

Document No: A716945

Report To: Council



Meeting Date: 30 April 2024

Subject: **Financial Report for the period ended 31 March 2024**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an overall progress report on WDC's financial activities for the period ended 31 March 2024.

Background

- 2.1 The financial report provides financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community. It presents an overview of Council operations for the period including significant variance commentary against year-to-date budget and updates on significant capital expenditure projects.
- 2.2 A copy of the Financial Report for the period ended 31 March 2024 is enclosed separately and forms part of this business paper.

Commentary

3.1 **INCOME STATEMENT HIGHLIGHTS**

- 3.2 The net operating surplus of \$5.5 million which was below the revised YTD budget of \$5.8 million for the period ended 31 March 2024.

- 3.3 Total revenue was \$1.2 million below budget for the period ended 31 March 2024. The variance against budget is due to:

- Subsidy revenue was below budget as the roads renewals, particularly for storm damage, were less than forecast.
- Other revenue was more than forecast for waste minimisation levy revenue which funds waste minimisation programmes.

- 3.4 Total expenditure was \$0.8 million less than budget for the period ended 31 March 2024. The variance against budget is due to:

- Other expenditure was below budget for district plan development expenditure, sludge disposal expenditure, risk management and roading maintenance.
- Depreciation is tracking less than budget for the period, as depreciation on newly constructed assets has yet to be accounted for and there is a delay in replacement fleet vehicles.
- Finance costs are tracking less than budget for the period as borrowings were less than forecast.

3.5 **BALANCE SHEET HIGHLIGHTS**

- 3.6 Total assets have increased by \$9.7 million since 30 June 2023, to \$706.8 million. Cash on hand has increased to \$4 million and there was an increase in receivables for NZTA Waka Kotahi subsidy and rates and penalties receivables. There was also an increase in non-

current assets - \$5.8 million for assets additions, \$13.1 million less depreciation charged on property, plant and equipment \$6.9 million, and asset disposals of \$0.4 million.

3.7 Total liabilities have increased by \$4.2 million since 30 June 2023 to \$40.5 million. This included an increase in borrowings to \$33.2 million and a reduction in other liabilities of \$0.7 million, mostly for general payables since 30 June 2023.

3.8 **CAPITAL EXPENDITURE**

3.9 Capital expenditure was \$13.1 million, against a full year revised budget of \$33.8 million, with \$5.8 million of expenditure recognised since December 2023.

3.10 Included in the full year's revised budget is \$10.9 million of capital budgets unspent in the prior year that has been carried over to allow for the planned projects to continue, and \$0.4 million of re-phased Better Off project expenditure.

3.11 Total roads capital expenditure to 31 March 2024 was \$10.6 million, against a full year revised budget of \$19.3 million. Roads and footpaths capital expenditure accounts for \$8.7 million (42%) of the unspent capital expenditure programme.

3.12 Of the remaining \$12 million of unspent capital expenditure, the landfill cell development project budget of \$3.7 million is on hold and only \$0.4 million of the \$4.9 million budget for Te Kuiti water resilience project is expected to be spent by June 2024.

3.13 Commentaries on the significant projects within the capital works programme are included under each area in the attached Financial Report.

Suggested Resolutions

The business paper on the Financial Report for the period ended 31 March 2024 be received.



TINA HITCHEN
CHIEF FINANCIAL OFFICER

Attachment: Financial Report for the period ended 31 March 2024 (A716947)

FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2023 TO 31 MARCH 2024



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INTRODUCTION

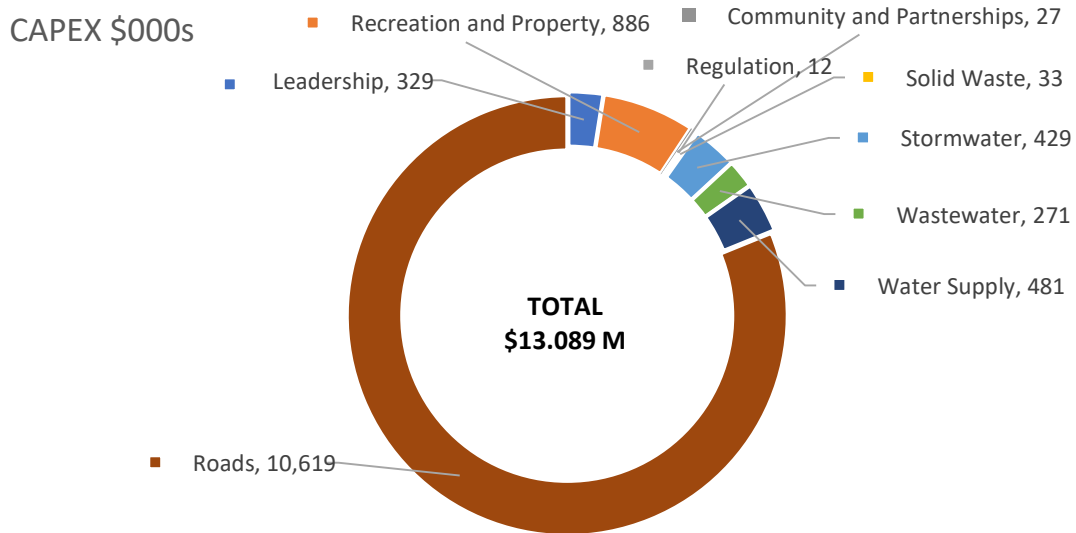
The 2021-31 10 Year Plan (10YP) was adopted in June 2021. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through the Annual Plans 2022/23 and 2023/24.

