

**9.7 QUARTERLY FINANCIAL REPORTING FOR MARCH 2018****File Number:** COU1-1410**Author:** Bronda Smith, Group Manager, Corporate Support and Services**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Quarterly Financial Reporting including reforecast to March 2018**PURPOSE**

Provide Council with a summary of Council's Third Quarter financial performance for the 2017/18 financial year.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report on Council's Third Quarter financial performance for the 2017/18 financial year be noted.**

**SIGNIFICANCE AND ENGAGEMENT**

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

**DISCUSSION**

This report is to supply Council with a summary of the financial performance of Council and highlights the key financials for the Third Quarter for the year ended 30 June 2018.

The report contains a Financial Overview for Whole of Council and the Groups of Activities, Treasury Report and Rates Debt Information.

This Financial Report is for the 9 months to 31 March 2018. Overall the Surplus for Operational Funding is ahead \$718k which includes a revenue increase in Fees and Charges of \$480k, Finance Costs below budget by \$165k. Employment Costs are \$74k over budget due to unbudgeted costs and allocation of costs to employment that were budgeted as operational.

Officers have also completed a Reforecast for the Groups of Activities and these have been included as part of the Funding Impact Statements for each Group.

**FINANCIAL AND RESOURCING IMPLICATIONS**

Officers will continue to monitor and management the expenses of Council.

**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

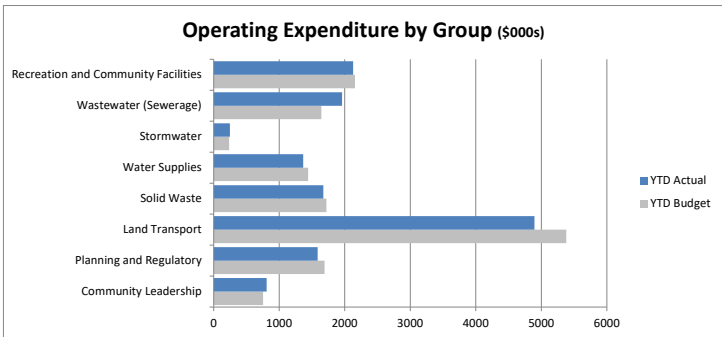
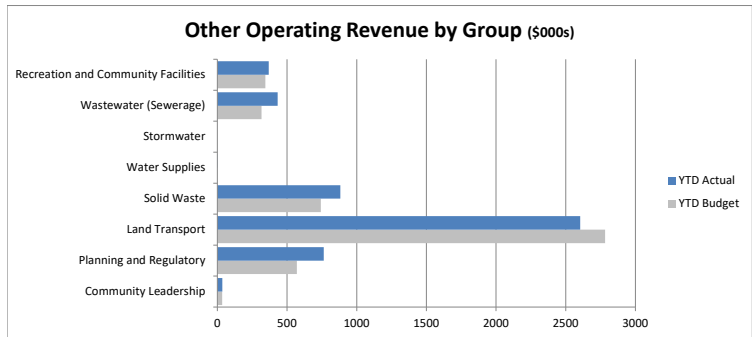
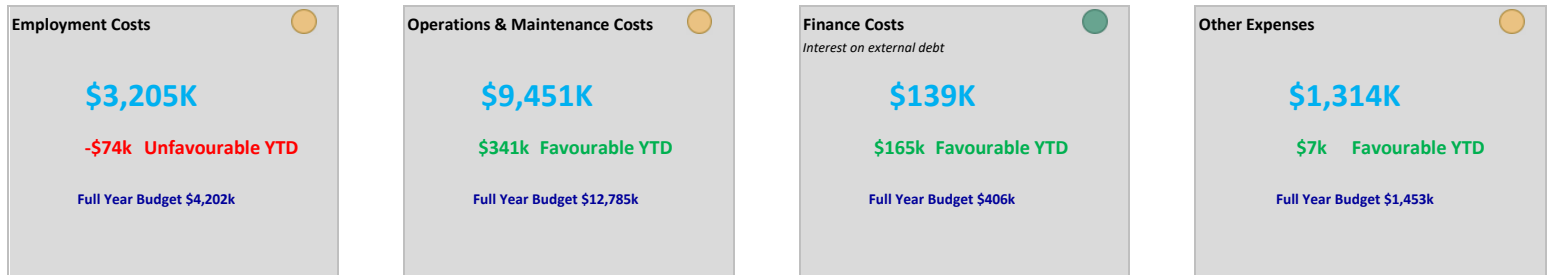
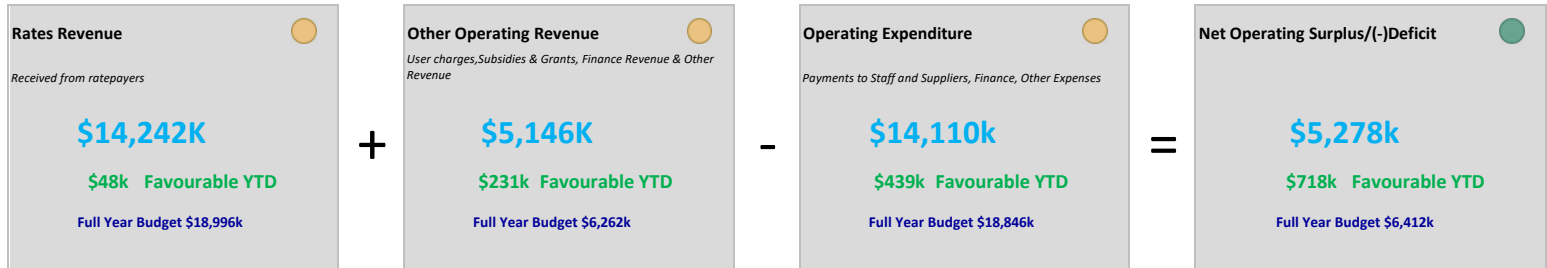
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

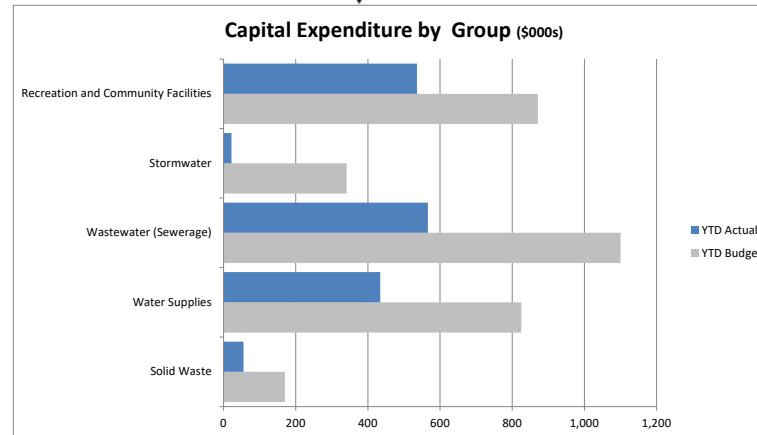
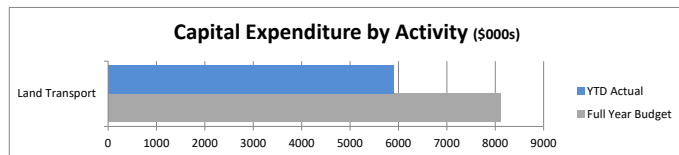
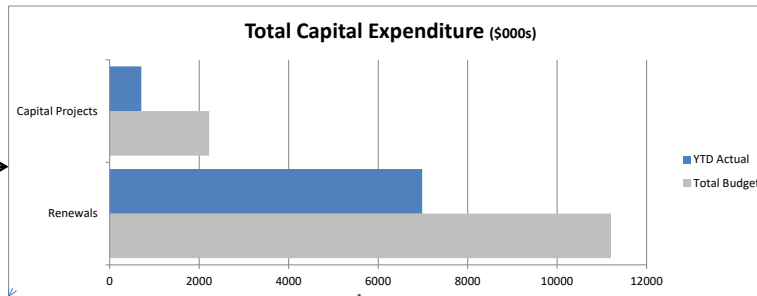
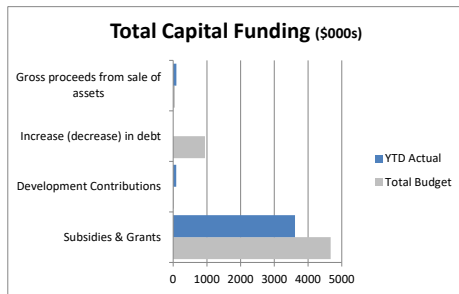
**NEXT STEPS**

Officers will continue to monitor and management the expenses of Council. Following the end of the financial year, Officers will bring an Interim Financial Report to the Finance and Planning Committee with anticipated outcome of the financial year.

**APPENDICES**

# Central Hawke's Bay District Council - Whole of Council





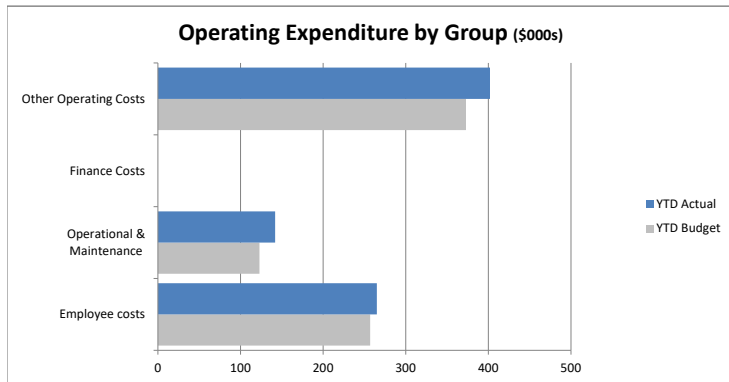
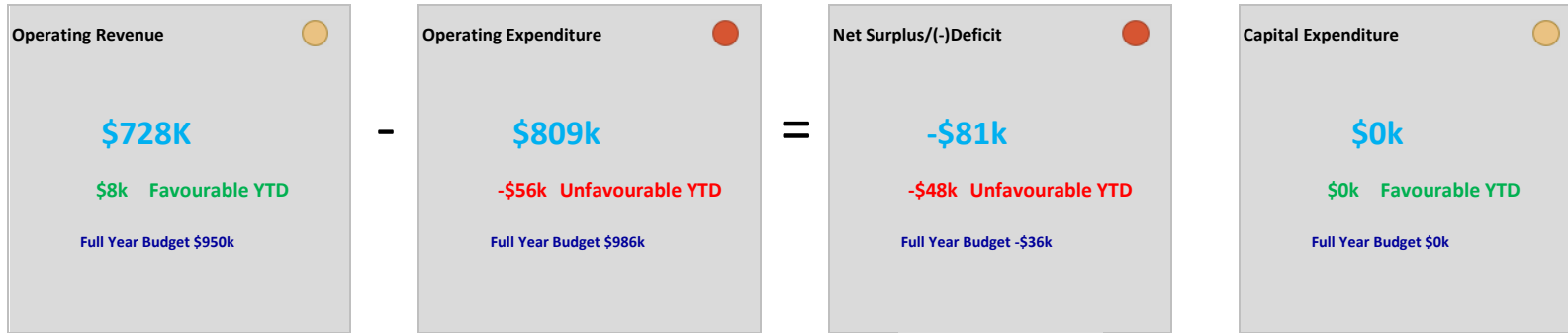
# Central Hawke's Bay District Council: Funding impact statement 2017/18

