

# KAIKŌURA DISTRICT COUNCIL

## FINANCE COMMITTEE MEETING

<b>Date:</b>	27 November 2019
<b>Time</b>	10.00am
<b>Location</b>	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:  

25 September 2019

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5. Finance Report to 31 October 2019 page 5
6. Variance Report page 18
7. Capital Report page 19

# **MINUTES OF THE KAIKŌURA DISTRICT COUNCIL FINANCE COMMITTEE HELD AT 1.00PM ON WEDNESDAY 25 SEPTEMBER 2019, AT COUNCIL CHAMBERS, 96 WEST END, KAIKŌURA**

**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), M Madden (Council Secretary)

**1. APOLOGIES:**

Nil

**2. DECLARATIONS OF INTEREST:**

Councillor Millton – Waipapa Limestone

**3. MATTERS ARISING & ACTIONS:**

Nil

**4. MINUTES TO BE CONFIRMED:**

Finance Committee 28 August, 2019.

Moved Councillor Howden Mayor Gray

THAT the Committee:

- (a) Confirms as a true and correct record, the circulated minutes of a meeting of the Finance Committee held on 28 August, 2019.

**UNANIMOUS**

**5. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS: Nil**

**6. FINANCE REPORT**

Ms S Poulsen and Mr J DuFour presented the report.

Clarified that landing fees are charged for a landing. A touch and go is credited (for no landing).

The Committee requests:

- 6.1 The variance report shall include comments from managers to ensure a closer liaison between finance and the management team.
- 6.2 More explanation and breakdown is required to clarify the Other expenses in addition to the footnotes for the top five items by value. Add to both Council and FAR.
- 6.3 Show trend lines instead of bar graphs.

Moved Councillor Howden Second Councillor Harnett

THAT the Finance Committee:

- (a) Receives the Finance Report

UNANIMOUS

## 7. TREASURY POLICY AMENDMENTS

Ms S Poulsen presented the report.

An email since received from Simpson Grierson notes the changes recommended for adoption.

### Liability management policy

- *Instruments or methods to raise debts:* We've expanded the ways in which the Council may borrow from LGFA in case of broader product offerings.
- *Debt Repayment:* We have square bracketed this section as we assume that the Council does not hold sufficient funds to repay principal and interest on outstanding loans at any time? In our experience, Councils generally specify a policy as to when debt will be repaid in this section (ie amortised, rolled over interest only). We'd be happy to discuss this and provide suggested wording.
- *Security:* We've made it clear that the Council will be granting a charge over its rates and rates revenue under the Debenture Trust Deed (to secure LGFA borrowing and possibly other borrowing such as BNZ also).

### Investment policy

- *LGFA:* We have inserted some further detail regarding the potential for the borrower notes to be converted to equity.

### Accession Documents

We were wondering if you had made any progress as to choosing a Trustee and Paying Agent?

Moved Councillor Pablecheque Second Councillor Howden.

THAT the Finance Committee:

- (a) Receives the report, and
- (b) Adopts the Liability Management Policy as amended, and
- (c) Adopts the Investment Policy as amended

UNANIMOUS

## 8. MAYORAL EARTHQUAKE FUND

Ms S Poulsen presented the report.

To allocate the remaining \$40,000 in the Mayoral Fund based on a change in criteria.

Moved Councillor Millton Second Councillor Pablecheque

THAT the Finance Committee:

- (a) Receives the report, and
  - (b) Approves use of the Mayoral Earthquake Relief Fund for the purpose of (in order of priority);
    - a. Financial assistance for individuals suffering hardship as a result of the earthquake (the existing criterion of the Fund remains intact), and **widens the criteria of the Fund to include the following:**
    - b. Absorbing the cash loss of rate remissions for properties that face significant rates increases due to the district valuation per the new rates remission policy for property affected by valuation increases; and
    - c. Financial assistance for community-owned facilities, subject to applications being made to the Council and granted at their discretion;
- Note the Council may approve options A, B or C separately if it does not wish to
- (c) That the fund concludes at 30 June 2020.

UNANIMOUS

**9. APPOINTMENT OF LGFA TRUSTEE AND REGISTRAR**

Ms S Poulsen presented the report.

Moved Councillor Pablecheque Second Mayor Gray,

THAT the Finance Committee:

- (a) Receives the report, and
- (b) Appoints Covenant Trustee Services as Trustee in regard to the LGFA debenture trust deed, and
- (c) Appoints Link Market Services Ltd as Registrar and Paying Agent

UNANIMOUS

There being no further business, the meeting concluded at 1.45pm.

**NEXT MEETING**

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

CONFIRMED

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Date

<b>Report to:</b>	<b>Finance Audit &amp; Risk Committee</b>
<b>Date:</b>	26 November 2019
<b>Subject:</b>	Finance Report to 31 October 2019
<b>Prepared by:</b>	S Poulsen, Finance Manager
<b>Input sought from:</b>	C Kaa, Management Accountant N Telford, Assistant Management Accountant
<b>Authorised by:</b>	Angela Oosthuizen, Chief Executive

### 1. SUMMARY:

The purpose of this report is to provide an update on the financial position of the Council as at 31 October 2019.

