

KAIKŌURA DISTRICT COUNCIL FINANCE COMMITTEE MEETING

Date:	26 June 2019
Time	9:30am
Location	COUNCIL CHAMBERS, 96 WEST END, KAIKOURA.

AGENDA

1. Apologies
2. Declarations of Interest
3. Matters of Importance to be raised as Urgent Business
4. Minutes to be Confirmed;
29 May 2019 page 2
5. Urgent Business
6. Finance Report page 3
7. Variance Report page 19

**MINUTES OF THE KAIKŌURA DISTRICT COUNCIL FINANCE
COMMITTEE HELD AT 10.40 AM ON WEDNESDAY 29 MAY 2019, AT
COUNCIL CHAMBERS, 96 WEST END, KAIKŌURA**

1. **PRESENT:** Councillor J Howden (Chair), Mayor W Gray, Councillors L Bond, T Blunt, C Harnett, C Mackle, D Millton and N Pablecheque,.

IN ATTENDANCE: A. Oosthuizen (Chief Executive), K Lamb (Council Secretary)

2. **APOLOGIES:**

Nil

3. **CONFLICTS OF INTEREST.:**

Councillor Millton – Waipapa Limestone

4. **MINUTES TO BE CONFIRMED:**

Finance Committee 1 May, 2019.

Moved Councillor Millton Seconded Councillor Blunt

THAT the Committee:

- (a) Confirms as a true and correct record, the circulated minutes of a meeting of the Finance Committee held on 1 May, 2019.

UNANIMOUS

5. **FINANCE REPORT:**

Ms Sheryl Poulson (Finance Manager) and Natalie Telford (assistant Accountant) were in attendance to present the report.

Moved Councillor Pablecheque seconded Councillor Bond

THAT the Committee:

- (a) Receives the Finance Report and Financial position of the Finance Committee as at 30 April 2019.

UNANIMOUS

There being no further business, the meeting concluded at 11.00 am

NEXT MEETING

The next scheduled meeting of the Finance Committee is on 26 June, 2019 in the Council Chambers.

CONFIRMED

_____ Chairperson

_____ Date

Report to:	Finance Audit and Risk
Date:	20 June 2019
Subject:	Finance Report to 31 May 2019
Prepared by:	Sheryl Poulsen, Finance Manager
Input sought from:	Natalie Telford, Assistant Accountant
Authorised by:	Angela Oosthuizen, Chief Executive

1 PURPOSE AND ORIGIN:

The purpose of this report is to provide the Finance Audit and Risk with an update on the financial position of the Council as at 31 May 2019.

2 DISCUSSION:

The following provides a summary discussion on the financial statements and supporting data as presented in the attachments to this report.

Statement of Financial Position

The Council financial position remains strong. Borrowings remain at a low of \$1.60 million at the end of May and favourable against budget. Cash on hand at 31 May is \$1.5 million.

Working Capital & Liquidity

Working capital is \$2.98 million in current assets over current liabilities.

Liquidity is 2.08:1, meaning there is \$2.08 in cash for every \$1 in amounts due to be paid.

Statement of Comprehensive Revenue & Expense

At the end of May 2019, there was a net surplus of \$3.6 million, once this is due to the timing in the receipt of grants and subsidies principally for the earthquake rebuild.

Rates Revenue

Rates remissions have been less than forecast (\$90k less) and penalties applied to overdue rates are \$30k more than expected. Some of these penalties apply to Maori Freehold Land rates, and will be written off. These rates are discussed further in the Debtor Report in this agenda.

User fees & charges

Revenue from building consent fees is substantially higher than forecast; due to relatively high numbers of consents being processed, high value consents being processed (such as the hotel and other new commercial builds), and the fact that we are having consents processed externally – so the cost of consent processing is being added to the consent fee.

Grants & subsidies

The Three-Year Plan had forecast that we would spend over \$15 million in earthquake rebuild projects in the 2018/2019 financial year, and receive over \$14 million in grants to fund the work. In reality, just over \$2.9 million has been spent on earthquake-related capital projects as at the end of May, and the corresponding grants for that work is just under \$1.2 million.

Roading is another area where the NZTA subsidy is less than forecast due to a lower spend in this area, both in capital and operating spend. The Crown funding for the Financial & Corporate Sustainability Review work has not been claimed yet; this is expected to be received by the end of this month (June).

Interest & other revenue

Rather than set aside any available cash in term deposits to earn around 3% interest, we have instead paid down our borrowings. There are greater savings associated with a reduction in debt than can be received from investment in on call accounts or term deposits.

Other revenue includes petrol tax and infringement fees, and also includes the capital distribution we receive from the Marlborough Regional Forestry joint venture. Those distributions total \$350k for the year to date, \$57k higher than expected, and we have now paid Environment Canterbury their share of the distribution, of around \$47k.

Personnel expenses

Employee costs are \$413k less than forecast, largely due to the recruitment of engineering and other personnel being slower than predicted. Rebuild personnel expenses are also much lower than forecast.

Financing expenses

Loan interest costs are lower than budgeted due to the early repayment of debt, as discussed above, but also due to loans not being required yet, due to a slower than expected rebuild programme.

Other expenses

This report shows that "Other Expenses" are underspent by \$0.845 million. The Variance Analysis pages in this report highlight several areas of underspend.

The above figures may differ from the variances in the Variance Analysis pages due to those pages including all expense types (personnel, depreciation and financing expenses), whereas the above commentary is referring to "other expenses" only, as per Statement of Comprehensive Revenue & Expense.

Revenue and Expenditure Variances

In summary, revenue is under budget by \$11.6m and expenses are under budget by \$1.67m. Further information is provided in the Variance Analysis section of this report and the detail provided by activity in the Variance Analysis at Appendix 1.

Statement of Cash Flows

The total cash position has decreased to \$1.52M since the last financial report to Council in April 2019 noting pending the rebuild commencing surplus cash has been used to repay debt. This is a cash management measure, saving over 5% interest expense, instead of earning less than 3% on term deposits.

Budget Performance (Revenue YTD and Expenditure YTD by Activity)

These are graphic representations of the Statement of Activity Performance and you can see at a glance how activities are performing against budget and in comparison with each other. They also highlight the extent to which the earthquake efforts are dwarfing our normal activities.

Revenue & Expenditure Types YTD – by Category

Over 44% of our revenue is sourced from grants and subsidies to 30 April, with 41% in operating costs; 19% in capital works; 18% in personnel costs and 11% in loan and principal repayments.

Variance Analysis

Revenue mainly from Grants and Crown subsidies anticipated to below that budgeted due to slow progress on the infrastructural rebuild and community facility projects. Similar trend in expenditure in these areas. Income from the provincial growth fund for the feasibility on major district projects is favourable (grant not budgeted) and work is progressing to timeline. Contract management is ongoing to ensure the roading programme is delivered. Slower than anticipated progress on the Natural Hazards Chapter of the District Plan Review. This will result in lower expenditure to budget. However, work is progressing albeit slower.

