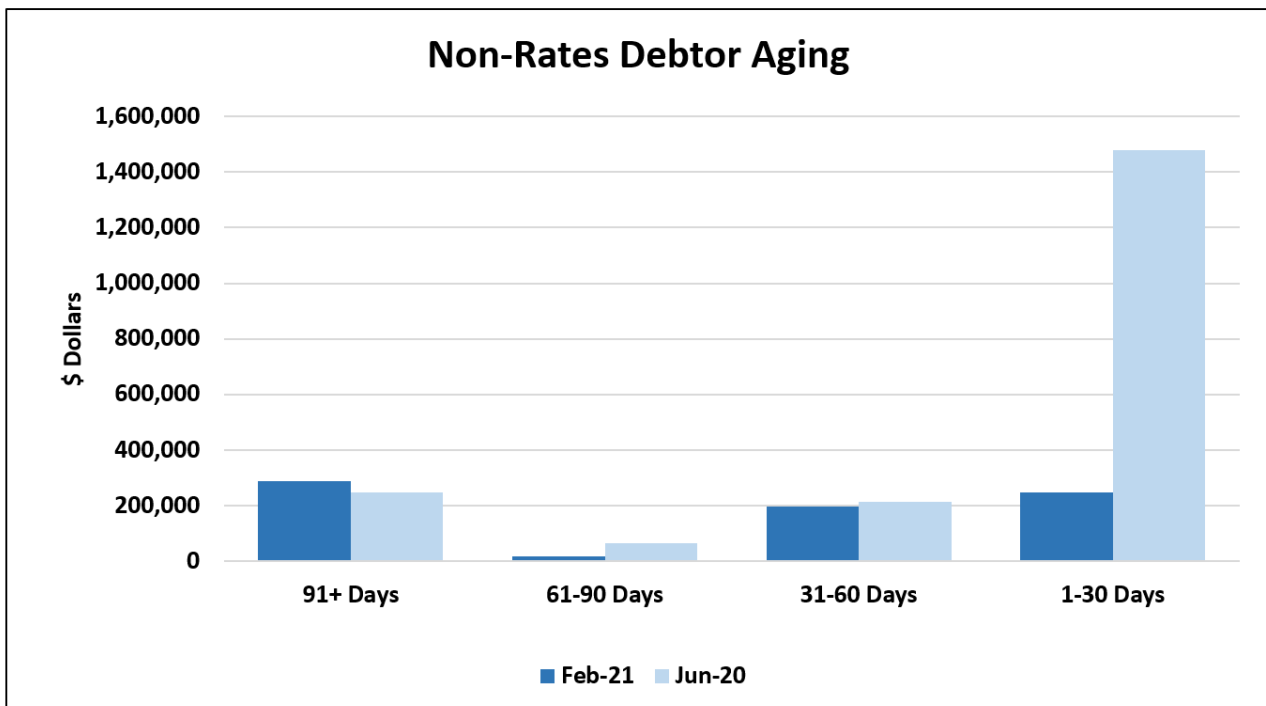
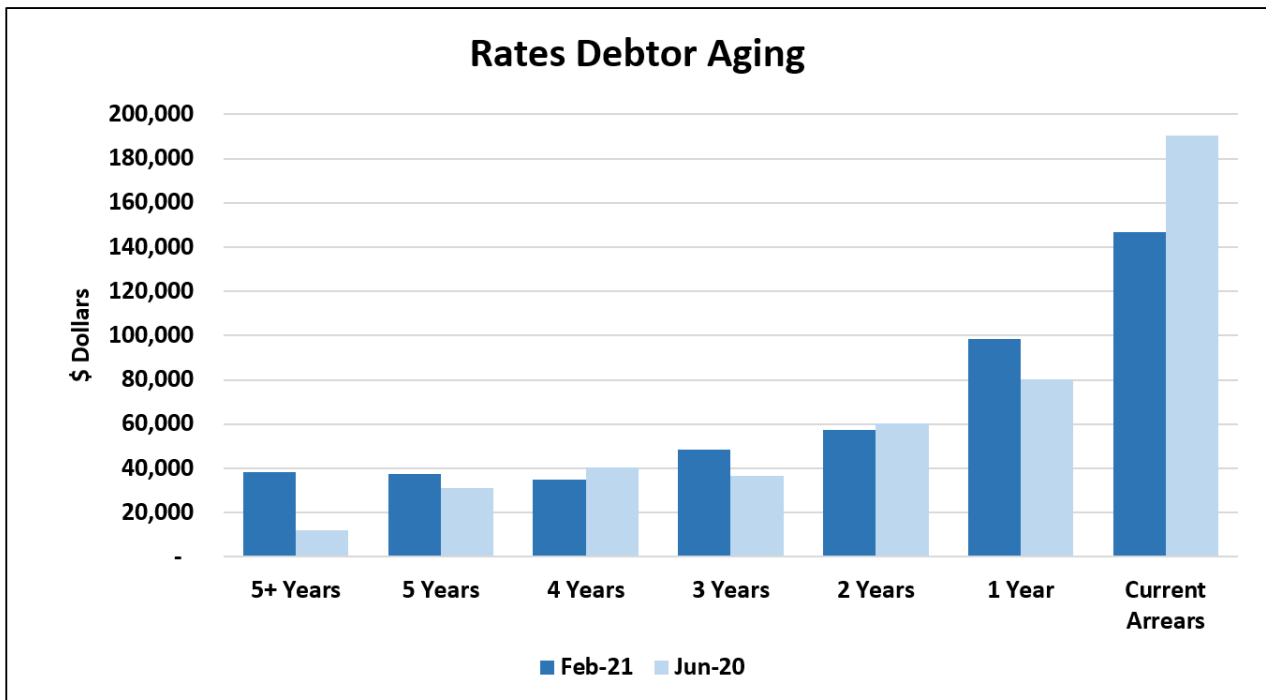


**Cash Position**

At the end of February Council was holding \$6.3m in its call account and a further \$13.5m in term deposits meaning it has plenty of funding available to fund its capital program for the months ahead.