Key points to the end of October;

- The earthquake-related rebuild is well underway, with almost \$10 million spent so far this financial year, and on the whole tracking reasonably close to forecast.
- The grants and subsidies are now being claimed on a monthly basis to help ensure any impact on our cash flow is minimised as much as possible
- Borrowings have been significantly reduced in readiness for the rebuild, by using surplus cash from insurance settlements. This places us in the best possible financial position to start raising loans as the rebuild construction phase reaches peak.
- Working capital is in a negative position, but this is exactly as predicted and will remain negative for potentially a number of years while we are increasing borrowings to enable the rebuild to complete.

### 2. RECOMMENDATION:

THAT the Finance, Audit & Risk Committee *receives* this report.

### 3. DISCUSSION:

Various end-of-year adjustments have been completed as part of finalising the Annual Report for the year ended 30 June 2019. Notably amongst these are the asset revaluations for roads, three waters, land and buildings, which increased asset values by \$19.8 million.

A further adjustment of significance was an increase in the provision for landfill aftercare of \$1 million (last month reported as \$800k), reflecting the reforecast cost of capping the landfill and bringing that project forward due to the remaining life of the landfill now much sooner than previously expected. These adjustments both appear on the balance sheet (statement of financial position) and so have also impacted the financial statements for 2019/2020.

#### Statement of Financial Position

Earthquake-related claims to the Crown are now being made monthly, although there is a lag of up to two months between payment to suppliers, claim preparation and negotiation with the

funding panel, and then invoicing the Crown. The result is Trade & Other Receivables are likely to remain relatively high out to the end of the 2020 financial year. Receipt of these claims from the Crown, once they have been negotiated and invoiced, is prompt.

Similarly, Trade & Other Payables are high with the earthquake-related rebuild in full construction phase and a high volume of contractor work under way.

We have drawn down \$3.3 million in borrowings during the period to cover payments to suppliers. Cash on hand at 31 October is \$1.3 million.

### **Working Capital & Liquidity**

Working capital (current assets over current liabilities) is negative, with \$4.44 million in current assets and \$6.93 million in current liabilities.

The Liquidity Ratio is 0.64:1, meaning there is \$0.64 in cash for every \$1 due to be paid.

### **Statement of Comprehensive Revenue & Expense**

At the end of October 2019, there was a net surplus of \$4.47 million, which is reasonably close to the budget forecast for the same period. Grants & subsidies make up 70%, and rates is only 20%, of our total revenue for year to date.

Revenue is \$370k less than forecast but this is a timing issue for the claiming of subsidies for the rebuild, most notably the work on roads and bridges, and the corresponding subsidy from the NZ Transport Agency (NZTA), as well as three-waters rebuild and the grants from the Crown.

### *Rates Revenue*

The first rates instalments have gone out in August with \$1.9 million invoiced out for the month (the second instalment went out in November and will appear on next month's report). The year-end balance is \$44k up on budget due to unbudgeted penalties applied to overdue rates at the end of June 2019.

### *Water meter charges*

Water meter revenue is a negative due to some prior-year write-offs for properties that have repaired their leaks or reread their meters. Water meters will next be invoiced in January 2020.

### *User fees & charges*

Lease revenue appears to be very low against budget, however this is due to an accounting reclassification of Council's rent that it pays to itself, from revenue to internal transfers.

Building consent fees are well up on budget (\$238k against \$128k budget), due to the volume and value of consents coming through, and also the use of external services to process consents, which is then oncharged to the applicant.

### *Grants & subsidies*

Claims to the Crown for three-waters rebuild, and to NZTA, are over \$6.6 million for the year to date. \$21.87 million is forecast to have been received by 30 June 2020 when the bulk of the rebuild should be complete.

### *Interest & other revenue*

Other revenue includes petrol tax, waste minimisation levy and infringement fees.

### *Personnel expenses*

Employee costs are on track and just under budget, with several new key positions now filled, including two Senior Managers, a Works & Services Manager, and finance and communications appointments.

### *Financing expenses*

Loan interest costs are on track with budget. Borrowing is expected to increase over the next six months, and the bulk of the annual budget has been loaded to those coming months.

### *Other expenses*

This report shows that "Other Expenses" are down on budget by \$70k. This does include various movements, with roading, leadership and district development spending up on budget \$76k, \$140k and \$144k respectively. Detailed analysis of leadership show a permanent variance due to external assistance on the Annual report, Revaluation and strategic financial advice (\$95k), legal advice (\$15k) and unbudgeted lease expenses (10k). This will translate into a projected permanent unfavourable variance of circa \$120k. Roothing shows a higher spend than forecast on the NCTIR haul routes maintenance (which is 100% subsidised and cost neutral). This will be reimbursed to Council by NCTIR and so represents a timing difference. District development spending includes natural hazards remediation and landowner settlements, which were reimbursed in the 2018/2019 financial year by the Crown.

Offsetting this is spending kept moderately under budget in each of the waters, sewerage, stormwater, solid waste, community development and other activities.

The main underspend (in terms of "operating" costs), is actually the earthquake rebuild activity. The construction phase is well under way, but this is capital work which is not shown in the profit/loss (statement of financial performance). Operational costs are underspent when compared to budget for earthquake-related roading, footpaths, and stormwater. These operating budgets were for project management, damage assessments, options reports and similar type costs.

### **Revenue and Expenditure Variances**

In summary, revenue is under budget by \$370k with timing on earthquake-related grants & subsidies contributing heavily to this. Similarly, expenses are currently reporting as under budget by \$97k with personnel, depreciation and financing performing on track, but with other expenses consisting of several overs and unders.

Further information is provided in Appendix 1 Variance Analysis.