Progress on the 10YP and Annual Plans are reported back to the community at the year-end through Council's Annual Reports.

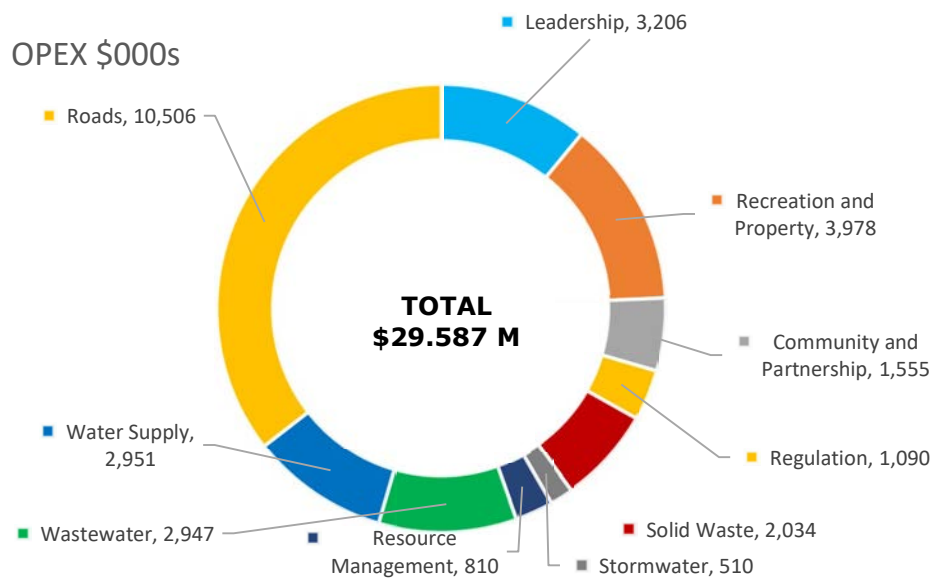
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2023 to March 2024.

SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 31 MARCH 2024



OPERATIONAL EXPENDITURE SUMMARY AS AT 31 MARCH 2024



FINANCIALS

All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s). Budgets referred to as revised includes the 2023/24 budget, carryovers and any additional budgets approved.

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ending 31 March 2024 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(21,249)	(22,520)	(22,519)	(16,890)	(16,866)	25	
Subsidies and Grants	(16,902)	(16,177)	(24,584)	(14,451)	(15,804)	(1,353)	A
Interest Revenue	(84)	(15)	(15)	(48)	(11)	37	
Fees and Charges	(7,836)	(4,515)	(4,555)	(3,429)	(3,407)	22	
Other Revenue incl Gains/Losses	(474)	(239)	(241)	(246)	(182)	63	B
Total Revenue	(46,545)	(43,467)	(51,914)	(35,064)	(36,270)	(1,206)	3%
Operating Expenditure							
Other Expenditure	32,095	30,052	30,455	21,469	22,113	644	C
Depreciation	8,975	9,470	9,470	6,965	7,103	137	D
Finance Costs	1,307	1,627	1,627	1,153	1,221	68	E
Total Operating Expenditure	42,378	41,150	41,553	29,587	30,436	849	3%
Net (Surplus)/Deficit	(4,167)	(2,317)	(10,361)	(5,477)	(5,834)	(357)	6%

Net Operating result: The net operating surplus of \$5.5 million which was below the revised YTD budget of \$5.8 million for the period ended 31 March 2024.

Total Revenue was below budget by \$1.2 million:

- A Subsidy revenue was below budget as the roads renewals, particularly for storm damage, were less than forecast.
- B Other revenue was more than forecast for waste minimisation levy revenue which funds waste minimisation programmes.

Total Operating Expenditure was less than forecast by \$0.8 million:

- C Other expenditure was below budget for district plan development expenditure, sludge disposal expenditure, risk management and roading maintenance.
- D Depreciation is tracking less than budget for the period as depreciation on newly constructed assets has yet to be accounted for and the delay in replacement fleet vehicles.
- E Finance costs are tracking less than budget for the period as borrowings were less than forecast.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2023 to 31 March 2024.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2023	Actual Position 31 Mar 2024	Movement from 30 Jun 2023
Assets			
- Cash and cash equivalents	1,553	4,070	2,517
- Receivables	5,224	6,623	1,399
- Other current assets	134	133	(1)
- Other financial assets	11,772	11,776	4
- Non-current assets	678,428	684,224	5,796
TOTAL ASSETS	697,111	706,826	9,715
Liabilities			
- Other Liabilities	8,020	7,299	(721)
- Total Borrowings	28,260	33,220	4,960
- Derivative financial instruments	0	0	0
Total Liabilities	36,280	40,519	4,238
Equity			
- Equity	660,831	666,307	5,477
TOTAL LIABILITIES AND EQUITY	697,111	706,826	9,715

Total Assets have increased from \$697.1 million to \$706.8 million.

- Cash and cash equivalents have increased by \$2.5 million to \$4.0 million.
- Receivables increased by \$1.4 million since 30 June 2023 from \$5.2 million to \$6.6 million mostly due to NZTA Waka Kotahi subsidy receivable and rates and penalties receivable.
- Non-current assets have increased by \$5.8 million, which includes asset additions of \$13.1 million, less depreciation of \$6.9 million and asset disposals of \$0.4 million.