Part of the reason Council was holding so much cash in February was due to the quarterly rates that were received at the end of February, and the first tranche of the 3 Waters Reform (\$5.5m) was received late November.

**Debtors**



Council Officers continue to work with our debtors to ensure collection. The earlier fears about what impact Covid-19 and the drought might have on debt arrears haven't become apparent at the time of writing. In fact, the Covid-19 rates relief policy has only been used by 2 rate payers across the district since the policy was adopted.

The Non Rates Debtors from June 2020 included significant NZTA and GST debtors which aren't included in the February 2021 figures.

## Treasury Policy

The table below shows that Council is compliant with both its existing treasury policy, and its proposed treasury policy contained in the draft Long Term Plan.

<b><u>Treasury Compliance with Policy</u></b>			
<u>Liquidity (Liquid Assets + Debt / Debt)</u>			
	<b>Existing</b>	<b>Proposed</b>	
	<b>Limit</b>	<b>Limit</b>	<b>Actual</b>
✓	>110%	>115%	139%
<u>Finance Costs / Total Revenue</u>			
	<b>Existing</b>	<b>Proposed</b>	
	<b>Limit</b>	<b>Limit</b>	<b>Actual</b>
✓	<10%	<20%	0.8%
<u>Finance Costs / Total Rates Revenue</u>			
	<b>Existing</b>	<b>Proposed</b>	
	<b>Limit</b>	<b>Limit</b>	<b>Actual</b>
✓	<20%	<25%	1.9%
<u>Debt per Head of Population</u>			
	<b>Existing</b>	<b>Proposed</b>	
	<b>Limit</b>	<b>Limit</b>	<b>Actual</b>
✓	<\$2,000	Removed	\$ 1,405
<u>Debt to Operating Revenue</u>			
	<b>Existing</b>	<b>Proposed</b>	
	<b>Limit</b>	<b>Limit</b>	<b>Actual</b>
✓	New	<150%	34.5%

## Comprehensive Income and Expenditure Statement

The budget commentary above is all based on the FIS (Funding Impact Statement) view of Councils finances (as required by the Local Government Act 2002).

When you display the same data using IFRS (International Financial Reporting Standards – standard accounting reporting format) then Councils revenue is inflated by capital grants (such as NZTA, PGF, and MBIE funding). For this financial period this includes the NZTA funding assistance and the 3 Waters Reform monies.

Offsetting this is the disclosure of depreciation (\$7.9m) as a cost.

By including this external funding, Council is showing an \$12.6m Comprehensive Income Surplus as at 28 February 2021.

## IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

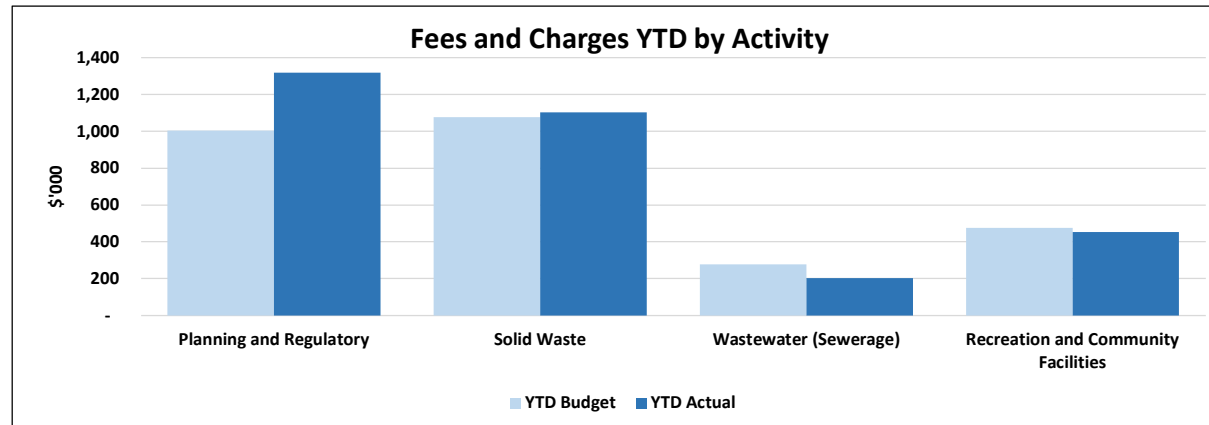
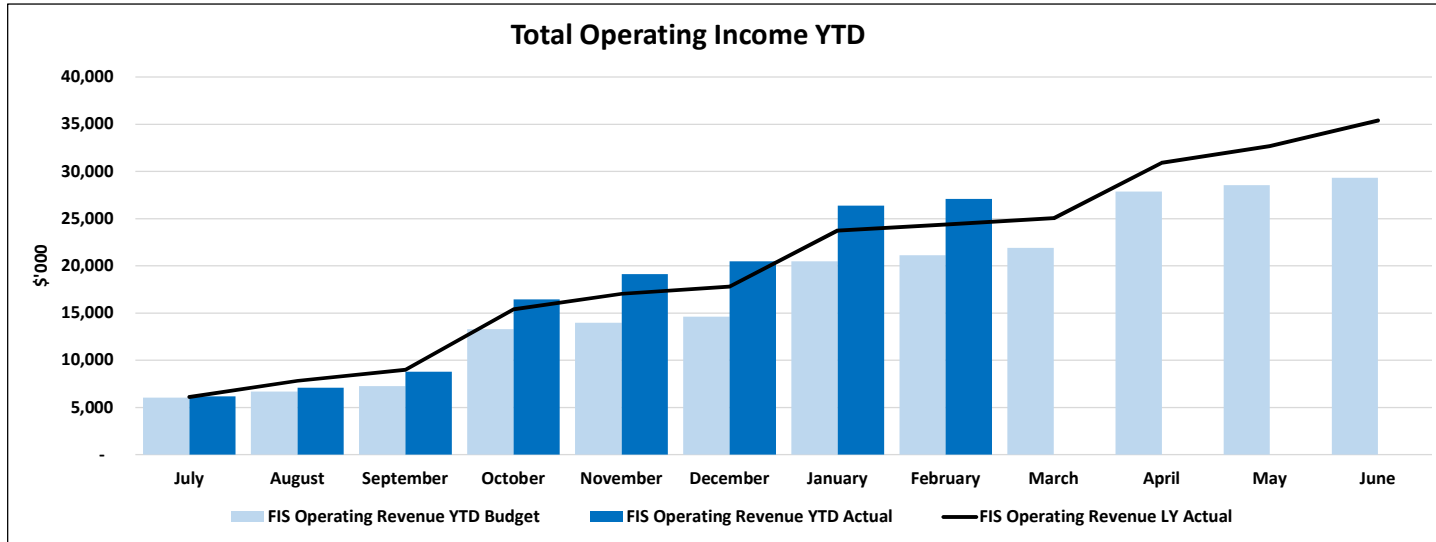
#### **NEXT STEPS**