## Whole of Council

As at 31 March 2018

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %
	2017	2018	2018	2018	2018	2018	2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>							
General rates, uniform annual general charges and rates penalties	12,306	12,592	12,592	9,438	9,425	(13)	0%
Targeted rates	6,214	6,404	6,404	4,755	4,817	61	1%
Subsidies and grants for operating purposes	3,347	2,052	3,489	2,747	2,496	(252)	-9%
Fees, charges	2,740	2,252	2,252	1,728	2,208	480	28%
Interest and dividends from investments	173	162	162	122	113	(9)	-7%
Local authorities fuel tax, fines, infringement fees and other receipts	175	159	359	318	329	12	4%
<b>Total operating funding</b>	<b>24,955</b>	<b>23,621</b>	<b>25,258</b>	<b>19,108</b>	<b>19,388</b>	<b>279</b>	
<b>Applications of operating funding</b>							
Payments to staff and suppliers	17,340	15,670	18,440	14,244	13,971	274	2%
Finance costs	149	406	406	304	139	165	54%
Other operating funding applications	0	0	0	0	0	0	0%
<b>Total applications of operating funding</b>	<b>17,489</b>	<b>16,076</b>	<b>18,846</b>	<b>14,548</b>	<b>14,110</b>	<b>439</b>	
<b>Surplus (deficit) of operating funding</b>	<b>7,466</b>	<b>7,545</b>	<b>6,412</b>	<b>4,560</b>	<b>5,278</b>	<b>718</b>	
<b>Sources of capital funding</b>							
Subsidies and grants for capital expenditure	3,657	4,501	4,672	3,565	3,614	49	1%
Development and financial contributions	45	22	22	10	22	12	409%
Increase (decrease) in debt	(667)	66	942	66	0	(66)	-100%
Gross proceeds from sale of assets	75	48	48	36	96	60	167%
Lump sum contributions	0	0	0	0	0	0	0%
<b>Total sources of capital funding</b>	<b>3,110</b>	<b>4,637</b>	<b>5,684</b>	<b>3,683</b>	<b>3,802</b>	<b>118</b>	
<b>Applications of capital funding</b>							
Capital expenditure							
to meet additional demand	0	0	0	0	0	0	0%
to improve the level of service	3,921	1,260	2,222	1,128	706	422	37%
to replace existing assets	7,539	9,989	11,204	8,842	6,983	1,859	21%
Increase (decrease) in reserves	(284)	0	(2,263)	(1,942)	(2,057)	114	-6%
Increase (decrease) of investments	(600)	933	933	(293)	207	(500)	171%
<b>Total application of capital funding</b>	<b>10,576</b>	<b>12,182</b>	<b>12,096</b>	<b>7,735</b>	<b>5,839</b>	<b>1,895</b>	
<b>Surplus (deficit) of capital funding</b>	<b>(7,466)</b>	<b>(7,545)</b>	<b>(6,412)</b>	<b>(4,052)</b>	<b>(2,037)</b>	<b>(1,777)</b>	
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>508</b>	<b>3,241</b>	<b>(1,059)</b>	

**Community Leadership**  
As at 31 March 2018



**Central Hawke's Bay District Council: Funding impact statement 2017/18**

**Community Leadership**

As at 31 March 2018

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018	2018 \$000	2018
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	874	888	888	666	672	7	1%	888	0
Targeted rates	26	27	27	20	20	0	0%	27	0
Subsidies and grants for operating purposes	36	25	35	35	36	1	3%	40	5
Fees, charges	40	0	0	0	0	0	0%	0	0
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
<b>Total operating funding</b>	<b>976</b>	<b>940</b>	<b>950</b>	<b>721</b>	<b>728</b>	<b>8</b>		<b>955</b>	<b>5</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	1,071	703	734	564	609	(45)	8%	771	(37)
Finance costs	0	0	0	0	0	0	0%	0	0
Other operating funding applications	250	252	252	189	200	(11)	-6%	271	(19)
<b>Total applications of operating funding</b>	<b>1,321</b>	<b>955</b>	<b>986</b>	<b>753</b>	<b>809</b>	<b>(56)</b>		<b>1,042</b>	<b>(56)</b>
<b>Surplus (deficit) of operating funding</b>	<b>(345)</b>	<b>(15)</b>	<b>(36)</b>	<b>(32)</b>	<b>(81)</b>	<b>(48)</b>		<b>(87)</b>	<b>(51)</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0%	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	0	0	0	0	0	0%	0	0
to replace existing assets	17	0	0	0	0	0	0%	0	0
Increase (decrease) in reserves	(361)	(15)	(37)	(37)	(22)	(15)	41%	(88)	51
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>(344)</b>	<b>(15)</b>	<b>(37)</b>	<b>(37)</b>	<b>(22)</b>	<b>(15)</b>		<b>(88)</b>	<b>51</b>
<b>Surplus (deficit) of capital funding</b>	<b>344</b>	<b>15</b>	<b>37</b>	<b>37</b>	<b>22</b>	<b>15</b>		<b>88</b>	<b>(51)</b>
<b>Funding balance</b>	<b>(1)</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>(59)</b>	<b>(33)</b>		<b>1</b>	<b>0</b>

**Explanation of changes between Annual Plan and Total Operating Budget**

Addition of both funding and expenditure for MYD Partnership not previously budgeted (\$10K)  
Inclusion of the funding and expenditure for Tamatea Trails funded from ward funds by resolution of Council (\$21K).

**Explanation of Variance to YTD Budget**

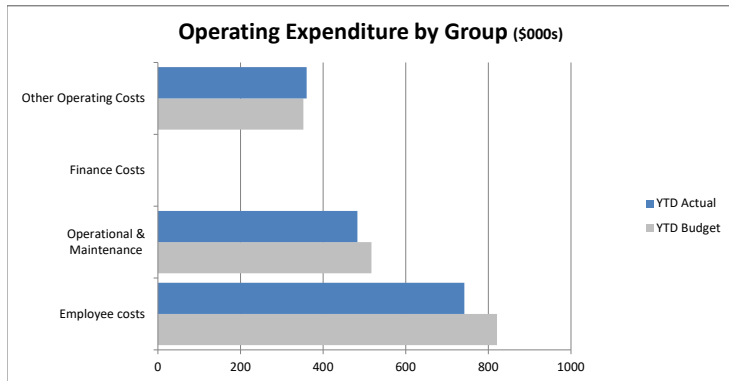
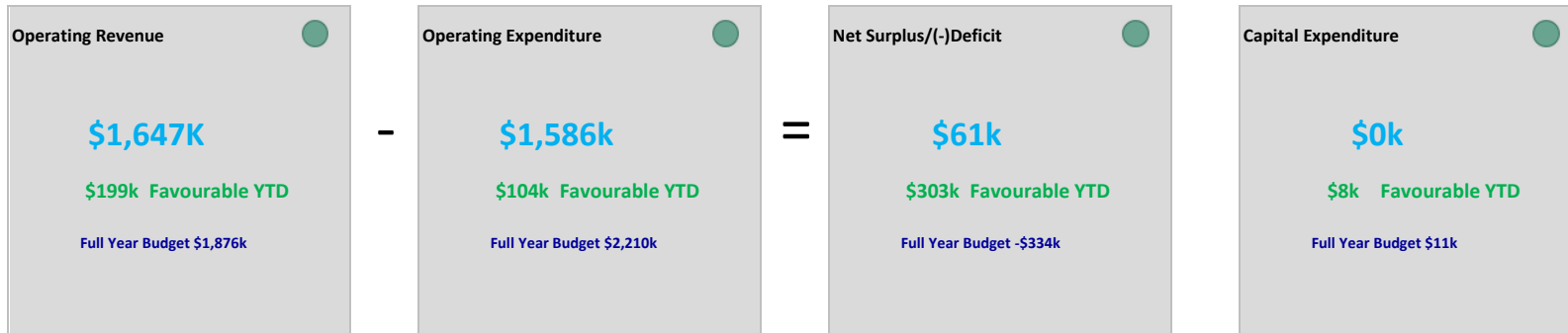
The Extra Expenditure compared to budget in Payment to Staff and Suppliers includes :  
Social and Economic Development Staff and economic development costs are higher than budgeted \$30K

**Full Year Forecast**

Expenditure is expected to be overbudget by the end of the year due to extra costs in Social Development of \$30K offset by Grant Income of \$5k and increased costs for Council of \$7K.

