







WAIMAKARIRI DISTRICT COUNCIL**REPORT FOR INFORMATION****FILE NO and TRIM NO:** GOV-01-15 / FIN-06-01 / 210824137398**REPORT TO:** AUDIT & RISK COMMITTEE**DATE OF MEETING:** 21 September 2021**AUTHOR(S):** Paul Christensen, Finance Manager**SUBJECT:** Financial Report for the period ended 30 June 2021**ENDORSED BY:**
(for Reports to Council,
Committees or Boards)
Department Manager
Chief Executive**1. SUMMARY**

- 1.1 This report to advise the Audit & Risk Committee of the provisional financial result for the quarter ended 30 June 2021.

FINANCIAL STATEMENT MEASURES	
OPERATING COSTS <i>Costs to deliver existing levels of service</i> \$'000 \$115,228  \$11,469 (11.1%) unfavourable	OPERATING REVENUE <i>Includes Rates, Fees and charges, development contributions, earthquake recoveries</i> \$'000 \$148,318  \$21,178 (16.7%) favourable
INTEREST ON DEBT <i>Cost to Service net external debt</i> \$'000 \$5,811  \$76 (1.3%) favourable	OPERATING SURPLUS <i>Net Revenue less operating expenses as a percentage of operating costs</i> 28.7%  Budget 24.6%
EXTERNAL DEBT <i>Total borrowing from external organisations</i> \$'000 \$170,000  \$12,592 favourable	CAPITAL EXPENDITURE <i>to provide new and replacement assets</i> \$'000 \$77,912  \$10,089 less than budget

Attachments:

- i. Financial Report for the period ended 30 June 2021.

2. **RECOMMENDATION**

THAT the Audit and Risk Committee

- (a) **Receives** Report No. 210824137398.
- (b) **Notes** the provisional surplus for the year ended 30 June 2021 is \$33.1 million. This is \$9.7 million over budget.
- (c) **Notes** The surplus primarily consists of gains from revaluations in the value of interest rate swaps, budgeted development contributions and the value of assets vested to Council from development.

3. **BACKGROUND**

- 3.1 The Audit & Risk Committee is provided with the delegation from the Council to monitor the implementation of the Annual Plan. A quarterly update on the progress of the Annual Plan and other activities is provided throughout the year.
- 3.2 The Council is required to adopt a Long Term Plan every three years and an Annual Plan every year. The 2020-21 Annual Plan is the last year of the 2018 – 2028 Long Term Plan cycle that the Council is required to report against.

4. **ISSUES AND OPTIONS**

- 4.1. The provisional operating surplus for the period ended 30 June 2021 for the Council is \$33.1 million against a budget of \$23.4 million. Audit New Zealand began the audit of the Council's annual report on 30 August and the surplus may change as a result of the audit. The audit may be prolonged because of Audit New Zealand staffing problems. Audit New Zealand have obtained an extension to 31 December for the adoption of Annual reports.
- 4.2. The key variances which contributed to the surplus being less than budgeted are:

\$ million

Unfavourable variances

Development contribution revenue under budget		(3.1)
Loss on revaluation of Mixed use business area land	Non cash	(4.1)
Accounting for assets disposed as part of renewals work	Non cash	(1.6)
Expenditure which was budgeted as capital, but must be accounted for as operating expenditure		(4.7)
Subtotal		(13.5)

Favourable variances

Interest rate swaps accounting valuation adjustment – interest rates have risen against the Council's swaps	Non cash	8.0
Stimulus and shovel ready subsidies over budget		1.1

Building consents and resource consents revenue over budget	2.1
Vested assets	7.2
Depreciation under budget	1.2
Other favourable variances	3.6
TOTAL	9.7

- 4.3. The surplus of \$35.9m contains items that are received through operating revenues that fund capital works. These are

	\$ million
Development contribution revenue	10.4
Subsidies received for capital works	14.9
Vested Assets	19.1
	44.4

After eliminating the surplus above, the resulting balanced budget relates to funding provisions provided for with in the Council's depreciation funding policy. The depreciation policy funds sufficient depreciation over the life of the asset taking into account investments. The difference in depreciation cost and the required funding required is \$9m.

- 4.4. Revenue received for the period ended 30 June 2021 was \$148.3 million compared with budget \$127.1 million

Fees and charges revenue was \$5.4 million over budget which includes

- \$1.1 million Resource consent revenue more than budget
- \$1.0 million Building consent revenue more than budget
- \$1.0 million Transfer station gate sales and charges on contaminated recycling over budget.

Gains over budget \$8.0 million from a gain on revaluation of interest rate swaps.

- 4.5. Operating Expenditure for the period was \$11.5 million over budget (actual \$115.2 million vs. budget \$103.8 million). The largest variances from budget were as follows

Over budget

- District Development \$1.1 million over budget – Resource consent processing costs were over budget. This was more than offset by extra revenue.
- Roading \$2.4 million over budget – Depreciation \$1.4 million under budget, costs of private works \$0.6 million – offset by revenue. Costs from capital projects expensed \$1.8 million. Maintenance work of \$0.5 million was needed because of the flooding event in May. This will be subsidised by NZTA.
- Refuse and recycling \$0.7 million over budget – more residents have joined the 3 bins program which increased disposal costs to landfill. Additional costs have been incurred to dispose contaminated recycling.
- Recreation \$1.8 million over budget Asset deletions not budgeted \$0.7 million, contract maintenance and vandalism costs over budget \$0.5 million. Depreciation over budget \$0.2 million.
- Property and Forestry expenditure was \$6.0 million over budget. The revaluation loss of mixed use business area land was \$4.0 million. Capital expensed from the Rangiora service centre refurbishment was \$1.5 million

- Under budget
- Sewerage \$0.5 million under budget Power cost under budget \$0.3 million, reactive maintenance spending under budget \$0.5 million
- Libraries and Museums \$1.3 million under budget. Canterbury museum development levies will not be called until July 2021 \$1.0 million and building operating and maintenance costs were under budget \$0.2 million

4.6. Balance Sheet

The Council's position remains sound. The Council's measures were all within Policy limits.

4.7. Capital works

The Capital work programme was reported separately to the Audit & Risk Committee on 10 August (210726121798). In summary \$73.84 million of the \$81.52 million (90%) programme was spent. Of the 306 projects, 246 (80.4%) were completed as at 30 June 2021. This is a significant improvement in the completion of the capital works programme on previous years.

4.8. Debt

The Council's external debt is \$170.0m as at 30 June 2021 (June 2020: \$160.0m). The Annual Plan forecast external debt to be \$182.6m by 30 June 2021.

External debt is 8.2% of the Council's total assets. The Council's Liability management policy requires debt as a percentage of total assets to be less than 15%.

Interest costs were \$5.8 million which is 4.9% (budget 8.1%) of operating revenue (Council Policy requires it must not exceed 12%).

Interest costs were 8.5% of Rates revenue (per Annual Plan 9.3%). Interest as a percentage of Rates income must not exceed 25%.

4.9. Hedging profile

Based on current projections, the Council will maintain its hedging arrangements in accordance with policy. Staff are continually reviewing both the cash flow projections and hedging levels to ensure they are maintained at an appropriate level.

As at 30 June 2021, Council is currently 79% of external debt was hedged. Under the Treasury Policy, Treasury management advice is sought from Bancorp Treasury Management Services.

The loans and hedging profile is provided on pages 12 & 13 of the financial information

4.10. The financial results have been discussed with the relevant managers.

4.11. The Council's credit rating has been confirmed in January 2021 by Standard & Poor's to be AA with a stable outlook. The stable outlook is based upon the expectation that the Councils major capital outlays will subside from 2022 onward, lowering after-capital deficits.

Implications for Community Wellbeing

There are not implications on community wellbeing by the issues and options that are the subject matter of this report.

4.12. The Management Team has reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Mana whenua

Te Ngāi Tūāhuriri hapū are not likely to be affected by, or have an interest in the subject matter of this report.

5.2. **Groups and Organisations**

There are not groups and organisations likely to be affected by, or to have an interest in the subject matter of this report.

5.3. **Wider Community**

The wider community is not likely to be affected by, or to have an interest in the subject matter of this report.

6. **OTHER IMPLICATIONS AND RISK MANAGEMENT**

6.1. **Financial Implications**

There are financial implications of the decisions sought by this report.

The Council's surplus is better than the 2020-21 budget. External Debt is lower than forecast. The Council has remained within debt policy limits.

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts and Council is not currently required to report on any effects.

6.3 **Risk Management**

There are risks arising from the adoption/implementation of the recommendations in this report.

There is financial risk if the Council does not keep within its budgets and manage debt. This is mitigated through the long term plan and annual plan processes, and with regular monitoring by managers. It is also mitigated through quarterly reporting to the Audit and Risk committee.

6.3 **Health and Safety**

There are not health and safety risks arising from the adoption/implementation of the recommendations in this report.

7. **CONTEXT**

7.1. **Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. **Authorising Legislation**

This report has been prepared and provided with reference to the financial provisions relating to the Local Government Act 2002 Subpart 3 – Financial Management and Financial Reporting Standards.

7.3. **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report. This report contributes to the outcome:

“There are wide ranging opportunities for people to contribute to the decision-making by public organisations that affects our District

- Public organisations make information about their plans and activities readily available.
- Public organisations make every effort to accommodate the views of people who contribute to consultations.”

7.4. **Authorising Delegations**

Delegation S-DM 1022 provides that the Audit & Risk Committee has jurisdiction to "Monitor implementation of the Annual Plan quarterly".