Officers will continue to monitor and manage the finances of Council.

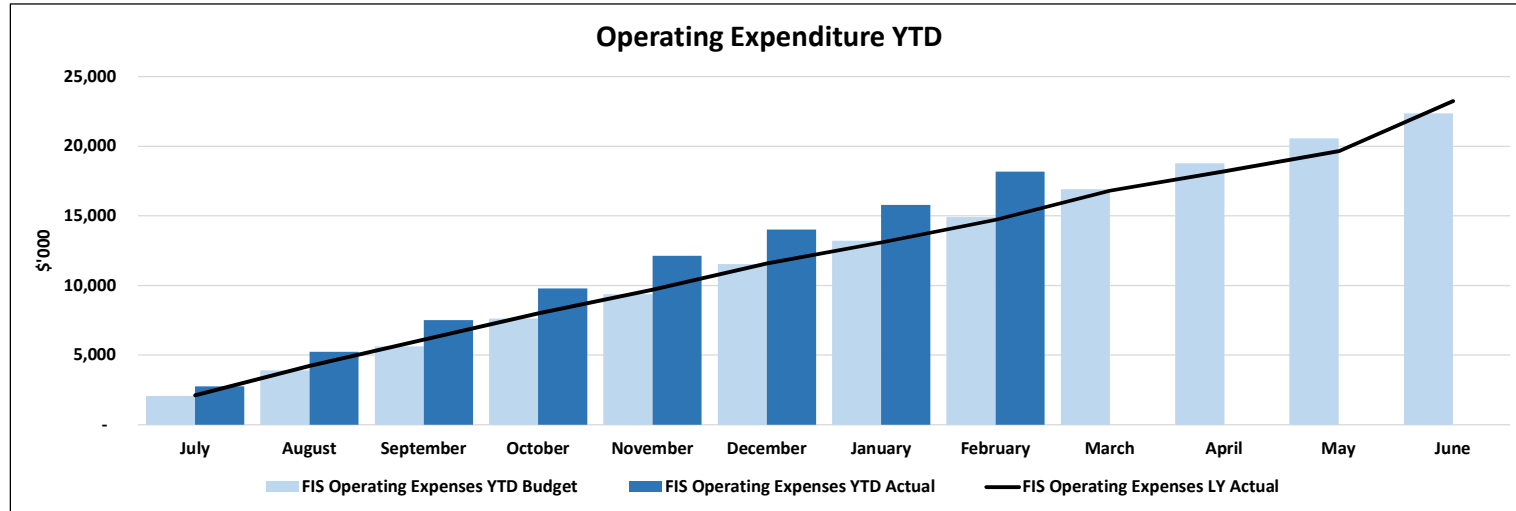
#### **RECOMMENDATION**

**That, having considered all matters raised in the report, the report on Council's financial performance for the first eight months of the 2020/21 financial year be noted.**

