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**Report To: Council**



**Meeting Date:** 28 February 2024

**Subject:** **Financial Report - period ended 31 December 2023**

**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 December 2023.

## 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 December 2023 is enclosed separately and forms part of this business paper.

## Commentary

### 3.1 INCOME STATEMENT HIGHLIGHTS

- 3.2 The net operating surplus of \$2.2 million was \$1.7 million more than budget for the period ended 31 December 2023.
- 3.3 Total revenue was \$0.8 million more than budget for the period ended 31 December 2023. The variance against budget is due to:
  - Rates penalties revenue was more than forecast.
  - Subsidy revenue from NZTA Waka Kotahi was more than budget, due mostly to timing of actual revenue received against budget for roads capital expenditure.
  - Fees and charges were less than forecast for lease and rental revenue, aquatic centre, quarry royalties revenue, building consent revenue due to reduced building activity in the district and solid waste revenue due to reduced waste tonnages.
  - Other revenue as more than forecast for waste minimisation levy revenue which funds waste minimisation programmes.
- 3.4 Total expenditure was \$0.9 million less than budget for the period ended 31 December 2023. The variance against budget is due to:
  - Other expenditure was below budget for rates and penalty remissions, district plan development expenditure, sludge disposal expenditure and waste minimisation levy charges due to reduced waste volumes.
  - 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.

- Finance costs are tracking less than budget for the period as interest rates are slightly less than was assumed in the annual plan.

### 3.5 **BALANCE SHEET HIGHLIGHTS**

3.6 Total assets increased by \$3.8 million since 30 June 2023 to \$701.0 million. This included an increase in receivables for NZTA Waka Kotahi subsidy and rates receivables. There was also an increase in non-current assets for assets additions less depreciation charged on property, plant and equipment.

3.7 Total liabilities increased by \$1.7 million since 30 June 2023 to \$37.9 million. This included an increase in borrowings of \$4.5 million to \$32.8 million and a reduction in other liabilities of \$2 million mostly for general payables since 30 June 2023.

### 3.8 **CAPITAL EXPENDITURE**

3.9 Capital expenditure was \$7.3 million, against a full year revised budget of \$33.8 million. Included in the full year 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.

3.10 Total roads capital expenditure to 31 December 2023 was \$5.7 million, against a full year revised budget of \$19.3 million. Roads and footpaths capital expenditure accounts for \$13.6 million (51%) of the unspent capital expenditure programme.

3.11 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 ending 31 December 2023 be received.



TINA HITCHEN  
**CHIEF FINANCIAL OFFICER**

Attachment: Financial Report for the period ended 31 December 2023 (A709373)

# FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2023



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## INTRODUCTION

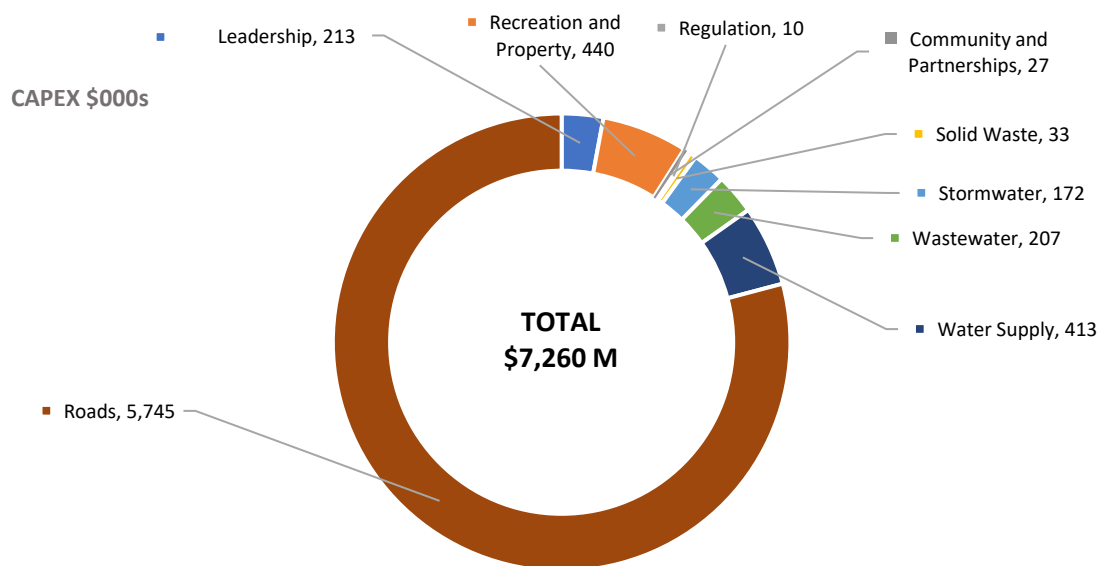
The 2021-31 10 Year Plan (10YP) was adopted in June 2021. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high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