It is anticipated this will be funded from the Surplus within Planning and Regulatory

**Planning and Regulatory**  
As at 31 March 2018





**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Planning and Regulatory**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 %	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	1,167	1,171	1,171	878	883	5	1%	1,171	0
Targeted rates	0	0	0	0	0	0	0%	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	855	695	695	559	755	196	35%	911	216
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	15	10	10	10	9	(2)	-20%	10	0
<b>Total operating funding</b>	<b>2,037</b>	<b>1,876</b>	<b>1,876</b>	<b>1,447</b>	<b>1,647</b>	<b>199</b>		<b>2,092</b>	<b>216</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	1,376	1,488	1,832	1,407	1,287	120	9%	1,793	39
Finance costs	0	0	0	0	0	0	0%	0	0
Other operating funding applications	375	378	378	283	299	(16)	-6%	406	(28)
<b>Total applications of operating funding</b>	<b>1,751</b>	<b>1,866</b>	<b>2,210</b>	<b>1,690</b>	<b>1,586</b>	<b>104</b>		<b>2,199</b>	<b>11</b>
<b>Surplus (deficit) of operating funding</b>	<b>286</b>	<b>10</b>	<b>(334)</b>	<b>(243)</b>	<b>61</b>	<b>303</b>		<b>(107)</b>	<b>227</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0%	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	0	0	0	0	0	0%	0	0
to replace existing assets	9	11	11	8	0	8	100%	0	11
Increase (decrease) in reserves	277	0	(344)	(249)	(393)	144	-58%	(271)	(73)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>286</b>	<b>11</b>	<b>(333)</b>	<b>(241)</b>	<b>(393)</b>	<b>152</b>		<b>(271)</b>	<b>(62)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(286)</b>	<b>(11)</b>	<b>333</b>	<b>241</b>	<b>393</b>	<b>(152)</b>		<b>271</b>	<b>62</b>
<b>Funding balance</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	<b>454</b>	<b>151</b>		<b>164</b>	<b>165</b>

**Explanation of changes between Annual Plan and Total Operating Budget**

To account for the inclusion of the Carry Forwards approved by Council that will be spent this year (\$353k).  
Reduction in Civil Defence Costs (\$9k).

**Explanation of Variance to YTD Budget**

The Income for in Fees and Charges is above budget and includes:  
Building Control Fees \$144k  
Health Fees \$9k  
Land Use Fees \$34k  
Reduction in Dog Fees -\$9k

**Operating Expenditure**  
The in Payment to Staff and Suppliers is lower than budgeted and includes:  
**Under budget**  
District Planning which is timing of expenditure \$44k any underspend will be carried forward for finalisation of plan prior to draft.  
Fire Control Savings \$52k which will be a permanent savings.  
Civil Defence Savings \$34k Expected to be an overall savings of \$37k.  
Animal Control - expected to be on budget  
Public Health - expected to be on budget \$4k  
**Overbudget**  
BC Legacy Costs issues unfavorable variance \$34k, BCA GoGet and processing extra costs \$69k recovered from Fees  
Land Use Costs \$2k. Outsourced consents at staff changeover, covered by increased income.

**Capital Expenditure**  
Expected savings from Fire Control \$11k for the year.

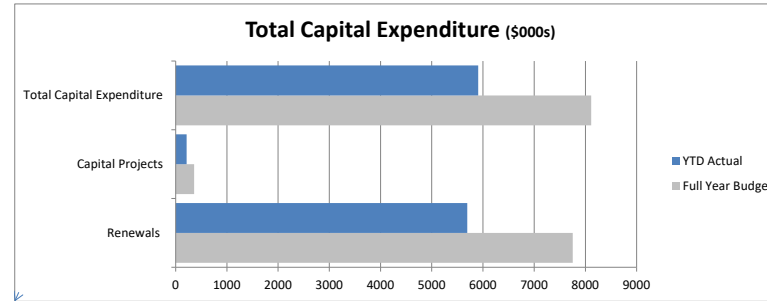
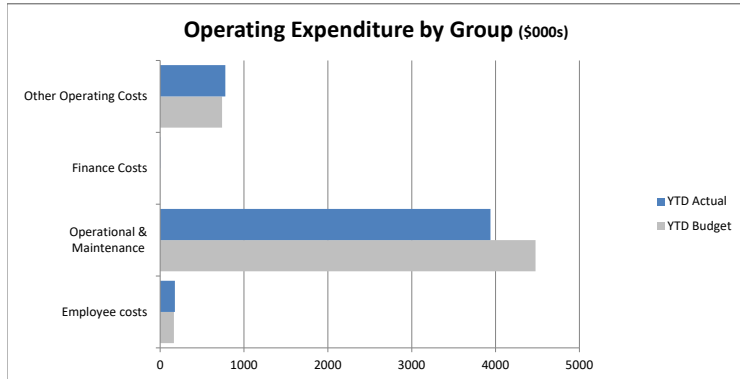
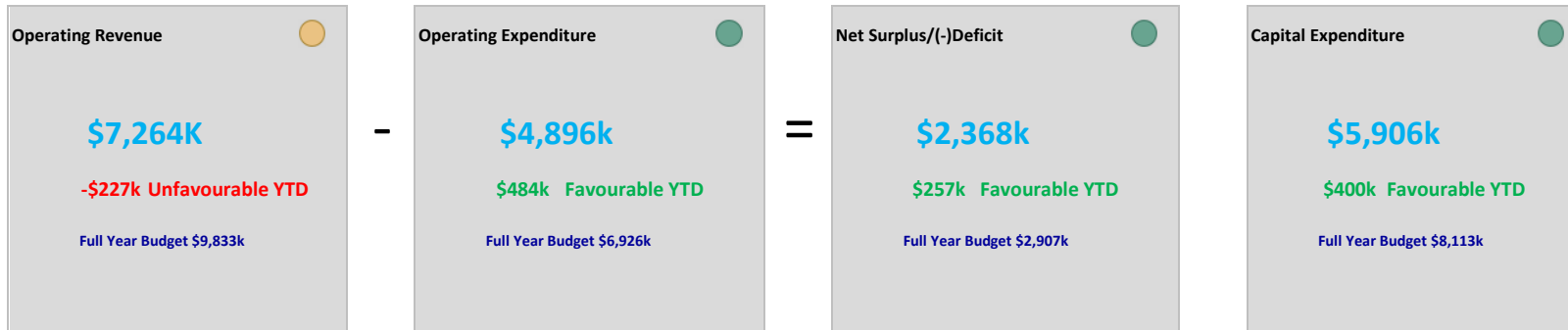
**Full Year Forecast**

There is expected to be an Net Surplus in Planning and Regulatory due to the increase in Fees and Charges from Building Control and Resource Consents.

It is anticipated funds of \$22k will be transferred to Recreation and Community Facilities to fund the over expenditure.

It is anticipated funds of \$51k will be transferred to Community Leadership to fund the over expenditure.

**Land Transport**  
As at 31 March 2018



**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Land Transport**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	6,254	6,231	6,231	4,673	4,682	9	0%	6,231	0
Targeted rates	49	50	50	37	37	0	0%	50	0
Subsidies and grants for operating purposes	3,238	1,969	3,395	2,664	2,408	(256)	-10%	3,395	0
Fees, charges	19	15	15	11	18	7	64%	15	0
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	139	142	142	106	119	13	12%	142	0
<b>Total operating funding</b>	<b>9,699</b>	<b>8,407</b>	<b>9,833</b>	<b>7,491</b>	<b>7,264</b>	<b>(227)</b>		<b>9,833</b>	<b>0</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	5,617	3,730	5,951	4,649	4,124	525	11%	5,951	0
Finance costs	7	3	3	2	2	0	0%	3	0
Other operating funding applications	964	972	972	729	770	(41)	-6%	1,045	(73)
<b>Total applications of operating funding</b>	<b>6,588</b>	<b>4,705</b>	<b>6,926</b>	<b>5,380</b>	<b>4,896</b>	<b>484</b>		<b>6,999</b>	<b>(73)</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,111</b>	<b>3,702</b>	<b>2,907</b>	<b>2,111</b>	<b>2,368</b>	<b>257</b>		<b>2,834</b>	<b>(73)</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	3,366	4,501	4,672	3,565	3,614	49	1%	4,672	0
Development and financial contributions	8	3	3	2	1	(2)	-100%	3	0
Increase (decrease) in debt	(63)	(47)	(47)	(35)	(35)	0	0%	(47)	0
Gross proceeds from sale of assets	6	0	0	0	80	80	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>3,317</b>	<b>4,457</b>	<b>4,628</b>	<b>3,532</b>	<b>3,660</b>	<b>127</b>		<b>4,628</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	312	299	360	270	212	58	21%	360	0
to replace existing assets	5,770	7,657	7,753	6,036	5,694	342	6%	7,753	0
Increase (decrease) in reserves	346	203	(578)	(734)	(781)	47	-6%	(578)	0
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>6,428</b>	<b>8,159</b>	<b>7,535</b>	<b>5,572</b>	<b>5,125</b>	<b>447</b>		<b>7,535</b>	<b>0</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,111)</b>	<b>(3,702)</b>	<b>(2,907)</b>	<b>(2,040)</b>	<b>(1,465)</b>	<b>(320)</b>		<b>(2,907)</b>	<b>0</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71</b>	<b>903</b>	<b>(63)</b>		<b>(73)</b>	<b>(73)</b>

**Explanation of changes between Annual Plan and Total Operating Budget**

Changes between Annual Plan and Total Operation Budget include:  
Increase in Subsidies from NZTA for Storm Event \$1.149m  
Increase in Subsidies from NZTA to account for the agreed Carry Forward expenses \$158k  
Movement in Subsidies from NZTA from Capital to Operational for renewal overheads \$106k, claimed under Operational Costs.  
Movement from Capital to Operational approved by NZTA of \$1.075m for the following  
Removal of Dangerous Trees not able to be capitalised \$300k  
Increase in Asset Management Costs against Annual Plan as Annual Plan was based on NZTA requirements \$350k  
Increase in operational contract rates \$425k  
Movement from Capital to Operational for Footpath Maintenance \$125k  
Increase in Opex for the storm event \$567k  
Increase in Capex Expenditure for the storm event \$1.117m  
Increase in Opex for Carry forward Expenses as agreed with NZTA \$264k  
Increase in Footpath Renewals from Carry Forwards as agreed by Council \$50k  
Increase in Carpark Renewals from Carry Forwards for High Street carpark \$24k.

