

**6.3 QUARTERLY FINANCIAL REPORTING TO 30 JUNE 2018****File Number:** COU1-1410**Author:** Bronda Smith, Group Manager, Corporate Support and Services**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Quarterly Financial Report June 2018**PURPOSE**

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

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report on Council's Fourth 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 Fourth Quarter for the year ended 30 June 2018.

In preparing the Annual Report the Finance Staff take a systematic approach to reconciling and preparing the accounts. As such, it is not currently possible to provide finalised detailed operational and capital results. This report focuses on the interim treasury and rates information. Officers will bring an Interim Financial Report to the Finance and Planning Committee with anticipated outcome of the financial year. The full financial information will be included in the 2017/18 Annual Report.

**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. Officers will bring an Interim Financial Report to the Finance and Planning Committee with anticipated outcome of the financial year.

# Interim Treasury Report

As at 30 June 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	3,956	1,060
Bonds and Stock	2,180	4,415	2,296	(2,119)
<b>Total</b>	<b>4,633</b>	<b>7,311</b>	<b>6,252</b>	<b>(1,059)</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	714	9
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>2,958</b>	<b>(2,771)</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	159	(247)

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%	362%	
Net Interest on External Debt / Total Revenue	<10%	0.12%	
Net Interest on External Debt / Annual Rates Income	<20%	0.20%	
Total debt per head of population	\$2,000	\$222	

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)

Subject to change based on the finalisation of the Annual Report 2017/18

# Central Hawke's Bay District Council

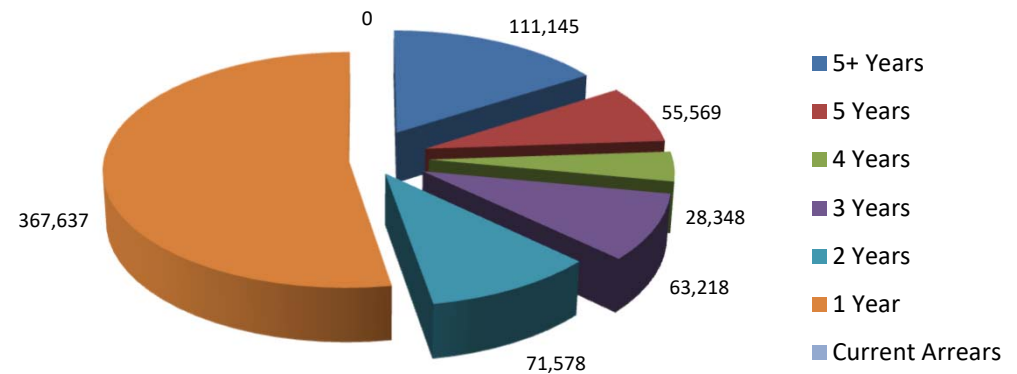
## Rates Debt Information

### At 30 June 2018

	Jun-17	Jun-18	Movement
5+ Years	111,361	111,145	-216
5 Years	21,596	55,569	33,973
4 Years	68,147	28,348	-39,799
3 Years	62,062	63,218	1,156
2 Years	87,058	71,578	-15,480
1 Year	355,559	367,637	12,078
Current Arrears	0	0	0
<b>Total</b>	<b>705,783</b>	<b>697,494</b>	<b>-8,289</b>

There are total rates arrears outstanding of \$697,494. The portion of old arrears vs 1 year arrears means the rates department have been steadily working on clearing long outstanding issues while also working on current debtors. All debt is actively managed by the rates department and a break down of how is in the next table.

### Rates Balances as at 30 June 2018



	Jun-17	Jun-18	Movement
<b>With Bank</b>	130,003	6,775	-123,228
<b>With Baycorp</b>	126,661	81,045	-45,616
<b>Under Arrangement</b>	72,177	142,988	70,811
<b>Remaining Arrears</b>	127,108	215,932	88,824
<b>Maori Land</b>	249,834	250,754	920
<b>Total</b>	<b>705,783</b>	<b>697,494</b>	<b>-8,289</b>

The Rates department have actively engaged with ratepayers who have difficulty paying and have captured a lot of payment arrangements to not only ensure arrears are paid but that current and future rates are part of the arrangement calculations. This ensures ratepayers rolling balances are consistently reducing.

#### Other Rates Information

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

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

### What are we doing about it? As at 30 June 2018