Total Liabilities have increased from \$36.3 million to \$40.5 million.

- Other liabilities decreased by \$0.7 million due to a decrease in general payables, offset in part by an increase in retention monies and deferred revenue.
- Total borrowings were \$33.2 million, an increase of \$4.9 million from June 2023, due to an issue of a commercial paper \$5.0 million.

Total equity increased from \$660.8 million to \$666.3 million, which equals the net surplus of \$5.5 million.

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the period ended 31 March 2024.

(Amounts in \$000's)	Annual Plan	Plus Carryover from prior year	Plus Rephased BoF Projects	Revised Budget	YTD Actual	Var - Actuals vs Revised Budget
Leadership	1,136	285	0	1,421	329	1,092
Recreation and Property	1,208	395	372	1,975	886	1,089
Community and Partnerships	0	27	0	27	27	-0
Regulation	20	14	0	34	12	22
Solid Waste	3,877	0	0	3,877	33	3,844
Stormwater	475	158	0	633	429	204
Wastewater	643	303	0	945	271	674
Water Supply	5,238	319	0	5,558	481	5,077
Roads	9,919	9,434	0	19,352	10,619	8,733
Total	22,516	10,935	372	33,823	13,089	20,734

The capital expenditure budget was revised to incorporate carryovers from the 2022/23 year of \$10.9 million and re-phasing of the Better Off capital projects of \$0.4 million.

The total revised capital expenditure budget 2023/24 is now \$33.8 million.

The significant project budgets carried over from the prior year includes emergency reinstatement and Cyclone Dovi renewals of \$5.5 million, roads minor improvements of \$1.2 million, pavement rehabilitation of \$0.9 million and structural bridge and components renewals of \$0.8 million; Te Kuiti water resilience project, Carroll Street stormwater remedial work and the Te Waitere wastewater soakage field project.

Total actual capital expenditure was \$13.1 million for the period ended 31 March 2024, with expenditure of \$5.8 million since December 2023.

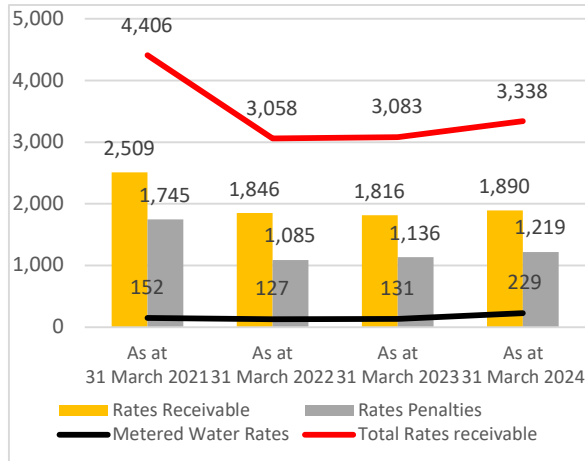
Of the total spend, \$3.8 million (29%) relates to emergency works renewals (roads) and \$6.8 million (52%) relates to other roads and footpaths. Other spend relates to \$1.2 million (9%) for waters activities, and \$0.9 million (7%) for parks and property renewals. Other activities total \$0.4 million (3%).

Further detail on the significant capital expenditure projects is included within each Group of Activities.

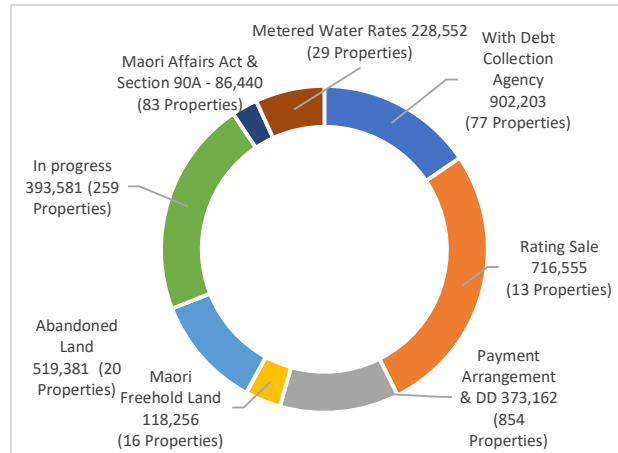
RATES RECEIVABLES

TOTAL RATES RECEIVABLES

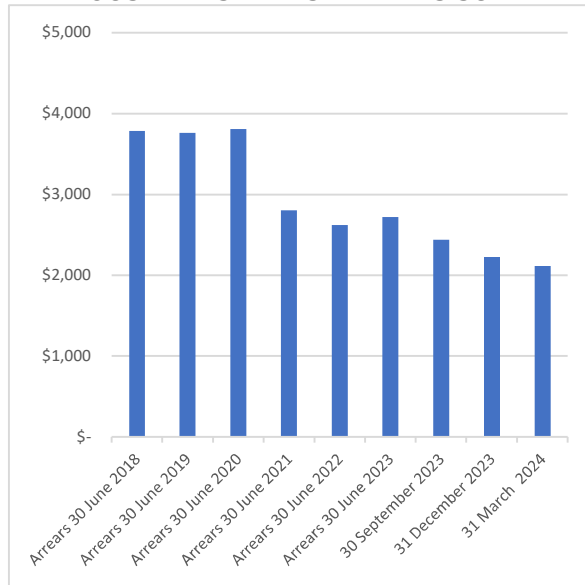
Set out below is the summary of Rates Receivables as at 31 March 2024.