**Explanation of Variance to YTD Budget**

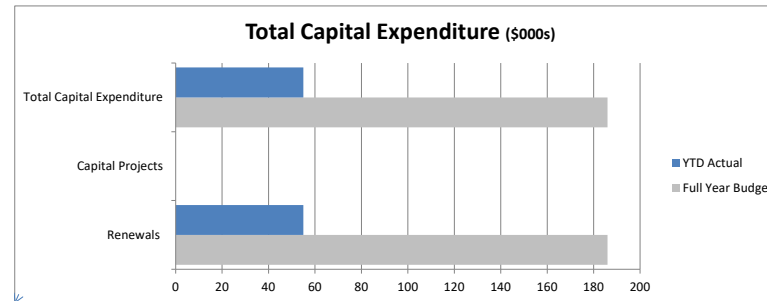
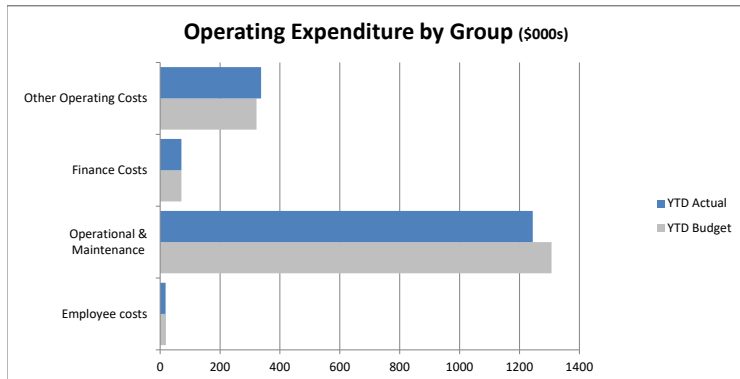
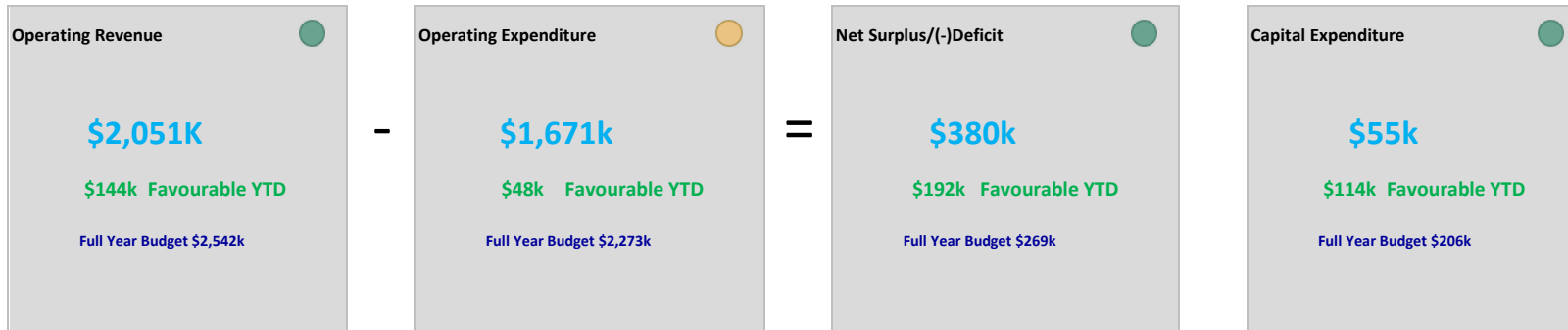
The overall variance of the subsidy is phasing of the budgets and the timing of expenditure. This is expected to be on budget for the year.

The other variances are based on timing differences. At present this is expected to be on budget.

**Full Year Forecast**

The expected to be a net deficit of \$73k due to increase in overheads allocation.

**Solid Waste**  
As at 31 March 2018



**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Solid Waste**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	1,215	1,312	1,312	984	989	5	1%	1,312	0
Targeted rates	235	239	239	180	180	0	0%	239	0
Subsidies and grants for operating purposes									
Fees, charges	1,081	948	948	711	843	132	19%	1,176	228
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
<b>Total operating funding</b>	<b>2,582</b>	<b>2,542</b>	<b>2,542</b>	<b>1,907</b>	<b>2,051</b>	<b>144</b>		<b>2,770</b>	<b>228</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	1,755	1,878	1,889	1,431	1,371	60	4%	1,790	99
Finance costs	101	95	95	71	71	0	0%	95	0
Other operating funding applications	287	289	289	217	229	(12)	-6%	311	(22)
<b>Total applications of operating funding</b>	<b>2,143</b>	<b>2,262</b>	<b>2,273</b>	<b>1,719</b>	<b>1,671</b>	<b>48</b>		<b>2,196</b>	<b>77</b>
<b>Surplus (deficit) of operating funding</b>	<b>439</b>	<b>280</b>	<b>269</b>	<b>188</b>	<b>380</b>	<b>192</b>		<b>574</b>	<b>305</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	(92)	(97)	(77)	(73)	(73)	0	0%	(77)	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>(92)</b>	<b>(97)</b>	<b>(77)</b>	<b>(73)</b>	<b>(73)</b>	<b>0</b>		<b>(77)</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	0	20	0	0	0	0%	20	0
to replace existing assets	44	96	186	170	55	114	67%	139	47
Increase (decrease) in reserves	305	87	(14)	(100)	(100)	0	0%	33	(47)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>349</b>	<b>183</b>	<b>192</b>	<b>70</b>	<b>(45)</b>	<b>114</b>		<b>192</b>	<b>0</b>
<b>Surplus (deficit) of capital funding</b>	<b>(441)</b>	<b>(280)</b>	<b>(269)</b>	<b>(143)</b>	<b>(28)</b>	<b>(114)</b>		<b>(269)</b>	<b>0</b>
<b>Funding balance</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>352</b>	<b>78</b>		<b>305</b>	<b>305</b>

**Explanation of changes between Annual Plan and Total Operating Budget**  
Changes between Annual Plan and Operation Budget are to account for the inclusion of the Carry Forwards approved by Council that will be spent this year (\$100k).

**Explanation of Variance to YTD Budget**

**Operating Income**

Income for Solid Waste is over budget in Fees and Charges by Extra Out of District Income (\$100k)  
Additional Transfer Station Income (\$20k)

Overall it is expected that the Fees and Charges will be over budget by \$132k for the year.

**Operating Expenditure**

The Payment to Staff and Suppliers is below and includes :  
Additional costs related to increased landfill income (\$30k)  
Offset by timing of other expenses.  
It is expected that there will be a small carry forward.

**Capital Expenditure**

The is currently an underspent by \$114k.

As shown in the project breakdown, this includes money to be spent on landfill capping and transfer station and closed dump minor renewals. Design work has started for the Leachate Irrigation.

At present there may be \$27K underspend in Landfill for the year however this will be known after discussion with contractors and availability. This may be used to cover design costs for the Leachate Irrigation.

**Full Year Forecast**

Solid Waste is expected to have a net Surplus due to the increase in revenue from Out of District Fees and Charges.

It is anticipated this will be carried forward.

# Central Hawke's Bay District Council: Project Update 2017/18

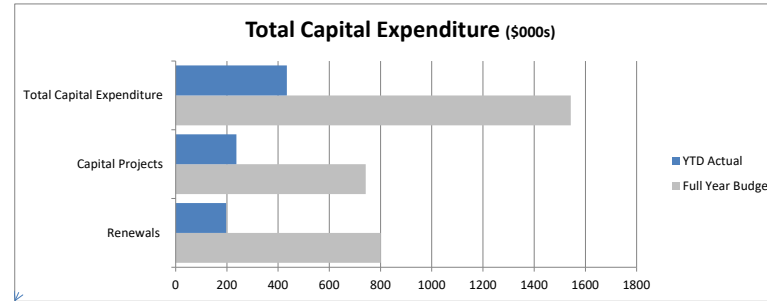
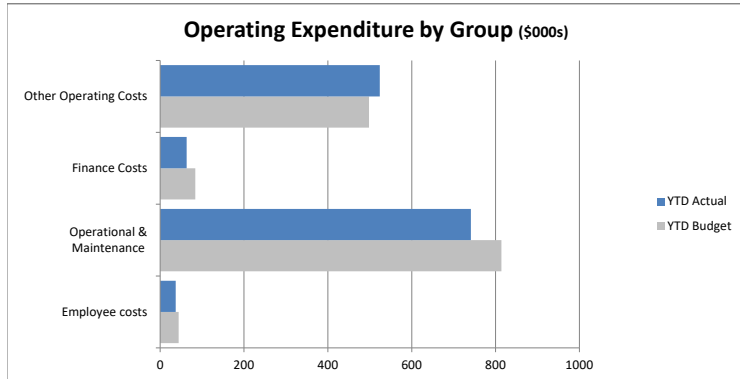
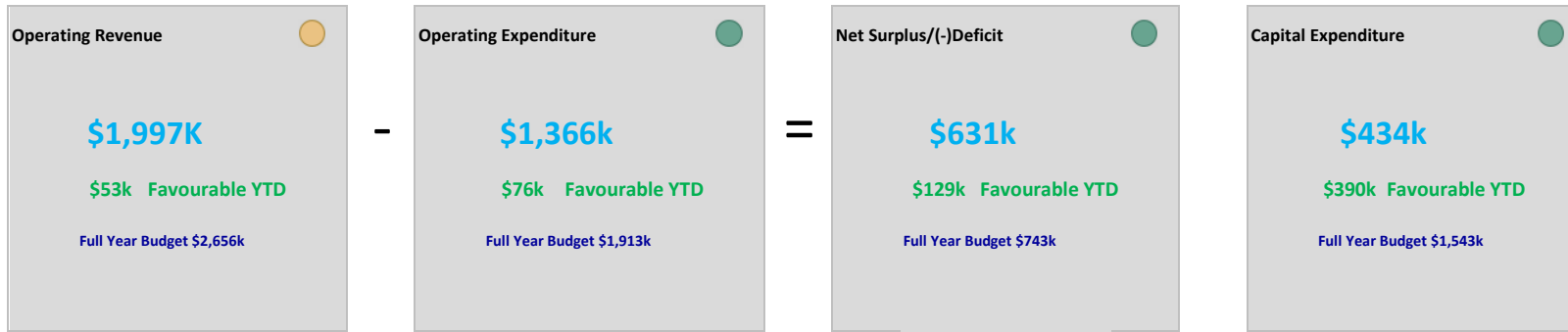
## Solid Waste