Activity	Revenue	Expenditure	Comment
Roading	!	!	Substantial spend on NCTIR Haul Routes during May, minor events underspent due to good weather, Incomplete bridge assessment.
Water	✓	✓	Lower expenditure than budgeted due to EQ damage to pumps (lower electricity costs), some maintenance work not carried out because of network modelling and studies being carried out before completing works.
Sewerage	✓	✓	Planned maintenance delayed to integrate with rebuild programme.
Stormwater	✓	✓	Catchment management plans have not commenced.
Refuse & Recycling	✓	×	Higher capital grants due to WMINZ contribution, cost of carbon credits higher than expected.
Community Facilities	×	×	The grant revenue for swimming pool has not been secured as yet. There have been substantial over-spends in housing for the elderly, public halls, the civic centre, cemetery, recreational reserves and the West End. The over-spend has, however, been offset by savings in loan interest and overheads.
Commercial	✓	✓	Maintenance has not been carried out on the Wakatu Quay properties, and 34 Esplanade was not secured and closed to the standard budgeted.
Leadership and Governance	✓	✓	The Sustainability Review grant was invoiced to DIA; the Review work itself is ongoing.
Building and Regulatory	✓	!	Accreditation compliance costs over budget and high workload being managed by outsourcing processing. Outsourced processing costs fully recoverable.
Community Services	✓	✓	

Activity	Revenue	Expenditure	Comment
District development	✓	!	Slower progress than anticipated on District Plan Review for natural Hazards but work is progressing. Implementation of work on Natural Hazards occurring and resource costs within budget. Feasibility study is progressing on two major district projects. This work is fully funded by the Provincial Growth Fund.
Rebuild	!	!	Slower progress than anticipated. Work is progressing and contracts for major projects are being awarded. Continual governance o oversight of this programme in undertaken by the Infrastructural Rebuild Steering Group.

GLOSSARY OF TERMS: Items on the Statement of Financial Position

Cash & cash equivalents	Bank accounts and term deposits that mature within 90 days.
Trade & other receivables	Debtors and rates accounts (the amount that our ratepayers and customers owe us).
Prepayments & inventory	Bills we have paid in advance (such as insurance), plus stock items.
Other financial assets	Term deposits that mature after 90 days.
Non-current assets held for sale	Investment property that the council intends to sell within 12 months
Intangible assets	Carbon credits and computer software (Ozone)
Forestry assets	The standing value of trees grown specifically for logging
Investment property	Any property that is owned with the intention of generating a return (e.g. Pyne's building and north wharf buildings).
Property, plant & equipment	All other assets – roads, wharves, water and sewer infrastructure, land, buildings, vehicles, furniture, art works, library books, etc
Trade & other payables	Bills we haven't paid yet, and other amounts we must pay within 12 months (refundable bonds, GST, ECan's share of rates revenue, etc).
Employee liabilities	Annual leave owing to employees
Borrowings – current	Loans that must be repaid within 12 months.
Other liabilities – current	Development contributions held for the civic centre.
Provisions	Landfill aftercare provision – an estimate of the cost that will be incurred to secure and cap the site once the landfill is closed.
Borrowings – non current	The balance of loans that don't need to be repaid within 12 months.
Other term debt	Environment Canterbury's share of Marlborough Regional Forestry debts, held on behalf.
Public equity	A type of equity which records accumulated surpluses and deficits, and other movements in equity not recorded below.
Asset revaluation reserve	A type of equity which records movements in property, plant and equipment values.
Special funds & reserves	A type of equity which records funds set aside for specific purposes (such as grants, targeted rates, development contribution funds, etc)

3 Financial implications and risks:

Monthly monitoring and reporting on the Council financials is required as there is a risk that the Council's financial position could deteriorate with an increase in debt levels; lowered credit rating; revenue flows are lower than budgeted and expenditure is higher than projected.

4 RECOMMENDATION:

It is recommended that the Finance Report and financial position of the Council as at 30 April 2019 be received.

5 COMMUNITY OUTCOMES SUPPORTED:

The work is in support of all community outcomes.



We value, protect and enhance Kaikōura's unique natural environment and biodiversity and sustainably manage disposal of waste.



Our community is resilient, safe and well and has their essential needs met



Our infrastructure, housing and community facilities are easily accessible, cost effective and able to withstand our natural hazards.



Our District is economically diverse, attractive to investment and provides certainty around business and employment continuity.



Our community participates in decisions and planning in a way that benefits our future.



Residents and visitors enjoy an improved quality of life in our District.

6 SIGNIFICANCE OF DECISION:

This decision is not considered significant in terms of Council's Significance and Engagement Policy.

7 RELEVANT LEGISLATION:

The Local Government Act 2002 states that a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

KEY INDICATORS

AS AT 31 MAY 2019

FINANCIAL STATEMENT MEASURES

OPERATING RESULT

operating surplus/(deficit)

\$3.60m

\$9,946k unfavourable v/s year-to-date budget of \$13,547k

OPERATING COSTS

costs to deliver existing levels of service

\$12.37m

\$1,666k favourable v/s year-to-date budget of \$14.04m

TOTAL EXTERNAL BORROWING

total borrowings from bank

\$1.59m

\$9,117k favourable v/s full year budget of \$10.7m

INTEREST ON DEBT

cost to service debt

\$117k

\$407k favourable v/s year-to-date budget of \$524k

CAPITAL EXPENDITURE

cost of new &/or replacement of assets

\$4.17m

\$14.1m favourable v/s year-to-date budget of \$18.2m

DEVELOPMENT CONTRIBUTIONS

received for district growth

\$18.3k

\$18.3k favourable v/s year to date budget of \$0k

LONG TERM PLAN MEASURES

DEBT AFFORDABILITY BENCHMARK

financing expenses as a % of rates

1.7%

8.3% favourable v/s council approved limit of 10.0%

EBID

earnings before interest and depreciation

\$5.59m

\$10,354k unfavourable v/s year-to-date budget of \$15.94m

BALANCED BUDGET BENCHMARK

revenue equal or greater than expenses

129%

29% favourable v/s council benchmark of 100%

BORROWINGS TO EQUITY

Term loans as a % of equity

0.97%

4.73% favourable v/s full year budget of 5.70%

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2019

	BUDGET to year end \$	ACTUAL 31/05/2019 \$	ACTUAL 31/05/2018 \$
ASSETS			
<i><u>Current assets</u></i>			
Cash & cash equivalents	1,831,910	1,520,411	4,087,810
Trade & other receivables	3,741,509	3,973,890	3,171,849
Prepayments & inventory	98,200	119,677	1,808
<i>Total current assets</i>	5,671,618	5,613,978	7,261,467
<i><u>Non-current assets</u></i>			
Intangible assets	-	188,743	274,521
Forestry assets	2,583,334	2,279,178	2,055,502
Investment property	2,313,125	1,465,000	1,860,000
Property, plant & equipment	192,025,294	160,403,044	153,548,652
<i>Total non-current assets</i>	196,921,753	164,335,965	157,738,675
TOTAL ASSETS	202,593,371	169,949,943	165,000,142
LIABILITIES			
<i><u>Current liabilities</u></i>			
Trade & other payables	1,954,651	2,382,368	1,742,214
Employee liabilities	100,000	263,625	224,368
Borrowings – current	615,906	-10,388	576,419
<i>Total current liabilities</i>	2,670,557	2,635,605	2,543,000
<i><u>Non-current liabilities</u></i>			
Provisions	-	471,549	471,612
Borrowings – non current	8,699,358	1,601,815	2,709,605
Other term debt	564,606	353,730	334,521