**OPERATING INCOME**

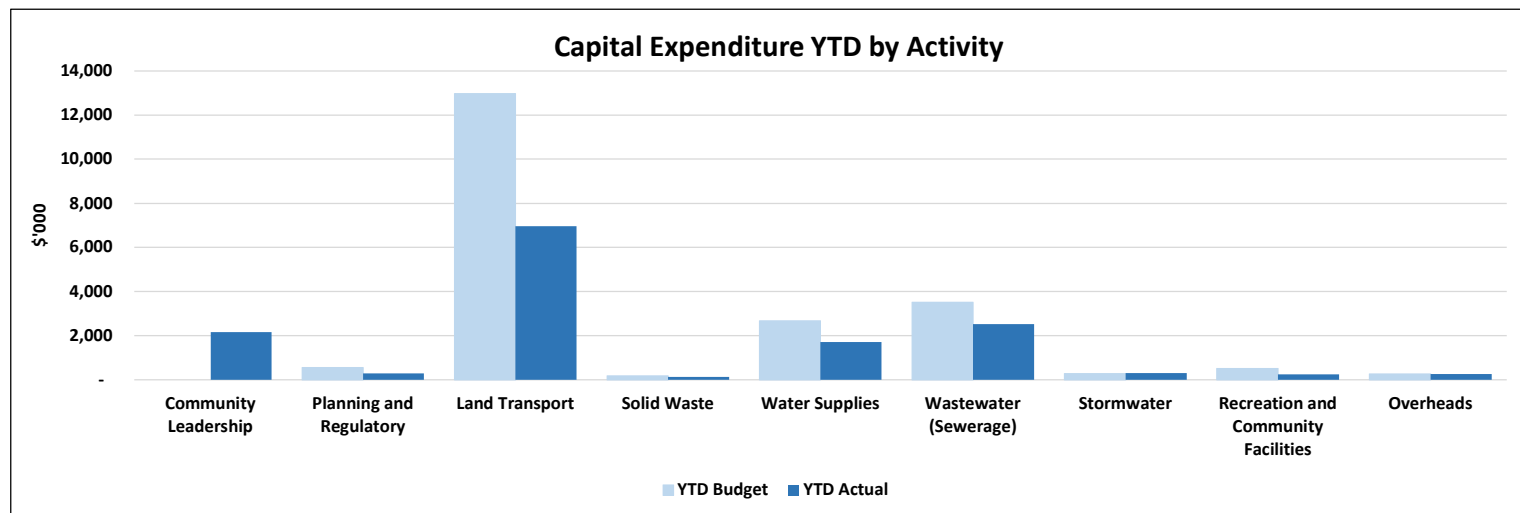
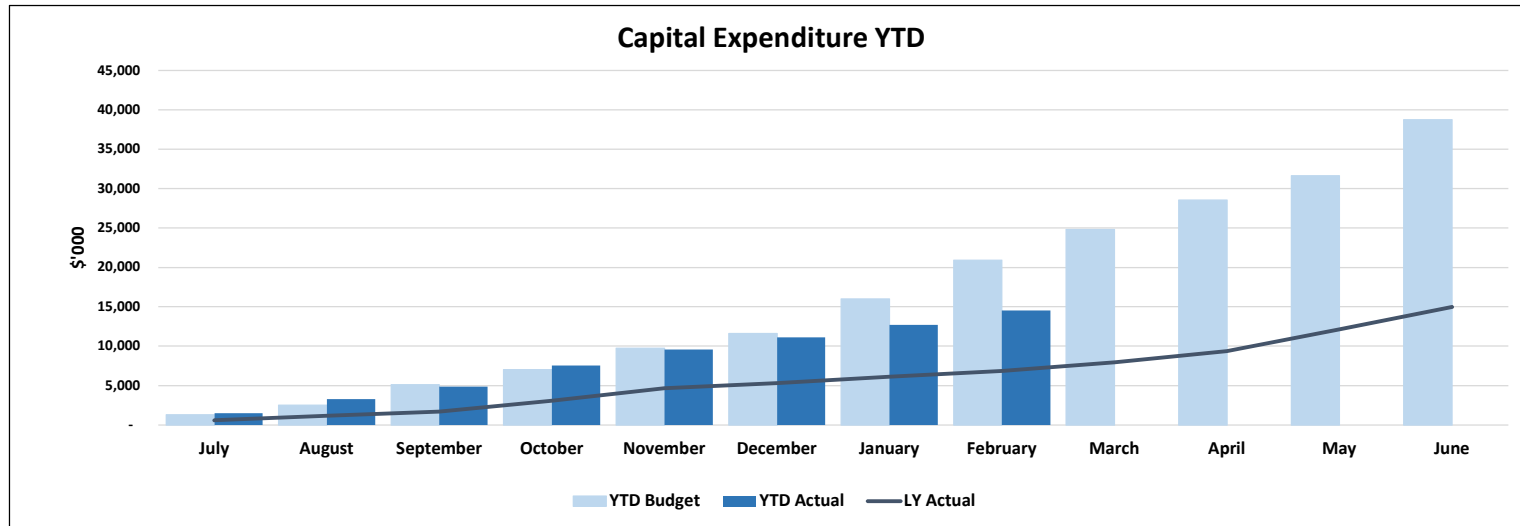


OPERATING EXPENDITURE





**Capital Expenditure**

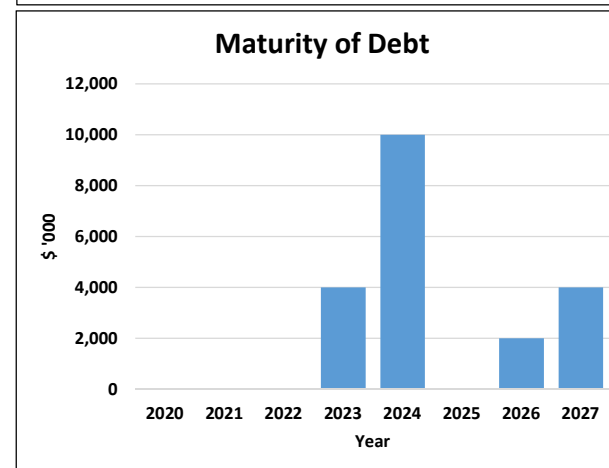
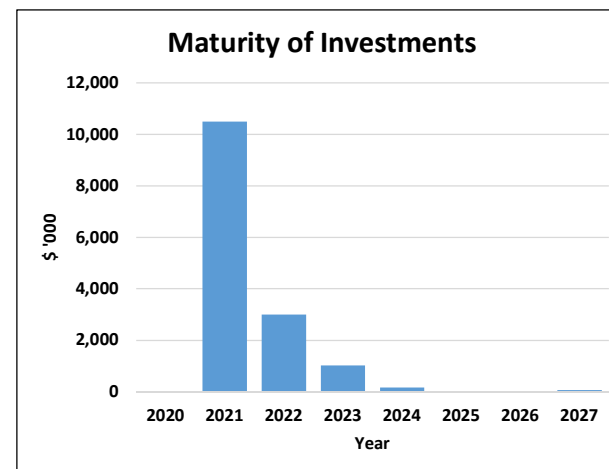