At 31 March 2018

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date	This Year Actual	Forecast for June 30 2018	Under/ (Over) By Year End	Status	Comments or Risks
	\$000	\$000	2018 \$000	2018 \$000				
SW 18 Landfill Leachate Disposal	0	20	0	0	20	(20)	●	This is budgeted for 2018/19, but some design costs are likely to be in this financial year.
SW 18 Closed Dump Minor Renewals	26	35	8	8	13	22	●	Carry forward of \$3k for closed dump renewals from 2016/17. To do bore recondition and resource consents.
SW 18 Landfill Minor Renewals	26	78	19	19	53	25	●	Carry forward of \$52k for capping. At present there may be \$25K underspend in Landfill however this will be known after discussion with contractors and availability about the capping process.
SW 18 Litter Bins Minor Renewals	5	5	6	6	6	(1)	●	Completed
SW 18 Recycling Minor Renewals	6	17	13	13	17	0	●	Carry forwards of \$11k. To divide drop off centre containers
SW 18 Transfer Station Minor Renewals	26	49	10	10	29	20	●	Carry forward of \$23k for minor renewals. To do Fencing and Sealing work, but contractor is not able to complete this work by year end.
<b>Total</b>	90	205	55	55	138	47		

Loan Funding	(20)	●	Achieved
Rates Funding	67	●	On track
<b>Total</b>	<b>47</b>	●	May not be met
		●	Deferred

**Water Supplies**  
As at 31 March 2018



**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Water Supplies**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0%	0	0
Targeted rates	2,619	2,656	2,656	1,945	1,995	51	3%	2,721	65
Subsidies and grants for operating purposes									
Fees, charges	0	0	0	0	0	0	0%	0	0
Fees, charges	2	0	0	0	2	2	0%	0	0
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
<b>Total operating funding</b>	<b>2,621</b>	<b>2,656</b>	<b>2,656</b>	<b>1,945</b>	<b>1,997</b>	<b>53</b>		<b>2,721</b>	<b>65</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	1,137	1,180	1,212	914	836	79	9%	1,141	71
Finance costs	99	112	112	84	63	22	26%	112	0
Other operating funding applications	584	589	589	442	467	(25)	-6%	633	(44)
<b>Total applications of operating funding</b>	<b>1,820</b>	<b>1,881</b>	<b>1,913</b>	<b>1,440</b>	<b>1,366</b>	<b>76</b>		<b>1,886</b>	<b>27</b>
<b>Surplus (deficit) of operating funding</b>	<b>801</b>	<b>775</b>	<b>743</b>	<b>505</b>	<b>631</b>	<b>129</b>		<b>835</b>	<b>92</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	291	0	0	0	0	0	0%	0	0
Development and financial contributions	16	5	5	4	43	39	975%	5	0
Increase (decrease) in debt	(252)	(234)	483	(175)	(165)	10	-6%	483	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>55</b>	<b>(229)</b>	<b>488</b>	<b>(171)</b>	<b>(122)</b>	<b>49</b>		<b>488</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	400	0	742	189	237	(49)	-26%	476	266
to replace existing assets	126	590	801	636	197	439	69%	504	297
Increase (decrease) in reserves	329	(45)	(313)	(226)	(243)	17	-8%	250	(563)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>855</b>	<b>545</b>	<b>1,230</b>	<b>599</b>	<b>191</b>	<b>407</b>		<b>1,230</b>	<b>0</b>
<b>Surplus (deficit) of capital funding</b>	<b>(800)</b>	<b>(774)</b>	<b>(742)</b>	<b>(770)</b>	<b>(313)</b>	<b>(358)</b>		<b>(742)</b>	<b>0</b>
<b>Funding balance</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>(265)</b>	<b>318</b>	<b>(229)</b>		<b>93</b>	<b>92</b>

**Explanation of changes between Annual Plan and Total Operating Budget**

Changes between Annual Plan and Operation Budget are to account for the inclusion of the Carry Forwards approved by Council that will be spent this year \$242k.  
Additional capital costs and debt for the Otane development project \$155K and Waipukurau second supply \$150k.

**Explanation of Variance to YTD Budget**

**Operating Income**  
Income is higher in Targeted Rates than budget due to increased revenue for Water Metered Rates \$65K

**Operating Expenditure**

Expenditure is lower than budget in Payment to Staff and Suppliers is mostly based on timing differences. This is expected to be slightly under budget for the full year. \$71K

**Capital Expenditure**

The Spend in Capital Expenditure is below budget by \$778K.

Details of the capital projects is on the Project sheet.

In total it is expected that a carry forward from Renewals of \$177k and \$274k for SH2 Pump will be added to the carry forward from last year for Porangahau of \$215.

The loan for the Second Water Supply will be drawn down based on actual expenditure prior to the year of the financial year.

**Full Year Forecast**

There is expected to be a Net Surplus of \$92K for this year and will be carried forward to 2018/19



# Central Hawke's Bay District Council: Project Update 2017/18

## Water Supply

At 31 March 2018

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date	This Year Actual	Forecast for June 30 2018	Under/ (Over) By Year End	Status	Comments or Risks
	\$000	\$000	2018 \$000	2018 \$000				
WS 16 Waipukurau UV Treatment SH2	326	461	363	185	478	(17)	●	Reforecast budget based on carry forward and development contributions used to fund 2016/17 work. This project will be finished by the end of the financial year and is estimated to be \$17k over budget, possibly funded by renewal money.
WS 17 Waipukurau SH2 Pump Station Upgrade	308	308	34	34	34	274	●	Design work completed. Land purchase has been agreed. Lifting of reserve status is still to be completed. The transformer will need to be replaced - another unplanned delay and cost. No further expenditure is expected this current financial year and the balance of the funds will be carried forward. A full review of project is required before tendering work.
WS 17 Porangahau Treatment Plant Upgrade	0	220	5	0	5	215	●	This project was funded from carry forwards from the prior year. It will be deferred until year 2 of the LTP. The \$215k will remain in carry forwards
WS 18 Waipukurau Second Supply	410	150	0	6	20	130	●	Loan brought forward of \$150K. Investigative work for Second Supply is continuing. Work to identify drilling location has progressed positively with potential site identified. It is anticipated that more of the investigation work will be completed this year than originally estimated.
WS 18 Otane Land Development		155	13	13	155	0	●	Loan approved for \$142k will be reduced based on extra development contributions of \$12k received to \$130k. Expected to be completed by the end of the financial year.
WS 18 Waipukurau Peel St Water Main Replacement		213	0	0	213	0	●	The Peel Street project has been extended to include work on Northumberland Street water main. This has increased the project cost from \$63k to \$212k. It is expected to be completed by the end of the year.
District renewals as required	647	435	192	186	258	177	●	Identified work to be completed includes Porritt Place and Pah Road, Porangahau. The amount to be carried forward is expected to be \$177k, down because additional money has been allocated to the Peel Street project. The Porritt Place project costing \$57k of the total \$177k will be carried forward, as it will commence once contractors have completed other projects.
<b>Total</b>	<b>1,690</b>	<b>1,941</b>	<b>607</b>	<b>424</b>	<b>1,163</b>	<b>778</b>		

Capital Expenditure In Work In Progress For  
Previous Years

182

Carry Forward for Porangahau not added to Total  
Operating Budget

215

Agreed to Total Operating Budget 2018

1,544

Loan Funding 481  
Rates Funding 297  
Total 778

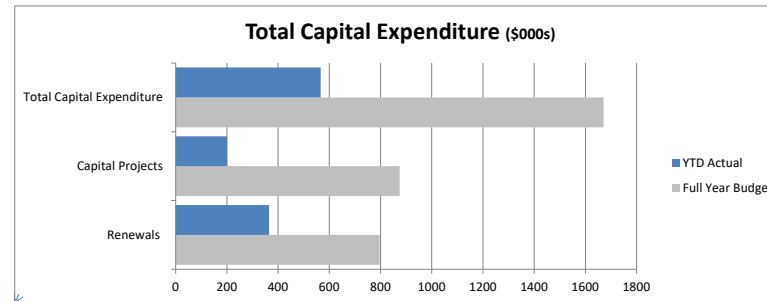
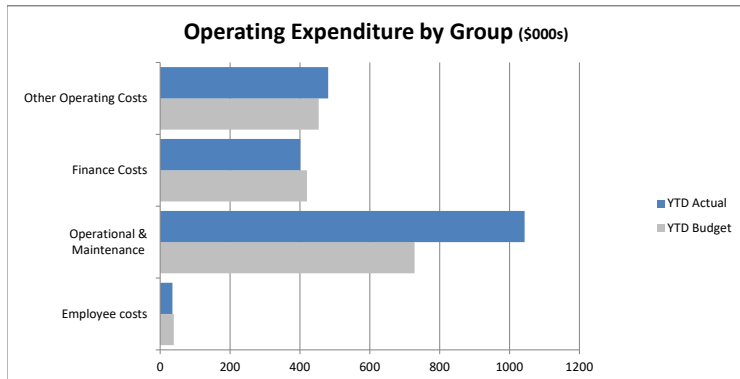
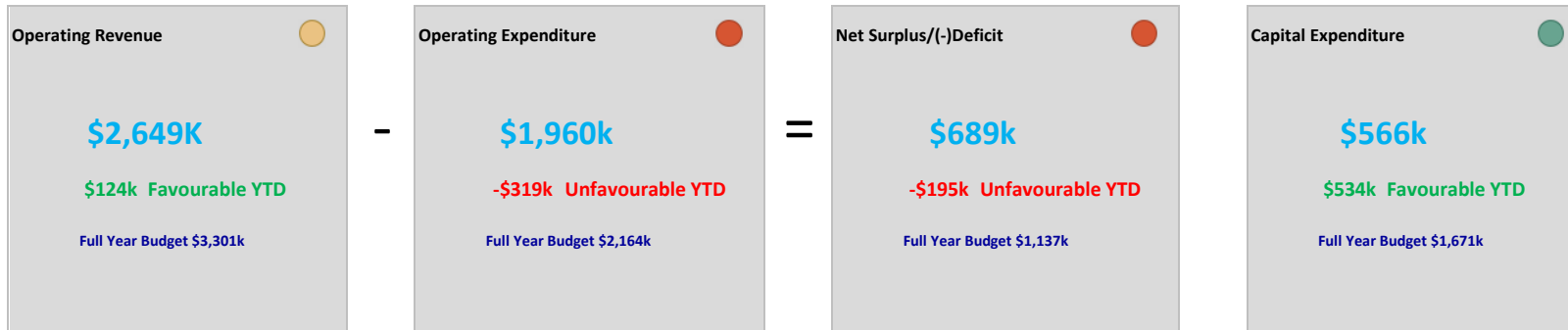
● Achieved