<i>Total non-current liabilities</i>	9,263,964	2,427,094	3,515,738
EQUITY			
Public equity	89,092,942	95,323,023	96,473,015
Asset revaluation reserve	83,231,984	65,120,549	59,086,740
Special funds & reserves	18,333,924	4,443,671	3,381,649
<i>Total equity</i>	190,658,850	164,887,244	158,941,404
TOTAL LIABILITIES & EQUITY	202,593,371	169,949,943	165,000,142

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE PERIOD ENDED 31 MAY 2019

	BUDGET 2019 \$	ACTUAL YTD 31/05/2019 \$	BUDGET YTD 31/05/2019 \$	VARIANCE 31/05/2018 \$
REVENUE				
Rates revenue	6,852,010	6,989,825	6,852,020	137,805
Water meter charges	130,000	40,255	65,000	(24,745)
User fees & charges	1,381,874	1,235,466	1,156,678	78,788
Grants & subsidies	20,697,800	7,221,414	19,036,106	(11,814,692)
Development contributions	-	18,280	0	18,280
Interest revenue	75,423	43,416	69,135	(25,719)
Other revenue ¹	1,286,109	423,464	405,785	17,679
Total revenue	30,423,216	15,972,120	27,584,724	(11,612,604)
EXPENSES				
Personnel	3,704,845	2,984,941	3,398,134	(413,193)
Depreciation	2,042,510	1,872,343	1,872,343	0
Financing expenses	571,843	116,809	524,183	(407,374)
Other expenses	11,191,365	7,397,515	8,243,146	(845,631)
Total expenses	17,510,563	12,371,608	14,037,806	(1,666,198)
Operating surplus/(deficit)	12,912,653	3,600,511	13,546,918	(9,946,407)
OTHER COMPREHENSIVE REVENUE				
Gains/(losses) on revaluation	-	-	-	-

¹ Other Revenue includes Marlborough Regional Forestry joint venture revenue, penalties on overdue leases, and petrol tax.

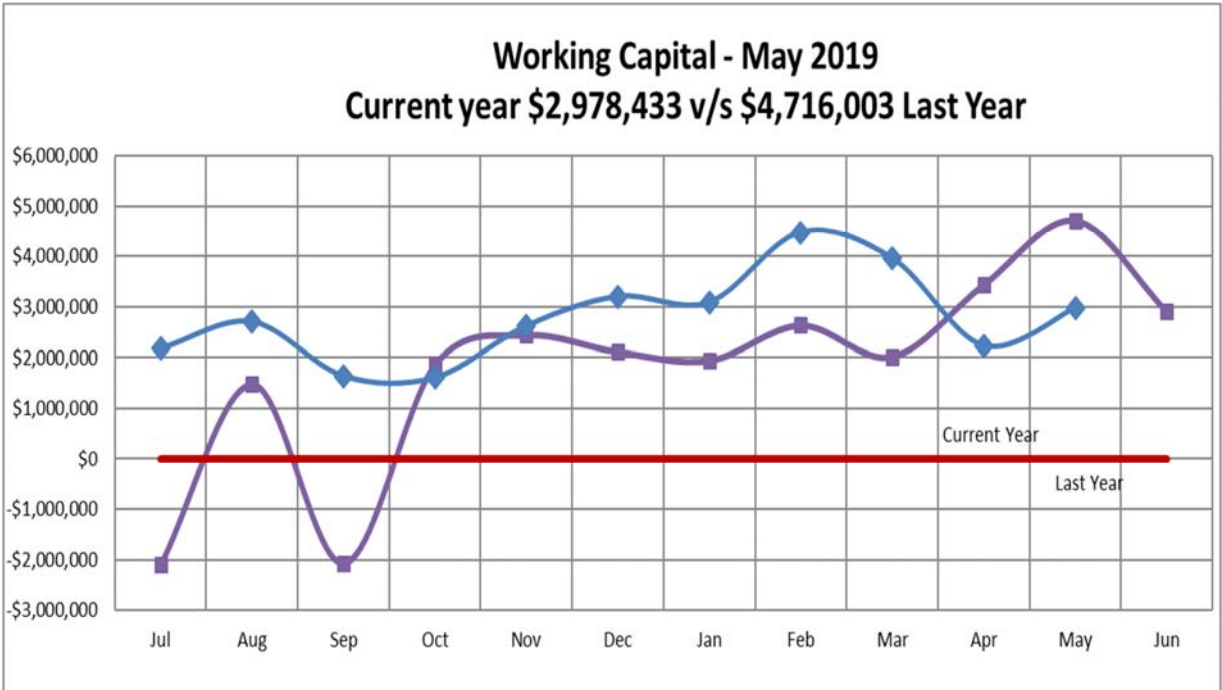
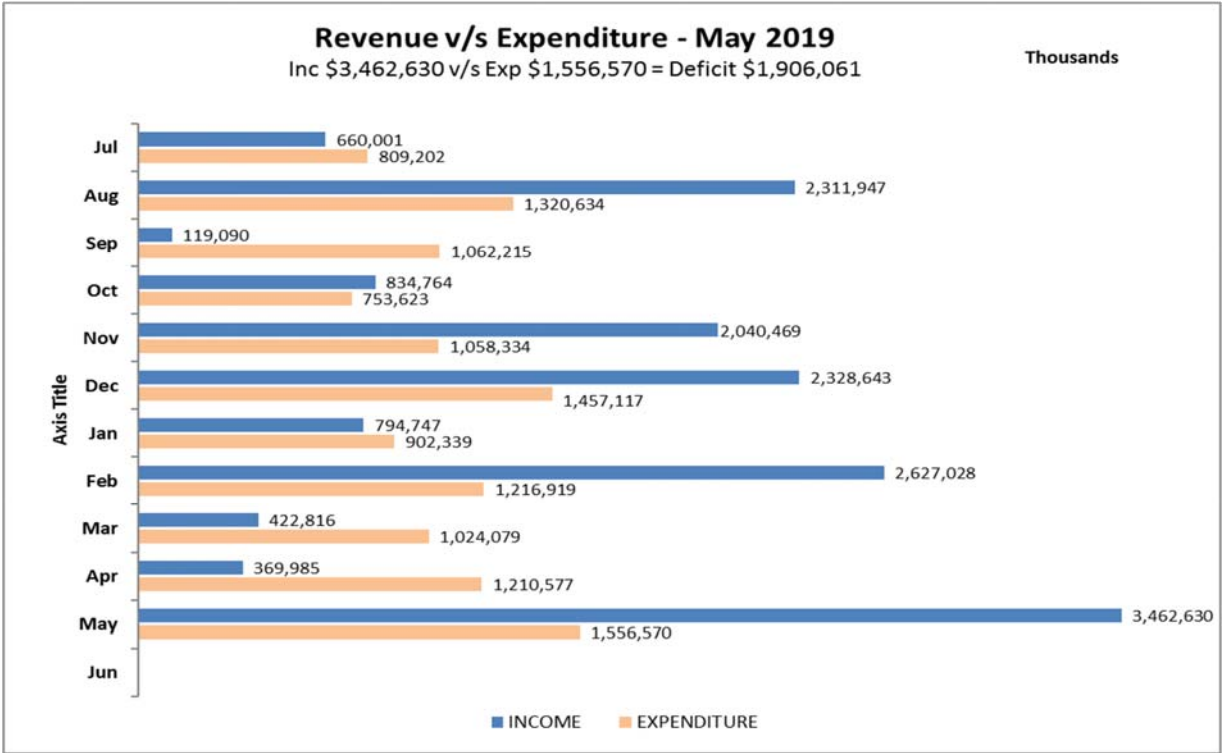
Vested assets	-	-	-	-
ECAN share of MRF profit/loss	-	-	-	-
<i>Total other comprehensive revenue</i>	-	-	-	-
TOTAL COMPREHENSIVE REVENUE	12,912,653	3,600,511	13,546,918	(9,946,407)