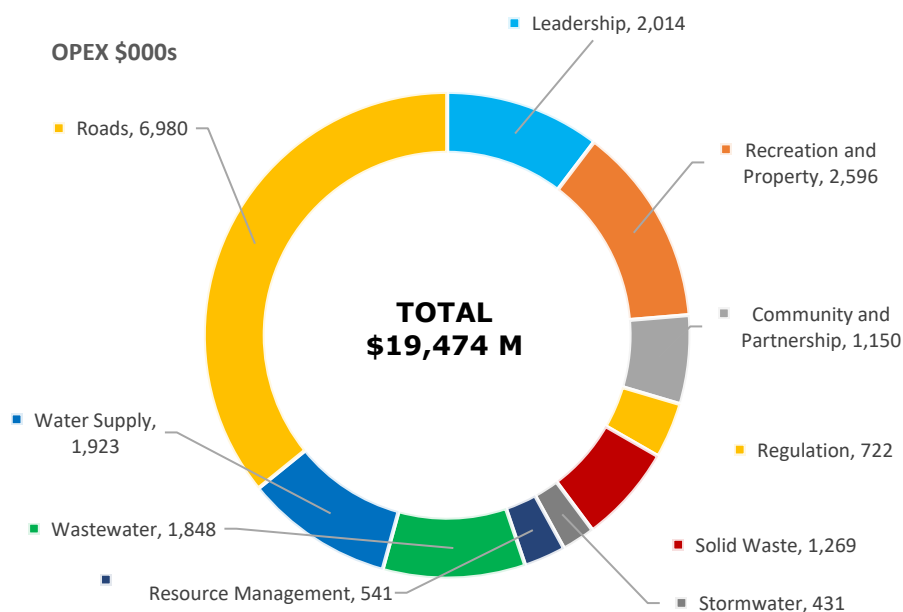
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2023 to December 2023.

## SUMMARY

### CAPITAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2023



### OPERATIONAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2023



## 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 December 2023 (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
<b>Revenue</b>							
Rates	(21,249)	(22,520)	(22,520)	(11,456)	(11,399)	57	A
Subsidies and Grants	(16,902)	(16,177)	(22,596)	(7,875)	(7,016)	859	B
Interest Revenue	(84)	(15)	(15)	(24)	(7)	18	
Fees and Charges	(7,836)	(4,514)	(4,556)	(2,147)	(2,270)	(123)	C
Other Revenue incl Gains/Losses	(474)	(241)	(241)	(158)	(124)	34	D
<b>Total Revenue</b>	<b>(46,545)</b>	<b>(43,467)</b>	<b>(49,927)</b>	<b>(21,661)</b>	<b>(20,816)</b>	<b>845</b>	<b>-4%</b>
<b>Operating Expenditure</b>							
Other Expenditure	32,102	30,052	30,575	14,074	14,796	722	E
Depreciation	8,975	9,470	9,470	4,637	4,735	98	F
Finance Costs	1,307	1,628	1,628	763	814	50	G
<b>Total Operating Expenditure</b>	<b>42,384</b>	<b>41,150</b>	<b>41,673</b>	<b>19,474</b>	<b>20,345</b>	<b>871</b>	<b>4%</b>
<b>Net (Surplus)/Deficit</b>	<b>(4,161)</b>	<b>(2,317)</b>	<b>(8,254)</b>	<b>(2,187)</b>	<b>(470)</b>	<b>1,716</b>	<b>-365%</b>

**Net Operating result:** The net operating surplus of \$2.2 million was \$1.7 million more than budget for the period ended 31 December 2023.