WAIMAKARIRI DISTRICT COUNCIL

FINANCIAL REPORT

FOR THE PERIOD ENDED

30 June 21

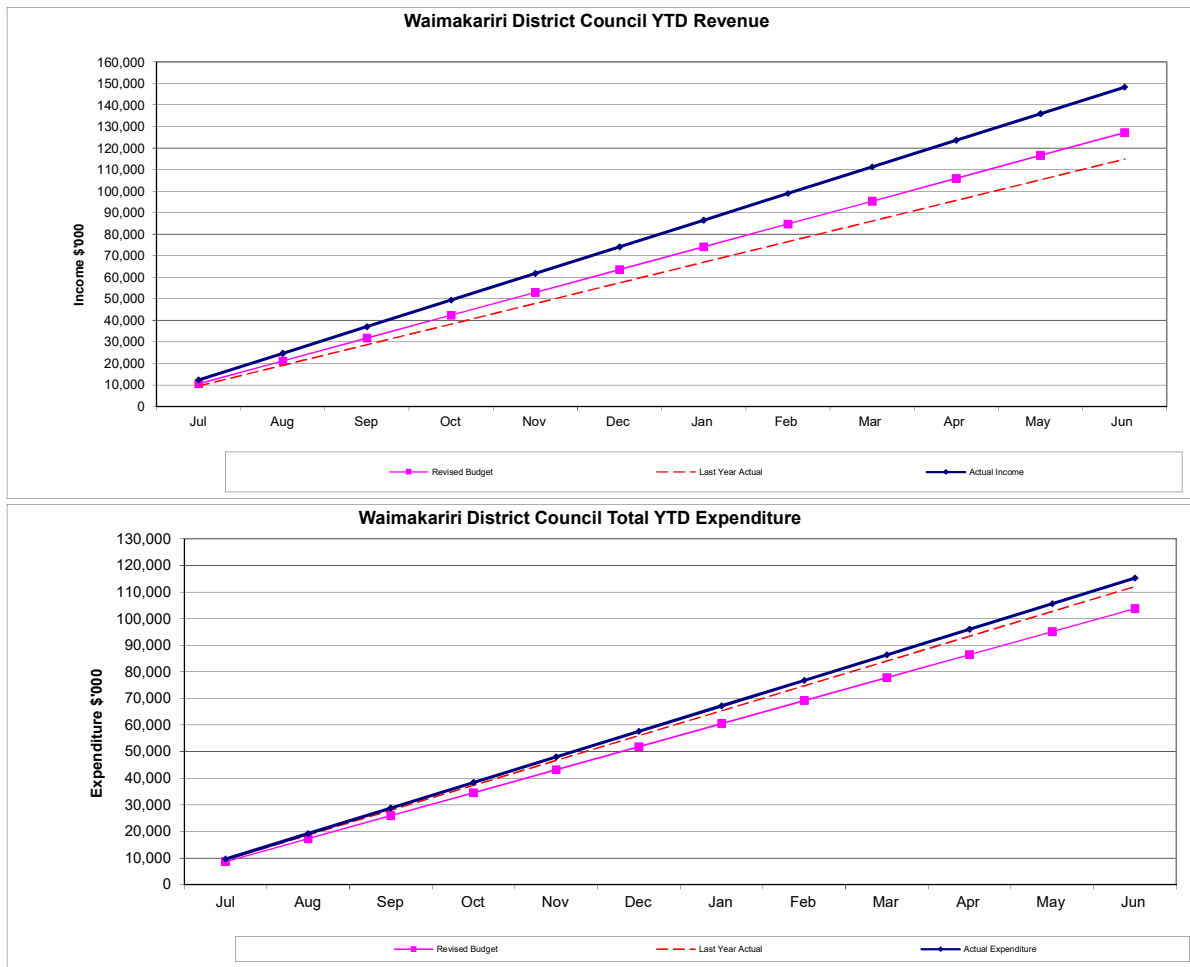
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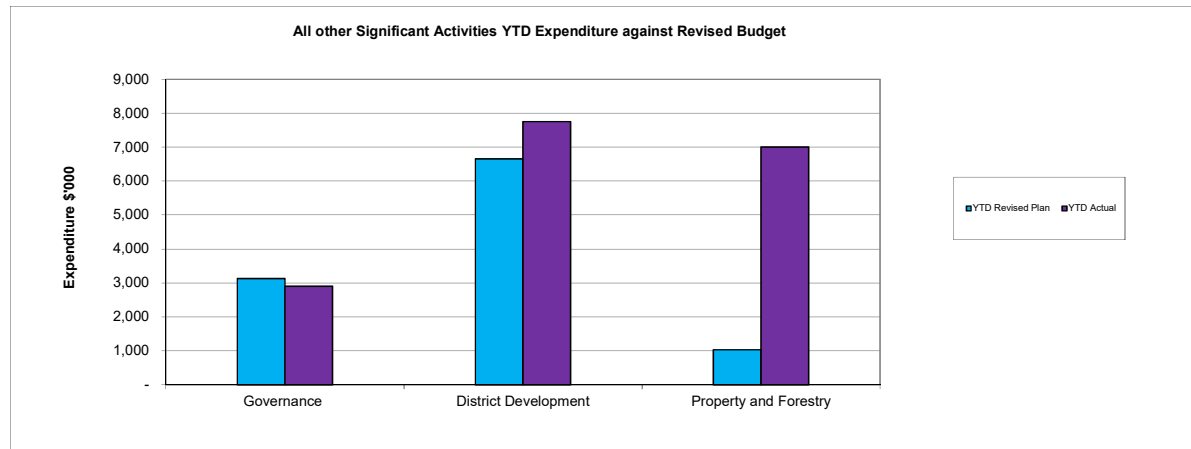
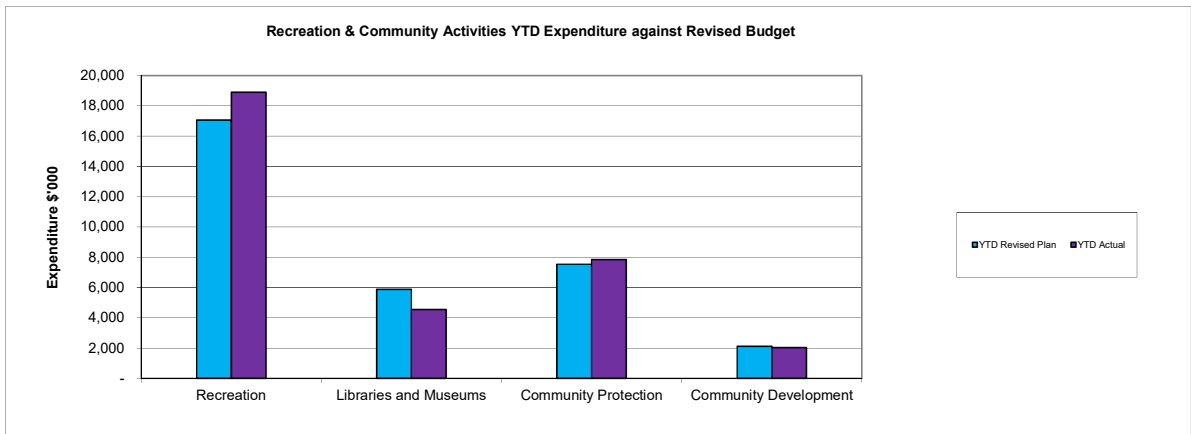
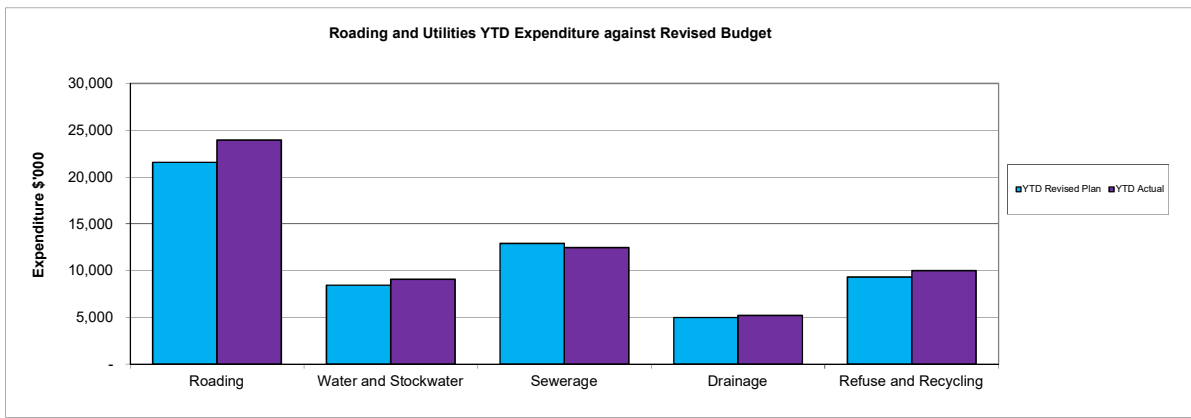
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Waimakariri District Council					
Statement of Financial Performance					
for the period ended 30 June 2021					
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	CURRENT YEAR ACTUAL	VARIANCE	PERCENT ACTUAL/REVISED
	\$'000	\$'000	\$'000	\$'000	%
Revenue					
Rates	68,263	68,279	68,732	453	0.66%
Interest	526	213	118	(95)	(44.60%)
Subsidies and Grants	11,943	16,796	18,580	1,784	10.62%
Fees and Charges	14,736	14,941	20,312	5,371	35.95%
Petrol Tax	360	360	329	(31)	(8.61%)
Dividends	600	600	852	252	42.00%
Development and other Contributions	13,472	13,472	10,381	(3,091)	(22.94%)
Gains	345	345	9,352	9,007	2610.72%
Earthquake Recoveries - Govt	-	95	157	62	65.26%
Earthquake Recoveries - NZTA	-	-	253	253	
Vested Assets	12,039	12,039	19,252	7,213	59.91%
Total Revenue	122,284	127,140	148,318	21,178	16.66%
Operating Expenses by Activity					
Governance	3,123	3,134	2,908	(226)	(7.21%)
District Development	6,635	6,660	7,755	1,095	16.44%
Roading	22,024	21,575	23,957	2,382	11.04%
Water and Stockwater	8,334	8,427	9,053	626	7.43%
Sewerage	12,268	12,905	12,440	(465)	(3.60%)
Drainage	5,024	4,986	5,203	217	4.35%
Refuse and Recycling	9,267	9,306	9,993	687	7.38%
Recreation	17,784	17,053	18,894	1,841	10.80%
Libraries and Museums	5,869	5,874	4,546	(1,328)	(22.61%)
Community Protection	7,507	7,533	7,848	315	4.18%
Community Development	2,113	2,122	2,031	(91)	(4.29%)
Property and Forestry	1,023	1,030	7,008	5,978	580.39%
Earthquake Recovery and regeneration	1,758	2,120	2,707	587	27.69%
Non Significant Activities	977	1,034	885	(149)	(14.41%)
Total Expenses	103,706	103,759	115,228	11,469	11.05%
Operating Surplus before taxation	18,578	23,381	33,090	9,709	41.53%
Less Taxation expense	-	-	-	-	
Net Surplus/ (deficit)	18,578	23,381	33,090	9,709	41.53%
(Key items only)					
Revenue				Variance	
Total Revenue is \$21.2m more than budget at the end of this period.				() = unfavourable	
Rates	\$220k of the variance due to more residents opt in the 3 bins programme. The remaining variance mainly due to increase in rating units (actual rating units 26,362 vs annual plan 26,020).				453
Subsidies and Grants	Subsidies and grants more than budget mainly due to:				
	Shovel Ready Govt subsidies more than budget due to work progress made.				673
	Stimulus Funding Govt subsidies more than budget due to work progress made.				466
	NZTA subsidies for costs incurred for the May 21 flood event (51% share by NZTA) not budgeted.				256
	Subsidies for the Cust Community Centre refurbishment project not budgeted.				174
	Subsidies from DIA (Department of Internal Affairs) for the NZ Libraries Partnership Programme not budgeted.				143
Fees and Charges	Fees and charges more than budgeted due to:				
	Rates penalties over budget.				404
	Resource consents revenue was over budget due to high work volume during the period partially offset by increased costs.				1,087
	Transfer station gate sales were more than budget due to development activities in the district and charges on contaminated recycling that were not budgeted. The charges on contaminated recycling (\$577k) are offset by increased refuse disposal costs to Kate Valley.				977
	Wheelie bin fees also more than budget as more residents joined in the 3 bins programme.				141
	Building Unit revenue (from building consents processing/inspections) more than budget due to building activities in the district.				1,033
	Recoveries from private works/3rd parties (including revenue from road opening notices, vehicle crossings and share of street lighting maintenance & renewals) were over budget. \$369k was received from Hurunui District Council for street lighting maintenance & renewals.				692
	Reimbursement of legal costs from the New World Service Lane project.				108
	Receipts from Daniel Smith Industries Ltd towards Flaxton/Fernside intersection.				127
	Connection fees received (to connect to Council's infrastructural services) were more than budgeted.				291
	More income was generated from Land Information Memorandum.				149
	Partnering to Plant Funding Grant for two short term employees to work in Silverstream not budgeted.				136
	Revenue from facility hire more than budget.				85
	Revenue from dog registrations/food premises licenses more than budgeted.				80
Dividends	Special dividend received in June not budgeted.				252
Development and other Contributions	Development contributions are less than budgeted as the major developments wait to get to the next stage of their development.				(3,091)
Gains	Gains more than budget mainly due to:				
	Gain on revaluation of interest rate swaps not budgeted.				7,979
	Gain on forestry revaluation not budgeted.				902
Earthquake Recoveries - NZTA	NZTA claims on road upgrades Charles St & Jollie St and Cass St & Hall St were not budgeted.				253
Vested assets	Vested assets more than budgeted due to development activities in the district.				7,213

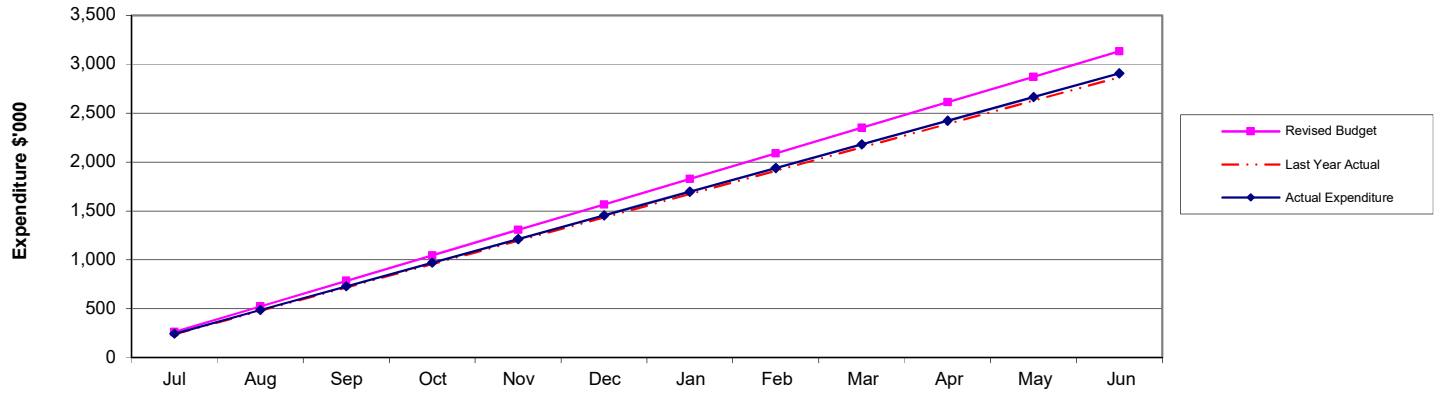
Expenditure		
Operating Expenditure is \$11.5m more than budget at the end of this period.		
District Development	Costs on resource consents processing were more than budgeted due to increased workload during the period. This is covered by increased resource consents revenue. In addition, costs incurred on District Plan review were more than budget and council's contribution to the Greater Christchurch 2050 project was not	(1,095)
Roading	Depreciation expenses less than budgeted mainly due to revaluation of roading assets at 30 June 20.	1,476
	Costs incurred on private works (including costs on road opening notices/vehicle crossings/street lighting maintenance & renewals) were more than budget and were recovered.	(634)
	Various maintenance budgets were overspent (i.e. sealed pavement, drainage maintenance, pavement marking and snow, ice and flood). Council reduced its road renewal programme (capex) to cover the opex	(560)
	Costs incurred due to the May 21 flood event that was 51% covered by NZTA.	(516)
	Additional overhead share to cover costs incurred on review of Rangiora Eastern Link Designation.	(258)
	Capital expended from roading capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(1,805)
Water and Stockwater	Depreciation expenditure was more than what was budgeted due to revaluation increase of Council's water	(251)
	Asset deletions due to capital renewal programme not budgeted.	(297)
	Capital expended from water capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(94)
Sewerage	Unspent budget on operational programme will be carried over to 2021/22.	207
	Power costs less than budget. Plant and equipment usage at various treatment plant sites was reduced to achieve power efficiency. This exercise is being tested and analysed.	329
	Maintenance/pipeline cleaning budget underspent. Reactive repairs budgeted have not been required.	342
	Asset deletions due to capital renewal programme not budgeted.	(162)
	Capital expended from sewer capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(306)

Variance explanation continued:					
Refuse and Recycling	More residents joined in the 3 bins programme resulting in more waste disposals to the landfill. The collection/transportation charges by Transwaste also increased due to increased bin users. In addition, Council incurred additional costs to ship and dispose the contaminated recycling materials to landfill. These costs were covered by charges at the gate sale. (687)				
Recreation	Asset deletions due to capital renewal programme not budgeted. (721)				
	Depreciation more than budget due to new capital additions (via capital projects/vested). (153)				
	Capital expended not budgeted. The costs incurred did not meet the capitalisation rules. (217)				
	Costs incurred on grass cutting more than budget due to wet/warm weather. (148)				
	Expenditure on Partnering to Plant for two short term employees to work in Silverstream not budgeted. (106)				
	Costs incurred on repairs/maintenance of playground/camping ground facilities due to storm/flood. (121)				
	Costs incurred from vandalism. (126)				
	Costs incurred on cleaning were more than budget due to Covid-19. (72)				
Maintenance costs on public convenience facilities more than budgeted. (55)					
Libraries and Museums	The Canterbury Museum Trust Board has advised that redevelopment levies will not be called until July 982				
	Depreciation less than budgeted 166				
	Maintenance, electricity and security spending less than budgeted. 163				
Property	Water Unit has a \$429k deficit which is expected to improve when capital work is completed in the last quarter of the year. Project Delivery Unit has a \$324k surplus excluding external revenue. (185)				
	Costs incurred on cleaning were more than budget due to Covid-19. Rental costs from Durham St, Percival and LAM House were not budgeted. (135)				
Community Protection	Expenditure more than budget due to increased workload at Building Unit covered by increased building consent revenue. Additional costs were incurred due to employment of external consultants/contractors. (315)				
Property and Forestry	Capital expended from the Rangiora Service Centre refurbishment project. (1,547)				
	There was a valuation loss (as at 30 June 21) on two land assets in the mixed business area (red zone) that require remediation works based on the specific use. The two land assets were classified as (4,060)				
	Legal fees/costs on external consultants were more than budget due to increased property transactions (Property Unit) and project consultation (Project Delivery Unit). (246)				
Earthquake Recovery and regeneration	Expenditure more than budget mainly due to capital expended from various EQ recovery capital projects. (587)				
Waimakariri District Council					
Statement of Comprehensive Revenue and Expense					
for the period ended 30 June 2021					
CURRENT YEAR					
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/REVISED
	\$'000	\$'000	\$'000	\$'000	%
Net Surplus/ (deficit)	18,578	23,381	33,090	9,709	41.53%
Other Comprehensive Revenue and Expense					
Increase in Asset Revaluation Reserves	4,382	4,382	1,531	(2,851)	(65.06%)
Financial assets at fair value through other comprehensive revenue and expense	-	-	(397)	(397)	
Total Other Comprehensive Revenue and Expense	4,382	4,382	1,134	3,248	(74.12%)
Total Comprehensive Revenue and Expense	22,960	27,763	34,224	6,461	23.27%
Comments - Other Comprehensive Revenue and Expense			Variance		
			() = unfavourable		
Increase in Asset Revaluation Reserves	Actual roading valuation movement less than budget.		(2,851)		
Financial assets at fair value through other comprehensive revenue and expense	The unfavourable variance is mainly due to the fair value of shares at Transwaste had dropped during the year.		(397)		

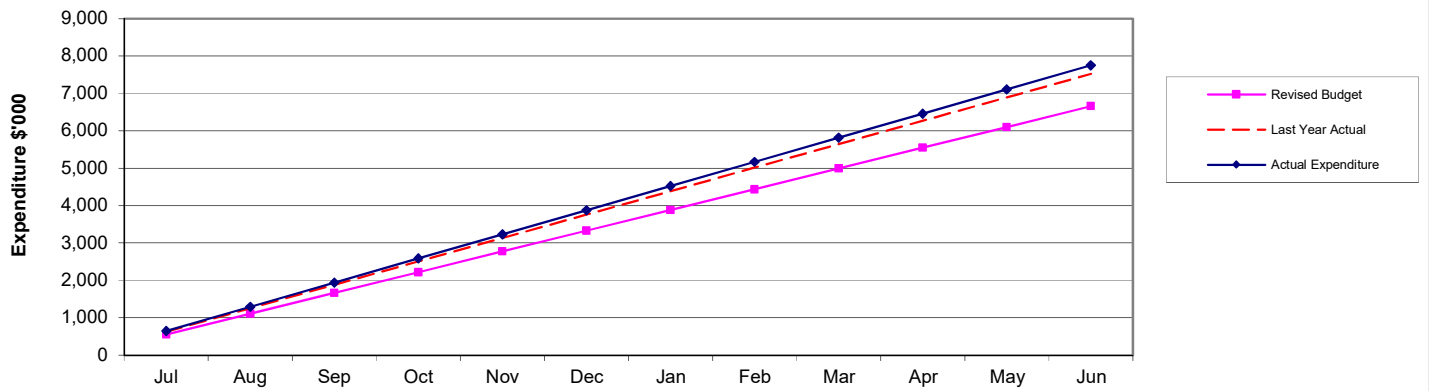




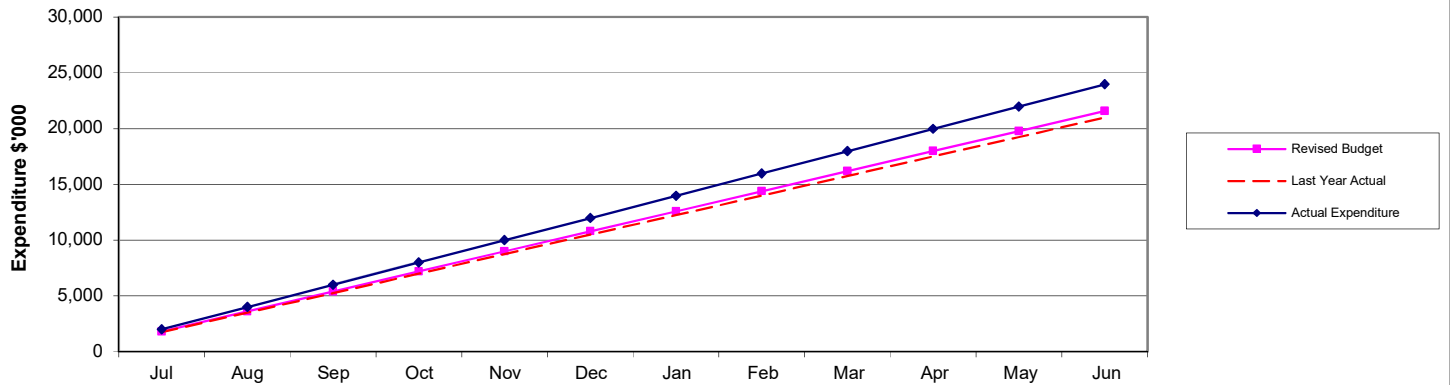
Governance YTD Expenditure against Revised Budget