STATEMENT OF CASH FLOWS

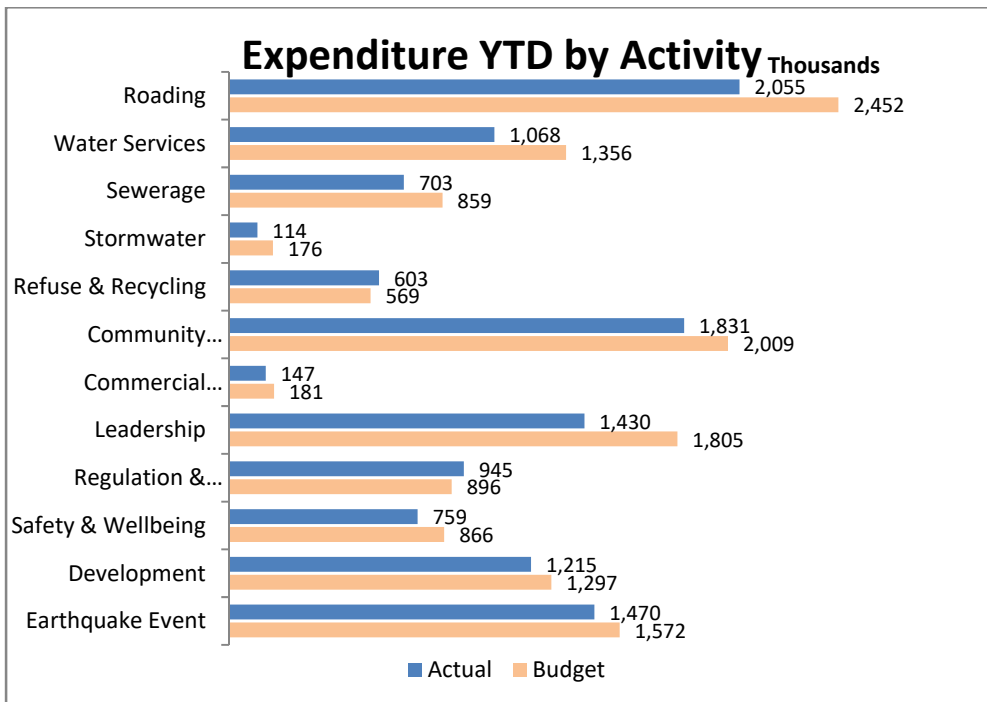
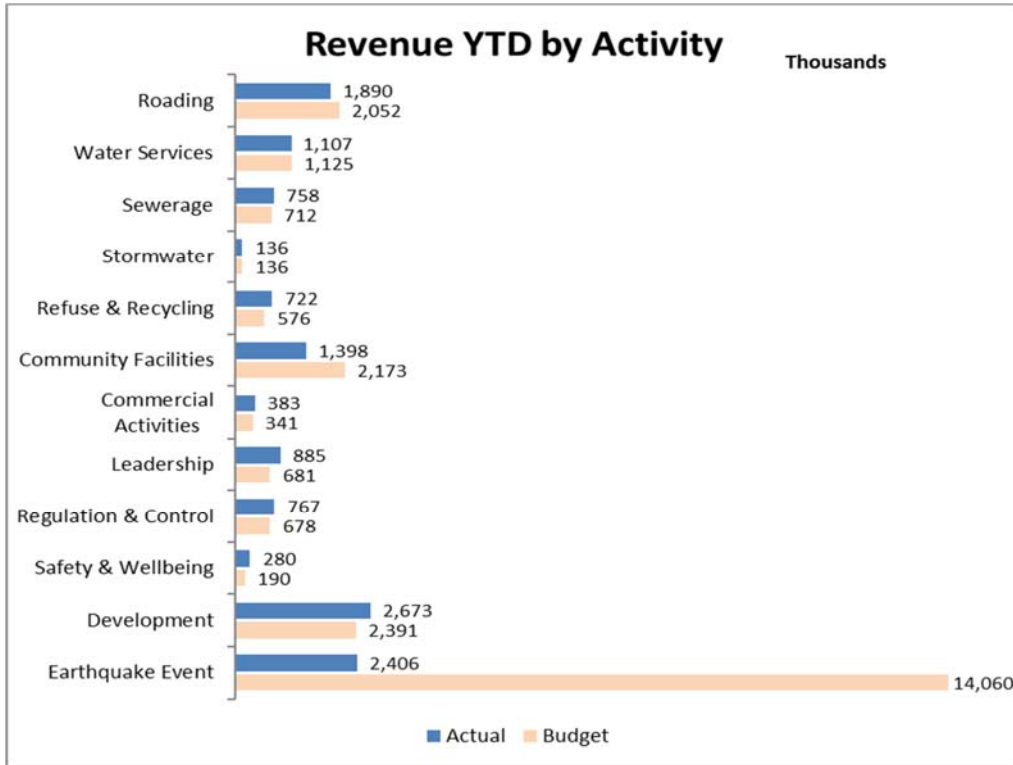
FOR THE PERIOD ENDED 31 MAY 2019

	BUDGET to year end \$	ACTUAL 31/05/2019 \$
OPERATING ACTIVITIES		
Receipts from rates	6,852,012	5,494,591
Interest received	75,423	43,416
Receipts from other revenue	7,042,777	6,874,462
Payments to employees & suppliers	(14,290,016)	(10,128,285)
Interest paid	(571,846)	(116,809)
Goods & services tax (net)	-	(229,625)
Net Cash from Operating Activities	(891,650)	1,937,750
INVESTING ACTIVITIES		
Grants received for capital work	15,717,727	2,084,571
Purchase of investment property	(200,000)	-
Sale of forestry	-	-
Purchase of property, plant & equipment	(19,746,078)	(4,568,625)
Purchase of forestry assets	-	-
Purchase of intangible assets	-	-
Payment into term deposits	-	-
Net Cash from Investing Activities	(4,288,351)	(2,484,055)
FINANCING ACTIVITIES		
Proceeds from borrowing	2,323,108	-
Repayment of borrowings	(396,501)	(1,677,695)