RATES ARREARS AS AT 31 MARCH 2024



PREVIOUS YEARS RATES ARREARS SUMMARY*



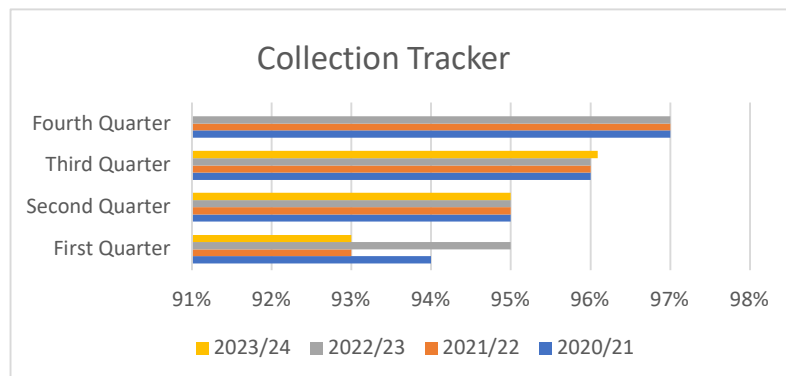
*excludes metered water rates

Progress:

After the third instalment due date passed, reminders were emailed to customers with an overdue balance to encourage payment to avoid penalty. Feedback has indicated that this process will need to be tweaked, but overall, we had a reduction in accounts receiving penalties and subsequent penalty remissions applications.

During the quarter, 40 letters were sent out to owners/users of some multiple Maori Freehold land that appear to be used by a neighbour. The aim is to encourage customers to contact us to confirm the use of the land and provide options under our remission policy. This will enable us to identify the correct use and ratepayers of some properties. We have had 14 responses to date.

RATES INSTALMENT COLLECTION TRACKER



RATES REBATES

No. of Rates Rebates to 31/03/2024	No. of Rates Rebates to 31/03/2023
254	302

LEADERSHIP

FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,746)	(3,785)	(3,785)	(2,908)	(2,893)	15	
Subsidies and Grants	(334)	(20)	(20)	(162)	0	162	A
Interest Revenue	(83)	(15)	(15)	(48)	(11)	37	B
Fees and Charges	(72)	(145)	(145)	(13)	(78)	(65)	C
Other Revenue incl Gains/Losses	(171)	0	0	(10)	0	10	D
Total Revenue	(4,407)	(3,965)	(3,965)	(3,140)	(2,982)	159	-5%
Operating Expenditure							
Other Expenditure	3,155	3,723	3,882 ¹	2,488	2,775	287	E
Depreciation	617	738	738	498	553	55	F
Finance Costs	216	249	249	220	187	(33)	G
Total Operating Expenditure	3,988	4,710	4,869	3,206	3,515	309	9%
Net (Surplus)/Deficit	(420)	745	904	66	533	468	88%

Variance comments:

- A Subsidy revenue was recognised for the Affordable Water Reforms transition funding, which was not forecast in the annual plan.
- B Interest revenue was more than budget, with favourable bank rates for cash held in the operating account and contracts retentions funds account.
- C Fees and charges were below budget for royalties for council owned quarries.
- D A contribution was received to fund maintenance at Brook Park.
- E Other expenditure was below budget for risk management programme expenditure, cloud migration and consultant costs. This is partly offset by insurance costs that were more than forecast and includes the Riskpool call contribution.
- F Depreciation is tracking less than budget due to the delay in the delivery of replacement fleet vehicles.
- G Finance costs attributed to the Leadership activity were more than forecast however this is offset by additional interest revenue.

¹ The revised budget includes a carryover of the \$159,000 for the continuation of the project management implementation.

CAPITAL EXPENDITURE

LEADERSHIP \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Information Systems Improvements	61	61	39	22	
Customer Service Centre Refurbishment	0	58	66	(8)	A
Administration Building Renewals	38	44	60	(16)	B
Administration Building Renovations	358	358	29	329	C
Aerial Photography	50	50	0	50	
Furniture Minor Renewals	5	36	28	8	
Information Systems Renewals	342	482	37	445	D
Motor Vehicle and Equipment Replacements	240	291	71	220	E
Quarry Safety Improvements	41	41	0	41	
Total Capital Expenditures	1,136	1,421	329	1,092	77%

Variance comments:

The revised budget includes carryover budgets of \$285,000.

- A Includes a carryover of \$58,000 for the customer service centre refurbishment, with work completed in February 2024.
- B A carryover of \$6,000 is included for the replacement of the faulty air conditioning units at the WDC building. Several air conditioning units failed during the period resulting in costs coming in more than budget.
- C Actuals to date include consultants’ fees for the administration building project. Currently the project is on hold.
- D Includes a carryover of \$140,000 to continue the building access security renewal project for WDC facilities. The project has been extended to include additional access, with work expected to be completed in May 2024.
- E Fleet replacements includes a carryover of \$51,000 for mower replacements. The mower was received in November.