**Total Revenue** was above budget by \$0.8 million:

- A Rates penalties revenue is above budget.
- B Subsidy revenue from NZTA Waka Kotahi was more than budget, due mostly to timing of actual revenue received against budget for roads capital expenditure.
- C Fees and charges were less than forecast for lease and rental revenue, pool revenue, quarry royalties revenue, building consent revenue due to reduced building activity in the district and solid waste revenue due to reduced waste tonnages. These were partly offset by increased revenue recognised for trade waste revenue.
- D Other revenue was more than forecast for waste minimisation levy revenue which funds waste minimisation programmes.

**Total Operating Expenditure** was less than forecast by \$0.9 million:

- D Other expenditure was below budget for rates and penalty remissions, district plan development expenditure, sludge disposal expenditure and waste minimisation levy charges due to reduced waste volumes.
- E 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.
- F Finance costs are tracking less than budget for the period as interest rates are slightly less than was assumed in the annual plan.



## BALANCE SHEET HIGHLIGHTS

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

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2023	Actual Position 31 Dec 2023	Movement from 30 Jun 2023
<b>Assets</b>			
- Cash and cash equivalents	1,553	1,325	(228)
- Receivables	5,224	7,049	1,825
- Other current assets	134	431	297
- Other financial assets	11,772	11,470	(302)
- Non-current assets	678,428	680,726	2,298
<b>TOTAL ASSETS</b>	<b>697,111</b>	<b>701,001</b>	<b>3,890</b>
<b>Liabilities</b>			
- Other Liabilities	8,020	5,155	(2,865)
- Total Borrowings	28,260	32,829	4,569
<b>Total Liabilities</b>	<b>36,280</b>	<b>37,984</b>	<b>1,704</b>
<b>Equity</b>			
- Equity	660,831	663,017	2,187
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>697,111</b>	<b>701,001</b>	<b>3,890</b>

Total Assets have increased from \$697.1 million to \$701.0 million.

- Cash and cash equivalents have reduced by \$0.2 million to \$1.3 million.
- Receivables increased by \$1.8 million since 30 June 2023 from \$5.2 million to \$7.0 million mostly due to NZTA Waka Kotahi subsidy receivable and rates receivable.
- Non-current assets have increased by \$2.3 million, which includes asset additions of \$7.3 million, less depreciation of \$4.6 million and asset disposals of \$0.4 million.

Total Liabilities have increased from \$36.3 million to \$37.9 million.

- Other liabilities decreased by \$2.8 million for general payables and employee entitlements.
- Total borrowings were \$32.8 million, an increase of \$4.5 million from June 2023, due to the call advance of \$4.5 million being drawn.

Total equity increased from \$660.8 million to \$663.0 million, which equals the net surplus of \$2.2 million.

## CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the period ended 31 December 2023.

(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	213	1,208
Recreation and Property	1,208	395	372	1,975	440	1,535
Community and Partnerships	0	27	0	27	27	-0
Regulation	20	14	0	34	10	24
Solid Waste	3,877	0	0	3,877	33	3,844
Stormwater	475	158	0	633	172	461
Wastewater	643	303	0	945	207	739
Water Supply	5,238	319	0	5,558	413	5,145
Roads	9,919	9,434	0	19,352	5,745	13,608
<b>Total</b>	<b>22,516</b>	<b>10,935</b>	<b>372</b>	<b>33,823</b>	<b>7,260</b>	<b>26,562</b>

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 \$7.3 million for the period ended 31 December 2023, with expenditure of \$3.9 million during the last three months.

Of the total spend, \$2.3 million (32%) relates to emergency works renewals (roads) and \$3.4 million (48%) relates to other roads and footpaths and 11% for waters activities \$0.8 million.

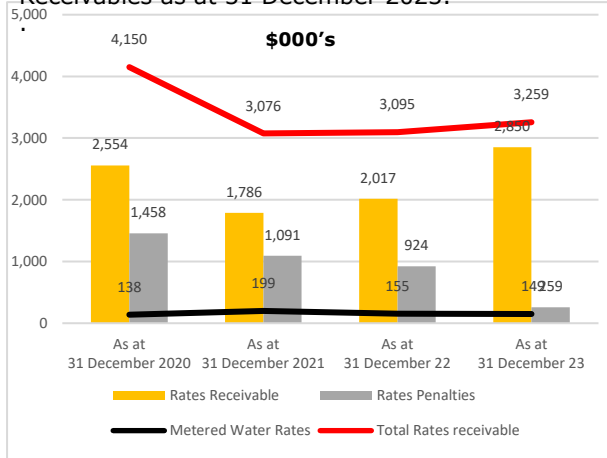
Further detail on the significant capital expenditure projects is included within each Group of Activities.