### **Statement of Cash Flows**

The total cash position for the period end is \$1.3 million. Cash flow from operations is positive, which shows that our day to day operations are performing well. The decrease in cash for investing activities is the result of the intense rebuild phase, with over \$4 million in grants and subsidies received, but almost \$10 million in capital work paid out.

As planned in readiness for the earthquake rebuild, the Council has in place a borrowing facility with the BNZ of up to \$9 million, with a self-imposed cap on lending of \$15 million to enable the rebuild to be completed. The Council will transition from BNZ to LGFA over the coming months, where a facility of \$15 million will be available. In the year to 31 October, we have increased borrowings by almost \$3.3 million, to \$4.86 million.

### **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.

### **Revenue & Expenditure Types YTD – by Category**

As the rebuild continues over the next year, grants & subsidies will continue to be the primary source of revenue due to earthquake funding claims, and these currently provide 70% of our total revenue.

Capital work is two-thirds (67%) of our expenditure and is likely to continue at this level with the rebuild construction phase entering peak workload.



## 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)

## 4. 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; or that revenue flows are lower than budgeted and expenditure is higher than projected.

## 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 report is for information only, however it may form the basis upon which other decisions are made (those which have a financial impact).

## 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 OCTOBER 2019

### OPERATING RESULT

*operating surplus/(deficit)*

**\$4.47m**

\$274k unfavourable v/s year-to-date budget of \$4,748k

### OPERATING COSTS

*costs to deliver existing levels of service*

**\$5.00m**

\$97k favourable v/s year-to-date budget of \$5.10m

### TOTAL EXTERNAL BORROWING

*total borrowings from bank*

**\$4.86m**

\$4,591k favourable v/s full year budget of \$9.5m

### INTEREST ON DEBT

*cost to service debt*

**\$44k**

\$04k favourable v/s year-to-date budget of \$48k

### CAPITAL EXPENDITURE

*cost of new &/or replacement of assets*

**\$10.10m**

\$15.3m favourable v/s full year budget of \$25.4m

### DEVELOPMENT CONTRIBUTIONS

*received for district growth*

**\$10.4k**

\$0.0k favourable v/s year to date budget of \$10k

## LONG TERM PLAN MEASURES

### DEBT AFFORDABILITY BENCHMARK

*financing expenses as a % of rates*

**2.2%**

7.8% favourable v/s council approved limit of 10.0%

### EBID

*earnings before interest and depreciation*

**\$5.24m**

\$278k unfavourable v/s year-to-date budget of \$5.52m

### BALANCED BUDGET BENCHMARK

*revenue equal or greater than expenses*

**189%**

89% favourable v/s council benchmark of 100%

### BORROWINGS TO EQUITY

*Term loans as a % of equity*

**2.54%**

2.55% favourable v/s full year budget of 5.09%

# STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2019

	BUDGET to year end \$	ACTUAL 31/10/2019 \$	ACTUAL 31/10/2018 \$
<b>ASSETS</b>			
<i>Current assets</i>			
Cash & cash equivalents	500,000	1,319,764	2,672,622
Trade & other receivables	3,956,000	3,119,236	982,849
Prepayments & inventory	98,000	1,855	1,790
<b>Total current assets</b>	<b>4,554,000</b>	<b>4,440,855</b>	<b>3,657,262</b>
<i>Non-current assets</i>			
Intangible assets	-	138,819	169,396
Forestry assets	2,583,000	2,404,732	2,279,178
Investment property	2,513,000	2,341,733	1,465,000
Property, plant & equipment	187,767,000	193,575,484	158,605,414
<b>Total non-current assets</b>	<b>192,863,000</b>	<b>198,460,768</b>	<b>162,518,988</b>
<b>TOTAL ASSETS</b>	<b>197,417,000</b>	<b>202,901,623</b>	<b>166,176,250</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Trade & other payables	1,658,000	4,808,530	962,009
Employee liabilities	180,000	186,743	265,991
Borrowings – current	658,000	1,922,658	826,134
Landfill Provision - current	-	10,015	-
<b>Total current liabilities</b>	<b>2,496,000</b>	<b>6,927,945</b>	<b>2,054,134</b>
<i>Non-current liabilities</i>			
Provisions	-	1,468,475	471,549
Borrowings – non current	8,736,000	2,941,178	2,055,713
Other term debt	565,000	392,919	353,730
<b>Total non-current liabilities</b>	<b>9,301,000</b>	<b>4,802,572</b>	<b>2,880,992</b>
<b>EQUITY</b>			
Public equity	121,488,000	102,960,148	91,676,904
Asset revaluation reserve	62,234,000	86,499,108	65,120,549
Special funds & reserves	1,898,000	1,711,849	4,443,671
<b>Total equity</b>	<b>185,620,000</b>	<b>191,171,105</b>	<b>161,241,125</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>197,417,000</b>	<b>202,901,623</b>	<b>166,176,250</b>

## STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE PERIOD ENDED 31 OCTOBER 2019

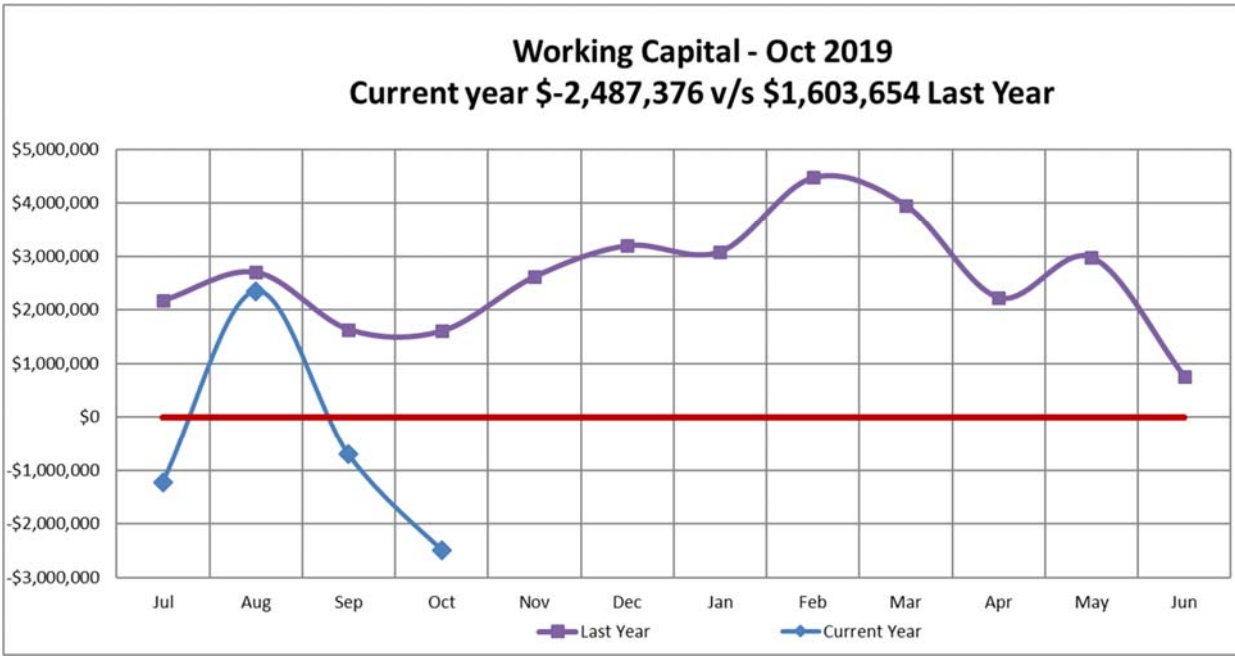
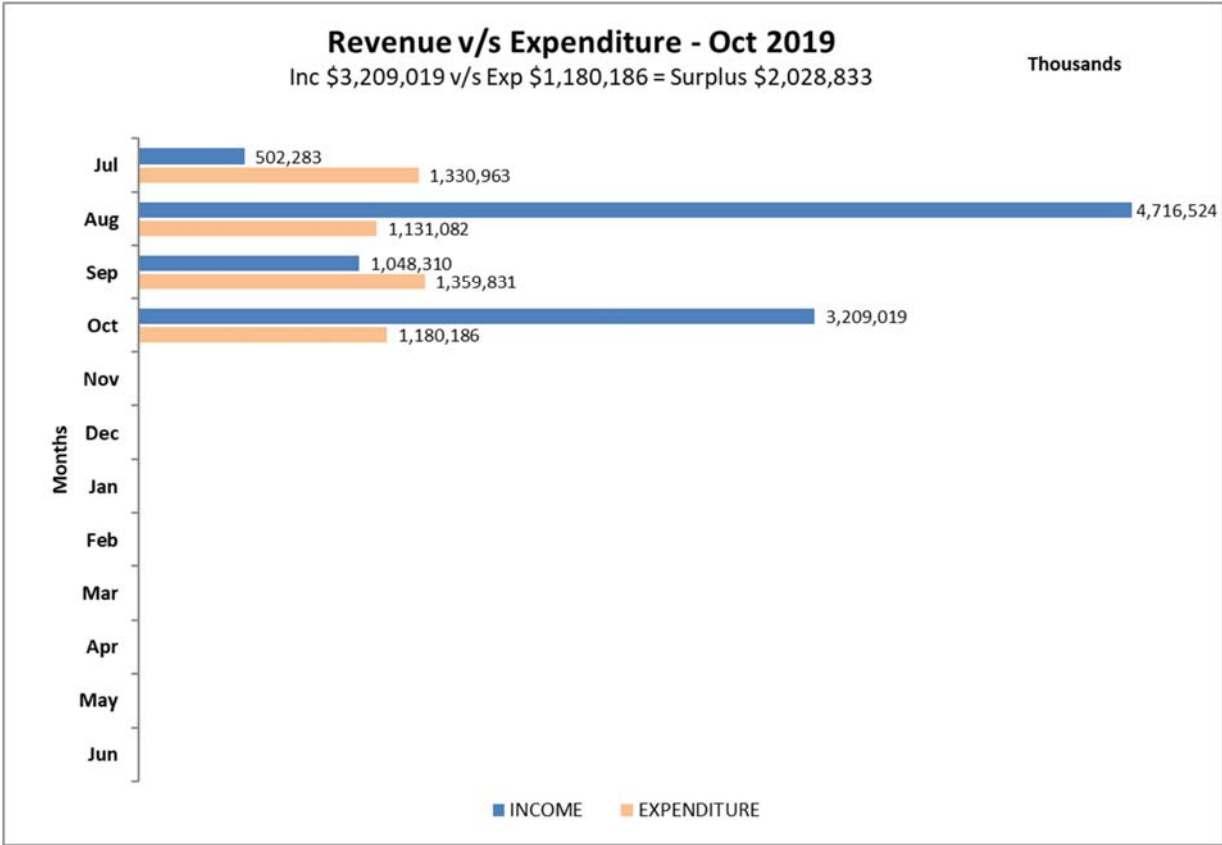
	BUDGET 2019 \$	ACTUAL YTD 31/10/2019 \$	BUDGET YTD 31/10/2019 \$	VARIANCE 31/10/2019 \$
<b>REVENUE</b>				
Rates revenue	7,668,000	1,962,247	1,918,590	43,657
Water meter charges	130,000	(3,717)	-	(3,717)
User fees & charges	1,551,000	786,412	595,522	190,890
Grants & subsidies	21,870,000	6,633,692	7,242,750	(609,058)
Development contributions	81,000	10,446	10,456	(10)
Interest revenue	19,000	234	-	234
Other revenue <sup>1</sup>	787,000	86,821	79,037	7,784
<b>Total revenue</b>	<b>32,106,000</b>	<b>9,476,136</b>	<b>9,846,355</b>	<b>(370,219)</b>
<b>EXPENSES</b>				
Personnel	3,593,000	1,198,831	1,221,444	(22,613)
Depreciation	2,173,000	724,192	724,200	(8)
Financing expenses	316,000	43,811	47,803	(3,992)
Other expenses	10,350,000	3,035,228	3,105,278	(70,050)
<b>Total expenses</b>	<b>16,432,000</b>	<b>5,002,062</b>	<b>5,098,725</b>	<b>(96,663)</b>
<b>Operating surplus/(deficit)</b>	<b>15,674,000</b>	<b>4,474,075</b>	<b>4,747,630</b>	<b>(273,555)</b>
<b>OTHER COMPREHENSIVE REVENUE</b>				
Gains/(losses) on revaluation	-	-	-	-
Vested assets	-	-	-	-
ECAN share of MRF profit/loss	-	-	-	-
<b>Total other comprehensive revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE</b>	<b>15,674,000</b>	<b>4,474,075</b>	<b>4,747,630</b>	<b>(273,555)</b>