COMMUNITY AND PARTNERSHIPS

FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,634)	(1,690)	(1,690)	(1,273)	(1,268)	5	
Subsidies and Grants	(821)	(910)	(728) ²	(424)	(303)	120	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(8)	(4)	(4)	(11)	(3)	9	B
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
Total Revenue	(2,462)	(2,604)	(2,422)	(1,708)	(1,574)	134	-9%
Operating Expenditure							
Other Expenditure	2,187	2,595	2,418 ³	1,542	1,645	103	C
Depreciation	6	4	4	13	3	(10)	
Finance Costs	0	0	0	0	0	0	
Total Operating Expenditure	2,193	2,599	2,422	1,555	1,648	93	6%
Net (Surplus)/Deficit	(269)	(5)	0	(153)	74	227	307%

Variance comments:

- A Subsidies and grants revenue recognised during the period included Better Off Funding and funding for Bikes in Schools.
- B Fees and charges includes revenue from the Great NZ Muster and visitor booking commissions and shop sales.
- C Other expenditure was below budget for the Mayors Taskforce for Jobs Recovery Programme expenditure due to timing of actuals against budget.

CAPITAL EXPENDITURE

COMMUNITY PARTNERSHIPS \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Waitomo Bikes in Schools	0	27	27	0	A
Total Capital Expenditures	0	27	27	0	0%

Variance comments:

- A Included is a carryover of \$27,000 for the Waitomo Bikes in Schools project which is complete. This project has been fully funded by grant revenue.

² The revised budget includes the rephasing of the Better Off subsidy revenue to align to the forecast expenditure for the Better Off projects. The revenue for Mayors Taskforce for Jobs has been reduced to reflect the agreement in place for 2023/24.

³ The revised budget includes the rephasing of the Better Off projects expenditure to reflect the current project timelines.

RECREATION AND PROPERTY

FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,540)	(3,863)	(3,863)	(2,911)	(2,897)	14	
Subsidies and Grants	(2,820)	(748)	(1,234)	(722)	(76)	646	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(4,463)	(635)	(635)	(421)	(485)	(64)	B
Other Revenue incl Gains/Losses	(57)	0	0	(12)	0	12	
Total Revenue	(10,880)	(5,245)	(5,731)	(4,066)	(3,457)	609	-18%
Operating Expenditure							
Other Expenditure	7,303	3,743	3,856	2,795	2,915	120	C
Depreciation	1,317	1,456	1,456	1,073	1,092	20	D
Finance Costs	117	172	172	110	129	19	
Total Operating Expenditure	8,736	5,371	5,484	3,978	4,136	159	4%
Net (Surplus)/Deficit	(2,144)	126	(247)	(89)	679	768	113%

Variance comments:

- A Subsidy and grants revenue was more than budget for Better Off Funding for BoF Parking Areas and Walkways Projects due to timing of expenditure against budget.
- B Fees and charges were less than forecast partly due to the aquatic centre revenue now received by the pool contractor (this reduction in revenue is offset by a corresponding reduction in contractor costs). Rental revenue was also less for Les Munro hireage, aerodrome and housing revenue.
- C Other expenditure was less than budget for the aquatic centre contractor costs as the pool season opened in November and monthly contractor costs are reduced due to the contractor now receiving the pool revenue. The track strategy budget remains unspent. These expenditures were partly offset by the condition assessment report for council owned buildings and silviculture costs for forestry (funded by proceeds from harvest). Additional costs were also incurred for the removal of elm trees due to the presence of Dutch Elm Disease and recommended by Waikato Regional Council.

CAPITAL EXPENDITURE

RECREATION AND PROPERTY \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
BoF Benneydale Hall Parking Area	53	74	49	25	A
BoF Town Gateways	213	213	0	213	B
BoF Walkways	119	471	288	183	C
Motakiora/ Brook Park Renewals	53	53	50	3	D
Parks and Reserves Improvements	119	161	3	159	E
Aerodrome Minor Renewals	55	71	27	44	F
Aquatic Centre Pool Resurfacing and Painting	140	140	118	22	G
Landfill Forestry Planting	30	30	33	(3)	H
Les Munro Air Conditioning Unit Replacement	175	252	90	162	I
Library Book Renewals	48	48	34	14	
Minor Renewals	142	362	175	187	J
Parks and Reserves Renewals	60	101	19	81	K
Total Capital Expenditures	1,208	1,975	886	1,089	55%

Variance comments:

The revised budget includes carryover budgets of \$767,000.

- A Included in the revised budget is the rephasing of Town Amenity Projects of \$21,000. Improvements of the Benneydale Hall parking area project are underway. The project started in January and is expected to be completed in April 2024, and is fully funded by Better Off funding.
- B Town Gateways project is fully funded by Better Off funding. This project is currently on hold.
- C Included in the revised budget is a carryover of \$352,000 for the Walkways project. The Walkways project for track development of Motakiora/Brook Park to Lawrence Street and Esplanade has been completed. Further track development for Ahoroa Ford West (Inframax) and storyboards along the walkway are still to be completed. The project is fully funded by Better off Funding and is expected to be completed by 30 June 2024.
- D Work has been completed for Motakiora/Brook Park development including the capping of track with metal and installation of a retaining wall.
- E Included in the revised budget is a carryover of \$42,000 for Te Nau Nau Reserve Road project which is no longer proceeding after consultation with Mana Whenua.
- F The revised budget includes a carryover of \$16,000 for aerodrome runway renewals. Work has started for the runway resurfacing at the aerodrome and expected to be completed in April.
- G The pool resurfacing and painting was completed in November 2023.
- H The landfill forestry planting project has been completed with trees planted in 2023 and spot sprayed to allow for growth.
- I Includes a carryover budget of \$77,000. Actuals to date relate to the installation of the HVAC package at the Les Munro Centre. This project has been delayed and is now expected to be completed by the end of June 2024.
- J Includes a carryover budget of \$90,000 for Te Kuiti toilet renewals, \$79,000 for Tui Park improvements and \$51,000 for improvements to safety and useability of the skatepark. Actuals to date include dog pound renewals and fencing at Tui Park, repairs to the boom gate at Te Kuiti Holiday Park, and Rora Street toilet upgrades. New picnic tables were also purchased for Rora Street, Te Kuiti.
- K Includes a carryover budget of \$41,000 for playground renewals and forecast expenditure for jetty renewals.