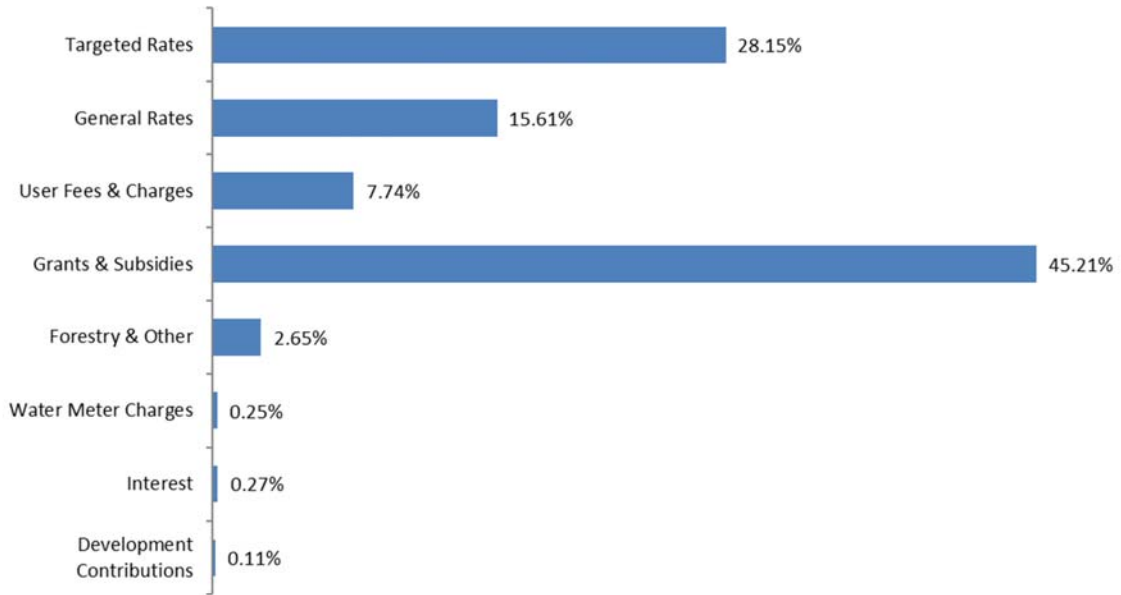
Net Cash from Finance Activities	1,926,607	(1,677,695)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(3,193,395)	(2,224,000)
OPENING CASH	5,025,305	3,744,411
CLOSING CASH BALANCE	1,831,910	1,520,411



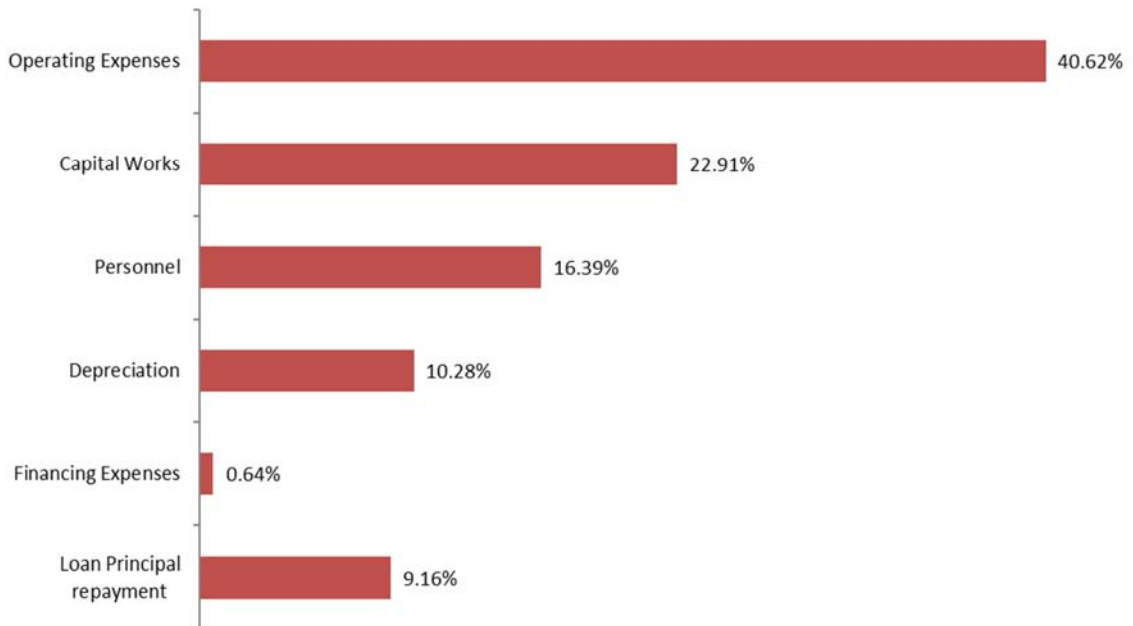
Working capital is calculated by subtracting current liabilities from current assets, and is an indicator of our ability to pay our commitments to suppliers when payments fall due. Please refer to the Finance Report narrative for more information.