<sup>1</sup> Other revenue includes Marlborough Regional Forestry joint venture revenue, penalties on overdue leases, and petrol tax.

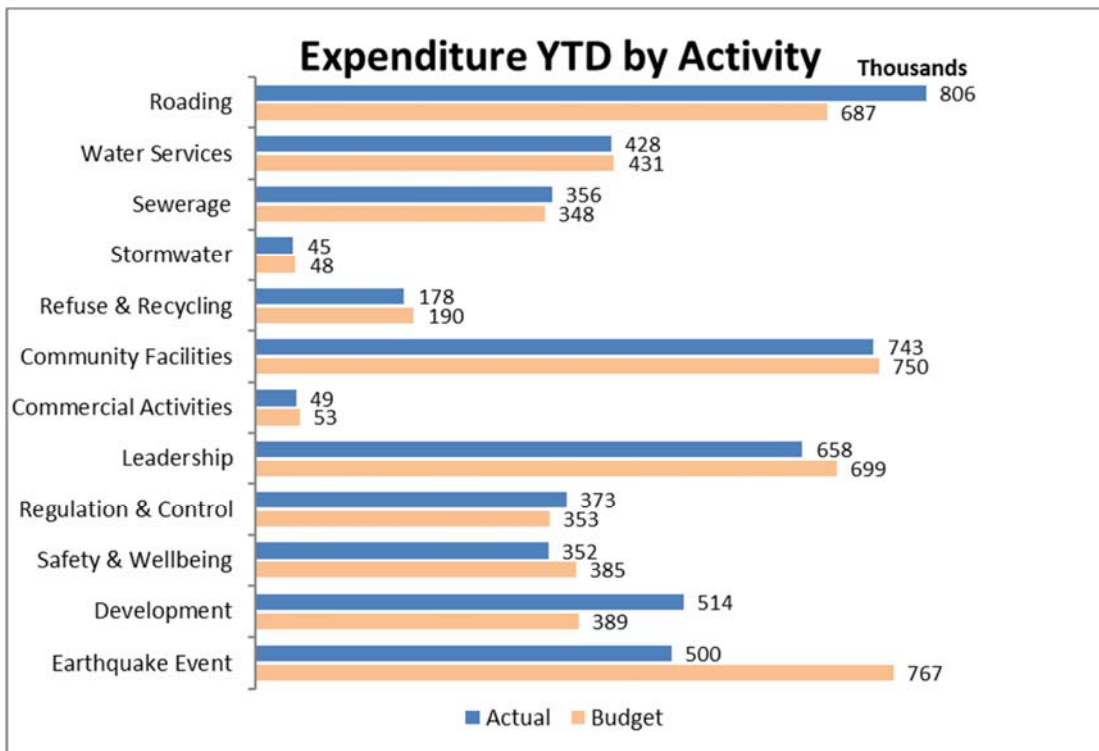
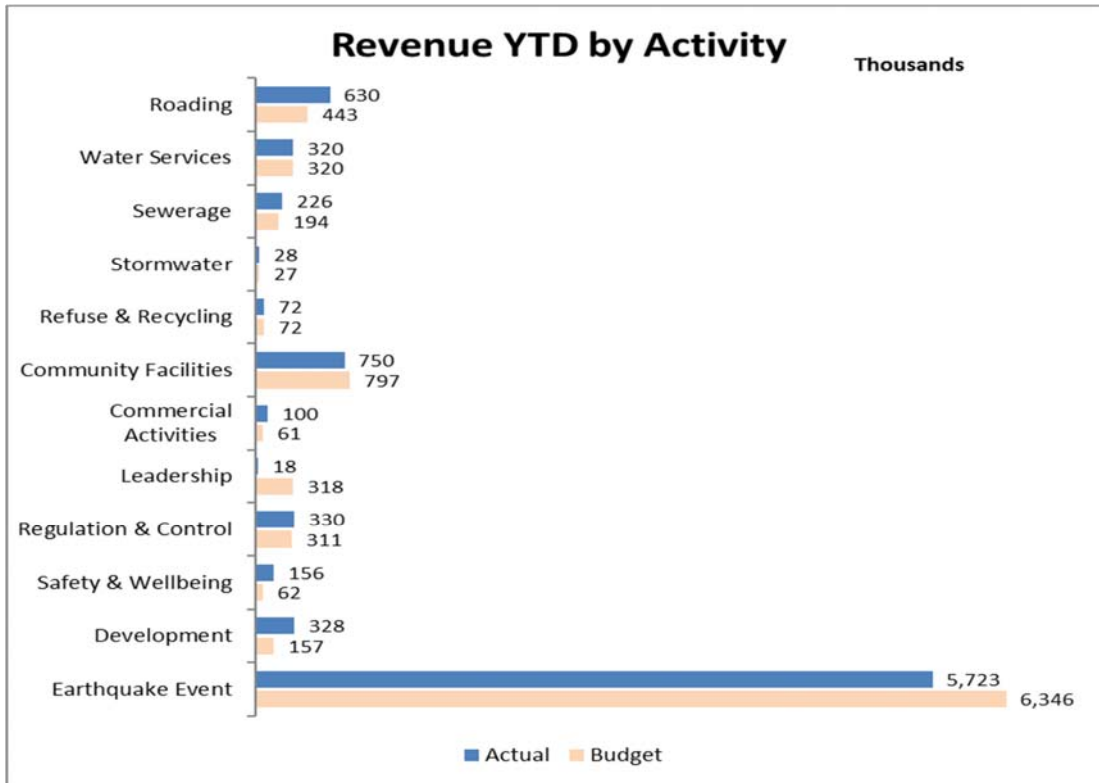
## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 OCTOBER 2019