**Central Hawke's Bay District Council**  
**For the Period July 2020 - February 2021**



**Cash and Investment Position**

	Maturity Date	Int Rate (Face)	Int Rate (Actual)	Amount 30/06/2020	Amount Now	Movement
<u>ANZ Cheque and Call Accounts</u>						
				2,527,145	6,322,418	3,795,273
<u>Term Deposits with maturity &lt; 90 days</u>						
BNZ Term Deposit (AA-)	17/07/2020	2.92%	2.92%	4,000,000	-	(4,000,000)
ANZ Term Deposit (AA-)	18/09/2020	2.45%	2.45%	2,000,000	-	(2,000,000)
BNZ Term Deposit (AA-)	19/10/2020	2.55%	2.55%	2,000,000	-	(2,000,000)
BNZ Term Deposit (AA-)	19/11/2020	2.60%	2.60%	1,000,000	-	(1,000,000)
BNZ Term Deposit (AA-)	19/12/2020	2.13%	2.13%	2,000,000	-	(2,000,000)
ANZ Term Deposit (AA-)	19/04/2021	0.22%	0.22%	-	1,500,000	1,500,000
				11,000,000	1,500,000	(9,500,000)
<u>Bonds, Capital Notes, &amp; Term Dposits with maturity &gt; 90 days</u>						
LGFA Capital Notes	25/08/2025	3.54%	3.54%	32,000	32,000	0
LGFA Capital Notes	15/04/2024	1.79%	1.79%	160,000	160,000	0
LGFA Capital Notes	15/04/2023	1.56%	1.56%	64,000	64,000	0
LGFA Capital Notes	15/04/2027	1.63%	1.63%	64,000	64,000	0
ANZ Bond (AA-)	1/09/2023	3.71%	3.71%	355,000	355,000	0
ASB Bond (AA-)	7/09/2023	3.33%	3.33%	600,000	600,000	0
Westpac Term Deposit (AA-)	31/05/2021	1.52%	1.52%	-	4,500,000	4,500,000
BNZ Term Deposit (AA-)	31/05/2021	1.41%	1.41%	-	1,500,000	1,500,000
BNZ Term Deposit (AA-)	17/06/2021	0.45%	0.45%	-	3,000,000	3,000,000
BNZ Term Deposit (AA-)	19/07/2021	0.55%	0.55%	-	3,000,000	3,000,000
				1,275,000	13,275,000	12,000,000
<b>Total Cash and Investments Held</b>				<b>14,802,145</b>	<b>21,097,418</b>	<b>6,295,273</b>

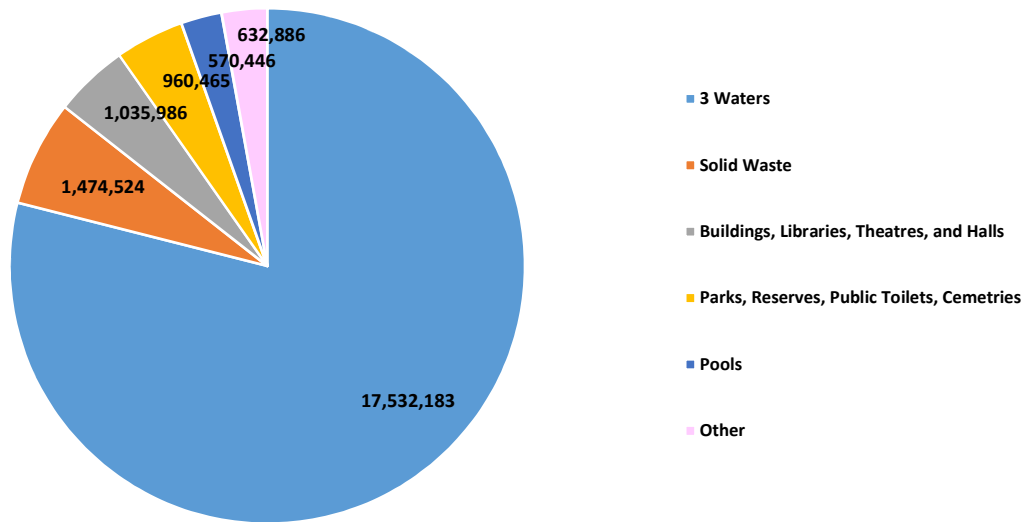


**Debt Position**

	Draw Date	Maturity Date	Interest Rate	Amount 30/06/2020	Amount Now	Movement	
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)				-	-	-	
<b>Total Debt</b>				<b>2.28%</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>-</b>

Actual	0%	0%	0%	20%	50%	0%	10%	20%
Policy	35%	35%	35%	35%	35%	35%	35%	35%
Met	Y	Y	Y	Y	N	Y	Y	Y

Total Debt By Division Feb 2021



**Treasury Compliance with Policy**

Liquidity (Liquid Assets + Debt / Debt)