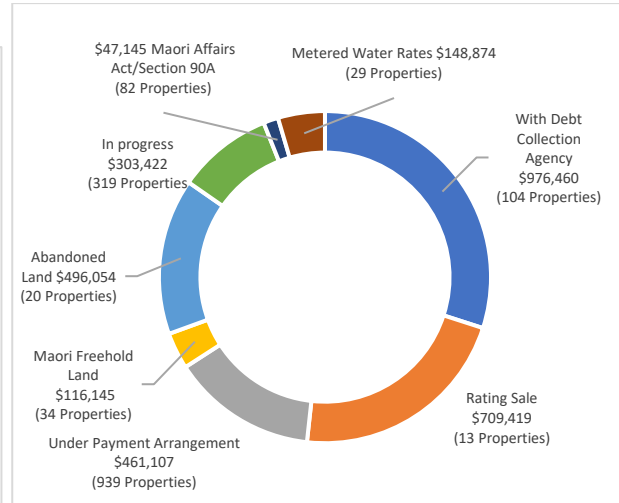
## RATES RECEIVABLES

### TOTAL RATES RECEIVABLES

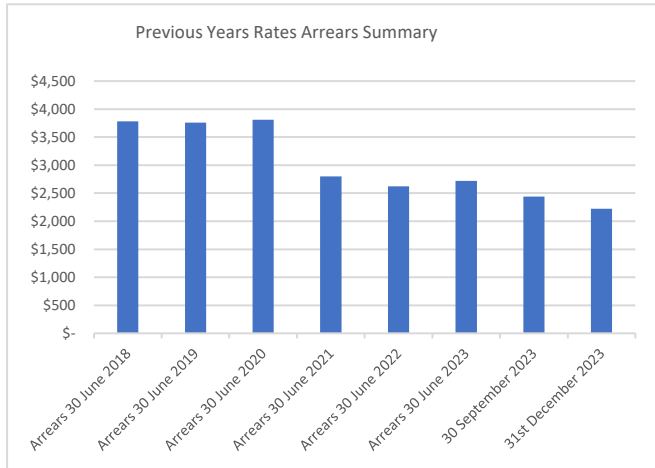
Set out below is the summary of Rates Receivables as at 31 December 2023.



### RATES ARREARS AS AT 31 DECEMBER 2023



### PREVIOUS YEARS RATES ARREARS SUMMARY\*



\*excludes metered water rates

### Progress:

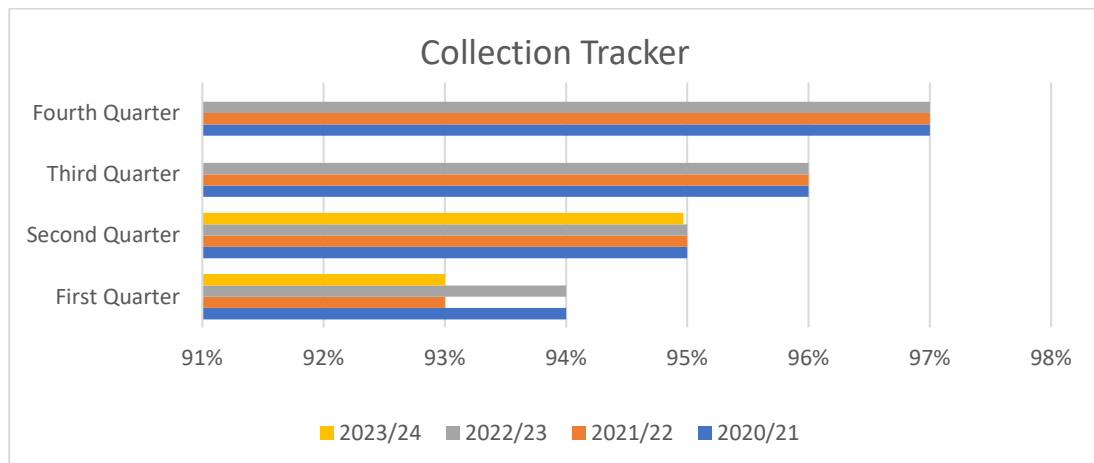
The Rates team have made significant progress with Debt Management in the 2nd Quarter of the rating year.