	BUDGET to year end \$	ACTUAL 31/10/2019 \$	ACTUAL 31/10/2018
<b>OPERATING ACTIVITIES</b>			
Receipts from rates	7,667,969	2,154,025	1,947,421
Interest received	19,379	234	9,449
Receipts from other revenue	23,141,878	2,296,106	(2,457,391)
Payments to employees & suppliers	(14,152,516)	(2,843,950)	(4,465,659)
Interest paid	(316,335)	(43,811)	(53,664)
Goods & services tax (net)	-	74,582	(25,953)
<b>Net Cash from Operating Activities</b>	<b>16,360,375</b>	<b>1,637,186</b>	<b>(5,045,797)</b>
<b>INVESTING ACTIVITIES</b>			
Grants received for capital work		4,270,629	248,110
Purchase of investment property	(337,500)	-	-
Sale of forestry	-	-	-
Purchase of property, plant & equipment	(25,061,231)	(9,373,473)	(1,190,430)
Purchase of forestry assets	-	-	-
Purchase of intangible assets	-	-	-
Payment into term deposits	-	-	-
<b>Net Cash from Investing Activities</b>	<b>(25,398,731)</b>	<b>(5,102,844)</b>	<b>(942,320)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowing	5,402,175	3,715,501	-
Repayment of borrowings	(305,403)	(428,508)	(387,276)
<b>Net Cash from Finance Activities</b>	<b>5,096,772</b>	<b>3,286,993</b>	<b>(387,276)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(3,941,584)</b>	<b>(605,398)</b>	<b>(1,083,544)</b>
<b>OPENING CASH</b>	<b>4,501,946</b>	<b>1,925,162</b>	<b>3,744,410</b>
<b>CLOSING CASH BALANCE</b>	<b>560,362</b>	<b>1,319,764</b>	<b>2,660,866</b>