Revenue YTD by Category



Expenditure YTD by Category



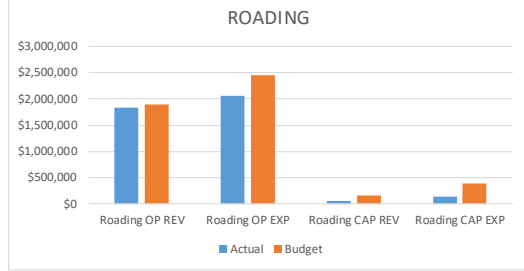
INCOME MAY-19 YEAR TO DATE	Actual	Budget	% Variance	\$ May Variance	\$ Apr Variance	U/F	T/P	Material	Projected Variance	Dashboard Indicator	Notes Ref	
Roading	\$1,890,437	\$2,051,657	-7.86%	-\$161,220	-\$381,002	U	T	Y		!	1	Funding associated with under expenditure on Roothing, Minor Events, Bridges and Traffic Services has resulted in lower subsidies being received.
Water Services	\$1,107,459	\$1,124,890	-1.55%	-\$17,431	\$5,423	U	P	N	-\$30,000	✓	2	Income from commercial water meters reduced due to out of use buildings and reduction in demand.
Sewerage	\$758,433	\$712,390	6.46%	\$46,043	\$19,055	F	P	N	\$40,000	✓	3	Sewerage pan charges higher than anticipated
Stormwater	\$136,076	\$135,674	0.30%	\$402	\$245	F		N		✓	4	Negligible - no explanation required
Refuse & Recycling	\$721,728	\$576,116	25.27%	\$145,612	\$149,736	F	P	Y	-\$153,000	✓	5	Capital Grants from WMINZ higher . Works completed at IWK.
Community Facilities	\$1,398,343	\$2,173,174	-35.65%	-\$774,831	-\$593,568	U	P	Y	-\$480,000	×	6	Grants not yet received for Harbour, Scout Hall, Swimming pool - Harbour claim for grant in progress; other projects not yet commenced
Commercial Activities	\$382,953	\$340,921	12.33%	\$42,032	\$71,476	F		Y		✓	7	Distribution from Marlborough Regional forestry higher than Budgeted
Leadership & Governance	\$885,329	\$680,899	30.02%	\$204,430	-\$443,135	F	P	Y		✓	8	DIA Sustainability reporting to be paid in June 2019 (\$920k) - any residual balance will need to be preserved in a reserve. DIA Grant funding received for Communications Officer.
Building and Regulatory	\$767,163	\$678,109	13.13%	\$89,054	\$86,710	F	T	Y		✓	9	Higher user Fees for Building Control offsetting end processing.
Community Services	\$280,047	\$189,618	47.69%	\$90,429	\$98,078	F	P	Y	\$95,000	✓	10	Timing of grants received for: Earthquake Outreach Support, Family Violence Coordinator, Earthquake Recovery Support
District Development	\$2,672,863	\$2,390,740	11.80%	\$282,123	\$253,580	F	P	Y	\$250,000	✓	11	MBIE Grant funding for Provincial Growth Fund Feasibility studies not budgeted
Earthquake Event	\$2,405,574	\$14,059,646	0.00%	-\$11,654,072	-\$10,831,050	U	P	Y	-\$12,185,000	!	12	Slower than anticipated Rebuild programme impacting claiming of grants. See Rebuild Report
Interest	\$43,307	\$69,135	-37.36%	-\$25,828	-\$26,421	U	T	N	-\$40,000	✓	13	Interest over budgeted
Rates	\$2,522,407	\$2,401,755	5.02%	\$120,652	\$122,985	F	P	Y	\$120,000	✓	14	Rates remissions lower than expected
Gross Operating Revenue	\$15,972,120	\$27,584,724	-42.10%	-\$11,612,604	-\$11,467,887				-\$12,383,000			
Less Capital Subs & Grants	-\$2,084,571	-\$14,463,404	-85.64%									
Net Operating Revenue	\$13,887,549	\$13,121,320	5.84%	\$766,229								

EXPENDITURE MAY-19 YEAR TO DATE	Actual	Budget	% Variance	\$ May Variance	\$ Apr Variance	U/F	T/P	Material	Projected Variance	Dashboard Indicator	Notes Ref	
Roading	\$2,054,588	\$2,452,439	-16.22%	-\$397,851	-\$616,734	F	T	Y		!	15	Minor events underspent due to good weather, Incomplete bridge assessment , Traffic services cost offset with drainage and unsealed maintenance, TIMING Ongoing contract management to ensure delivery.
Water Services	\$1,067,732	\$1,356,146	-21.27%	-\$288,414	-\$256,063	F	T	Y		✓	16	Electricity lower than budgeted due to EQ damage to pumps; Some maintenance work not carried out because of network modelling and studies thus lower than budgeted, Interest and overheads lower than budgeted. Lower expenditure mainly in Kaikōura Urban,
Sewerage	\$703,328	\$858,932	-18.12%	-\$155,604	-\$151,670	F	T	Y		✓	17	Electricity Lower than budgeted due to EQ damage to pumps; Interest & overheads lower than budgeted; Planned maintenance delayed to integrate with Rebuild
Stormwater	\$114,006	\$176,441	-35.39%	-\$62,435	-\$59,282	F	T	Y		✓	18	Consultancy Lower than budgeted due to rebuild investment on EQ; Maintenance lower than budgeted due to rebuild investment on EQ; Overheads lower than budgeted
Refuse & Recycling	\$603,336	\$569,337	5.97%	\$33,999	-\$16,842	U		N		✓	19	Negligible - no explanation required
Community Facilities	\$1,831,377	\$2,008,599	-8.82%	-\$177,222	-\$133,806	F	P	Y	-\$250,000	×	20	Lower interest & overheads under budget; Consultancy under budget; Maintenance over budget - finance to action review codings
Commercial Activities	\$147,394	\$180,720	-18.44%	-\$33,326	-\$24,431	F		N		✓	21	Negligible - no explanation required
Leadership & Governance	\$1,430,168	\$1,804,946	-20.76%	-\$374,778	-\$499,362	F	P	Y	-\$300,000	!	22	Timing delay in commencing financial sustainability review. Contract and consulting expenses to be monitored as project progresses. Personnel expenses under budget. Interest and costs recovered under budget. Recruitment costs for Rebuild Manager permanent - no budget was provided for this.
Building and Regulatory	\$944,836	\$895,723	5.48%	\$49,113	\$40,427	U	P	N	\$60,000	!	23	Higher compliance costs continue to be a factor - accreditation; Outsourced processing costs to meet workload demand incurred but these will be fully recoverable.
Community Services	\$758,817	\$865,507	-12.33%	-\$106,690	-\$91,785	F	T	Y		!	24	Lower operating costs overall due to no training and illness at the front of house and the library. The variance is already less
District Development	\$1,214,824	\$1,296,852	-6.33%	-\$82,028	-\$50,758	F	P	Y	-\$90,000	!	25	Consultant expenditure on PGF funded by grant from the PGF, District Plan standard RMA process now being used, had planned to use SPP (streamline plan process)
Earthquake Event	\$1,470,280	\$1,572,164	0.00%	-\$101,884	-\$181,731	F	P	Y	\$345,000	!	26	Rebuild slower than anticipated - see rebuild report.
Bad Debt	\$30,922	\$0	0.00%	\$30,922	\$28,480	U	P	N	-\$24,000	✓	27	Bad Debt written off and Collection fees
	\$12,371,608	\$14,037,806	-11.87%	-\$1,666,198	-\$2,013,555				-\$259,000	□		