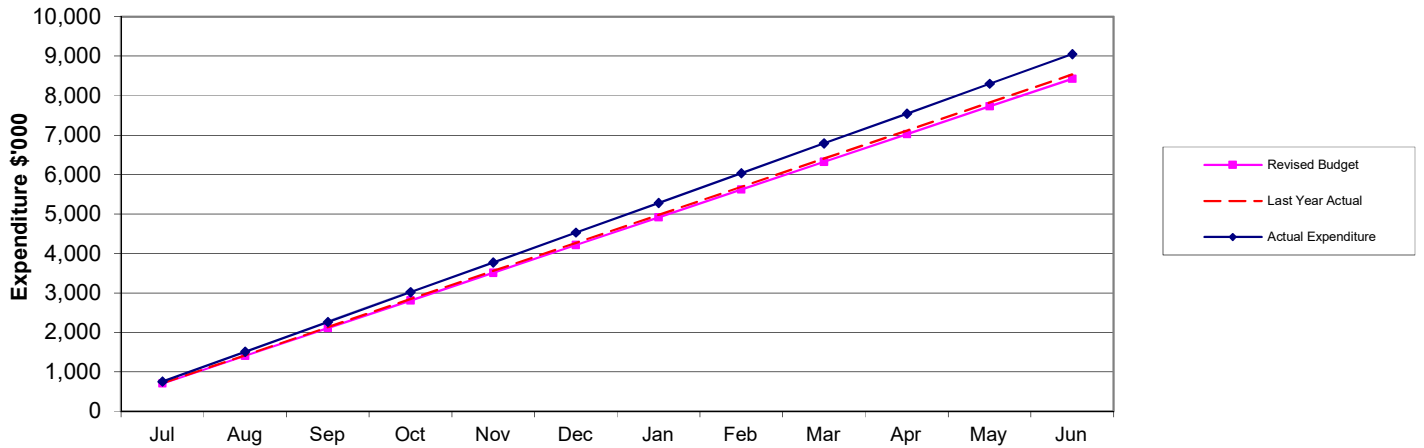
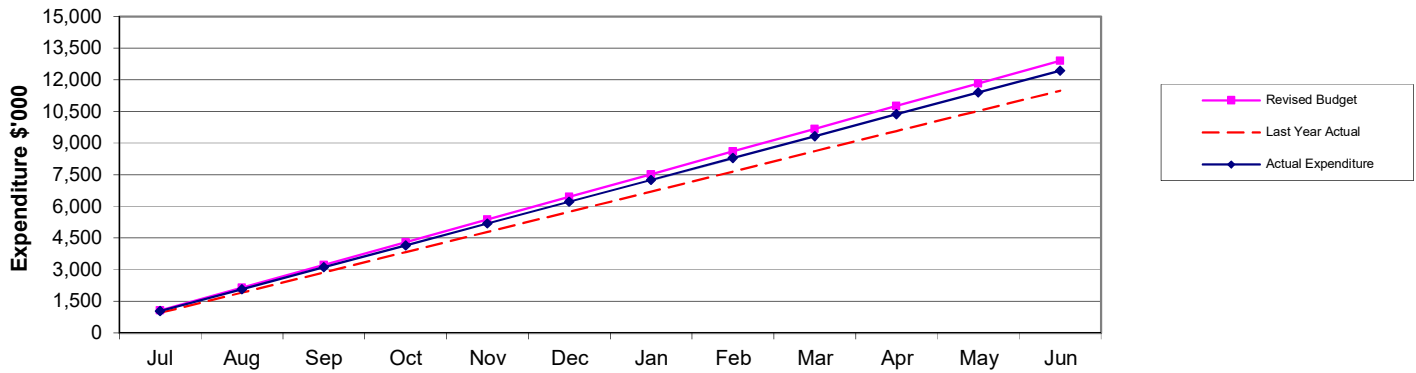
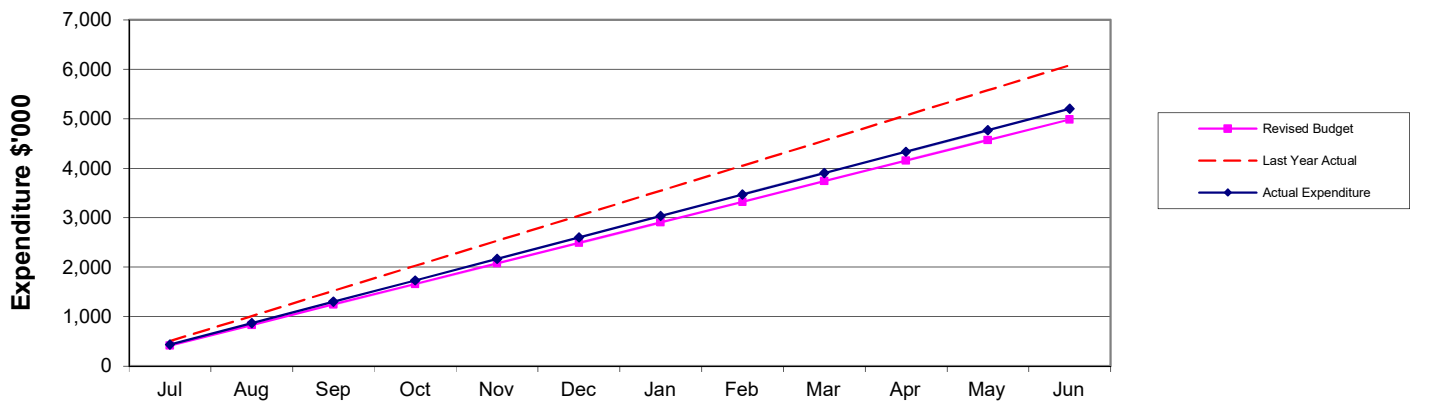


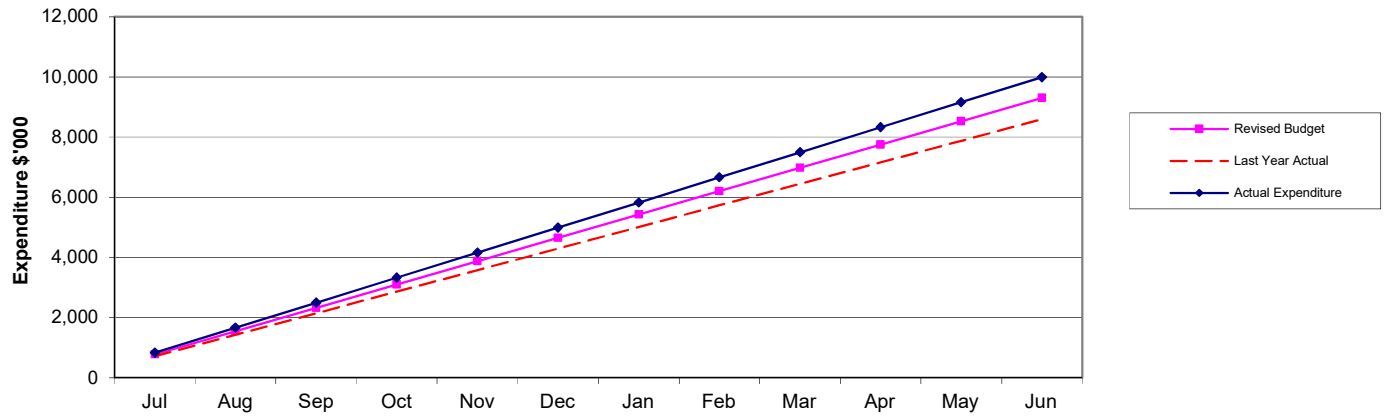
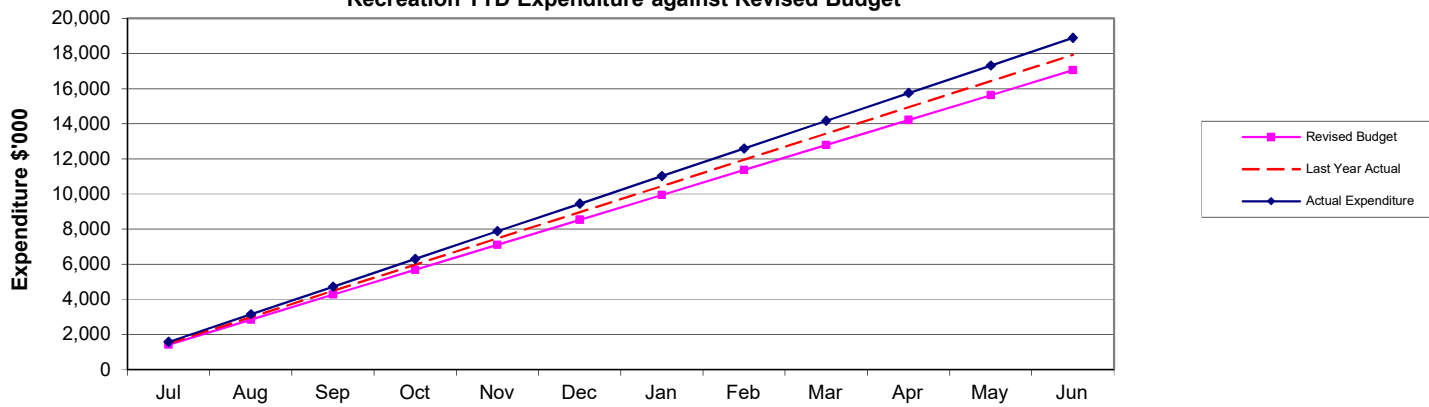
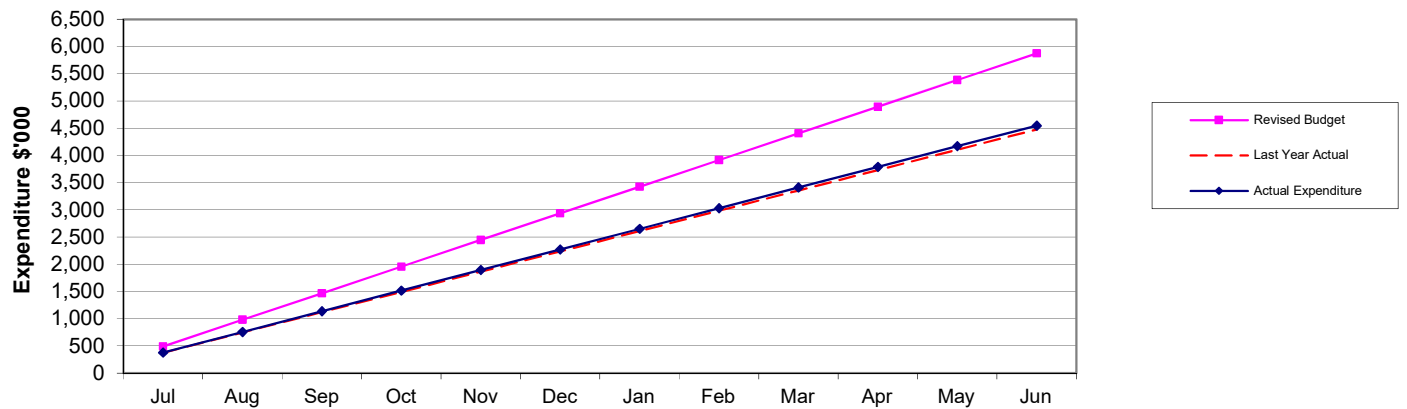
District Development YTD Expenditure against Revised Budget



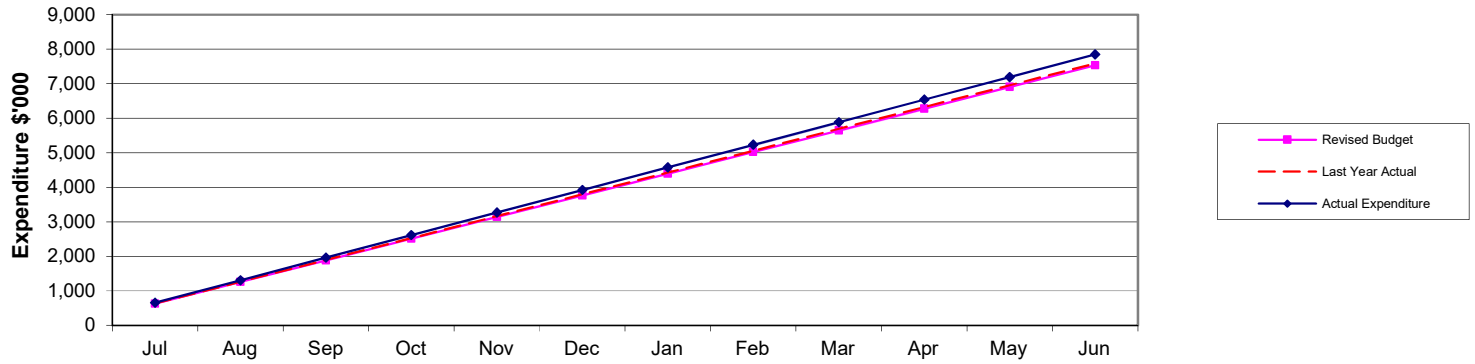
Roading Expenditure against Revised Budget



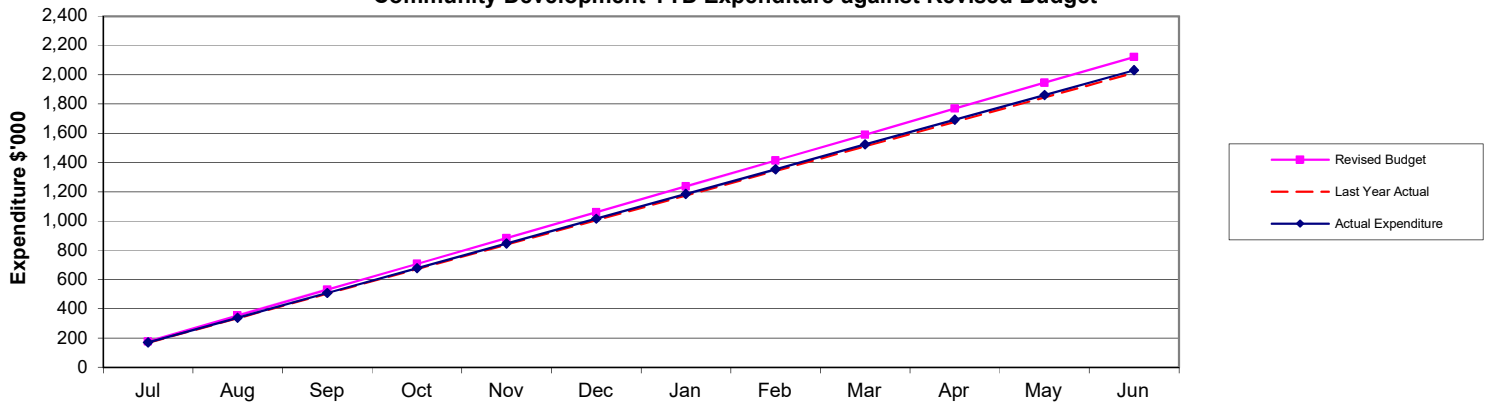
Water YTD Expenditure against Revised Budget**Sewerage YTD Expenditure against Revised Budget****Drainage YTD Expenditure against Revised Budget**

Solid Waste YTD Expenditure against Revised Budget**Recreation YTD Expenditure against Revised Budget****Libraries & Museums YTD Expenditure against Revised Budget**