	Existing Limit	Proposed Limit	Actual
✓	>110%	>115%	139%

Finance Costs / Total Revenue

	Existing Limit	Proposed Limit	Actual
✓	<10%	<20%	0.8%

Finance Costs / Total Rates Revenue

	Existing Limit	Proposed Limit	Actual
✓	<20%	<25%	1.9%

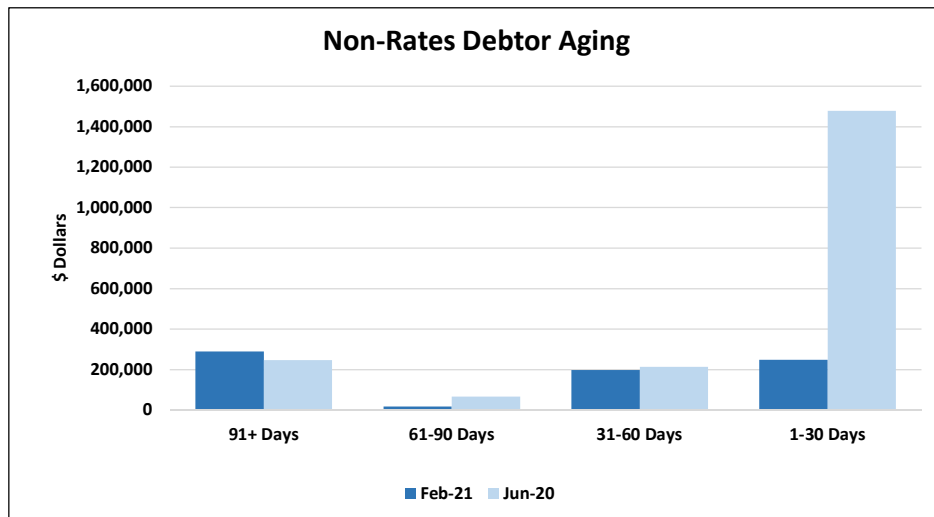
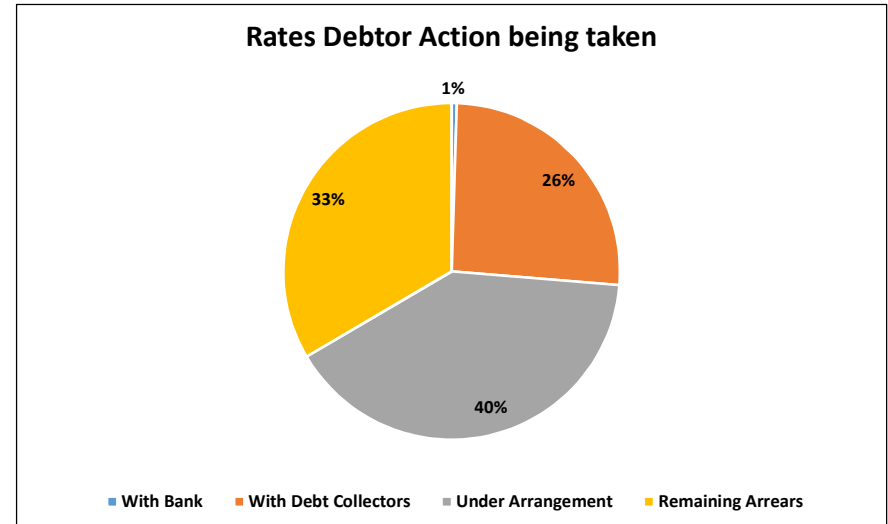
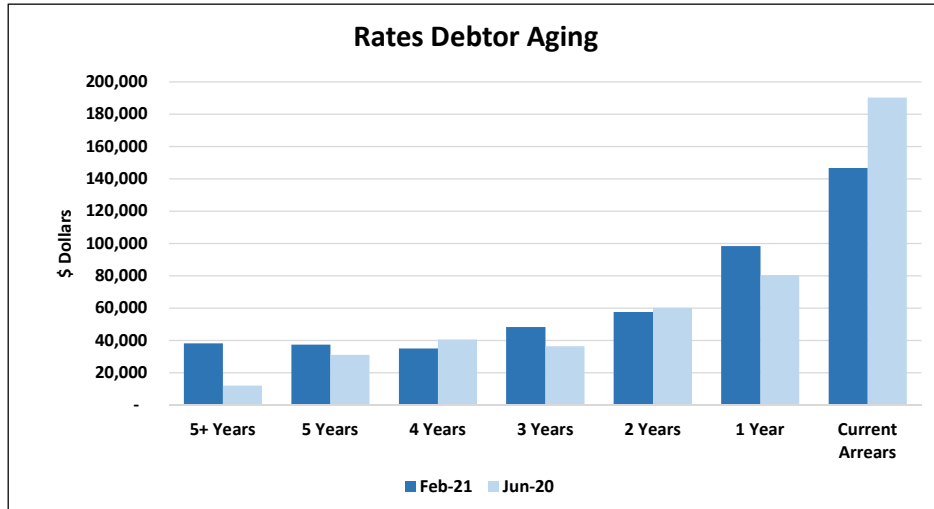
Debt per Head of Population

	Existing Limit	Proposed Limit	Actual
✓	<\$2,000	Removed	\$ 1,405

Debt to Operating Revenue

	Existing Limit	Proposed Limit	Actual
✓	New	<150%	34.5%

**Rates Outstanding**



**Central Hawkes Bay District Council**  
**For the Period July 2020 - February 2021**  
 Month



**Comprehensive Income and Expenditure Report**

	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
<b>Operating Income</b>					
General rates, uniform annual general charges and rates penalties	10,443,680	10,451,807	(8,127)	✘	
Targeted rates	5,476,633	5,511,191	(34,558)	✘	The bulk of metered water revenue comes in Q4 of the year - Residents get the first 300 cubic metres included in their fixed targeted rate, and only pay additional charges once this level has been exceeded.
Subsidies and Grants (Operating and Capital)	19,020,482	12,021,227	6,999,255	✔	Unbudgeted external funding \$11.1m - 3 Waters Reform \$5.5m, Economic Development Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m, Nga Tipuna \$1.9m, offset by being \$4m behind in Land Transport across both PGF and day to day operations.
Fees, charges	3,149,152	2,880,379	268,773	✔	Resource Consents and Building Consents are up \$331k on budget collectively, transfer stations up \$38k, landfill up \$7k, rubbish bag sales \$4k up, retirement housing \$18k up, dog registrations \$10k up, land transport fees \$14k up, offset by Municipal Theatre down \$25k (impact of Covid), Compliance and Monitoring down \$28k, Trade Waste down \$75k.
Interest and dividends from investments	161,186	61,280	99,906	✔	Interest on additional Term Deposits we are holding
Development Contributions	85,285	71,032	14,253	✔	Good level of Development across Waipawa and Waipukurau, Otane has slowed for now.
Other Income	432,717	175,696	257,021	✔	Includes \$280k of NZTA FAR adjustment back pay. Down in EC Read Income at the Library \$10k, and asset sales \$23k
<b>TOTAL</b>	<b>38,769,136</b>	<b>31,172,612</b>	<b>7,596,524</b>	✔	
<b>Applications of Operating</b>					
Payments to staff	3,692,312	3,952,594	260,282	✔	Savings in Building Control \$69k, Governance Staff \$10k, People and Capability staff (delayed return from maternity) \$58k, and vacancies and maternity leave across a number of back office staff, offset by Museum Wages +\$31k (matched by reduction in grant)
Payments to suppliers	14,176,839	10,696,025	(3,480,814)	✘	\$2.2m of unbudgeted Work Creation payments, \$320k of outsourcing consents, \$249k of solid waste (disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits), \$53k PGF Land Transport Investigations, Water Supplies \$461k (includes \$44k to be recharged), Wastewater \$157k, offset by storm water savings \$63k
Depreciation and Amortisation	7,923,495	8,676,288	752,793	✔	Savings as against budget mainly relates to roading and is a result of the negative revaluation of roading assets at year end.
Finance costs	302,880	306,608	3,728	⚠	
<b>TOTAL</b>	<b>26,095,526</b>	<b>23,631,515</b>	<b>(2,464,011)</b>	✘	
<b>Operating Surplus/(Deficit)</b>	<b>12,673,610</b>	<b>7,541,097</b>	<b>5,132,513</b>	✔	