53 new properties were referred to DMC during the period. Subsequently 31 properties have now had notification of a mortgage demand sent to the Mortgagee.

The number of properties that have entered into a payment arrangement with WDC during this quarter and much progress has also been made with overdue Water and Sundry Debtors.

In January, 7 properties were advertised in the King Country News as possibly abandoned. The abandoned land process is managed by DMC. If after 1 month no representatives have come forward, these properties will be sold by tender.

### RATES INSTALMENT COLLECTION TRACKER



# 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
<b>Revenue</b>							
Rates	(3,746)	(3,786)	(3,786)	(2,036)	(2,000)	36	A
Subsidies and Grants	(334)	(61)	(61)	(114)	0	114	B
Interest Revenue	(83)	(15)	(15)	(24)	(7)	18	C
Fees and Charges	(72)	(104)	(104)	(10)	(52)	(42)	D
Other Revenue incl Gains/Losses	(171)	0	0	(8)	0	8	E
<b>Total Revenue</b>	<b>(4,407)</b>	<b>(3,965)</b>	<b>(3,965)</b>	<b>(2,191)</b>	<b>(2,059)</b>	<b>132</b>	<b>-6%</b>
<b>Operating Expenditure</b>							
Other Expenditure	3,155	3,723	3,882 <sup>1</sup>	1,523	1,773	250	F
Depreciation	617	738	738	334	369	35	G
Finance Costs	216	249	249	158	125	(33)	H
<b>Total Operating Expenditure</b>	<b>3,988</b>	<b>4,710</b>	<b>4,869</b>	<b>2,014</b>	<b>2,266</b>	<b>252</b>	<b>11%</b>
<b>Net (Surplus)/Deficit</b>	<b>(420)</b>	<b>745</b>	<b>904</b>	<b>(177)</b>	<b>208</b>	<b>385</b>	<b>185%</b>

### Variance comments:

- A Rates penalties revenue was more than forecast.
- B Subsidy revenue was more than budget due to the Affordable Water Reforms Transition funding recognised.
- C Interest revenue was more than budget, with favourable bank rates for cash held in the operating account and contracts retentions funds account.
- D Fees and charges were below budget for royalties for council owned quarries.
- E A contribution was received to fund maintenance at Brook Park.
- F Other expenditure was below budget for risk management programme expenditure, cloud migration costs. Asset valuation costs are below budget due to the timing of this expenditure which will be incurred later in the year. This was partly offset by insurance costs that were more than forecast.
- G Depreciation is tracking less than budget due to the delay in the delivery of replacement fleet vehicles.
- H Finance costs attributed to the Leadership activity were more than forecast, however this is partly offset by additional interest revenue.

<sup>1</sup> The revised budget includes a carryover of \$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	0	61	
Customer Service Centre Refurbishment	0	58	18	40	<b>A</b>
Administration Building Renewals	38	44	36	8	<b>B</b>
Administration Building Renovations	358	358	29	329	<b>C</b>
Aerial Photography	50	50	0	50	<b>D</b>
Furniture Minor Renewals	5	36	28	8	
Information Systems Renewals	342	482	42	440	<b>E</b>
Motor Vehicle and Equipment Replacements	240	291	60	231	<b>F</b>
Quarry Safety Improvements	41	41	0	41	
<b>Total Capital Expenditures</b>	<b>1,136</b>	<b>1,421</b>	<b>213</b>	<b>1,208</b>	<b>85%</b>