● On track

● May not be met

● Deferred

**Wastewater  
As at 31 March 2018**



**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Wastewater**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0%	0	0
Targeted rates	2,813	2,944	2,944	2,208	2,216	8	0%	2,944	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	266	157	157	117	233	116	99%	327	170
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	200	200	200	0	0%	200	0
<b>Total operating funding</b>	<b>3,079</b>	<b>3,101</b>	<b>3,301</b>	<b>2,525</b>	<b>2,649</b>	<b>124</b>		<b>3,471</b>	<b>170</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	1,155	1,116	1,116	856	1,173	(317)	-37%	1,493	(377)
Finance costs	503	560	560	420	401	19	5%	560	0
Other operating funding applications	483	488	488	366	386	(21)	-6%	524	(36)
<b>Total applications of operating funding</b>	<b>2,141</b>	<b>2,164</b>	<b>2,164</b>	<b>1,642</b>	<b>1,960</b>	<b>(319)</b>		<b>2,577</b>	<b>(413)</b>
<b>Surplus (deficit) of operating funding</b>	<b>938</b>	<b>937</b>	<b>1,137</b>	<b>883</b>	<b>689</b>	<b>(195)</b>		<b>894</b>	<b>(243)</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	19	10	10	8	46	39	488%	10	0
Increase (decrease) in debt	1,380	348	487	(291)	(282)	9	-3%	487	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>1,399</b>	<b>358</b>	<b>497</b>	<b>(283)</b>	<b>(236)</b>	<b>48</b>		<b>497</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	1,986	736	875	500	201	299	60%	875	0
to replace existing assets	590	548	796	600	365	235	39%	1,014	(218)
Increase (decrease) in reserves	(240)	10	(37)	73	73	0	0%	(37)	0
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>2,336</b>	<b>1,294</b>	<b>1,634</b>	<b>1,173</b>	<b>639</b>	<b>534</b>		<b>1,852</b>	<b>(218)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(937)</b>	<b>(936)</b>	<b>(1,137)</b>	<b>(1,456)</b>	<b>(875)</b>	<b>(486)</b>		<b>(1,355)</b>	<b>(218)</b>
<b>Funding balance</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>(573)</b>	<b>(186)</b>	<b>(681)</b>		<b>(461)</b>	<b>(461)</b>

**Explanation of changes between Annual Plan and Total Operating Budget**

Changes between Annual Plan and Operation Budget are

**Debt Change**

Increase in Debt funding

Otane Development \$80k

Carry Forward Loan to 17/18 for Great North Road \$59k

**Capital Expenditure**

Inclusion of the Carry Forwards approved by Council that will be spent this year of \$127k.

Additional capital costs of \$200k for the Otane development

Carry Forward to 17/18 for Great North Road \$59k

**Explanation of Variance to YTD Budget**

**Operating Funding**

Income is higher in Fees and Charges due to increased trade waste income. \$170k.

**Operating Expenditure**

Payment to Staff and Suppliers is over budget and includes

Costs for the review of the Waipawa and Waipukurau Wastewater Extra sampling charges for review

Extra operational charges for Waipukurau and for Waipawa

These are offset by savings as expenses are managed.

**Capital Expenditure**

Details of the Capital Projects is included in the Projects Update following.

Overall the Capital Expenditure will have a shortfall of \$218k for projects that are detailed on the Project Update.

It is recommended that this is monitored for the remainder of the financial year and the funding of the final exceedence of budgets be recommend to Council as part of the Annual Report Interim Results.

**Full Year Forecast**

For the full year it is anticipated that additional Operating funding of \$243k will be required.

Overall the Capital Expenditure will have a shortfall of \$218k for projects that are detailed on the Project Update.

# Central Hawke's Bay District Council: Project Update 2017/18

## Wastewater

At 31 March 2018

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date	This Year Actual	Forecast for June 30 2018	Under/ (Over) By Year End	Status	Comments or Risks
	\$000	\$000	2018 \$000	2018 \$000				
Waste Water 16 Otane Resource Consent	0	176	154	59	154	22	●	Carry forward of \$80k previous years capital expenditure to finish the project. This is on track to be completed this year. There will be a loan saving of approximately \$22k
WW 18 Otane Treatment Plant Upgrade	841	841	32	32	50	791	●	Working on tender documents for Upgrade construction. The loan of \$630k and rate funding of \$161k will be carried forward.
WW 17 Waipawa Great North Road Upgrade	0	237	237	26	237	0	●	Completed
WW 17 Waipawa Great North Road Stage 2		120	0	0	0	120	●	This will be deferred. The loan funding of \$59K and \$61k of rates funding will be carried forward to complete the project next year.
WW 18 Takapau Resource Consent	105	105	24	24	24	81	●	Environmental assessment underway. Progressing with Regional Council who have indicated this will be reviewed in May. Based on this it is estimated that \$24k will be spent with the balance of \$81k loan funding to be carried forward.
WW 18 Otane Land Development	0	200	2	2	200	0	●	Likely to be completed by the end of the financial year.
WW 18 Waipukurau Stormwater Aeration Project	0	272	267	267	272	0	●	This project arose from the issues at the Waipukurau and Waipawa treatment plants. Work based on short term actions from the Review. Will be completed this year.
WW 18 Waipukurau Mt Herbert Landscaping	0	122	100	95	122	0	●	This is the final planting and fencing plus minor improvements for the completion of the Mt Herbert Pump Station completed last year. Will be completed this year
District Wide renewals	338	122	72	72	122	0	●	This includes some equipment purchases for the review (\$27k), Te Paerahi pump and other work as required
<b>Total</b>	<b>1,285</b>	<b>2,195</b>	<b>888</b>	<b>577</b>	<b>1,181</b>	<b>1,014</b>		

Less Previous Year Capital Expenditure in WIP

' WW 17 Waipawa Great North Road Upgrade

211

' Waste Water 16 Otane Resource Consent

95

Loan Funding

792

Rates Funding

222

Total

1014



Achieved



On track



May not be met



Deferred

Total Funding Requirement

1,889

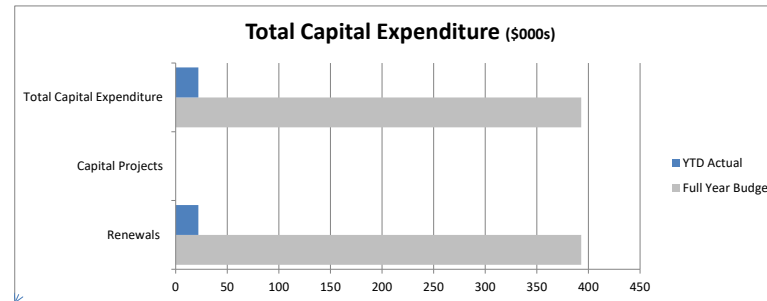
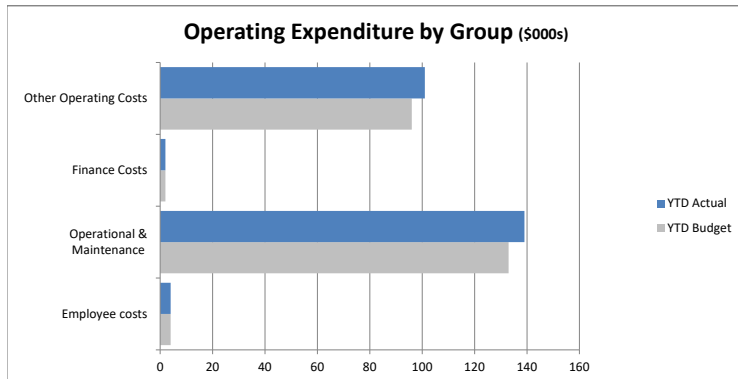
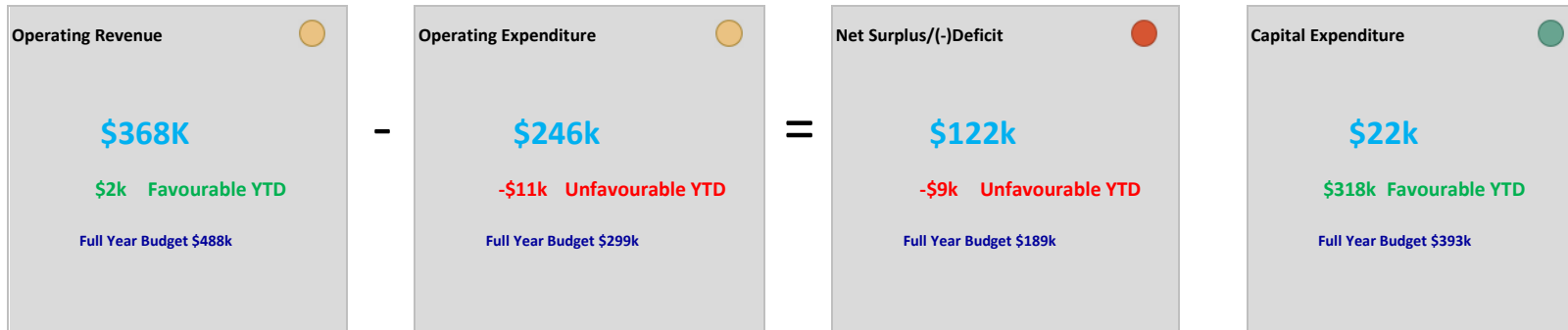
Capital Funding Available Total Operation Budget - FIS

1,671

Shortfall

218

**Stormwater**  
As at 31 March 2018



**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Stormwater**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0%	0	0
Targeted rates	473	488	488	366	368	2	1%	488	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	0	0	0	0	0	0	0%	0	0
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
<b>Total operating funding</b>	<b>473</b>	<b>488</b>	<b>488</b>	<b>366</b>	<b>368</b>	<b>2</b>		<b>488</b>	<b>0</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	82	163	192	155	162	(7)	-5%	222	(30)
Finance costs	3	3	3	2	2	0	0%	3	0
Other operating funding applications	103	104	104	78	82	(4)	-5%	112	(8)
<b>Total applications of operating funding</b>	<b>188</b>	<b>270</b>	<b>299</b>	<b>235</b>	<b>246</b>	<b>(11)</b>		<b>337</b>	<b>(38)</b>
<b>Surplus (deficit) of operating funding</b>	<b>285</b>	<b>218</b>	<b>189</b>	<b>131</b>	<b>122</b>	<b>(9)</b>		<b>151</b>	<b>(38)</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	(7)	(8)	(8)	(6)	(6)	0	0%	(8)	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>(7)</b>	<b>(8)</b>	<b>(8)</b>	<b>(6)</b>	<b>(6)</b>	<b>0</b>		<b>(8)</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	0	0	0	0	0	0%	0	0
to replace existing assets	123	210	393	341	22	318	93%	123	270
Increase (decrease) in reserves	154	0	(212)	(212)	(212)	0	0%	20	(232)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>277</b>	<b>210</b>	<b>181</b>	<b>129</b>	<b>(190)</b>	<b>318</b>		<b>143</b>	<b>38</b>
<b>Surplus (deficit) of capital funding</b>	<b>(284)</b>	<b>(218)</b>	<b>(189)</b>	<b>(135)</b>	<b>184</b>	<b>(318)</b>		<b>(151)</b>	<b>(38)</b>
<b>Funding balance</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>(4)</b>	<b>306</b>	<b>(327)</b>		<b>(0)</b>	<b>(0)</b>

**Explanation of changes between Annual Plan and Total Operating Budget**  
Changes between Annual Plan and Operation Budget are to account for the inclusion of the Carry Forwards approved by Council that will be spent this year \$212k.