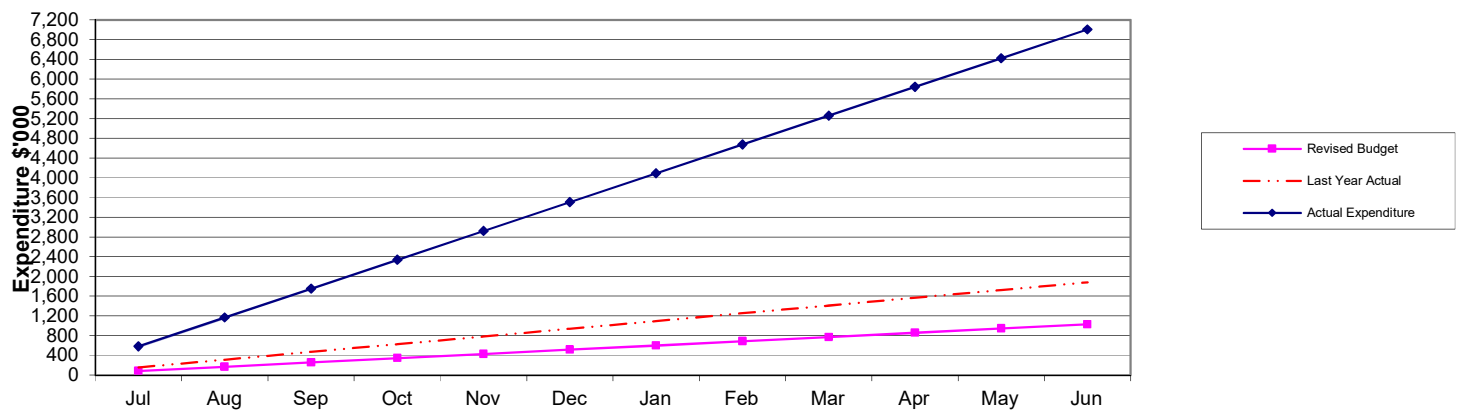
Community Protection YTD Expenditure against Revised Budget



Community Development YTD Expenditure against Revised Budget



Property and Investments YTD Expenditure against Revised Budget



Waimakariri District Council			
Balance Sheet			
as at 30 June 2021			
Balance Sheet	ACTUAL as at 30 June 2021 \$'000	BUDGET as at 30 June 2021 \$'000	ACTUAL as at 30 June 2020 \$'000
Current Assets			
Cash and cash equivalents	18,807	17,037	27,359
Short term deposits	10,077	-	319
Inventories	223	207	231
Trade and other receivables	11,787	12,818	15,207
Prepayments	760	639	767
Non-current Assets Held for Sale	-	-	1,761
Total Current Assets	41,653	30,701	45,644
Non Current Assets			
Other financial assets	4,738	4,920	4,660
Forestry assets	3,068	2,220	2,187
Investment property	12,652	14,694	16,346
Property, plant and equipment including intangible	77,156	70,626	66,234
Infrastructural assets	1,836,765	1,908,981	1,800,886
Total Non Current Assets	1,934,379	2,001,441	1,890,313
Total Assets	1,976,032	2,032,142	1,935,957
Current Liabilities			
Trade and other payables	13,260	11,251	9,399
Deposits and Bonds	3,690	3,357	3,419
Employee Benefit liabilities	3,920	3,641	4,598
Derivative financial instruments	142	-	-
Revenue Received in advance	2,642	2,419	2,656
Development contributions	2,293	2,050	1,907
Current Portion of borrowings	20,000	30,000	25,000
Accrued Interest on borrowings	868	979	850
Total Current Liabilities	46,817	53,697	47,829
Non Current Liabilities			
Borrowings	150,000	152,592	135,000
Derivative financial instruments	10,546	13,134	18,668
Total Non Current Liabilities	160,546	165,726	153,668
Total Liabilities	207,363	219,423	201,497
Net Assets	1,768,669	1,812,719	1,734,460
Ratepayers Equity			
Accumulated general equity	900,648	893,563	867,558
Special funds	4,490	5,889	4,902
Revaluation reserve	863,531	913,267	862,000
Total Ratepayers Equity	1,768,669	1,812,719	1,734,460

Variance to full year budget		Variance ()= unfavourable \$'000
Short term deposits	There were \$10m short term deposits at year end mainly due to delay in capital programme.	10,077
Investment property	There was a valuation loss (as at 30 June 21) on two land assets in the mixed business area (red zone) that require remediation works based on the specific use.	(2,042)
Trade and payables	Trade and payables more than budget due to payments outstanding on emergency works done for the May 21 flood event.	(2,009)
Borrowings	Borrowings less than budget due to delay in capital programme.	12,592
Derivative financial instruments	The fair value of Council's interest rate swaps has improved based on latest economic outlook.	2,445

Waimakariri District Council
Cash Flow Statement
for the period ended 30 June 2021

	Actual 30 June 21	Actual 30 June 20	Budget 30 June 21
Cash Flow Statement			
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from Ratepayers	69,329	65,870	68,263
Receipts from subsidies (excluding earthquake subsidies)	16,689	6,343	11,943
Earthquake related receipts	1,411	2,617	-
Receipts from Fees and Charges	22,666	18,312	16,180
Development Contributions	13,318	6,499	13,473
Interest Received	130	207	526
Dividends Received	852	723	600
Receipt of Canterbury Regional Council Rates	10,703	9,868	10,500
GST Refund	-	291	-
	135,098	110,730	121,485
<i>Cash was disbursed to:</i>			
Payments to Suppliers	(47,402)	(44,828)	(42,318)
Payments to Employees	(29,386)	(27,436)	(28,954)
Payments to Canterbury Regional Council	(10,699)	(9,860)	(10,500)
Income tax Paid	-	-	-
Interest paid	(5,793)	(5,748)	(6,338)
GST Payment	(434)	-	-
	(93,714)	(87,872)	(88,110)
Net Cash Flows from Operating Activities	41,384	22,858	33,375
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from Sale of Fixed Assets/Forestry	1,978	4,817	182
Proceeds from Community loans repaid & Investments	419	380	-
	2,397	5,197	182
<i>Cash was disbursed to:</i>			
Purchase of Fixed Assets and Infrastructural Assets	(51,661)	(33,765)	(57,642)
Community Loans & Investments	(10,672)	(1,872)	(361)
	(62,333)	(35,637)	(58,003)
Net Cash Flows from Investing Activities	(59,936)	(30,440)	(57,821)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from Borrowings	35,000	60,000	32,271
	35,000	60,000	32,271
<i>Cash was applied to:</i>			
Settlement of Borrowings	(25,000)	(45,000)	(9,679)
	(25,000)	(45,000)	(9,679)
Net Cash Flows from Financing Activities	10,000	15,000	22,592
Net Increase (Decrease) in Cash Held	(8,552)	7,418	(1,854)
Add Opening Bank Brought Forward	27,359	19,941	18,891
Ending Cash	18,807	27,359	17,037

Waimakariri District Council
Internal Loan Repayment
For the period ended 30 June 21

Loan Repayments	Annual Plan Budget \$'000	Full Year Revised Budget \$'000	Actual \$'000
Loan Repayments			
District Development	172	172	304
Community Development	110	110	110
Community Protection	42	42	33
Stormwater Drainage	1,227	1,195	2,260
Earthquake Recovery and regeneration	2,579	2,579	1,395
Libraries and Museums	21	21	20
Non Significant Activities	539	539	511
Property Management	52	52	41
Recreation	974	974	1,066
Roads and Footpaths	844	844	826
Sewerage and the Treatment and Disposal of Sewage	1,553	1,553	1,084
Refuse and Recycling	54	54	49
Water Supply	1,702	1,702	778
	9,869	9,837	8,477

Variance explanations		Variance \$'000 ()= unfavourable
Loan Repayments	Please be aware: Some loan repayments were budgeted assuming Council receiving development contributions from planned growth. Actual growth/development activities may vary in different areas.	
Stormwater Drainage	Development contribution receipts were released from holding account (upon projects completion) enabling the East Rangiora scheme to make extra loan repayment.	1,065
Sewerage and the Treatment and Disposal of Sewage	Eastern sewer had less loan repaid due to less development contributions received.	(469)
Earthquake Recovery and regeneration	EQ rates were set to increase progressively over years thus less cash is available to repay the loan. Loan repayment will increase in later years.	(1,184)
Water Supply	Less borrowings were required last year resulting in less loan repayment in current financial year. In addition, actual loan repaid less than budgeted due to less development contributions received.	(924)

Liability Management Policy

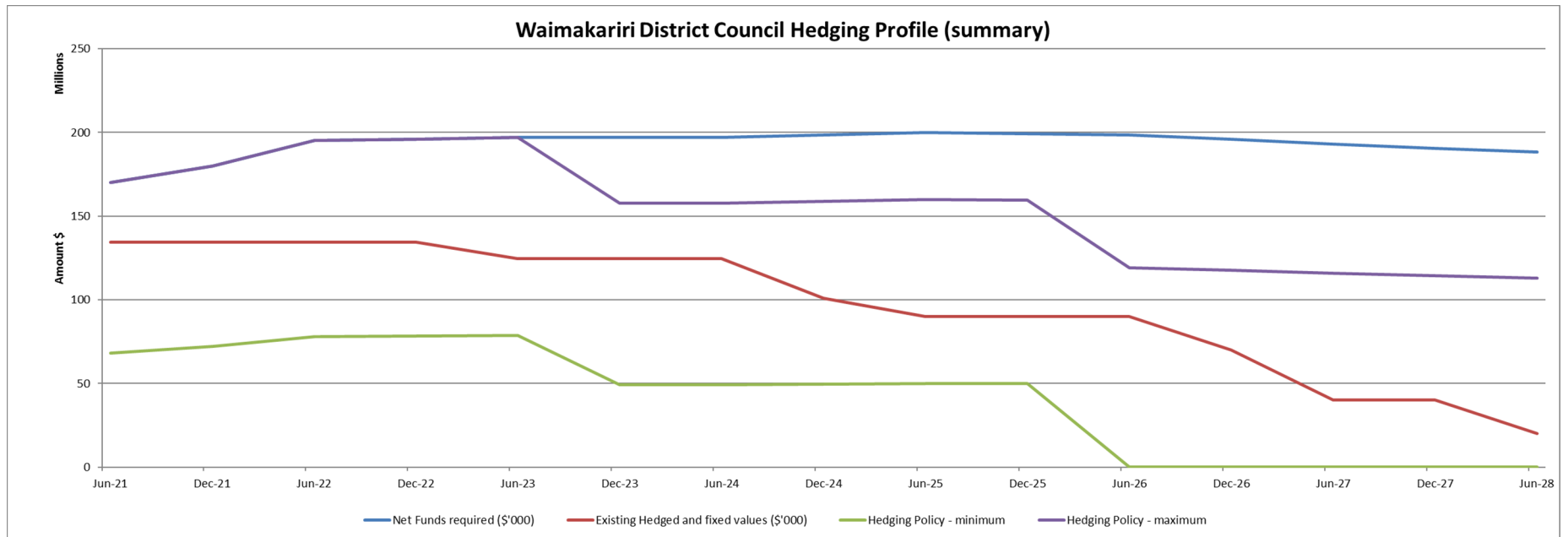
Key Measures

	Actual as at 30 June 2021		Year End Estimated Level	Per Policy
External term debt to total assets	8.6%	✓	9.0%	15% maximum
Interest expense to gross operating revenue	4.9%	✓	6.5%	15% maximum
Interest expense to rates Revenue	8.5%	✓	9.3%	25% maximum
Net cash inflow from operating activities exceeds gross annual interest expense by two times	7.1	✓	5.3	2.0 minimum
Liquidity ratio of not less than 1.1:1	1.7	✓	1.4	1.1 minimum

SUMMARY OF LOANS HELD - as at

30 June 2021

Bonds	Classification	Maturity Date	Value (\$)	
BOND ISSUED \$10M 28/08/17 FOR FIVE YEARS	Non Current	15-Aug-22	10,000,000	
BOND ISSUED \$10M 28/08/17 FOR SEVEN YEARS	Non Current	15-Aug-24	10,000,000	
BOND ISSUED \$10 17/05/21 FOR EIGHT YEARS	Non Current	20-Apr-29	10,000,000	
BOND ISSUED \$10M 15/05/17 FOR NINE YEARS	Non Current	15-May-26	10,000,000	
BOND ISSUED \$10M 17/05/21 FOR SEVEN YEARS	Non Current	20-Apr-29	10,000,000	
BOND ISSUED \$5M 14/05/14 FOR NINE YEARS	Non Current	15-Apr-23	5,000,000	
BOND ISSUED \$10M 14/05/14 FOR NINE YEARS	Non Current	15-Apr-23	10,000,000	
BOND ISSUED \$10M 27/08/18 FOR THREE AND HALF YEARS	Current	14-Apr-22	10,000,000	
BOND ISSUED \$10M 27/08/18 FOR SIX AND HALF YEARS	Non Current	15-Apr-25	10,000,000	
BOND ISSUED \$5M 17/05/21 FOR SEVEN YEARS	Non Current	15-May-28	15,000,000	
BOND ISSUED \$5M 10/11/14 FOR NINE YEARS	Non Current	15-Apr-23	5,000,000	
BOND ISSUED \$5M 15/04/20 FOR FOUR YEARS	Non current	15-Apr-24	5,000,000	
BOND ISSUED \$5M 16/03/2015 FOR TWELVE YEARS	Non Current	15-Apr-27	5,000,000	
BOND ISSUED \$10M 03/06/2015 FOR TWELVE YEARS	Non Current	15-Apr-27	10,000,000	
BOND ISSUED \$10M 24/08/2015 FOR TEN YEARS	Non Current	15-Aug-25	10,000,000	
BOND ISSUED \$10M 11/12/2018 FOR THREE AND HALF YEARS	Current	14-Apr-22	10,000,000	
BOND ISSUED \$10M 10/06/2020 FOR THREE AND HALF YEARS	Non Current	10-Oct-23	10,000,000	
BOND ISSUED \$10M 10/02/2020 FOR FOUR YEARS	Non Current	15-Apr-24	5,000,000	
BOND ISSUED \$10M 10/06/2020 FOR SEVEN AND HALF YEARS	Non Current	10-Oct-27	10,000,000	
Total External Borrowing			170,000,000	✓
Year End Budget - External Borrowing			182,592,095	



Period end	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25	Jun-26	Dec-26	Jun-27	Dec-27	Jun-28
Net Funds required (\$'000)	170,000	180,000	195,161	196,094	197,027	197,013	196,999	198,402	199,804	199,235	198,665	195,925	193,185	190,688	188,190
Hedged and fixed values (\$'000)	134,500	134,500	134,500	134,500	124,500	124,500	124,500	101,000	90,000	90,000	90,000	70,000	40,000	40,000	20,000
Hedging Policy - minimum	40%	40%	40%	40%	40%	25%	25%	25%	25%	25%	0%	0%	0%	0%	0%
Hedging Policy - maximum	100%	100%	100%	100%	100%	80%	80%	80%	80%	80%	60%	60%	60%	60%	60%
Actual	79%	75%	69%	69%	63%	63%	63%	51%	45%	45%	45%	36%	21%	21%	11%

The Hedging and fixed interest loans are those currently in place.

The Council will adjust its hedging levels over time as necessary depending on external debt levels

Governance

for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
General Rates	2,447	1,919	1,925	6	0%
Targeted Rates	666	666	669	3	0%
Subsidies and grants	-	-	3	3	
Fees and Charges	15	15	51	36	240%
TOTAL REVENUE	3,128	2,600	2,648	48	2%
OPERATING EXPENDITURE					
Council	2,458	2,458	2,308	(150)	(6%)
Community Boards, Ward Advisory Board	665	676	600	(76)	(11%)
	3,123	3,134	2,908	(226)	(7%)
Internal Interest Elimination					
TOTAL OPERATING EXPENDITURE	3,123	3,134	2,908	(226)	(7%)
OPERATING SURPLUS (DEFICIT)	5	(534)	(260)	274	(51%)

Significant Variances - Operating

Variance

\$'000

() = unfavourable

NOTE: Revised Rates figure reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to table A below.

Revenue

Fees and Charges

Rates penalties more than budgeted and Ecan's share of Honorariums for Waimakariri Water Zone Committee not budgeted.