REGULATORY SERVICES

FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(948)	(876)	(876)	(663)	(657)	5	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(450)	(556)	(556)	(421)	(451)	(30)	A
Other Revenue incl Gains/Losses	(10)	(16)	(16)	(15)	(11)	4	
Total Revenue	(1,408)	(1,449)	(1,449)	(1,098)	(1,119)	(21)	2%
Operating Expenditure							
Other Expenditure	1,285	1,543	1,543	1,080	1,158	77	B
Depreciation	12	12	12	10	9	0	
Finance Costs	0	0	0	0	0	0	
Total Operating Expenditure	1,297	1,556	1,556	1,090	1,167	77	7%
Net (Surplus)/Deficit	(111)	107	107	(8)	48	56	118%

Variance comments:

- A Building consents applications for new houses were down as housing development in Waitomo stagnates due to the slowdown in the building industry. This was partly offset by additional revenue for animal control services for Otorohanga District Council.
- B Other expenditure was below budget for legal expenses for environmental health, animal and building control, environmental health and noise control expenses and earthquake prone building expenditure.

CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Dog Pound Renewals	20	34	10	23	A
Total Capital Expenditures	20	34	10	23	66%

Variance comments:

- A Actuals to date relate to renewal work for the Dog Pound to install stormwater drainage points to existing downpipes and concrete work at the pound.

RESOURCE MANAGEMENT

FINANCIAL UPDATE

RESOURCE MANAGEMENT \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(436)	(417)	(417)	(316)	(313)	4	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(153)	(215)	(215)	(201)	(154)	47	A
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
Total Revenue	(589)	(632)	(632)	(517)	(466)	51	-11%
Operating Expenditure							
Other Expenditure	917	1,198	1,198	770	898	128	B
Depreciation	0	0	0	0	0	0	
Finance Costs	41	65	65	41	49	8	
Total Operating Expenditure	958	1,262	1,262	810	947	136	14%
Net (Surplus)/Deficit	370	630	630	293	480	187	39%

Variance comments:

- A Resource consent revenue is above revised budget, in part due to a significant resource consent application charged in February.
- B Other expenditure was less during the period for consultancy services, legal and general expenses for the District Plan development. Due to the involved and complex nature of this project. It is not unexpected to have variations in the timing of expenditure. This is offset by additional consultants' fees for resource consent applications.

PROJECTS AND PROGRAMME UPDATES

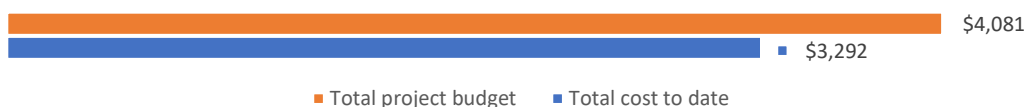


Programme Summary: A review of the Operative Waitomo District Plan in accordance with statutory requirements.

The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management issues in the District and is inherently complex with many associated workstreams. This project will continue through 2023/24.

Progress: The summary of submissions was notified on 6 July 2023 with the further submission period closing on 28 July 2023. A total of 28 further submissions were received. Staff are now drafting hearing reports with the first tranche of hearings to be held in mid-July.

District Plan Development Total Project Costs to date (\$000's)



- Next steps:** Draft hearing reports and hearings.
- End date:** First tranche of hearings completed by mid July 2024

SOLID WASTE

FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,112)	(1,439)	(1,439)	(1,086)	(1,080)	5	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(1,660)	(2,057)	(2,057)	(1,281)	(1,543)	(262)	A
Other Revenue incl Gains/Losses	(103)	(85)	(85)	(118)	(64)	55	B
Total Revenue	(2,874)	(3,581)	(3,581)	(2,484)	(2,687)	(203)	8%
Operating Expenditure							
Other Expenditure	2,711	3,199	3,199	1,865	1,873	8	C
Depreciation	103	113	113	83	85	3	
Finance Costs	119	126	126	86	95	9	
Total Operating Expenditure	2,932	3,439	3,439	2,034	2,053	19	1%
Net (Surplus)/Deficit	58	(143)	(143)	(450)	(634)	(184)	29%

Variance comments:

- A Revenue received from the landfill was less for general refuse charges as waste volumes deposited at the landfill were reduced. This includes less sludge from the wastewater ponds than forecast. This was partly offset by increased green waste revenue and special waste charges.
- B Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes.
- C Other expenditure is below budget due to reduced waste minimisation levy expenditure as waste volumes are lower, this is mostly offset by increased kerbside collection costs and consultants advice on the landfill options to inform the future operations of the landfill.

CAPITAL EXPENDITURE

SOLID WASTE \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Te Kuiti Transfer Station Improvements	27	27	0	27	
New Cell Development and Gas Flaring Equipment	3,730	3,730	0	3,730	A
Resource Consent compliance improvements	85	85	25	60	B
Transfer Station Renewals	35	35	8	27	C
Total Capital Expenditures	3,877	3,877	33	3,844	99%

Variance comments:

- A The cell development and gas flaring equipment project is currently on hold pending the review of landfill operations.
- B Expenditure on improvements to meet resource consent conditions included the installation of flow meters at Te Kuiti Landfill.
- C Minor transfer station renewals expenditure to date includes installation of catchpits and stormwater pipe work at the weighbridge.