Central Hawkes Bay District Council  
For the Period July 2020 - February 2021



**Funding Impact Statement Report**

Sources of Operating	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
General rates, uniform annual general charges and rates penalties	10,443,680	10,451,807	(8,127)	✘	
Targeted rates	5,476,633	5,511,191	(34,558)	✘	The bulk of metered water revenue comes in Q4 of the year - Residents get the first 300 cubic metres included in their fixed targeted rate, and only pay additional charges once this level has been exceeded.
Subsidies and Grants for Operating Purposes	7,436,224	2,079,054	5,357,170	✔	Unbudgeted external funding - 3 Waters Reform \$1.175m operational, Economic Development Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m
Fees, charges	3,149,256	2,879,379	269,877	✔	Resource Consents and Building Consents are up \$331k on budget collectively, transfer stations up \$38k, landfill up \$7k, rubbish bag sales \$4k up, retirement housing \$18k up, dog registrations \$10k up, land transport fees \$14k up, offset by Municipal Theatre down \$25k (impact of Covid), Compliance and Monitoring down \$28k, Trade Waste down \$75k.
Interest and dividends from investments	161,186	61,280	99,906	✔	Interest on additional Term Deposits we are holding
Local authorities fuel tax, fines, infringement fees and other receipts	432,613	153,680	278,933	✔	Includes \$280k of NZTA FAR adjustment back pay. Down in EC Read Income at the Library \$10k
<b>TOTAL</b>	<b>27,099,593</b>	<b>21,136,391</b>	<b>5,963,202</b>	✔	
<b>Applications of Operating</b>					
Payments to staff	3,692,312	3,952,594	260,282	✔	Savings in Building Control \$69k, Governance Staff \$10k, People and Capability staff (delayed return from maternity) \$58k, and vacancies and maternity leave across a number of back office staff, offset by Museum Wages +\$31k (matched by reduction in grant)
Payments to suppliers	14,176,839	10,689,081	(3,487,758)	✘	\$2.2m of unbudgeted Work Creation payments, \$320k of outsourcing consents, \$249k of solid waste (disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits), \$53k PGF Land Transport Investigations, Water Supplies \$461k (includes \$44k to be recharged), Wastewater \$157k, offset by storm water savings \$63k
Finance costs	302,880	278,480	(24,400)	✘	Started the year with higher debt than budgeted, but funds invested so additional costs matched by additional interest income. Nb - difference between FIS budget and Comprehensive budget is due to Landfill Aftercare which is non cash.
Other operating funding applications	0	6,944	6,944	✔	
<b>TOTAL</b>	<b>18,172,031</b>	<b>14,927,099</b>	<b>(3,244,932)</b>	✘	
<b>Net Operating Cash Flows</b>	<b>8,927,562</b>	<b>6,209,292</b>	<b>2,718,270</b>		

**Central Hawkes Bay District Council**  
**For the Period July 2020 - February 2021**



**Funding Impact Statement Report Continued**

Sources of Capital	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Subsidies and grants for capital expenditure	11,584,258	9,942,173	1,642,085	✓	Unbudgeted external funding \$6.2m - 3 Waters Reform \$4.25m, Nga Tipuna \$1.9m, offset by being \$4m behind in Land Transport across both PGF and day to day operations.
Gross proceeds from sale of assets	0	23,016	(23,016)	✗	Haven't replaced any vehicles to date, the first of the fleet vehicles were replaced in February and sale proceeds from the old vehicle was received March.
Development and financial contributions	85,285	71,032	14,253	✓	Good level of Development across Waipawa and Waipukurau, Otane has slowed for now.
Increase (decrease) in debt	0	5,245,594	(5,245,594)	✗	Still holding Term Deposits and 3 waters reform money, no new debt required till 2021/22 financial year.
<b>TOTAL</b>	<b>11,669,543</b>	<b>15,281,815</b>	<b>(3,612,272)</b>		
<b>Applications of Capital</b>					
to meet additional demand	0	0	0		
to improve the level of service	6,924,077	7,303,576	379,499	✓	Includes \$1.9m of Nga Ara Tipuna offset by District Planning \$255k (timing issue), Wastewater \$1,072k (mainly Takapau/District Wide, offset by Otane), Drinking Water \$888k (mainly Waipukurau and Kairakau), and Storm water Projects \$128k
to replace existing assets	7,619,002	13,591,274	5,972,272	✓	Land Transport \$5,885k under budget (primarily in reseals and structure renewals - bridges, as well as the route 52 program), Aerial Imagery \$35k underspent, Community Facilities \$230k underspent. 3 Waters is \$177k overspent.
Increase (decrease) in reserves	(195,555)	720,833	916,388	✓	Budget includes the Carry Forwards from year end which haven't been "brought back" yet - Mainly Land Transport
Increase (decrease) of investments	(12,500,000)	(124,576)	12,375,424	✗	Reflects the unbudgetted 3 Waters Reform money being received, meaning Council hasn't consumed it's cash reserves.
<b>TOTAL</b>	<b>1,847,524</b>	<b>21,491,107</b>	<b>19,643,583</b>		
<b>Net Capital Cash Flows</b>	<b>9,822,019</b>	<b>(6,209,292)</b>	<b>16,031,311</b>		
<b>Grand Total</b>	<b>18,749,581</b>	<b>0</b>	<b>18,749,581</b>		