36

Expenditure

Council

Various budgets were underspent this year (i.e. printing, external consultant engagements and election representation review). The election representation review is expected to be completed in the 1st half of the new financial year.

150

Please be aware the deficit incurred is covered by the rates transfer as showed in table A.

Governance - YTD Expenditure against Budget

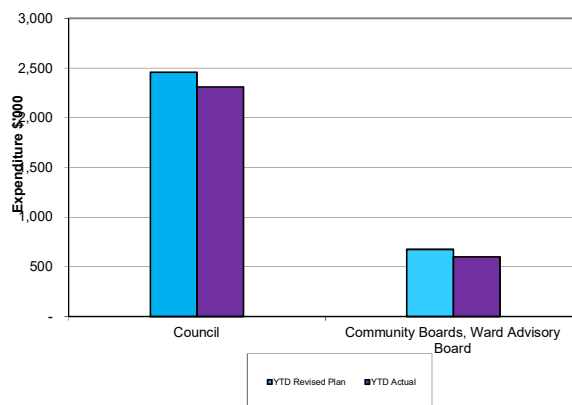


Table A

General Rate Transfers

	Revised Rates Levied \$	Revised Transfer from Reserves \$	Total Including transfer 2020/21 \$	Budget General Rates 2020/21 \$
Activity				
Governance	1,919	528	2,447	2,447
District Development	3,366	925	4,291	4,291
Sewerage and the Treatment and Disposal of Sewage	23	6	29	29
Drainage	510	140	650	650
Recreation	648	178	826	826
Community Protection	1,693	465	2,158	2,158
Community Development	573	157	730	730
Covid 19 loan (Non significant activity)	213	58	271	271
Solid Waste	821	225	1,046	1,046
	9,766	2,682	12,448	12,448

District Development
for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
General Rates	4,291	3,366	3,375	9	0%
Targeted Rates	167	167	165	(2)	(1%)
Subsidies	-	-	3	3	
Fees and Charges	715	715	1,827	1,112	156%
TOTAL REVENUE	5,173	4,248	5,370	1,122	26%
OPERATING EXPENDITURE					
District Development	2,151	2,151	2,404	253	12%
Policy and Strategy	1,650	1,650	1,652	2	0%
Plan Administration	2,018	2,018	2,816	798	40%
District Promotion	596	596	650	54	9%
Economic Development	290	290	278	(12)	(4%)
	6,705	6,705	7,800	1,095	16%
Internal Interest Elimination	70	45	45	-	0%
TOTAL OPERATING EXPENDITURE	6,635	6,660	7,755	1,095	16%
OPERATING SURPLUS (DEFICIT)	(1,462)	(2,412)	(2,385)	27	(1%)

Significant Variances - Operating

Variance
\$'000

() = unfavourable

Revenue

Fees and charges

Rates penalties were over the budget.
Resource consents revenue was over budget due to high work volume during the period.
The budget assumed a 20% reduction in work volume due to Covid-19.

24
1,087

NOTE: Revised General Rates budget reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to Table A - Governance.

Expenditure

District Development

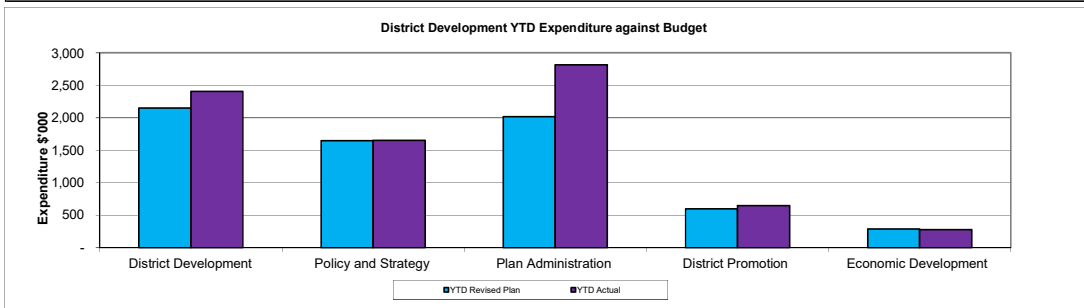
Costs incurred on District Plan review more than budgeted.
Council's contribution to the Greater Christchurch 2050 project not budgeted.

(119)
(146)

Plan Administration

Expenditure more than budget due to increased workload covered by increased resource consent revenue. Additional costs were incurred due to employment of external consultants.

(798)



	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL
	\$'000	\$'000	\$'000
CAPITAL EXPENDITURE			
Capital Projects			
Computers - Strategy & Policy	-	-	2
Cellphone - Strategy & Policy	-	-	1
Cellphones - Planning & Regulation	-	-	1
Cellphones - Communications & Engagement	-	-	1
	-	-	5
Loan Repayments			
Policy and Strategy	5	5	5
District Development	133	133	263
Plan Administration	34	34	36
	172	172	304
TOTAL CAPITAL EXPENDITURE	172	172	309

Significant Variances - Capital

Variance
\$'000

() = unfavourable

Variances against full year revised budget:

District Development

A loan of \$1.1m was raised at 30 June 20 for District Plan review. The new loan raised was to be repaid in 10 years.

(130)

Roading
for the period ended 30 June 2021

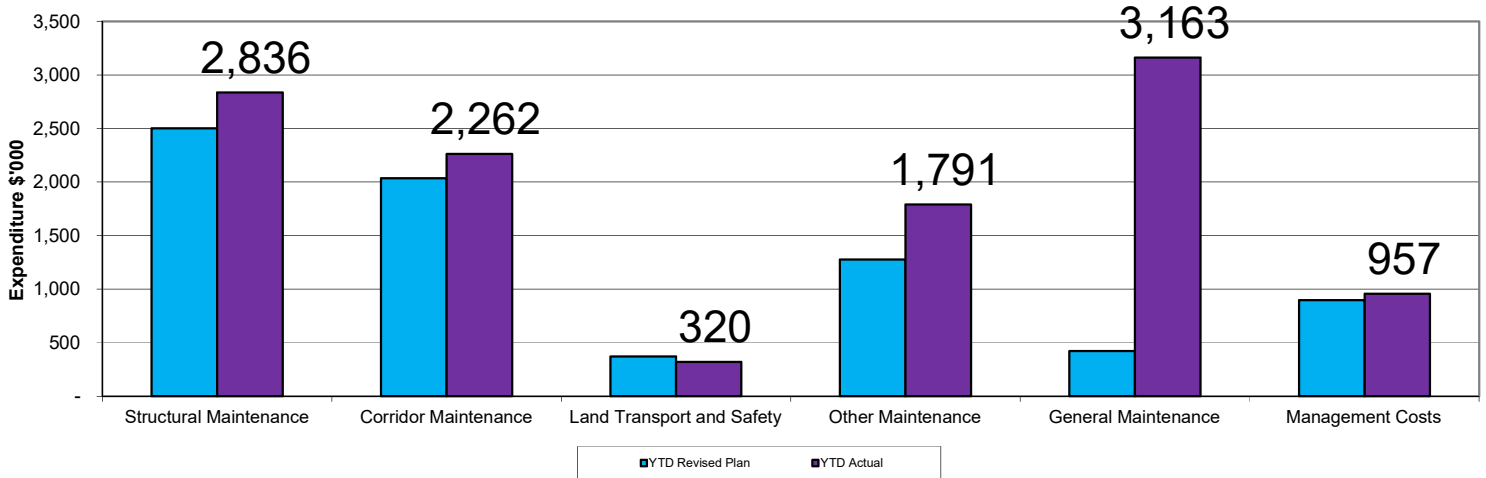
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
Roading Rates	11,890	11,869	11,968	99	1%
Fees and Charges	134	134	1,167	1,033	771%
Petrol Tax	360	360	329	(31)	(9%)
Subsidies	11,832	11,832	12,044	212	2%
Interest	8	-	-	-	
Development Contributions	2,978	2,978	3,318	340	11%
TOTAL REVENUE	27,202	27,173	28,826	1,653	6%
OPERATING EXPENDITURE					
Subsidised Maintenance					
Structural Maintenance	2,657	2,501	2,836	335	13%
Corridor Maintenance	2,037	2,037	2,262	225	11%
Land Transport and Safety	546	371	320	(51)	(14%)
Other Maintenance	1,275	1,275	1,791	516	40%
Unsubsidised Expenditure					
General Maintenance	299	423	3,163	2,740	648%
Management Costs	803	896	957	61	7%
Interest	1,120	1,120	1,102	(18)	(2%)
Depreciation	11,550	11,550	10,074	(1,476)	(13%)
Indirect Expenditure	1,796	1,735	1,779	44	3%
	22,083	21,908	24,284	2,376	700%
Internal Interest Elimination	59	333	327	(6)	(2%)
TOTAL OPERATING EXPENDITURE	22,024	21,575	23,957	2,382	11%
OPERATING SURPLUS (DEFICIT)	5,178	5,598	4,869	(729)	(13%)

Significant Variances - Operating

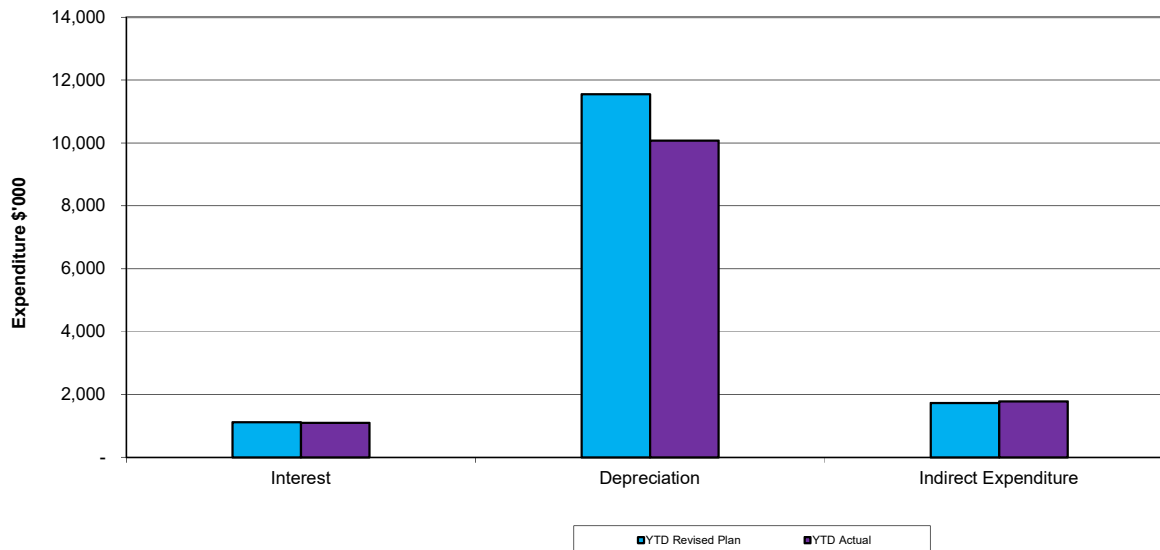
		Variance \$'000 () = unfavourable
<u>Revenue</u>		
Fees and Charges	Recoveries from private works/3rd parties (including revenue from road opening notices, vehicle crossings and share of street lighting maintenance & renewals) were over budget. \$369k was received from Hurunui District Council for street lighting maintenance & renewals.	692
	Reimbursement of legal costs from the New World Service Lane project.	108
	Receipts from Daniel Smith Industries Ltd towards Flaxton/Fernside intersection.	127
	Rates penalties more than budget.	75
Subsidies	Additional subsidies accrued at year end for the May 21 flood event (for costs incurred to June	212
Development Contributions	Development contributions were over budget mainly due to developments in Woodend (Ravenswood) and Kaiapoi (Silverstream).	340
<u>Expenditure</u>		
Structural Maintenance/Corridor Maintenance	Various maintenance budgets were overspent (i.e. sealed pavement, drainage maintenance, pavement marking and snow, ice and flood). Council reduced its road renewal programme (capex) to cover the opex deficit (Council's net spending did not increase). NZTA subsidies stayed same.	(560)
Other Maintenance	Costs incurred due to the May 21 flood event that was 51% covered by NZTA.	(516)

General Maintenance	Costs incurred on private/3rd parties works (including costs on road opening notices/vehicle crossings/street lighting maintenance & renewals) that were recoverable (refer to fees and charges). Costs on street lighting maintenance & renewals were shared with NZTA and Hurunui District Council.	(634)
	Additional overhead share to cover costs incurred on review of Rangiora Eastern Link Designation.	(258)
	Capital expended from roading capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(1,805)
Depreciation	Depreciation expenditure was less than what was budgeted due to revaluation decrease (drop in unit costs) of Council's roading assets at 30 June 2020.	1,476

Roading YTD Direct Expenditure against Budget



Roading YTD Interest, Depreciation and Indirect Expenditure against Budget



Water and Stockwater
for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
Targeted Rates	7,770	7,770	7,799	29	0%
Fees and Charges	115	286	577	291	102%
Interest	49	29	15	(14)	(48%)
Development Contributions	2,029	2,029	1,552	(477)	(24%)
TOTAL REVENUE	9,963	10,114	9,943	(171)	(2%)
OPERATING EXPENDITURE					
Rangiora	2,654	2,654	2,799	145	5%
Woodend/Pegasus	1,214	1,214	1,349	135	11%
Waikuku	207	207	197	(10)	(5%)
Fernside	10	10	12	2	20%
Ohoka	143	143	136	(7)	(5%)
Mandeville	494	494	470	(24)	(5%)
Kaiapoi/Pines Kairaki	1,320	1,320	1,437	117	9%
North East Kaiapoi Structure Plan Area	4	4	4	-	0%
Oxford No 1 Rural	656	656	672	16	2%
Oxford No 2 Rural	412	412	395	(17)	(4%)
Oxford	470	470	498	28	6%
Summerhill	216	216	225	9	4%
Cust	127	127	142	15	12%
Poyntz Road	65	65	65	-	0%
West Eyreton	72	72	87	15	21%
Garrymere	64	64	119	55	86%
District Water	79	79	181	102	129%
Water Race	483	483	520	37	8%
	8,690	8,690	9,307	617	7%
Internal Interest Elimination	356	263	254	(9)	(3%)
TOTAL OPERATING EXPENDITURE	8,334	8,427	9,053	626	7%
OPERATING SURPLUS (DEFICIT)	1,629	1,687	890	(797)	(47%)

Significant Variances - Operating

Variance

\$'000

()= unfavourable

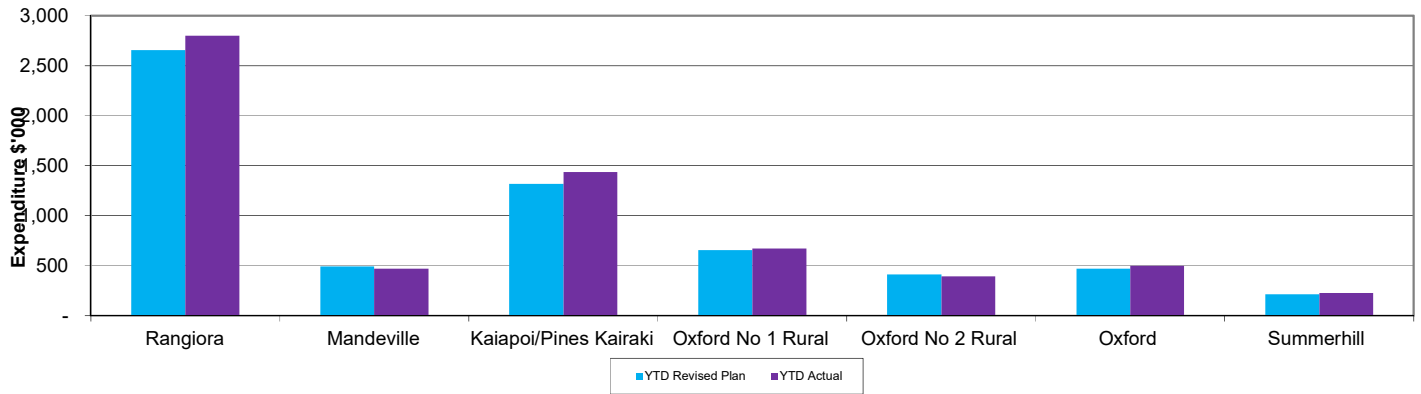
Revenue

Fees and Charges	Fees and charges were more than budgeted as connection fees received (to connect to Council's infrastructural services) were more than the forecast.	291
Development Contributions	Development contributions are less than budgeted as the major developments wait to get to the next stage of their development.	(477)