STORMWATER

FINANCIAL UPDATE

STORMWATER \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(479)	(508)	(508)	(383)	(381)	2	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(4)	0	0	(6)	0	6	A
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
Total Revenue	(483)	(508)	(508)	(389)	(381)	8	-2%
Operating Expenditure							
Other Expenditure	213	309	309	307	232	(75)	B
Depreciation	252	257	257	192	193	1	
Finance Costs	7	15	15	11	11	0	
Total Operating Expenditure	472	580	580	510	435	(74)	-17%
Net (Surplus)/Deficit	(12)	72	72	120	54	(67)	-123%

Variance comments:

- A Fees and charges revenue includes connection fees for Te Kuiti.
- B Other expenditure was above budget due to reactive maintenance from the recent flooding events. Planned maintenance costs are also ahead of budget, and losses on disposal of assets of \$30K were also recognised during the period.

CAPITAL EXPENDITURE

Stormwater \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Stormwater Improvements	240	388	83	305	A
Stormwater Discharge Resource Consent Renewals	40	40	140	(100)	B
Stormwater Renewals	195	205	206	(1)	C
Total Capital Expenditures	475	633	429	204	73%

Variance comments:

The revised budget includes a carryover of \$148,000 for Carroll Street remedial works, \$10,000 for Rural Stormwater renewals.

- A Work on the Carroll Street remedial works is underway and will be completed in April.
- B District wide resource consents applications for seven resource consents are underway.
- C Actuals to date relate to Cambridge Excavators (Camex) work along Edward Street for installing a new stormwater main. Additional design work was carried out for Waitete Road as part of the stormwater rehabilitation renewals.

WASTEWATER

FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,993)	(2,368)	(2,368)	(1,781)	(1,780)	1	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(827)	(776)	(776)	(864)	(586)	279	A
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
Total Revenue	(2,820)	(3,144)	(3,144)	(2,645)	(2,366)	279	-12%
Operating Expenditure							
Other Expenditure	2,385	2,831	2,831	1,987	2,127	140	B
Depreciation	1,110	1,038	1,038	775	778	3	
Finance Costs	206	250	250	185	187	3	
Total Operating Expenditure	3,701	4,119	4,119	2,947	3,092	145	5%
Net (Surplus)/Deficit	881	975	975	302	727	424	58%

Variance comments:

- A Fees and charges were more than budget for trade waste revenue, some of this revenue related to the January to June 2023 period. Additional revenue was also recognised for connection fees for Te Kuiti and Piopio.
- B Other expenditure was below budget for sludge disposal costs, as dried sludge has not been delivered to landfill. This was offset partly by increased electricity, chemicals costs, and reactive maintenance cost.

CAPITAL EXPENDITURE

Wastewater \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Minor Improvements	16	16	0	16	
Sludge Removal improvements	100	100	53	47	A
Resource Consent Renewals	43	43	0	43	
Resource Consent Vegetation Planting	17	17	0	17	
Treatment Plant Renewals	105	192	27	165	B
Reticulation Renewals	362	498	142	356	C
Te Waitere Wastewater	0	80	49	31	D
Total Capital Expenditures	643	945	271	674	78%

Variance comments:

The revised budget includes carryover budgets of \$302,000.

- A Actuals to date include a sludge mixing bay concrete pad, at the Te Kuiti Wastewater plant is complete. The relocation of the septic tank disposal point will be completed by the end of the financial year.
- B Included in the revised budget is \$87,000 for Te Kuiti SCADA and telemetry and Maniaiti/Benneydale minor plant renewals.

- C Included in the revised budget is \$136,000 carryover for continuation of the two year project for Alexandra and Seddon Street reticulation renewal which was completed in December.
- D Included in the revised budget is \$80,000 carryover for the continuation of the Te Waitere renewal and extension of the soakage field project. Work commenced in December with the expected completion by April 2024.

WATER SUPPLY

FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(2,888)	(3,092)	(3,092)	(2,197)	(2,232)	(36)	A
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(16)	(2)	(2)	(34)	(2)	32	B
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
Total Revenue	(2,903)	(3,094)	(3,094)	(2,230)	(2,234)	(3)	0%
Operating Expenditure							
Other Expenditure	2,812	2,193	2,193	2,016	1,645	(372)	C
Depreciation	912	969	969	701	727	26	
Finance Costs	268	333	333	234	250	16	
Total Operating Expenditure	3,992	3,495	3,495	2,951	2,621	(330)	-13%
Net (Surplus)/Deficit	1,089	401	401	721	387	(333)	-86%

Variance comments:

- A Metered water revenue was below budget.
- B Connection fees revenue was received for Te Kuiti and Piopio.
- C Other expenditure was above budget as \$164K of losses on asset disposal were recognised during the period. Expenditure for reticulation reactive maintenance for Te Kuiti from the recent flooding events was more than forecast along with chemicals, power and sampling also above budget.

CAPITAL EXPENDITURE

Water Supply \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Other Improvements	5	5	0	5	
Te Kuiti Resilience of Supply Improvements	4,693	4,975	151	4,824	A
Minor Renewals	78	78	9	68	
Reticulation Renewals	363	363	251	112	B
Treatment Plant Renewals	99	116	36	79	C
Resource Consent Renewals	0	21	33	(12)	D
Total Capital Expenditures	5,238	5,558	481	5,077	93%

Variance comments:

The total revised budget includes carryover budgets of \$320,000.