**Explanation of Variance to YTD Budget**

**Operating Expenditure**

Payment to Staff and Suppliers above budget \$7k mainly due to investigative work in Waipukurau. This work is expected to exceed budget for the year \$10k.

**Capital Expenditure**

Capital Expenditure is under budget by \$187K

Details of the projects is included on the Project Sheet.

Overall a carry forward of \$147k is a potential however this may change based on the outcome for the Nelson, Francis Drake, Ruataniwha, and Jellicoe Street projects.

**Full Year Forecast**

For the full year it is anticipated that additional Operating funding of \$38K will be required which will be funded from carry forward for Storm Water.

# Central Hawke's Bay District Council: Project Update 2017/18

## Stormwater

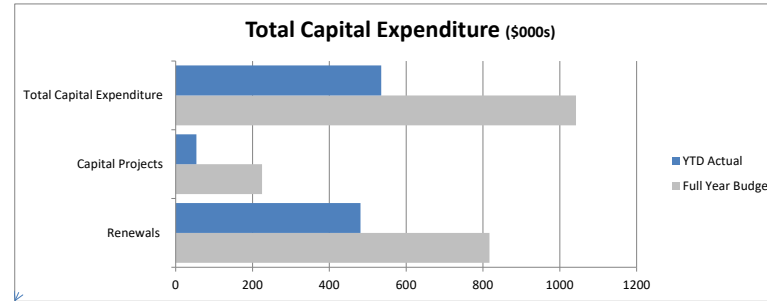
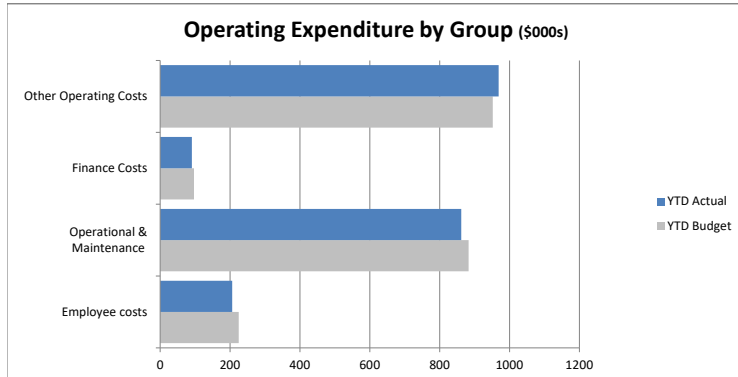
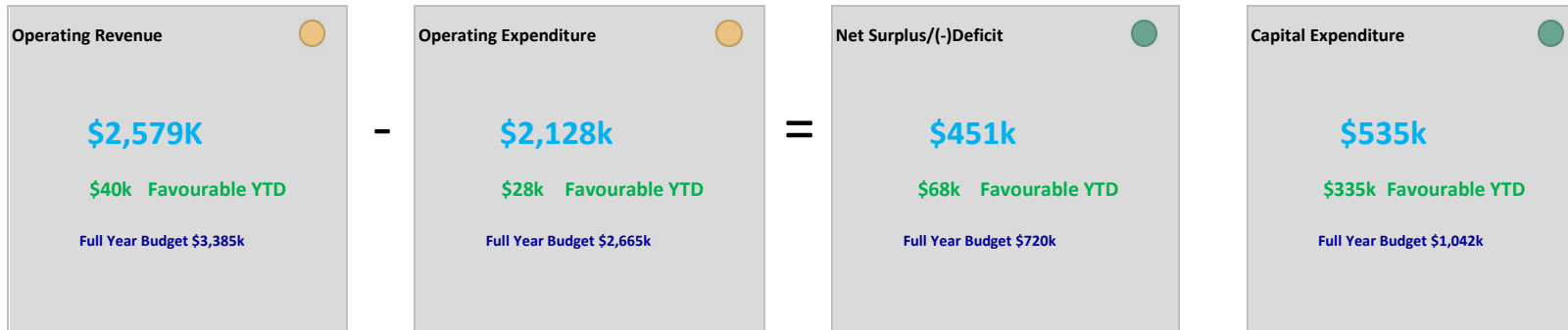
At 31 March 2018

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date	This Year Actual	Forecast for June 30 2018	Under/ (Over) By Year End	Status	Comments or Risks
	\$000	\$000	2018 \$000	2018 \$000				
ST 17 Waipukurau Reline Helicoil Pipe	0	83	0	0	83	0	●	There are now 4 areas in Waipukurau requiring work, once CCTV work has been completed: Ruataniwha, Nelson, Francis Drake and Jellicoe Streets. All work is on hold until enough information has been collected and the project costs and priorities have been determined. Any surplus funds will be carried forward to complete this work.
ST 17 Waipukurau Nelson Gaisford Catchment Pit	0	100	0	0	0	100	●	On hold pending further investigation on requirements, unlikely to be done this year.
ST 18 Waipukurau Francis Drake Street Upgrade	0	123	0	0	0	123	●	On hold pending further investigation on requirements, unlikely to be finished this year.
ST 18 District Minor Renewals	210	87	16	16	40	47	●	This will be allocated to two areas: Waipukurau projects identified above Resource consents requirements for Waipawa, which will be done once CCTV work is completed.
<b>Total</b>	<b>210</b>	<b>393</b>	<b>16</b>	<b>16</b>	<b>123</b>	<b>270</b>		

Loan Funding	0	●	Achieved
Rates Funding	270	●	On track
Total	270	●	May not be met
		●	Deferred

## Recreation and Community Facilities

As at 31 March 2018





**Central Hawke's Bay District Council: Funding impact statement 2017/18**  
**Recreation and Community Facilities**  
**As at 31 March 2018**

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2017 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>Sources of operating funding</b>									
General rates, uniform annual general charges and rates penalties	2,768	2,926	2,926	2,195	2,210	16	1%	2,926	0
Targeted rates	0	0	0	0	0	0	0%	0	0
Subsidies and grants for operating purposes									
Fees, charges	22	16	16	16	13	(2)	-13%	14	(2)
Interest and dividends from investments	478	438	438	330	356	26	8%	451	13
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
	17	5	5	0	0	0	0%	5	0
<b>Total operating funding</b>	<b>3,285</b>	<b>3,385</b>	<b>3,385</b>	<b>2,541</b>	<b>2,579</b>	<b>40</b>		<b>3,397</b>	<b>12</b>
<b>Applications of operating funding</b>									
Payments to staff and suppliers	2,021	2,070	2,082	1,720	1,678	42	2%	2,082	0
Finance costs	106	129	129	97	91	5	5%	129	0
Other operating funding applications	450	454	454	340	359	(19)	-6%	488	(34)
<b>Total applications of operating funding</b>	<b>2,577</b>	<b>2,653</b>	<b>2,665</b>	<b>2,157</b>	<b>2,128</b>	<b>28</b>		<b>2,699</b>	<b>(34)</b>
<b>Surplus (deficit) of operating funding</b>	<b>708</b>	<b>732</b>	<b>720</b>	<b>384</b>	<b>451</b>	<b>68</b>		<b>698</b>	<b>(22)</b>
<b>Sources of capital funding</b>									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	2	4	4	3	2	(1)	-33%	4	0
Increase (decrease) in debt	629	104	104	(91)	(89)	2	-2%	104	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
<b>Total sources of capital funding</b>	<b>631</b>	<b>108</b>	<b>108</b>	<b>(88)</b>	<b>(87)</b>	<b>1</b>		<b>108</b>	<b>0</b>
<b>Applications of capital funding</b>									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	1,222	225	225	169	54	115	68%	225	0
to replace existing assets	627	572	817	702	481	220	31%	717	100
Increase (decrease) in reserves	(510)	44	(214)	(258)	(253)	(4)	2%	(136)	(78)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
<b>Total application of capital funding</b>	<b>1,339</b>	<b>841</b>	<b>828</b>	<b>613</b>	<b>282</b>	<b>331</b>		<b>806</b>	<b>22</b>
<b>Surplus (deficit) of capital funding</b>	<b>(708)</b>	<b>(733)</b>	<b>(720)</b>	<b>(701)</b>	<b>(369)</b>	<b>(330)</b>		<b>(698)</b>	<b>(22)</b>
<b>Funding balance</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(317)</b>	<b>82</b>	<b>(262)</b>		<b>(0)</b>	<b>(0)</b>

**Explanation of changes between Annual Plan and Total Operating Budget**  
Changes included in the Applications of Operating include transfer from reserves for funding a library report (\$16k)  
Changes included in Applications of Capital are to account for the inclusion of the Carry Forwards approved by Council that will be spent this year in Capital Expenditure (\$216k).  
Transfer from retirement housing renewal fund to cover additional work that need to be completed (\$20k) - this will be replaced at year end with the activity surplus.

**Explanation of Variance to YTD Budget**

**Operating Funding**

Fees and charges income exceeds budget by \$26k, of which \$11k in district properties and \$7k from retirement housing will be a permanent increase.

**Capital Expenditure**

Details for Capital Expenditure is included on the Project sheet

Overall it is anticipated that there will be a Rates carry forward of \$93K and a loan carry forward of \$42k.

**Full Year Forecast**

For the full year it is anticipated that additional Operating funding of \$22k will be required which will be funded from the Net Surplus in Planning and Regulatory.