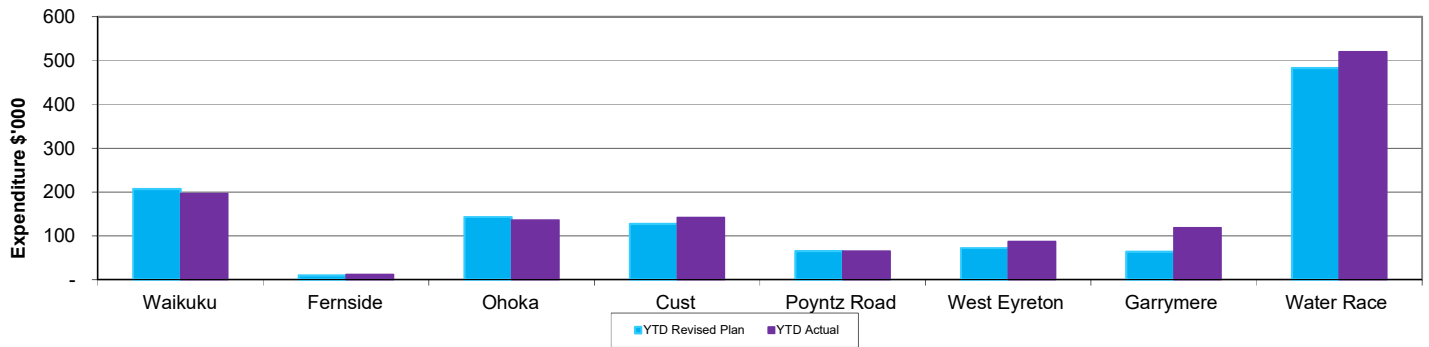
Expenditure

Rangiora	Expenditure more than budgeted due to asset deletions as a result of capital renewal programme. In addition depreciation is more than budget due to revaluation increase of Council's water assets at 30 June 2020.	(145)
Woodend/Pegasus	Depreciation expenditure was more than what was budgeted due to revaluation increase of Council's water assets at 30 June 2020.	(135)
Kaiapoi/Pines Kairaki	Expenditure more than budgeted due to asset deletions as a result of capital renewal programme.	(71)
	Depreciation expenditure was more than what was budgeted due to revaluation increase of Council's water assets at 30 June 2020.	(66)
District Water	Capital expensed from water capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(102)
Garrymere	Loss on asset deletions due to capital renewal programme not budgeted.	(18)
	Depreciation more than budget due to revaluation as at 30 June 2020.	(9)
	Maintenance costs on headworks more than budgeted.	(25)

Water and Stockwater YTD Expenditure against Budget



Water and Stockwater YTD Expenditure against Budget

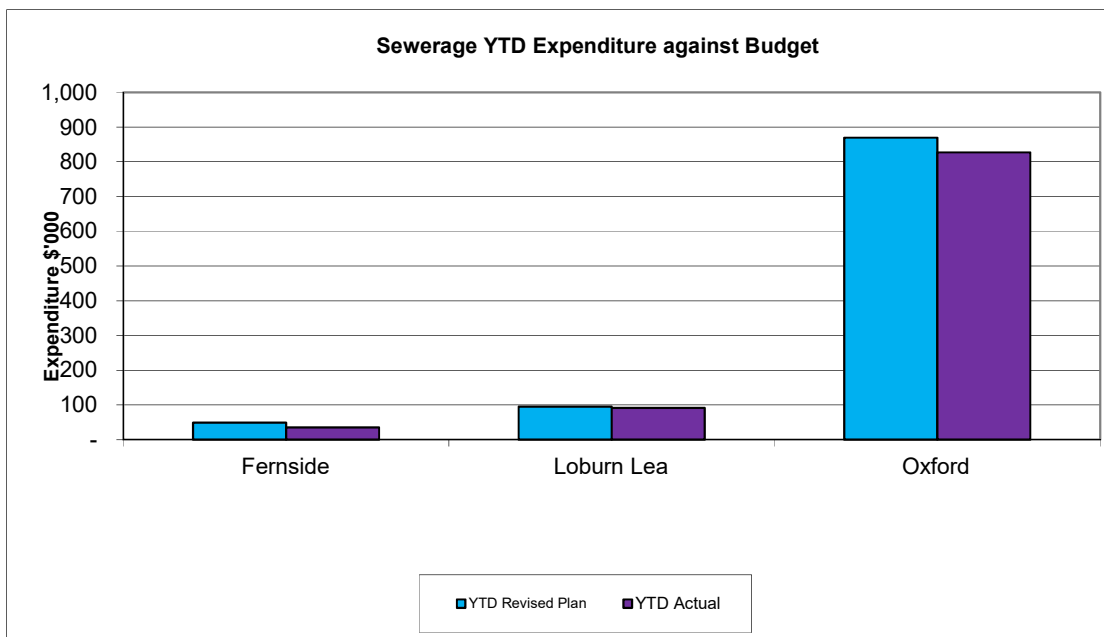
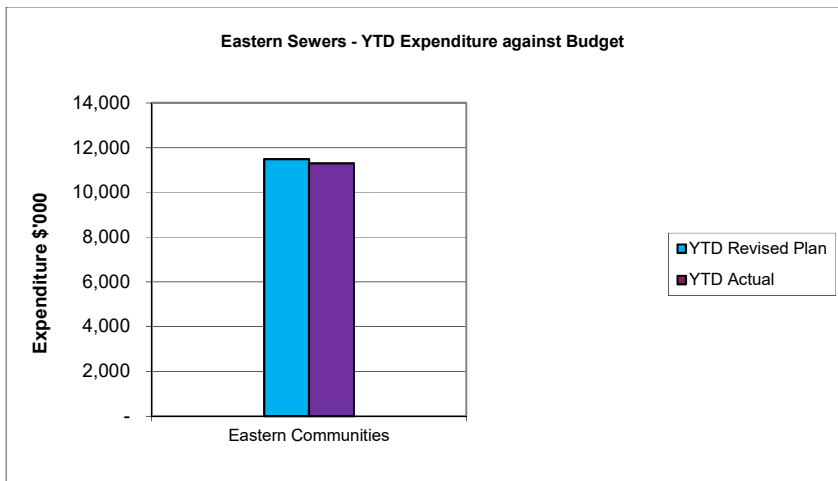


Sewerage
for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$' 000	\$' 000	\$' 000	\$'000	%
REVENUE					
General Rates	29	23	23	-	0%
Targeted Rates	9,512	9,562	9,642	80	1%
Stimulus Funding (Govt Subsidies)	-	4,010	4,476	466	12%
Fees and Charges	341	447	331	(116)	(26%)
Interest	32	32	41	9	28%
Development contributions	3,851	3,851	2,614	(1,237)	(32%)
TOTAL REVENUE	13,765	17,925	17,127	(798)	(4%)
OPERATING EXPENDITURE					
Stimulus Funding	-	553	346	(207)	(37%)
Eastern Communities	11,486	11,486	11,304	(182)	(2%)
Southbrook	59	59	35	(24)	(41%)
East Rangiora	43	43	42	(1)	(2%)
Ohoka Utilities	5	5	5	-	0%
East Woodend	17	17	2	(15)	(88%)
West Rangiora Structure Plan Area	73	73	72	(1)	(1%)
West Kaiapoi Structure Plan Area	3	3	3	-	0%
North Kaiapoi Area A	5	5	2	(3)	(60%)
Fernside	49	49	35	(14)	(29%)
Loburn Lea	95	95	91	(4)	(4%)
Oxford	869	869	827	(42)	(5%)
	12,704	13,257	12,759	(498)	(4%)
Internal Interest Elimination	436	352	319	(33)	(9%)
TOTAL OPERATING EXPENDITURE	12,268	12,905	12,440	(465)	(4%)
OPERATING SURPLUS (DEFICIT)	1,497	5,020	4,687	(333)	(7%)

Significant Variances - Operating
Variance
\$'000
() = unfavourable

<u>Revenue</u>		
Stimulus Funding	Additional claim has been made based on costs incurred to June 2021.	466
Fees and charges	Revenue from trade waste discharge less than budget.	(116)
Development contributions	Development contributions are less than budgeted as the major developments wait to get to the next stage of their development.	(1,237)
<u>Expenditure</u>		
Stimulus Funding	Unspent budget on operational programme will be carried over to 2021/22.	207
Eastern Communities	Costs incurred on asset management services less than budget.	143
	Power costs less than YTD budget. Plant and equipment usage at various treatment plant sites was reduced to achieve power efficiency. This exercise is being tested and analysed.	310
	Less costs were incurred on network maintenance. Less reactive maintenance works were required.	200
	Capital expended from sewer capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(161)
	Loss on asset deletions due to capital renewal programme not budgeted.	(306)



Drainage**for the period ended 30 June 2021**

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$ 000	\$ 000	\$ 000	\$ 000	%
REVENUE					
General Rates	650	510	511	1	0%
Targeted Rates	4,295	4,295	4,318	23	1%
Shovel Ready Funding (Govt subsidies)	-	843	1,516	673	80%
Fees and Charges	21	21	45	24	114%
Interest	58	18	12	(6)	(33%)
Development Contributions	1,468	1,468	744	(724)	(49%)
TOTAL REVENUE	6,492	7,155	7,146	(9)	(0%)
OPERATING EXPENDITURE					
Shovel Ready Funding	-	178	195	17	10%
District Drainage	503	317	224	(93)	(29%)
Water Zone	152	142	74	(68)	(48%)
Rangiora	1,534	1,534	1,535	1	0%
Southbrook	132	132	167	35	27%
East Rangiora	34	16	68	52	325%
West Rangiora Structure Plan Area	55	55	53	(2)	(4%)
Coastal Urban	335	335	653	318	95%
East Woodend	2	2	2	-	0%
Pegasus	378	378	246	(132)	(35%)
Kaiapoi	1,426	1,393	1,400	7	1%
Kaiapoi - Area A	1	1	-	(1)	(100%)
Oxford	75	75	61	(14)	(19%)
Ohoka Rural	292	292	412	120	41%
Mill Rd ODP	2	2	-	(2)	(100%)
Loburn Lea	25	25	19	(6)	(24%)
Oxford Rural	48	48	54	6	13%
Clarkville	46	46	31	(15)	(33%)
Coastal Rural	128	128	142	14	11%
Central Rural	114	114	121	7	6%
Cust	8	8	6	(2)	(25%)
	5,290	5,221	5,463	242	5%
Internal Interest Elimination	266	235	260	25	11%
TOTAL OPERATING EXPENDITURE	5,024	4,986	5,203	217	4%
OPERATING SURPLUS (DEFICIT)	1,468	2,169	1,943	(226)	(10%)

Significant Variances - Operating**Variance****\$'000****() = unfavourable**Revenue

Shovel Ready Funding	Revenue recognised based on costs incurred on Shovel Ready projects.	673
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Development Contributions	Development contributions are less than budgeted as the major developments wait to get to the next stage of their development.	(724)
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NOTE: Revised General Rates budget reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to Table A - Governance.

Expenditure

Coastal Urban	Asset deletions as a result of capital renewal programme.	(211)
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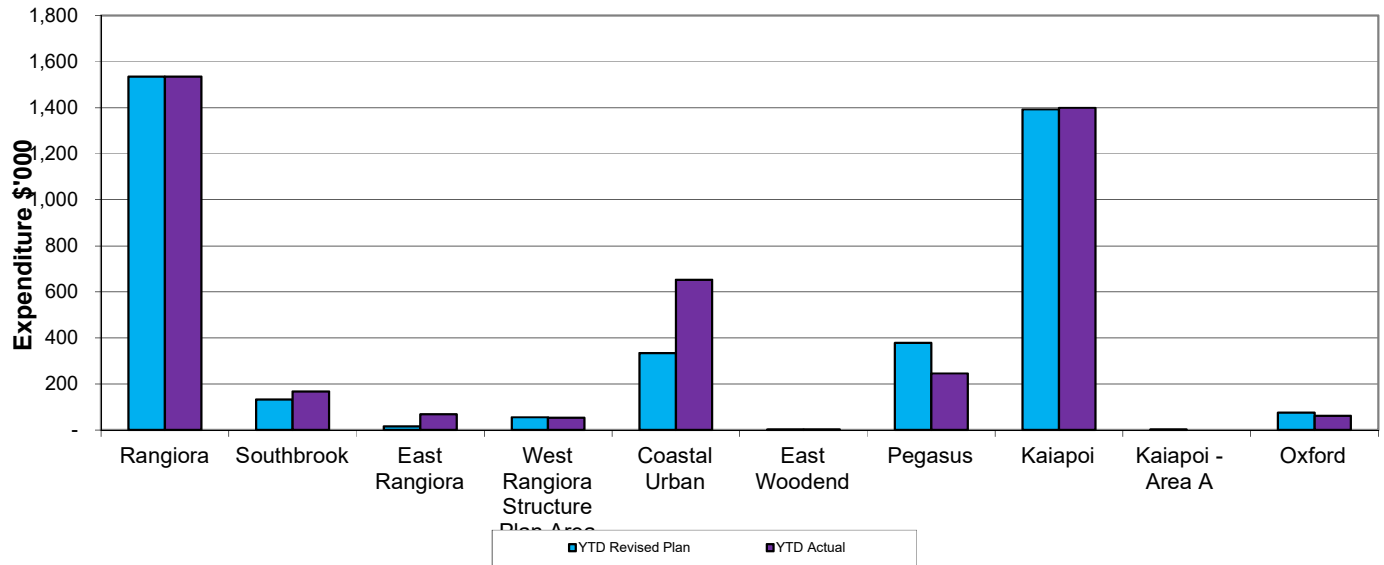
	Capital expensed from drainage capital projects not budgeted. The costs incurred did not meet the capitalisation rules.	(35)
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	Costs incurred on emergency responses due to the May 2021 flood event not budgeted.	(38)
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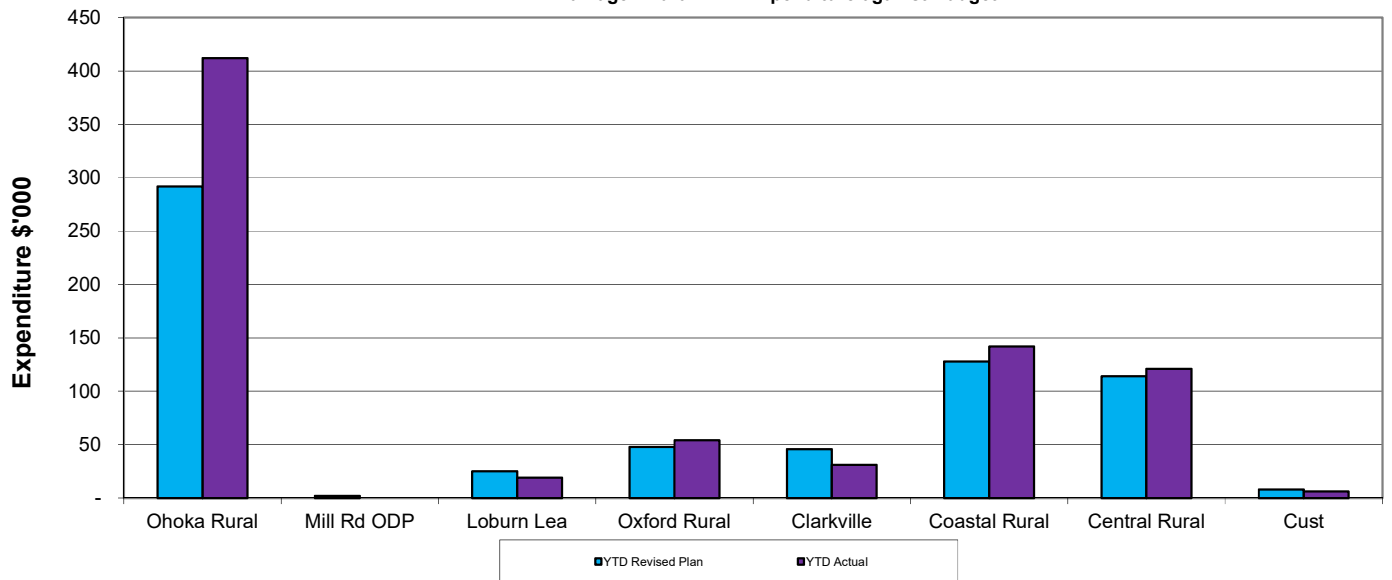
Pegasus	Less costs were incurred on network maintenance and resource consent compliance than budgeted.	132
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Ohoka Rural	Expenditure more than budget mainly due to capital expensed from capital projects.	(120)
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Drainage - Urban YTD Expenditure against Budget



Drainage - Rural YTD Expenditure against Budget



Refuse and Recycling for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
General Rates	1,046	821	823	2	0%
Targeted Rates	3,772	3,772	3,992	220	6%
Fees and Charges	4,229	4,229	5,378	1,149	27%
Interest	9	9	7	(2)	(22%)
Waste Minimisation charges	241	241	219	(22)	(9%)
TOTAL REVENUE	9,297	9,072	10,419	1,347	15%
OPERATING EXPENDITURE					
Disposal	4,640	4,640	5,183	543	12%
Collection	4,418	4,440	4,608	168	4%
Waste Minimisation	243	243	216	(27)	(11%)
	9,301	9,323	10,007	684	7%
Internal Interest Elimination	34	17	14	(3)	(18%)
TOTAL OPERATING EXPENDITURE	9,267	9,306	9,993	687	7%
OPERATING SURPLUS (DEFICIT)	30	(234)	426	660	(282%)

Significant Variances - Operating

Variance

\$'000

()= unfavourable

Revenue

Targeted Rates	More residents have joined in the 3 bins programme than expected.	220
Fees and charges	Transfer station gate sales were more than budget due to development activities in the district and charges on contaminated recycling that were not budgeted. The charges on contaminated recycling (\$577k) are offset by increased refuse disposal costs to Kate Valley.	977
	Wheelie bin fees also more than budget as more residents joined in the 3 bins programme.	141

NOTE: Revised General Rates budget reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to Table A - Governance.