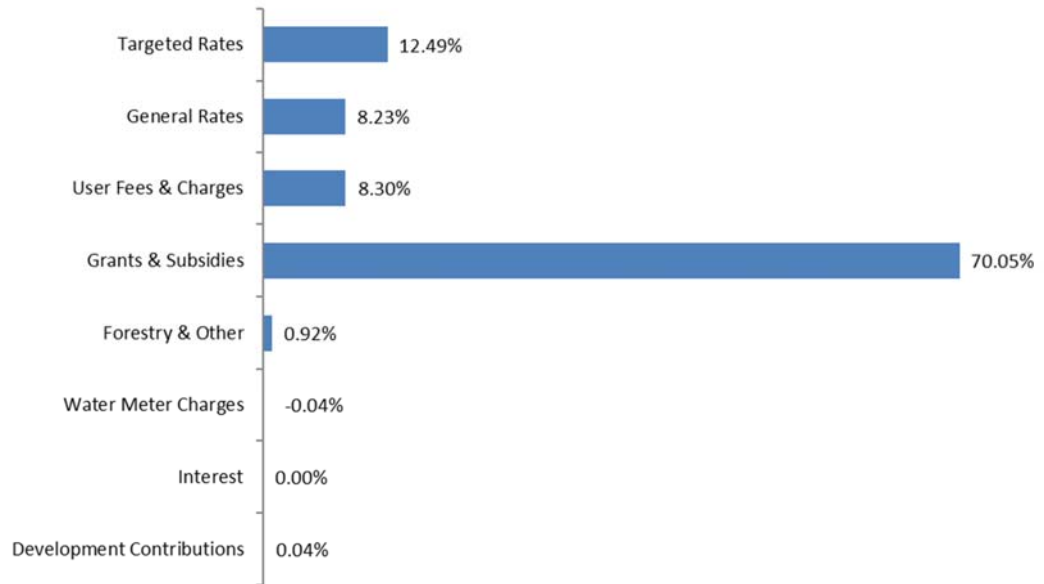


Working capital is calculated by subtracting current liabilities from current assets, and is an indicator of our ability to pay our commitments to suppliers when payments fall due. Please refer to the Finance Report narrative for more information.

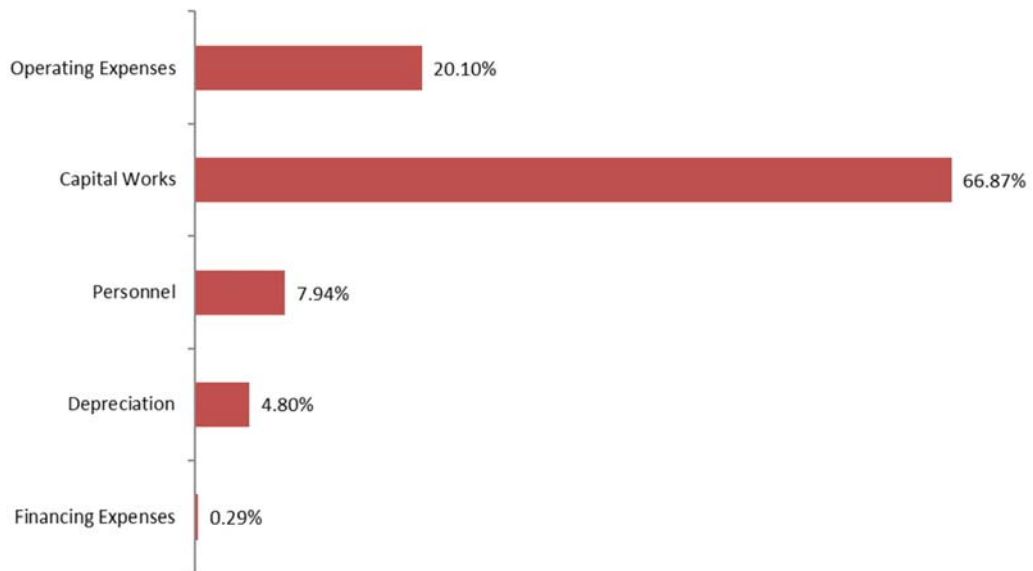




### Revenue YTD by Category



### Expenditure YTD by Category



<b>INCOME OCT-19 YEAR TO DATE</b>	<b>Actual</b>	<b>Budget</b>	<b>% Variance</b>	<b>\$ Oct Variance</b>	<b>\$ Sep Variance</b>
Roading	\$629,666	\$443,294	42.04%	\$186,372	\$261,141
Water Services	\$320,045	\$320,419	-0.12%	-\$374	-\$959
Sewerage	\$225,717	\$194,214	16.22%	\$31,503	\$27,101
Stormwater	\$27,709	\$27,455	0.92%	\$254	\$231
Refuse & Recycling	\$72,289	\$71,859	0.60%	\$430	\$540
Community Facilities	\$749,995	\$797,364	-5.94%	-\$47,369	\$343,297
Commercial Activities	\$100,202	\$61,321	63.41%	\$38,881	\$37,049
Leadership & Governance	\$17,964	\$318,448	-94.36%	-\$300,484	-\$5,095
Building and Regulatory	\$329,595	\$310,748	6.07%	\$18,847	-\$2,073
Community Services	\$156,215	\$62,181	151.23%	\$94,034	\$67,753
District Development	\$328,004	\$156,501	109.59%	\$171,503	\$1,313,436
Earthquake Event	\$5,722,828	\$6,345,658	-9.82%	-\$622,830	-\$2,016,720
Interest	\$206	\$0	0.00%	\$206	\$185
Rates	\$787,329	\$736,893	0.00%	\$50,436	\$41,896
Other - Civic shares dividend	\$8,372	\$0	0.00%	\$8,372	\$8,372
<b>Gross Operating Revenue</b>	<b>\$9,476,136</b>	<b>\$9,846,355</b>	<b>1.00%</b>	<b>-\$370,219</b>	<b>\$76,155</b>
Less Capital Subs & Grants	-\$4,270,629	-\$6,264,152	-31.82%		
<b>Net Operating Revenue</b>	<b>\$5,205,508</b>	<b>\$3,582,203</b>	<b>45.32%</b>	<b>\$1,623,305</b>	