Central Hawkes Bay District Council  
For the Period July 2020 - February 2021



Funding Impact Statement Report by Activity

	Community Leadership		Planning and Regulatory		Land Transport		Solid Waste		3 Waters		Recreation and Community Facilities	
	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var
<b>Sources of Operating</b>												
General rates, uniform annual general charges and rates penalties	1,053,692	(1,096)	614,673	(2,808)	5,142,180	1,917	920,004	22,815	0	0	2,728,241	(4,981)
Targeted rates	0	0	0	0	0	0	280,090	505	5,196,543	(35,063)	0	0
Subsidies and Grants for Operating Purposes	3,781,694	3,584,912	0	0	2,289,873	493,973	90,458	50,126	1,175,000	1,175,000	99,200	53,160
Fees, charges	28,613	9,421	1,317,996	313,967	37,319	13,647	1,103,367	26,373	208,521	(70,655)	453,301	(23,015)
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	5,363	(5,973)	393,556	286,076	0	0	0	0	33,798	(66)
<b>TOTAL</b>	<b>4,863,999</b>	<b>3,593,237</b>	<b>1,938,032</b>	<b>305,186</b>	<b>7,862,928</b>	<b>795,613</b>	<b>2,393,919</b>	<b>99,819</b>	<b>6,580,064</b>	<b>1,069,282</b>	<b>3,314,539</b>	<b>25,097</b>
<b>Applications of Operating</b>												
Payments to staff and suppliers	2,945,375	(2,107,979)	1,239,230	(183,751)	3,353,653	(302,215)	1,800,562	(260,820)	2,857,525	(581,895)	2,256,619	(51,931)
Finance costs	0	0	3,875	19,181	0	0	24,972	4,412	242,058	248,326	48,601	16,503
Other operating funding applications	217,562	10,484	370,925	17,879	1,062,847	51,205	317,429	15,294	1,005,784	48,461	592,054	28,516
<b>TOTAL</b>	<b>3,162,937</b>	<b>(2,097,495)</b>	<b>1,614,030</b>	<b>(146,691)</b>	<b>4,416,500</b>	<b>(251,010)</b>	<b>2,142,962</b>	<b>(241,113)</b>	<b>4,105,366</b>	<b>(285,107)</b>	<b>2,897,274</b>	<b>(6,912)</b>
<b>Net Operating Cash Flows</b>	<b>1,701,062</b>	<b>5,690,732</b>	<b>324,002</b>	<b>451,877</b>	<b>3,446,428</b>	<b>1,046,623</b>	<b>250,956</b>	<b>340,932</b>	<b>2,474,697</b>	<b>1,354,389</b>	<b>417,266</b>	<b>32,009</b>
<b>Sources of Capital</b>												
Subsidies and grants for capital expenditure	1,916,836	1,916,836	0	0	5,260,206	(4,681,967)	20,000	20,000	4,387,215	4,387,215	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	103	(1,889)	0	0	85,007	18,607	175	(2,465)
Increase (decrease) in debt	0	0	(16,169)	(542,043)	0	0	(84,160)	(114,960)	(543,495)	(5,475,959)	(118,289)	(251,329)
<b>TOTAL</b>	<b>1,916,836</b>	<b>1,916,836</b>	<b>(16,169)</b>	<b>(542,043)</b>	<b>5,260,309</b>	<b>(4,683,856)</b>	<b>(64,160)</b>	<b>(94,960)</b>	<b>3,928,728</b>	<b>(1,070,136)</b>	<b>(118,114)</b>	<b>(253,794)</b>
<b>Applications of Capital</b>												
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	2,150,011	(2,150,011)	290,983	255,499	826,889	121,229	59,912	56,216	3,484,844	2,089,284	77,187	41,533
to replace existing assets	0	0	0	0	6,130,216	5,884,744	58,022	(5,953)	1,050,897	(176,721)	160,553	230,830
Increase (decrease) in reserves	0	205,320	0	144,899	0	(117,088)	(11,742)	266,596	(58,000)	299,083	(32,982)	57,639
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,150,011</b>	<b>(1,944,691)</b>	<b>290,983</b>	<b>400,398</b>	<b>6,957,105</b>	<b>5,888,885</b>	<b>106,192</b>	<b>316,859</b>	<b>4,477,741</b>	<b>2,211,646</b>	<b>204,758</b>	<b>330,002</b>
<b>Net Capital Cash Flows</b>	<b>(233,175)</b>	<b>3,861,527</b>	<b>(307,152)</b>	<b>(942,441)</b>	<b>(1,696,795)</b>	<b>(10,572,741)</b>	<b>(170,353)</b>	<b>(411,819)</b>	<b>(549,013)</b>	<b>(3,281,782)</b>	<b>(322,872)</b>	<b>(583,795)</b>
<b>Grand Total</b>	<b>1,467,888</b>	<b>1,467,888</b>	<b>16,850</b>	<b>16,850</b>	<b>1,749,633</b>	<b>1,749,633</b>	<b>80,604</b>	<b>80,604</b>	<b>1,925,684</b>	<b>1,925,684</b>	<b>94,394</b>	<b>94,394</b>

Activity Comments

**Community Leadership:** PGF Job Creation is distorting this cost centre (Revenue - Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m offset by \$2.2m in costs). In addition Nga Ara Tipuna +\$1.9m in grants and \$2.2m in capex.

**Planning and Regulatory:** Resource Consents and Building Consents are up \$331k on budget collectively, over in costs due to \$320k of outsourcing consents, partly offset by staff savings \$69k. District plan review costs are \$255k under budget (timing issue).

**Land Transport:** Behind in NZTA subsidy and capital spend (spread across reseals, structure renewals - bridges, and Route 52 program). Yet to spend last years carry forwards (reserve movement of \$1.1m)

**Solid Waste:** Revenue - District Landfill Levy up \$50k, transfer stations up \$38k, landfill up \$8k, rubbish bag sales \$4k up. The overspend +\$249k of relates to disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits.

**3 Waters:** \$5.5m of 3 waters reform money received (\$1.175m operating and 4.325m capital). Water meters revenue \$43k behind budget (timing related) and trade waste revenue is behind budget \$75k. Over in maintenance contract payments - Water Supplies \$461k (includes \$44k to be recharged), Wastewater \$157k, offset by storm water savings \$63k. Capital Program - Wastewater \$984k (mainly Takapau/District Wide, offset by Otane), Drinking Water \$956k (mainly Waipukurau and Kairakau), offset by Storm water Projects \$29k

**Recreational and Community Facilities:** Wages +34k (mainly Museum Staff covered by grant). Operational Costs impacted by insurance \$13k over budget. Capital under budget \$272k spread across a number of renewal lines