Expenditure

Disposal	Refuse to landfill more than budgeted mainly due to contaminated recycling from kerbside collection.	(435)
	Transportation costs (from transfer stations to Kate Valley, Living Earth and Ecocentral) more than budget due to increased waste volume.	(150)
Collection	More residents joined in the 3 bins programme resulting in more collection costs.	(127)
	Charges on contaminated recycling by Southbrook Transfer Station not budgeted.	(577)
	Less processing costs incurred as a big portion of recycling collected was contaminated and treated as refuse. The processing fee charged by Ecocentral also dropped in Jan 2021.	547

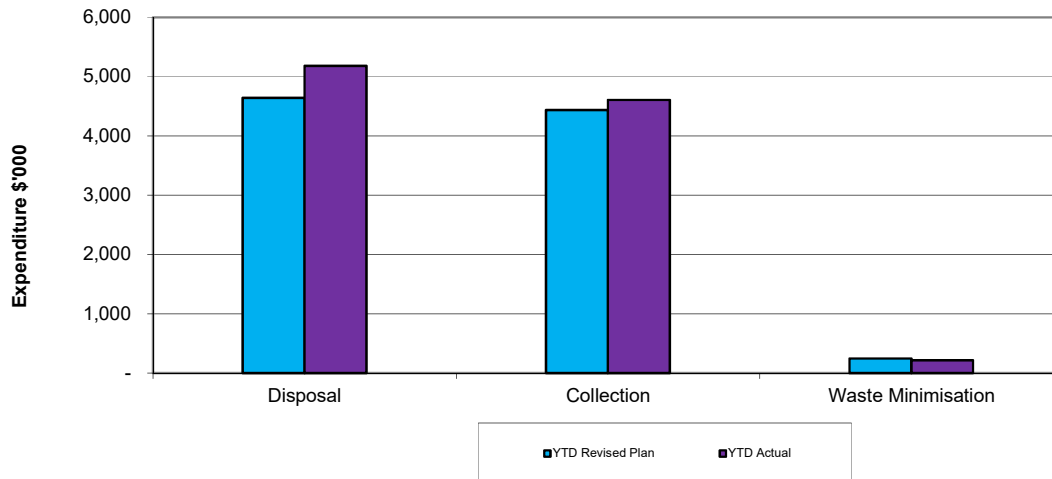
More disposal costs were incurred on refuse/greenwaste from kerbside collection due to increased bins.

(59)

Costs incurred on kerbside collection management/promotions were less than budgeted.

50

Refuse and Recycling YTD Expenditure against Budget

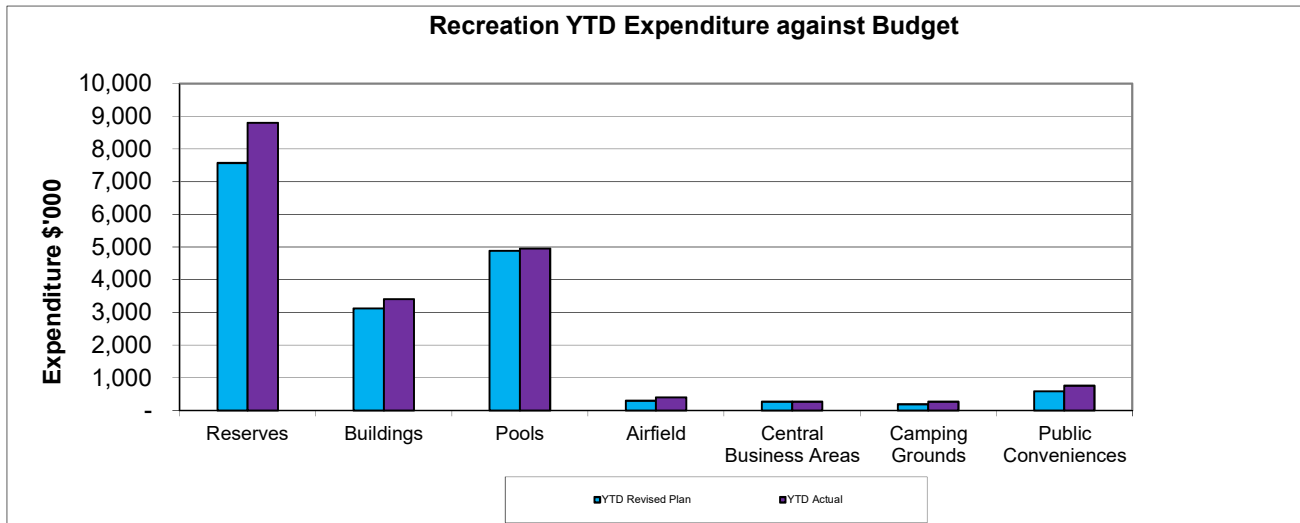


Recreation**for the period ended 30 June 2021**

	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	CURRENT YEAR		
			ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$' 000	\$' 000	\$' 000	\$'000	%
REVENUE					
General Rates	826	648	650	2	0%
Targeted Community Services Rates	13,777	13,747	13,731	(16)	(0%)
Targeted Rates	55	55	57	2	4%
Revaluation gain on investment properties	-	-	155	155	0%
Fees and Charges	1,832	1,852	2,206	354	19%
Subsidies and grants	-	184	235	51	28%
Development Contributions	3,146	3,146	2,153	(993)	(32%)
TOTAL REVENUE	19,636	19,632	19,187	(445)	(2%)
OPERATING EXPENDITURE					
Reserves	7,540	7,567	8,797	1,230	16%
Airfield	300	300	397	97	32%
Buildings	3,120	3,121	3,405	284	9%
Pools	4,885	4,885	4,952	67	1%
Central Business Areas	270	270	267	(3)	(1%)
Camping Grounds	193	193	269	76	39%
Community Grants	1,033	548	472	(76)	(14%)
Public Conveniences	583	583	758	175	30%
	17,924	17,467	19,317	1,850	11%
Internal Interest Elimination	140	414	423	9	2%
TOTAL OPERATING EXPENDITURE	17,784	17,053	18,894	1,841	11%
OPERATING SURPLUS (DEFICIT)	1,852	2,579	293	(2,286)	(89%)

Significant Variances - Operating**Variance****\$'000****() = unfavourable**

<u>Revenue</u>			
Fees and Charges	Rates penalties more than budgeted.		91
	Partnering to Plant Funding Grant for two short term employees to work in Silverstream not budgeted.		136
	Revenue from facility hire more than budgeted.		85
Revaluation gain on investment properties	Revaluation gain on airfield properties not budgeted. The revaluation was performed as at 30 June 21.		155
Development Contributions	Development contributions are less than budgeted as the major developments wait to get to the next stage of 1		(993)
NOTE: Revised General Rates budget reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to Table A - Governance.			
<u>Expenditure</u>			
Reserves	Asset deletions due to capital renewal programme not budgeted.		(709)
	Expenditure on Partnering to Plant for two short term employees to work in Silverstream not budgeted.		(106)
	Capital expended from recreation capital projects not budgeted.		(56)
	Costs incurred on grass cutting more than budget due to wet/warm weather.		(148)
	Costs incurred on repairs/maintenance of playground/camping ground facilities due to storm/flood.		(121)
	Costs incurred from vandalism.		(57)
Buildings	Capital expended from various building capital projects not budgeted.		(142)
	Costs incurred on cleaning/pest control more than budgeted.		(82)
	Asset deletions not budgeted.		(13)
Public Conveniences	Costs incurred from vandalism.		(69)
	Maintenance costs more than budgeted.		(55)

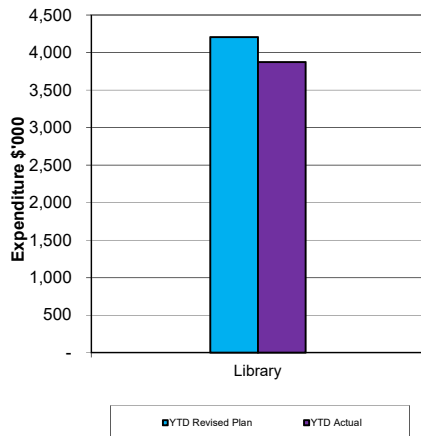


Libraries and Museums
for the period ended 30 June 2021

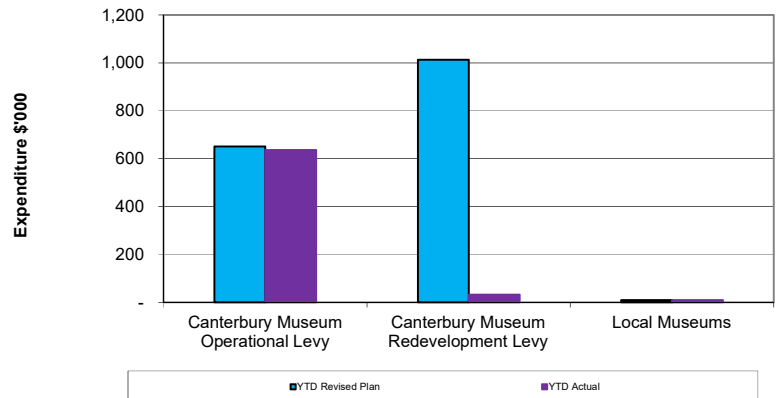
	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/REVISED
	\$' 000	\$' 000	\$' 000	\$'000	%
REVENUE					
Targeted Community Services Rates	3,884	3,880	3,881	1	0%
Targeted Rates	731	731	735	4	1%
Fees and Charges	134	134	159	25	19%
Subsidies and Grants	-	-	153	153	
Interest	4	4	3	(1)	(25%)
TOTAL REVENUE	4,753	4,749	4,931	182	4%
OPERATING EXPENDITURE					
Library	4,205	4,205	3,872	(333)	(8%)
Canterbury Museum Operational Levy	651	651	636	(15)	(2%)
Canterbury Museum Redevelopment Levy	1,014	1,014	32	(982)	(97%)
Local Museums	9	9	10	1	11%
	5,879	5,879	4,550	(1,329)	(23%)
Internal Interest Elimination	10	5	4	(1)	(20%)
TOTAL OPERATING EXPENDITURE	5,869	5,874	4,546	(1,328)	(23%)
OPERATING SURPLUS (DEFICIT)	(1,116)	(1,125)	385	1,510	(134%)

Significant Variances		Variance \$'000 () = unfavourable
<u>Revenue</u>		
Subsidies and Grants	Grants for New Zealand Libraries Partnership Programme not budgeted.	153
<u>Expenditure</u>		
Library	Depreciation less than budgeted	166
	Maintenance, electricity and security spending less than budgeted.	163
Canterbury Museum Redevelopment Levy	The detailed design work of the Canterbury Museum Project has been delayed. The Canterbury Museum Trust Board has advised that redevelopment levies will not be called until July 2021.	982

Library YTD Expenditure against Budget



Museum YTD Expenditure against Budget



CAPITAL EXPENDITURE	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL
	\$'000	\$'000	\$'000
Capital Projects			
Resource Purchase	428	509	272
Lost Book Purchases	6	13	-
Rangiora Library Fan Installation	20	20	-
Rangiora Library Heating Replacement	400	400	239
Cellphones - Library	-	-	1
Library Computer Purchase	-	-	4
Kaiapoi Library Security Cameras	-	-	6
Library Furniture and Fittings	54	54	30
	908	996	552
Loan repayments			
Library	21	21	20
	21	21	20
TOTAL CAPITAL EXPENDITURE	929	1,017	572

Significant Variances - Capital	Variance
	\$'000
<u>Variances against year to full year revised budget:</u>	() = unfavourable
Resource Purchase Unspent budget will be carried over to new financial year.	237
Rangiora Library Heating Replacement Project completed under budget.	161

Community Protection for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
General Rates	2,158	1,693	1,698	5	0%
Targeted Rates	48	48	49	1	2%
Subsidies	-	-	1	1	0%
Fees and Charges	5,050	5,050	6,210	1,160	23%
TOTAL REVENUE	7,256	6,791	7,958	1,167	17%
OPERATING EXPENDITURE					
Civil Defence	502	533	569	36	7%
Environmental Health	1,383	1,383	1,360	(23)	(2%)
Building Services	4,700	4,700	5,054	354	8%
Stock Control	43	43	35	(8)	(19%)
Dog Control	633	633	578	(55)	(9%)
Rural Fire	7	7	24	17	243%
Cemeteries	239	239	232	(7)	(3%)
	7,507	7,538	7,852	314	4%
Internal Interest Elimination	-	5	4	(1)	(20%)
TOTAL OPERATING EXPENDITURE	7,507	7,533	7,848	315	4%
OPERATING SURPLUS (DEFICIT)	(251)	(742)	110	852	(115%)

Significant Variances - Operating

Variance

\$'000

() = unfavourable

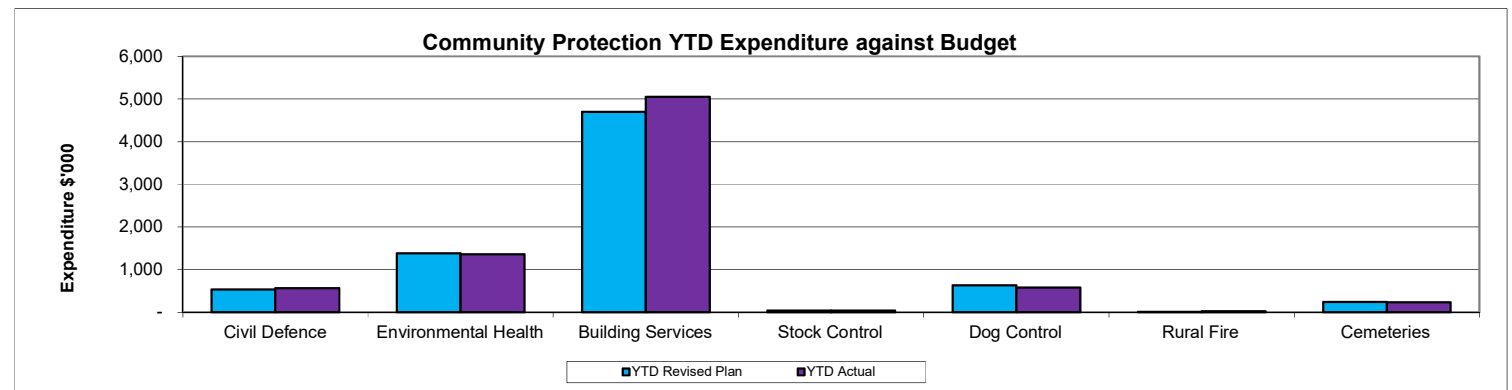
Revenue

Fees and Charges	Revenue from dog registrations/food premises licenses more than budgeted.	80
	Building Unit revenue (from building consents processing/inspections) more than budget due to building	1,033

NOTE: Revised General Rates budget reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to Table A - Governance.