<b>EXPENDITURE OCT-19 YEAR TO DATE</b>	<b>Actual</b>	<b>Budget</b>	<b>% Variance</b>	<b>\$ Oct Variance</b>	<b>\$ Sep Variance</b>
Roading	\$806,465	\$687,060	17.38%	\$119,405	\$92,235
Water Services	\$427,688	\$431,137	-0.80%	-\$3,449	\$11,605
Sewerage	\$355,978	\$347,907	2.32%	\$8,071	\$23,774
Stormwater	\$44,650	\$47,546	-6.09%	-\$2,896	-\$1,867
Refuse & Recycling	\$178,276	\$189,875	-6.11%	-\$11,599	-\$20,439
Community Facilities	\$743,304	\$749,979	-0.89%	-\$6,675	\$6,367
Commercial Activities	\$48,607	\$52,702	-7.77%	-\$4,095	-\$6,812
Leadership & Governance	\$657,776	\$698,697	-5.86%	-\$40,921	\$1,047
Building and Regulatory	\$373,424	\$353,198	5.73%	\$20,226	\$15,440
Community Services	\$351,731	\$385,044	-8.65%	-\$33,313	-\$24,161
District Development	\$514,264	\$388,516	32.37%	\$125,748	\$168,364
Earthquake Event	\$499,900	\$767,064	-34.83%	-\$267,164	-\$222,773
Bad Debt	\$0	\$0	0.00%	\$0	\$0
	<b>\$5,002,062</b>	<b>\$5,098,725</b>	<b>-1.90%</b>	<b>-\$96,663</b>	<b>\$42,779</b>

Tolerance \$20k

KEY \* U = unfavourable / F = Favourable \* T = temporary / P = permanent

\$	CAPITAL PROJECTS -YTD Oct 2019/20	Budget 2020	Actual YTD OCT	Act v/s Bud	\$ Variance
J00003	South Bay Harbour-Gen Capex	300,000	-	0%	300,000
J00004	Office Furniture & Equipment	14,000	-	0%	14,000
J00005	Footpath Renewals	140,000	-	0%	140,000
J00006	Computers & Hardware	40,000	23,761	59%	16,239
J00008	Vehicle purchase	38,413	-	0%	38,413
J00010	Book Purchases	26,284	8,151	31%	18,133
J00011	DVD's	-	557	0%	-557
J00013	Pensioner Flats Upgrade	-	1,506	0%	-1,506
J00022	Stormwater Renewals	10,257	-	0%	10,257
J00027	Urban Water- Reticulation	400,000	-	0%	400,000
J00028	Urban Water- Facilities	3,000	-	0%	3,000
J00030	Ocean Ridge - Facilities	73,000	-	0%	73,000
J00031	East Coast - Reticulation	-	6,671	0%	-6,671
J00032	East Coast - Facilities	7,200	-	0%	7,200
J00034	Kincaid Water - Facilities	23,000	-	0%	23,000
J00036	Fernleigh Water - Facilities	3,000	-	0%	3,000
J00038	Peketa Water - Facilities	225,000	24,922	11%	200,078
J00040	Oaro Water - Facilities	50,500	-	0%	50,500
J00042	Sewerage - Facilities	40,000	6,240	16%	33,760
J00044	Stormwater - Facilities	100,000	-	0%	100,000
J00055	New Recycling Stations	45,000	-	0%	45,000
J00059	Airport Runway Resealing	150,000	-	0%	150,000
J00063	Resource Recovery Centre Imprv	500,000	-	0%	500,000
J00071	SCADA UPGRADE	97,500	5,790	6%	91,710
J00072	New Pump Mackles Bore	50,000	-	0%	50,000
J00075	Streetlights - LED Conversion	96,917	-	0%	96,917
J00082	Urban Water - Facilites	159,000	-	0%	159,000
J00083	Tablet for RAMM	-	4,550	0%	-4,550
J00084	West End Parking Machines	-	4,588	0%	-4,588
J00211	Unsealed Pavement Renewals 211	180,000	158,566	88%	21,434
J00212	Sealed Pavement Renewals 212	300,000	401	0%	299,599
J00213	Kerb & Channel Renewals 213	100,000	37,774	38%	62,226
J00214	Pavement Rehabilitation 214	307,200	-	0%	307,200
J00221	Environmental Renewals 221	-	-	0%	0
J00222	Traffic Service Renewals 222	38,000	28,091	74%	9,909
J00341	Minor Improvements 341	52,000	-	0%	52,000
J00443	Airport 157 works	-	33,381	0%	-33,381
J04410	CF Parks and Reserves	-	1,400	100%	-1,400
J04412	CF Cuddon Building	337,500	395,914	117%	-58,414
J04414	CF Former DC Building	60,000	-	0%	60,000
J04416	CF Memorial Centre	750,000	801,411	107%	-51,411
J04417	CF Tennis Courts	100,000	-	0%	100,000
J04418	CF Drill Hall	38,000	-	0%	38,000
J04420	CF Swimming Pool	200,000	-	0%	200,000
J04421	CF Amphitheatre & Bridge	85,000	-	0%	85,000
J04425	CF Airport Terminal	100,000	30,000	30%	70,000
J04431	CF Pensioner Flats	30,000	23,437	78%	6,563
J04435	CF Wakatu Quay	100,000	-	0%	100,000
J04436	CF Airport Hangars	60,000	-	0%	60,000
	<b>BAU Programme</b>	<b>5,429,771</b>	<b>1,597,111</b>	<b>29%</b>	<b>3,832,660</b>
	<b>EQ Programme</b>	<b>19,968,962</b>	<b>8,498,756</b>	<b>43%</b>	<b>11,470,206</b>
	<b>TOTAL</b>	<b>25,398,733</b>	<b>9,800,206</b>	<b>39%</b>	<b>15,302,865</b>