# Central Hawke's Bay District Council: Project Update 2017/18

## Recreation and Community Facilities

At 31 March 2018

Activity	Project	LTP Project Budget	Reforecast Budget	Total Cost to Date	This Year Actual	Forecast for June 30 2018	Under/ (Over) By Year End	Status	Comments or Risks
		\$000	\$000	\$000	\$000				
Parks Reserves and Swimming Pools	Russell Park Projects	172	172	69	69	172	0	●	Work on the construction of an unsealed carpark, emergency parking and paths linking the turf to the AW Parsons Aquatic Centre are commencing on May 21. We expect to spend funds fully by 30 June.
	Cycle ways	52	53	0	0	53	0	●	This will be spent by year end in conjunction with Rotary River Pathways on Lindsay Bush Cycle Walkway Project.
	Waipawa Pool	61	86	70	70	96	(10)	●	Waipawa Pool carry forward (\$25k) tagged for pool improvements in the LTP. The majority of costs are associated the water blasting and preparation for painting. We expect to be \$10K ahead of budget at year end as part of the design works, but will be offset by capital in the 2018/19 year.
	Minor renewals	108	159	115	83	155	4	●	Minor renewals include Blackhead Camping Ground upgrade, Otane fence, and minor renewals. All work is completed with the exception of the Pourerere Reserve Land project which funds of \$4k are proposed to be carried over.
	<b>Total</b>		<b>393</b>	<b>469</b>	<b>254</b>	<b>222</b>	<b>476</b>	<b>(6)</b>	
Public Toilets	Minor Renewals	35	35	40	40	40	(5)	●	Over budget relating to unplanned expenses as part of Russell Park Toilet Development by \$5.7k. Overspend to be covered by District Renewals Halls and Theatres.
Retirement Housing	Minor Renewals	37	57	56	56	60	(3)	●	Depends on refurbishments required when tenants vacate. Funded from Retirement Housing Reserves.
Libraries	Minor Renewals	100	108	58	58	108	0	●	Carry forwards from 2016/17 (\$8) Book purchases on track. The balance of the budget (\$19k) will be spent on shelving and fittings
	CHB Municipal Theatre		75	3	0	3	72	●	Heating and cooling project carried forward from 2016/17. This is on hold based on scoping and assessment of the requirements. This is anticipated to be carried forward.
	Waipukurau Memorial Hall	11	41	30	30	35	6	●	Remaining proposed work includes the investigation into the stained ceiling tiles. It is not yet clear what additional work may be required after the investigation has been completed. We propose to carry forward any balance of funding.

Activity	Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2018 \$000	This Year Actual 2018 \$000	Forecast for June 30 2018	Under/ (Over) By Year End	Status	Comments or Risks
Theatres and Halls	Settlers Museum Painting	11	15	0	0	0	15	●	\$4k carried forward from 2016/17 for painting. The painting has been put on hold and will be carried forward if not used this year.
	Minor renewals	112	112	46	46	112	0	●	Minor renewals include the Civic Theatre Minor Renewals, District Minor Renewals, Municipal Theatre, minor renewals, and OngaOnga Hall water treatment. We proposed to carry over some \$33k of Civic Theatre Minor renewals and Municipal Theatre Renewals, to be implemented in the 2018/19 year.
	<b>Total</b>	<b>134</b>	<b>243</b>	<b>79</b>	<b>76</b>	<b>150</b>	<b>93</b>		
Cemeteries	<b>Minor Renewals</b>	<b>28</b>	<b>41</b>	<b>29</b>	<b>24</b>	<b>41</b>	<b>0</b>	●	Carry forwards to complete Otane and Pourerere Cemeteries (\$8k). Will spent this year.
Properties and Buildings	Council Chamber upgrade		56	5	0	56	0	●	Budget carried forward from 2016/17. Work will be completed by year end.
	Minor renewals	76	79	59	59	58	21	●	This budget includes Community Rooms Renewals, Community Admin Building Alarm Upgrade, Council Admin Minor Renewals, District Library minor renewals, District Minor Renewals, District St Johns Exterior Upgrade. \$21,258 to be carried over associated with Library work, all other funds fully expended by year end.
	<b>Total</b>	<b>76</b>	<b>135</b>	<b>64</b>	<b>59</b>	<b>114</b>	<b>21</b>		
<b>Total</b>		<b>803</b>	<b>1088</b>	<b>580</b>	<b>534</b>	<b>989</b>	<b>100</b>		

Capital Expenditure In Work In Progress For Previous Years

46

Agreed to Total Operating Budget 2018

1042

Loan Funding 0  
Rates Funding 100  
Total 100

- Achieved
- On track
- May not be met
- Deferred

# Treasury Report

As at 31 March 2018

## Cash and Cash Investment Balance

	Full Year Actuals 2016/17 \$000	Total Annual Plan Budget 2017/18 \$000	YTD Actual \$000	YTD Variance \$000
Cash and Cash Equivalents	2,453	2,896	3,436	540
Bonds and Stock	2,180	4,415	2,315	(2,100)
<b>Total</b>	<b>4,633</b>	<b>7,311</b>	<b>5,751</b>	<b>(1,560)</b>

We continue to retain liquid cash to meet operational and capital spending requirements for the near future.

## Debt Position

	Full Year Actuals 2016/17 \$000	Total Annual Plan Budget 2017/18 \$000	YTD Actual \$000	YTD Variance \$000
Secured Loans - Less than 12 months	2,043	705	694	(11)
Secured Loans - Greater than 12 months	729	5,024	2,244	(2,779)
<b>Total</b>	<b>2,772</b>	<b>5,729</b>	<b>2,939</b>	<b>(2,790)</b>





Borrowing continues to be kept to a minimum as we manage our short and long term cash facilities.

## Finance Costs

	Full Year Actuals 2016/17 \$000	Total Annual Plan Budget 2017/18 \$000	YTD Actual \$000	YTD Variance \$000
Finance Costs	149	406	139	(266)

Below budget due to low borrowings.

## Compliance with Liability Management Policy

Item	Limit	Actual	Policy
External term debt + committed bank facilities + unencumbered cash/cash equivalents to existing external debt	>130%	347%	
Net Interest on External Debt / Total Revenue	<10%	0.11%	
Net Interest on External Debt / Annual Rates Income	<20%	0.18%	
Total debt per head of population	\$2,000	\$221	

Council is within policy in all areas.

## Reserve Funds

Special Funds	Full Year Actuals 2016/17 \$000	YTD Actual \$000	Movement YTD \$000
Reserves held for Emergency Purposes	3,258	3,258	0
Reserves held for Future Asset Purchases	2,089	2,240	152
Reserves held for Future Operational Purposes	770	752	(17)
Reserves held for Other Funds	47	47	0
<b>Total</b>	<b>6,162</b>	<b>6,297</b>	<b>134</b>

Within the Reserves held for Future Asset Purchases Funds, the following YTD Balances are:

Capital Projects Fund (\$79,970)  
 Ruahine Ward \$630,198  
 Ruataniwha Ward \$81,173  
 Aramoana Ward \$227,763

### Reserves held for Future Asset Purchases

Funding for the Tamatea Trails (\$21k) has been transferred to activities.

Net funding for the purchase of a vehicle (\$7k) has been transferred from Land Transport Vehicle Reserve.

Recovery from the Wastewater warranty has been received \$200k

Funding for Retirement Housing has been transferred (\$20k)

### Reserves held for Future Operational Purposes

External review of the future direction of the Library (\$17k)

# Central Hawke's Bay District Council

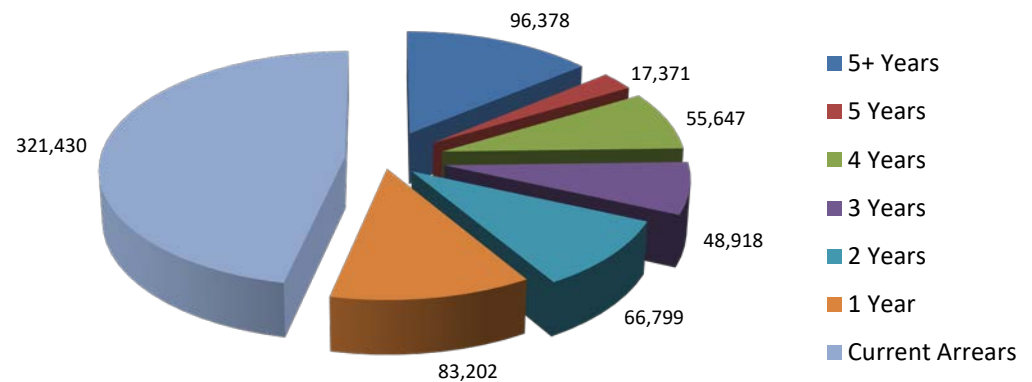
## Rates Debt Information

### At 31 March 2018

	Jun-17	Mar-18	Movement
5+ Years	111,361	96,378	-14,983
5 Years	21,596	17,371	-4,225
4 Years	68,147	55,647	-12,500
3 Years	62,062	48,918	-13,144
2 Years	87,058	66,799	-20,259
1 Year	355,559	83,202	-272,357
Current Arrears	0	321,430	321,430
<b>Total</b>	<b>705,783</b>	<b>689,745</b>	<b>-16,038</b>

There are total rates arrears outstanding of \$689,745 across all years, of which \$321,430 (46.6%) relates to the current 2017-18 year. The Rates department actively manage the current debt to ensure ratepayers clear these arrears by the coming June 2018. The balance of the outstanding amount, \$368,315 (53.4%), has been formally acknowledged in our debt management system with details of how these are managed shown in the next chart.

### Rates Balances as at 31 March 2018



	Jun-17	Mar-18	Movement
With Bank	130,003	1,472	-128,531
With Baycorp	126,661	65,161	-61,500
Under Arrangement	72,177	62,935	-9,242
Remaining Arrears	127,108	19,649	-107,459
Maori Land	249,834	219,051	-30,783
<b>Total</b>	<b>705,783</b>	<b>368,268</b>	<b>-337,515</b>

Since 1 July 2017 the previous year's rates arrears amount has reduced by \$337,515.

#### Other Rates Information

Rates emailed to ratepayers 14% (12% Jun 17)

Ratepayers on direct debit 38% (39% Jun 17)