Expenditure

Building Services	Expenditure more than budget due to increased workload covered by increased building consent revenue.	(354)
	Additional costs were incurred due to employment of external consultants/contractors.	



CAPITAL EXPENDITURE	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL
	\$'000	\$'000	\$'000
Capital Projects (Cemeteries capital projects showed on Recreation Capital Report)			
Civil Defence			
Cellphones - Civil Defence	-	-	1
Trailer - flood sandbagging response	-	1	1
Gazebo & Flag NZRT12	-	-	3
	-	1	5
Building Services			
Tablets - Inspections	-	-	2
	-	-	2
	-	1	7
Loan Repayments			
Rural Fire	5	5	24
Civil Defence	37	37	9
	42	42	33
TOTAL CAPITAL EXPENDITURE	42	43	40

Significant Variances - Capital	Variance
	\$'000
<u>Variances against full year revised budget:</u>	() = unfavourable
No significant variances identified.	

Community Development for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
General Rates	730	573	574	1	0%
Interest	4	4	-	(4)	(100%)
Fees and Charges	1,076	1,076	1,037	(39)	(4%)
Gain on sale	-	-	33	33	0%
Subsidies	111	111	94	(17)	(15%)
TOTAL REVENUE	1,921	1,764	1,738	(26)	(1%)
OPERATING EXPENDITURE					
Community Development	622	622	635	13	2%
Crime Prevention	201	201	161	(40)	(20%)
Youth Development	133	133	119	(14)	(11%)
Housing for the Elderly	1,186	1,186	1,129	(57)	(5%)
Community Housing	33	33	33	-	0%
	2,175	2,175	2,077	(98)	(5%)
Internal Interest Elimination	62	53	46	(7)	(13%)
TOTAL OPERATING EXPENDITURE	2,113	2,122	2,031	(91)	(4%)
OPERATING SURPLUS (DEFICIT)	(192)	(358)	(293)	65	(18%)

Significant Variances - Operating

Variance

\$'000

() = unfavourable

Revenue

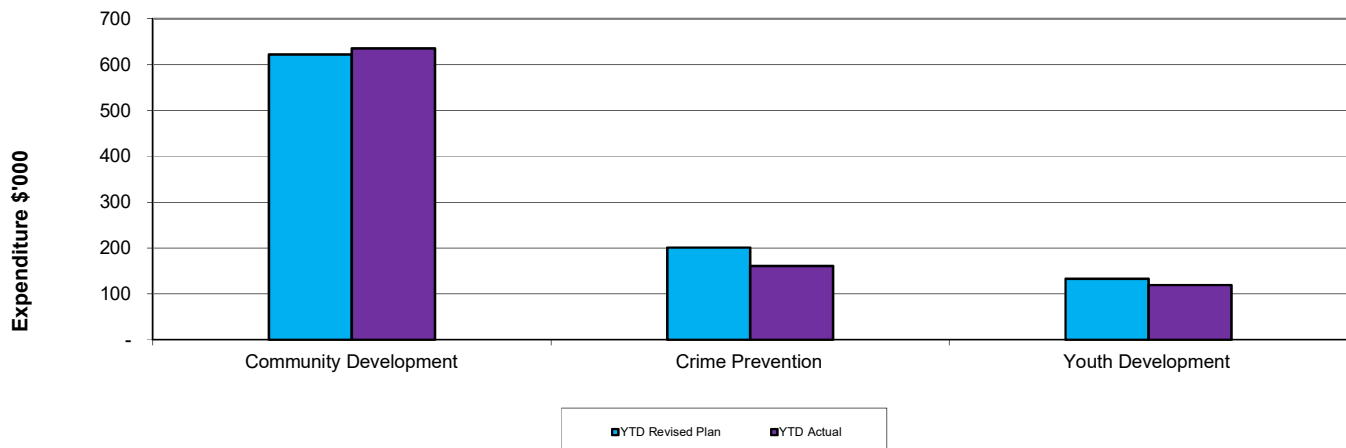
No significant variances identified.

NOTE: Revised General Rates budget reflects that Rates are raised net of investment revenue. The budget is shown excluding any investment revenue. Refer to Table A - Governance.

Expenditure

No significant variances identified.

Community Development YTD Expenditure against Budget



	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL
CAPITAL EXPENDITURE			
	\$'000	\$'000	\$'000
Capital Projects			
Community Development			
Camera Equipment	-	-	2
	-	-	2
Housing for the Elderly			
Unit Refurbishment Programme	204	393	136
Capital - Asset Management Plan	204	221	336
	408	614	472
Loan Repayments			
Housing For the Elderly	110	110	110
	110	110	110
TOTAL CAPITAL EXPENDITURE	518	724	584

Significant Variances - Capital	Variance \$'000
<u>Variances against full year revised budget:</u>	() = unfavourable
Capital works - Housing for the Elderly Unspent budget will be carried over to new financial year.	142

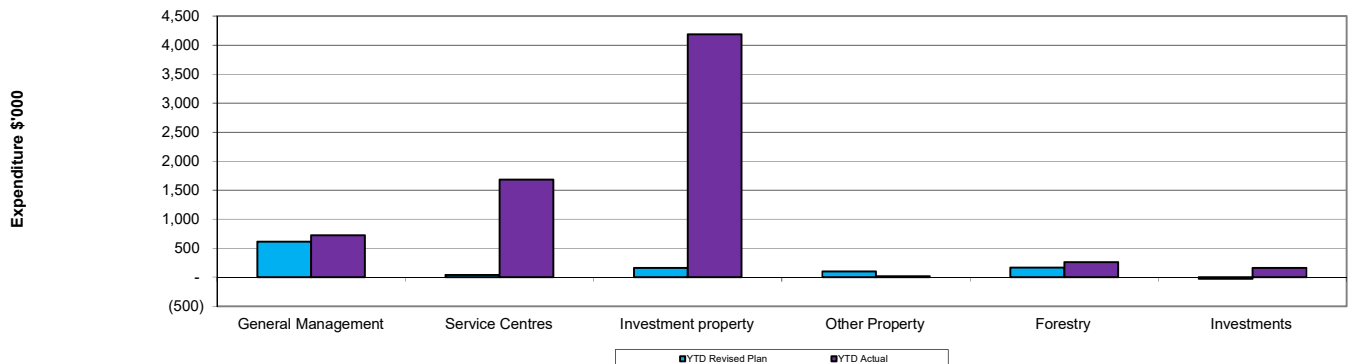
Property & Forestry
for the period ended 30 June 2021

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$' 000	\$' 000	\$' 000	\$'000	%
REVENUE					
Investment property revenue	180	180	187	7	4%
Other revenue	64	64	133	69	108%
Interest	288	38	28	(10)	(26%)
Dividends	600	600	852	252	42%
Gain on sale/Revaluation	145	145	1,118	973	671%
TOTAL REVENUE	1,277	1,027	2,318	1,291	126%
OPERATING EXPENDITURE					
General Management	613	613	721	108	18%
Service Centres	41	41	1,680	1,639	3998%
Investment property	159	159	4,186	4,027	2533%
Other Property	98	98	17	(81)	(83%)
Forestry	167	167	259	92	55%
Investments	(26)	(26)	159	185	(712%)
	1,052	1,052	7,022	5,970	567%
Internal Interest Elimination	29	22	14	(8)	(36%)
TOTAL OPERATING EXPENDITURE	1,023	1,030	7,008	5,978	580%
Less Taxation expense	-	-	-	-	0%
OPERATING SURPLUS (DEFICIT)	254	(3)	(4,690)	(4,687)	156233%

Significant Variances - Operating

			Variance \$'000 () = unfavourable
<u>Revenue</u>			
Dividend	Special dividend received in June not budgeted.		252
Gain on sale/Revaluation			
	Gain on revaluation of forestry assets as at 30 June 21.		902
	Gain on revaluation of investment property as at 30 June 21.		174
	Gain on sale of forestry assets.		42
<u>Expenditure</u>			
Service Centres	Expenditure over budget mainly due to capital expensed from the Rangiora Service Centre refurbishment project.		(1,639)
Investment property	Expenditure over budget mainly due to valuation loss on two land assets in the mixed business area (red zone) that require remediation works based on the specific use. The two land assets are classified as investment property.		(4,027)
Investments	Water unit has incurred a loss. New labour rates will be implemented in the new financial year.		(185)

Property and Investment YTD Expenditure against Budget



CAPITAL EXPENDITURE	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL
	\$'000	\$'000	\$'000
Capital Projects			
Service Centres			
Rangiora Service Centre Upgrade	1,524	2,600	2,736
Commercial Properties			
FENZ Go Bus Site 77 Raven Quay		500	22
	-	500	22
Water Unit			
Water Unit Capital Equipment	117	117	63
	117	117	63
Forestry capital establishment costs			
Forestry capital establishment costs	30	30	51
	30	30	51
Project Delivery Unit			
GPS total station	1	1	1
Cellphones/Computers - PDU	-	-	20
	1	1	21
	1,672	3,248	2,893
Loan Repayments			
Service Centres	35	35	41
Civic Buildings (Commercial Properties)	17	17	-
	52	52	41
TOTAL CAPITAL EXPENDITURE	1,724	3,300	2,934

Significant Variances - Capital	Variance	\$'000
Variances against full year revised budget:		() = unfavourable
FENZ Go Bus Site 77 Raven Quay	Project is on hold. Budget carried over to next financial year.	478

**Earthquake Recovery and regeneration
for the period ended 30 June 2021**

	CURRENT YEAR				
	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$'000	\$'000	\$'000	\$'000	%
REVENUE					
Rates	1,951	1,951	1,934	(17)	(1%)
Other revenue	-	-	-	-	0%
Recovery - Government	-	95	157	62	65%
Recovery - Other	91	-	-	-	0%
NZTA Subsidy	-	-	253	253	0%
TOTAL REVENUE	2,042	2,046	2,344	298	15%
OPERATING EXPENDITURE					
General response and recovery	-	139	85	(54)	(39%)
Red Zone Regeneration	500	500	709	209	42%
Recreation	100	100	291	191	191%
Interest	1,979	1,965	2,308	343	17%
	2,579	2,704	3,393	689	25%
Internal Interest Elimination	821	584	686	102	17%
TOTAL OPERATING EXPENDITURE	1,758	2,120	2,707	587	28%
OPERATING SURPLUS (DEFICIT)	284	(74)	(363)	(289)	391%

Significant Variances - Operating

		Variance \$'000 ()= unfavourable
<u>Revenue</u>		
NZTA Subsidy	NZTA claims on road upgrades Charles St & Jollie St and Cass St & Hall St were not budgeted.	253
<u>Expenditure</u>		
Red Zone Regeneration/Recreation	Capital expensed from various capital projects not budgeted.	(400)
Interest	An additional \$6m loan was raised at 30 June 20 (comparing to the budget) mainly due to change in Government funding on EQ projects resulting in more finance costs in 20/21.	(343)

Non Significant Activities
for the period ended 30 June 2021

	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	CURRENT YEAR ACTUAL	VARIANCE	PERCENT ACTUAL/ REVISED
	\$' 000	\$' 000	\$' 000	\$'000	
REVENUE					
Rates - Covid 19 Loan	271	213	213	-	0%
Fees and Charges	498	497	785	288	58%
Subsidies/Donations	-	-	55	55	0%
Interest (external interest revenue)	122	123	119	(4)	(3%)
Internal interest allocation	(40)	(40)	(107)	(67)	168%
Gains	200	200	8,046	7,846	3923%
Vested Assets	12,039	12,039	19,252	7,213	60%
TOTAL REVENUE	13,090	13,032	28,363	15,331	118%
OPERATING EXPENDITURE					
Special Funds	171	88	95	7	8%
Separate Accounts	(61)	(61)	(46)	15	(25%)
Interest expense	(2,046)	(2,028)	(2,256)	(228)	11%
Oncost account	(37)	(37)	(59)	(22)	59%
Indirect recoveries	-	-	-	-	0%
General account	23	23	(273)	(296)	(1287%)
Plant operating	-	-	280	280	0%
Utilities Management	-	-	(119)	(119)	0%
Community and Recreation Management	-	-	-	-	0%
Planning Manager	-	-	-	-	0%
District Management/HR	-	-	(3)	(3)	0%
Information & Technology Services (excluding interest)	161	237	180	(57)	(24%)
Finance and Administrative Services	13	13	24	11	85%
Service Centres	471	471	666	195	41%
	(1,305)	(1,294)	(1,511)	(217)	17%
Add back Internal Interest Elimination from Activities	2,282	2,328	2,396	68	3%
TOTAL OPERATING EXPENDITURE	977	1,034	885	(149)	(14%)
OPERATING SURPLUS (DEFICIT)	12,113	11,998	27,478	15,480	129%

Significant Variances - Operating

Variance

\$'000

()=unfavourable

Revenue

Fees and Charges Revenue more than budget as more income was generated from Land Information Memorandum (\$149k). Council also received \$27k towards its hockey turf replacement fund. Ecan commission was \$41k more than budgeted (for rates collection). In addition Council received an IRD refund of \$25k (for prior year). 288

Interest revenue

	\$'000
External interest in	119
Interest allocated to:	
Water	15
Sewer	41
Drainage	12
Solid Waste	7
Library	3
Property	28
	106

Gains Gains more than budget mainly due to revaluation of interest rate swaps. 7,846

Vested assets Vested assets more than budgeted due to development activities in the district. 7,213

Expenditure

Interest expense & interest elimination

	\$'000
Interest expense	(2,256)
Internal interest elim	2,396
Net	140

Interest of loans in the IT area

Expenditure explanation continued:

General account	Some provisions for doubtful debts were now written off (i.e. unpaid rates/rates penalties to do with Maori Freehold Land due to change in the Local Government (Rating) Act 2002). The reverse of previous provision had resulted in a negative expenditure in the current financial year.	296
Plant operating	Recoveries from plant use were less than budgeted. Internal lease agreement/recovery rate will be reviewed.	(280)
Utilities Management	Savings will contribute to next year's Asset Management Plan works as per the 2021/22 budget.	119
Service Centres	Additional overhead share due to additional revenue (i.e. revenue from Land Information Memorandum). All service centres were break-even after the additional overhead share as at 30 June 21.	(195)

CAPITAL EXPENDITURE	ANNUAL PLAN BUDGET	FULL YEAR REVISED BUDGET	ACTUAL
	\$'000	\$'000	\$'000
Capital Projects			
Oncost Account			
Office furniture	38	38	118
	38	38	118
Plant Renewal & Replacement			
Vehicles	761	761	44
	761	761	44
Laptop/Cellphone/Computer purchases			
District Management / Service			
Management / Community & Recreation	-	-	25
Management / Finance / IT / HR /			
Communications	-	-	25
	-	-	25
Computer Services			
Annual Infrst and Desktop Renewals	75	69	109
Additional PCs	25	25	14
Monitor Renewals	15	15	15
High Speed Scanners	25	25	13
Projects	1,246	400	-
Asset Management System	-	-	4
Business Intelligence	-	36	
Asset Management System	-	226	
eServices	-	127	1
GIS Projects	-	328	75
Extend IoT	-	25	
CiA Strategy Development	-	140	
Phone System Remediation	-	33	28
Community Engagement (T1	-	-	
Implementation)			
Meeting Room Fitout RSC	-	20	12
Office 365	-	50	43
Enterprise Cash Receipting	-	50	
Implementation			
EDRMS (TRIM) Review	-	65	
Defender ATP Cyber Security	-	50	6
	1,386	1,684	320
Total capital projects	2,185	2,483	507
Loan Repayments	539	539	511
	539	539	511
TOTAL CAPITAL EXPENDITURE	2,724	3,022	1,018

Significant Variances - Capital		Variance
		\$'000
<u>Variances against full year revised budget:</u>		()= unfavourable
Vehicles	Vehicles renewed as per Council's vehicle replacement programme.	717
Computer Services IT projects	Unspent IT budget will be carried over to the new financial year.	1,364