- A The revised budget for Te Kuiti Water resilience project includes \$282,000 of carryover budget. Actuals to date relate to scope design by WSP, working on the structural assessment, geotechnical investigation, and site survey. This project has now been re-sequenced as part of the draft LTP development, with only \$400K expected to be spent in current year and the remainder next year.
- B Actuals to date relate to Cambridge Excavators (Camex) water supply renewal works along Bulter and Lusk Streets as part of the Te Kuiti reticulation renewals.
- C Includes a carryover of \$17,000 in the revised budget for Piopio water plant renewals.
- D Includes a carryover of \$21,000 for Piopio water consent renewals. Actuals to date are over forecast due to variations to the original resource consent upon feedback from Waikato Regional Council.

ROADS AND FOOTPATHS

FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2022/23	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(4,474)	(4,481)	(4,481)	(3,373)	(3,364)	9	
Subsidies and Grants	(12,926)	(14,458)	(22,602) ⁴	(13,143)	(15,425)	(2,282)	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(184)	(165)	(165)	(178)	(107)	71	B
Other Revenue incl Gains/Losses	(134)	(140)	(140)	(91)	(108)	(17)	C
Total Revenue	(17,717)	(19,244)	(27,387)	(16,785)	(19,004)	(2,219)	12%
Operating Expenditure							
Other Expenditure	9,134	8,718	9,025 ⁵	6,617	6,846	228	D
Depreciation	4,647	4,883	4,883	3,621	3,662	41	E
Finance Costs	334	418	418	267	314	46	F
Total Operating Expenditure	14,114	14,019	14,327	10,506	10,822	316	3%
Net (Surplus)/Deficit	(3,603)	(5,224)	(13,061)	(6,279)	(8,182)	(1,903)	23%

Variance comments:

- A Subsidies and grants revenue was less than budget as renewal works tendered have been approved and physical works commence later than expected. Expenditure to repair previous storm damage is expected to be incurred throughout the remainder of the year.
- B Fees and charges were more than forecast due to the timing of actual revenue against budget for the contribution received towards roads maintenance. Capitation fees received towards road maintenance were also more than full year budget.
- C Other revenue was below budget for petrol tax proceeds.
- D Other expenditure was below budget for network and asset management and structures maintenance. This was offset in part by sealed maintenance and traffic services costs above forecast.
- E Depreciation is tracking less than budget for the period as depreciation on new road assets has not yet commenced as those assets are still under construction. This reduced depreciation is offset in part, by an increase in depreciation for existing road assets, which has increased due to 30 June 2023 revaluation. The increase in depreciation for existing assets is forecast to be \$0.2 million more than budget for the full financial year.
- F Finance costs are tracking less than budget for the period.

⁴ The revised budget includes additional subsidy revenue forecast for carryovers of capital expenditure from 2022/23 and also for storm damage repairs.

⁵ The revised budget includes carryover of \$307,000 for the truck parking project on SH3 Mokau.

CAPITAL EXPENDITURE

Roads \$000's	AP 2024	Revised Budget 2024	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Footpaths and Road to Zero Improvements	291	470	419	51	A
Unsubsidised Road Improvements	106	149	12	137	B
Bridge and Bridge Structures Replacement	656	1,498	1,145	353	C
Cyclone and Wet Weather Reinstatements	5,066	10,567	3,849	6,718	D
Other Road Renewals	750	2,642	1,712	930	E
Pavement Rehabilitation Renewals	1,201	2,121	1,669	452	F
Sealed Surfacing Renewals	1,128	1,153	1,363	(209)	G
Unsealed Road Metalling Renewals	638	671	447	224	H
Unsubsidised Road Renewals	83	83	5	78	
Total Capital Expenditures	9,919	19,353	10,619	8,734	55%

Variance comments:

The total revised budget of \$19.3 million includes \$9.4 million of carryover budgets.

- A The footpath improvements and remedial works were completed in March.
- B This budget has now been allocated for the road drainage components of the first stage of the Te Kuiti Stormwater improvement. Works have begun and will continue through April.
- C Structural component replacement work for the Waimiha Road Culvert relining has been completed. The Structural component replacement contract is at the point of practical completion with some minor items to close out.
- D Mangatōa sites have now been sealed, completing the 22/23 sites. The 23/24 works are ongoing with the maintenance contractor undertaking the smaller sites and the large sites currently under construction. This includes Fullerton Road retaining wall which has commenced. Further sites are still to be constructed this season including, Taharoa Stock Crate realignment, Mairoa Road retaining wall and Mangaotaki Road pavement reconstruction.
- E Taharoa Flooding section has now been sealed and completed. The balance of this budget has been allocated to the Te Kuiti Catchpit Improvements project which commence in March.
- F Te Anga Pavement Rehabilitation site is ongoing, drainage works have been completed and the pavement widening and overlay are ongoing.
- G The final site for sealed road surfacing (being Rora Street Asphalt) has now been completed, there are some minor lines marking at the pedestrian crossing to be completed. The overspend for this project will be managed within the existing renewal programme.
- H The physical work of the Unsealed Road Metalling is ongoing to be completed by Inframax Construction Ltd, these works are generally undertaken during the wetter months to reduce dust impacts.