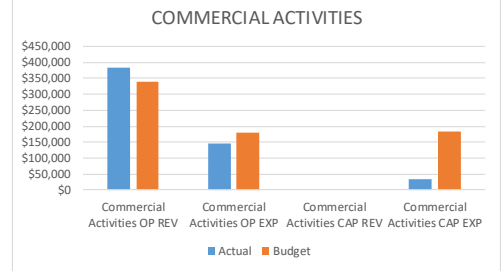
\$	CAPITAL PROJECTS MAY-19	Budget 2019	Actual 2019	Act v/s Bud	\$ Variance	Commentary
J00003	South Bay Harbour-Gen Capex		5,607		-5,607	
J00004	Office Furniture & Equipment	14,000		0%	14,000	Finalisation of assets to be completed at year end
J00005	Footpath Renewals	50,000		0%	50,000	Deferred due to Ultra-Fast Broadband
J00006	IT Equipment	25,000	17,478	70%	7,522	
J00008	Vehicle Purchase	15,000		0%	15,000	In progress
J00009	Plant & Equipment	18,894		0%	18,894	
J00010	Book Purchases	25,668	15,188	59%	10,480	On Track
J00011	Non-Book Purchases		2,385		-2,385	On Track part of Book purchased budget
J00014	Council Office/Museum/Library		12,119		-12,119	Necessary works not budgeted
J00017	Sewerage Generators/Equipment		3,623			
J00019	Streetlights	26,780	12,248	46%	14,532	
J00027	Urban Water- Reticulation	209,200		0%		
J00030	Ocean Ridge - Facilities	1,400		0%	1,400	
J00032	East Coast - Facilities		12,096		-12,096	
J00034	Kincaid Water - Facilities	27,806		0%	27,806	
J00036	Ferneigh Water - Facilities	6,000		0%	6,000	
J00038	Peketa Water - Facilities	3,600	383	11%	3,217	
J00039	Oaro Water - Reticulation		3,380			
J00040	Oaro Water - Facilities	6,719		0%	6,719	
J00042	Sewerage - Facilities	20,000		0%	20,000	
J00044	Stormwater - Facilities	10,000		0%	10,000	
J00052	West End Aesthetics		134			
J00055	New Recycling Station		48,797		-48,797	
J00056	New Public Toilets		8,474		-8,474	Mill Road
J00059	Airport Runway Resealing	26,800		0%	26,800	Carry over - not needed until at least 21/22
J00060	Computer Software	15,000		0%	15,000	
J00063	Resource Recovery Centre Imprv		332,933		-332,933	Completed Government grant carried forward
J00065	Undergrounding of Power Cables	125,000		0%	125,000	
J00066	UV Treatment (Kaikoura Urban)	6,000		0%	6,000	
J00067	Post EQ Waste	310,640		0%	310,640	
J00068	Aftercare	7,904		0%	7,904	
J00069	Dog Control	0	147		-147	
J00071	SCADA UPGRADE		81,780		-81,780	
J00074	Asset Management System		9,800		-9,800	
J00076	Land purchase - 1802 SHway 1		236,091		-236,091	Natural Hazards Project
J00211	Unsealed Pavement Renewals 211	63,000		0%	63,000	Currently being managed with contractor (Downer)
J00212	Sealed Pavement Renewals 212	105,000	99,378	95%	5,622	Currently being managed with contractor (Downer)
J00213	Kerb & Channel Renewals 213	53,000	13,465	25%	39,535	Currently being managed with contractor (Downer)
J00222	Traffic Service Renewals 222	12,000	759	6%	11,241	Currently being managed with contractor (Downer)
J00341	Minor Improvements 341	100,000		0%	100,000	
J04412	CF Cuddon Building	200,000	33,312	17%		
J04416	CF Memorial Centre	750,000	83,214	11%		
J04417	CF Tennis Courts	30,000		0%	30,000	Runanga written confirmation under way. Work will also require DIA and in-kind resourcing, carry over to 19/20 FY
J04418	CF Drill Hall	225,000		0%	225,000	Current plan is \$20k KDC-funded make safe; 19/20 \$69k DIA EQ funded; 19/20 balance in kind + local funds + DIA
J04420	CF Swimming Pool	700,000	3,478	0%	696,522	Pool project team to advise
J04422	CF Walkways and Cycleways	100,000		0%	100,000	Investigations and in-kind work negotiations under way. C/O to 19/20
J04423	CF Public Toilet upgrade		171			
J04425	CF Airport Terminal		34,687			
J04426	CF Jimmy Armer's Public Toilet	160,000	159,212	100%	788	On Track
J04427	CF Gooches Beach Public Toilet	30,000		0%	30,000	Work done by inhouse resources (Woody and Co) and IWK. May need journal(s)
J04428	CF South Bay Public Toilet	21,500	893	4%	20,608	
J04429	CF Moa Point Public Toilets	21,500	511	2%	20,989	
J04430	CF Harbour	300,000		0%	300,000	Offset from Government fund shortfall
J04431	CF Pensioner Flats	98,000	931	1%	97,069	
J04435	CF Wakatu Quay	150,000		0%	150,000	Deferred
J04436	CF Airport Hangars	190,000	28,675	15%	161,325	Subject to outcome of dispute
J04437	CF Point Kean Public Toilets	21,500		0%	21,500	
J04438	CF West End Public Toilet	21,500	12,478	58%	9,022	On Track
	BAU Programme	4,303,411	1,273,828	30%	2,028,905	
	EQ Programme	15,642,668	2,899,331	19%	12,743,337	
	TOTAL	19,946,079	4,173,159	21%	16,973,009	

MAY 19 ACTIVITY - OPEX AND CAPEX

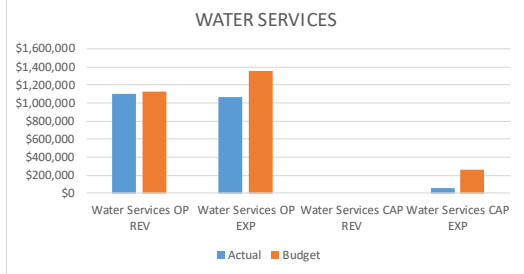
	Actual	Budget	Actual % of Budget	\$ May Variance
10 ROADING				
Roading OP REV	\$1,830,060	\$1,887,226	96.97%	\$57,166
Roading OP EXP	\$2,054,588	\$2,452,439	83.78%	\$397,851
Roading CAP REV	\$60,377	\$164,431	36.72%	\$104,054
Roading CAP EXP	\$125,985	\$390,500	32.26%	\$264,515



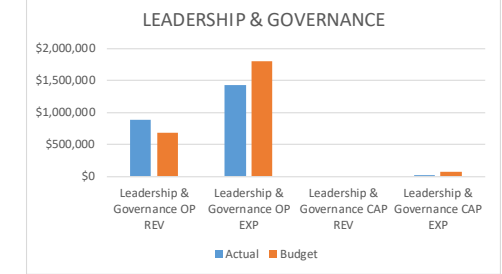
	Actual	Budget	Actual % of Budget	\$ May Variance
40 COMMERCIAL ACTIVITIES				
Commercial Activities OP REV	\$382,953	\$340,921	112.33%	-\$42,032
Commercial Activities OP EXP	\$147,394	\$180,720	81.56%	\$33,326
Commercial Activities CAP REV	\$0	\$0	0.00%	\$0
Commercial Activities CAP EXP	\$33,312	\$183,337	18.17%	\$150,025



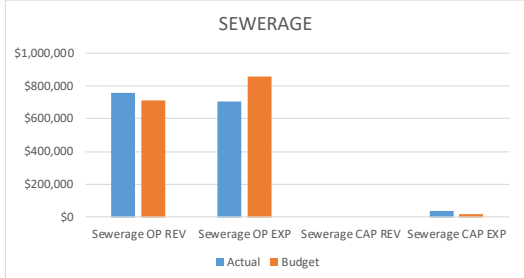
	Actual	Budget	Actual % of Budget	\$ May Variance
15 WATER SERVICES				
Water Services OP REV	\$1,107,459	\$1,124,890	98.45%	\$17,431
Water Services OP EXP	\$1,067,732	\$1,356,146	78.73%	\$288,414
Water Services CAP REV	\$0	\$0	0.00%	\$0
Water Services CAP EXP	\$62,641	\$258,431	24.24%	\$195,790



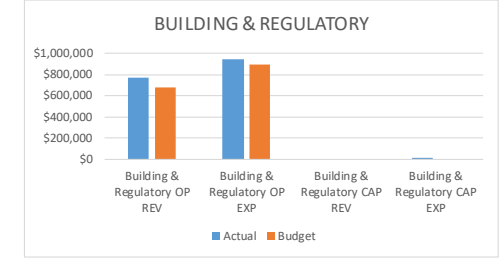
	Actual	Budget	Actual % of Budget	\$ May Variance
45 LEADERSHIP & GOVERNANCE				
Leadership & Governance OP REV	\$885,329	\$680,899	130.02%	-\$204,430
Leadership & Governance OP EXP	\$1,430,168	\$1,804,946	79.24%	\$374,778
Leadership & Governance CAP REV	\$0	\$0	0.00%	\$0
Leadership & Governance CAP EXP	\$27,278	\$80,575	33.85%	\$53,297



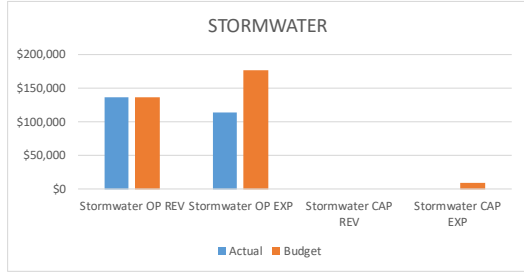
	Actual	Budget	Actual % of Budget	\$ May Variance
20 SEWERAGE				
Sewerage OP REV	\$758,433	\$712,390	106.46%	-\$46,043
Sewerage OP EXP	\$703,328	\$858,932	81.88%	\$155,604
Sewerage CAP REV	\$0	\$0	0.00%	\$0
Sewerage CAP EXP	\$38,620	\$18,337	210.61%	-\$20,283



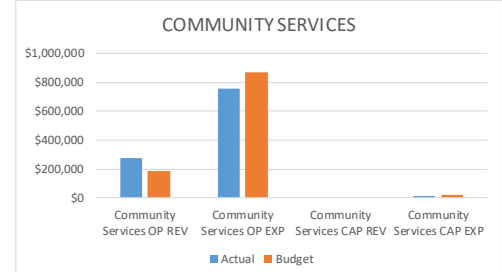
	Actual	Budget	Actual % of Budget	\$ May Variance
50 BUILDING & REGULATORY				
Building & Regulatory OP REV	\$767,162.84	\$678,109.00	113.13%	-\$89,054
Building & Regulatory OP EXP	\$944,836	\$895,723	105.48%	-\$49,113
Building & Regulatory CAP REV	\$0	\$0	0.00%	\$0
Building & Regulatory CAP EXP	\$147	\$0	33.85%	\$53,297



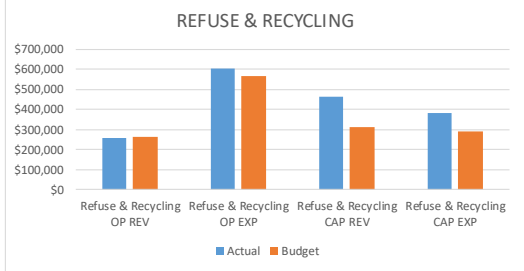
	Actual	Budget	Actual % of Budget	\$ May Variance
25 STORMWATER				
Stormwater OP REV	\$136,076	\$135,674	100.30%	-\$402
Stormwater OP EXP	\$114,006	\$176,441	64.61%	\$62,435
Stormwater CAP REV	\$0	\$0	0.00%	\$0
Stormwater CAP EXP	\$0	\$9,163	0.00%	\$9,163



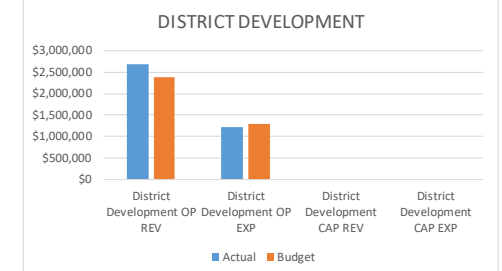
	Actual	Budget	Actual % of Budget	\$ May Variance
60 COMMUNITY SERVICES				
Community Services OP REV	\$280,046.69	\$189,618.00	147.69%	-\$90,429
Community Services OP EXP	\$758,817	\$865,507	87.67%	\$106,690
Community Services CAP REV	\$0	\$0	0.00%	\$0
Community Services CAP EXP	\$14,707	\$23,529	62.50%	\$8,822



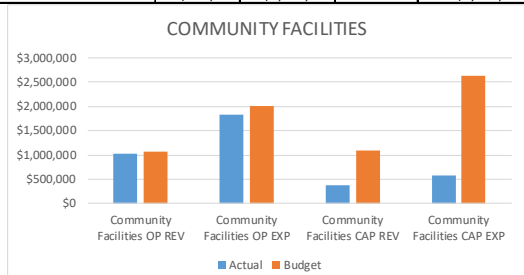
	Actual	Budget	Actual % of Budget	\$ May Variance
30 REFUSE & RECYCLING				
Refuse & Recycling OP REV	\$258,419	\$265,476	97.34%	\$7,057
Refuse & Recycling OP EXP	\$603,336	\$569,337	105.97%	-\$33,999
Refuse & Recycling CAP REV	\$463,309	\$310,640	149.15%	-\$152,669
Refuse & Recycling CAP EXP	\$381,730	\$292,006	130.73%	-\$89,724



	Actual	Budget	Actual % of Budget	\$ May Variance
70 DISTRICT DEVELOPMENT				
District Development OP REV	\$2,672,863	\$2,390,740	111.80%	-\$282,123
District Development OP EXP	\$1,214,824	\$1,296,852	93.67%	\$82,028
District Development CAP REV	\$0	\$0	0.00%	\$0
District Development CAP EXP	\$0	\$0	0.00%	\$0



	Actual	Budget	Actual % of Budget	\$ May Variance
35 COMMUNITY FACILITIES				
Community Facilities OP REV	\$1,023,343	\$1,076,511	95.06%	\$53,168
Community Facilities OP EXP	\$1,831,377	\$2,008,599	91.18%	\$177,222
Community Facilities CAP REV	\$375,000	\$1,096,663	34.19%	\$721,663
Community Facilities CAP EXP	\$589,408	\$2,631,639	22.40%	\$2,042,231



	Actual	Budget	Actual % of Budget	\$ May Variance
EARTHQUAKE EVENT				
Earthquake Event OP REV	\$1,219,689	\$1,167,976	104.43%	-\$51,713
Earthquake Event OP EXP	\$1,470,280	\$1,572,164	93.52%	\$101,884
Earthquake Event CAP REV	\$1,185,885	\$12,891,670	9.20%	\$11,705,785
Earthquake Event CAP EXP	\$2,899,331	\$14,339,116	20.22%	\$11,439,785