### Variance comments:

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

- A Includes a carryover of \$58,000 for the customer service centre refurbishment. The customer services refurbishment is expected to be completed in February 2024.
- B A carryover of \$6,000 is included for the replacement of faulty air conditioning units at the WDC building. Work was completed prior to Christmas.
- C Actuals to date include consultants' fees for the administration building project. Currently the project is on hold.
- D Aerial Photography is progressing with the information currently being updated in InfoMapps.
- E Includes a carryover of \$140,000 to continue the building access security renewal project for WDC facilities. Work is ongoing. Renewals actuals to date also include the purchase of computer and hardware equipment. This includes IT fitout costs (cabling) and cabling for i-Site.
- F 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
<b>Revenue</b>							
Rates	(1,633)	(1,690)	(1,690)	(857)	(845)	12	
Subsidies and Grants	(821)	(910)	(853) <sup>2</sup>	(264)	(301)	(37)	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(8)	(4)	(4)	(2)	(2)	0	
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
<b>Total Revenue</b>	<b>(2,461)</b>	<b>(2,604)</b>	<b>(2,547)</b>	<b>(1,123)</b>	<b>(1,148)</b>	<b>(25)</b>	<b>2%</b>
<b>Operating Expenditure</b>							
Other Expenditure	2,187	2,595	2,538 <sup>3</sup>	1,142	1,204	62	B
Depreciation	6	4	4	8	2	(6)	
Finance Costs	0	0	0	0	0	0	
<b>Total Operating Expenditure</b>	<b>2,193</b>	<b>2,599</b>	<b>2,542</b>	<b>1,150</b>	<b>1,206</b>	<b>56</b>	<b>5%</b>
<b>Net (Surplus)/Deficit</b>	<b>(269)</b>	<b>(5)</b>	<b>(5)</b>	<b>27</b>	<b>58</b>	<b>31</b>	<b>54%</b>

### Variance comments:

- A Funding for Mayors Taskforce for Jobs Recovery Programme was recognised during the period.
- B Other expenditure was below budget due to the timing of actuals against budget for rates and penalty remissions, Mayors Taskforce for Jobs Recovery Programme expenditure and Better Off Rangatahi Pathways project expenditure.

### 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
<b>Total Capital Expenditures</b>	<b>0</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>0%</b>

### Variance comments:

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

<sup>2</sup> The revised budget includes the rephasing of the Better Off subsidy revenue to align to the forecast expenditure for the Better Off projects.

<sup>3</sup> 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
<b>Revenue</b>							
Rates	(3,540)	(3,863)	(3,863)	(1,955)	(1,931)	24	
Subsidies and Grants	(2,821)	(748)	(1,234) <sup>4</sup>	(37)	(67)	(30)	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(4,463)	(635)	(635)	(223)	(306)	(82)	B
Other Revenue incl Gains/Losses	(57)	0	0	0	0	0	
<b>Total Revenue</b>	<b>(10,880)</b>	<b>(5,245)</b>	<b>(5,731)</b>	<b>(2,215)</b>	<b>(2,304)</b>	<b>(89)</b>	<b>4%</b>
<b>Operating Expenditure</b>							
Other Expenditure	7,302	3,743	3,856 <sup>5</sup>	1,809	1,859	50	C
Depreciation	1,317	1,456	1,456	716	728	13	
Finance Costs	117	172	172	71	86	15	
<b>Total Operating Expenditure</b>	<b>8,736</b>	<b>5,371</b>	<b>5,484</b>	<b>2,596</b>	<b>2,673</b>	<b>77</b>	<b>3%</b>
<b>Net (Surplus)/Deficit</b>	<b>(2,145)</b>	<b>126</b>	<b>(247)</b>	<b>381</b>	<b>369</b>	<b>(12)</b>	<b>-3%</b>

### Variance comments:

- A Subsidy revenue was less than forecast due to the timing of revenue against expenditure, included in the forecast is carryover funding for NZ Library Partnership Programme.
- B Fee and charges were less than forecast partly as the aquatic centre revenue is now received by the pool contractor (this reduction is revenue is offset by a corresponding reduction contractor costs). Rentals are 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 charges are reduced due to contractor now receiving the aquatic centre revenue. The track strategy budget was also unspent. These expenditures were partly offset by the condition assessment report of council owned buildings and silviculture costs for forestry (funded by proceeds from harvest).

<sup>4</sup> The revised budget includes the rephasing of the Better Off subsidy to align to the forecast expenditure for the Better Off projects and the carryover of funding from NZ Library Partnership Programme.

<sup>5</sup> The revised budget includes the rephasing of the Better Off projects expenditure to reflect the current project timelines and the expenditure for NZ Library Partnership Programme.

## 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	1	73	A
BoF Town Gateways	213	213	0	213	B
BoF Walkways	119	471	50	421	C
Motakiora/ Brook Park Renewals	53	53	59	(6)	D
Parks and Reserves Improvements	119	161	3	159	E
Aerodrome Minor Renewals	55	71	0	71	F
Aquatic Centre Pool Resurfacing and Painting	140	140	116	24	G
Landfill Forestry Planting	30	30	20	10	H
Les Munro Air Conditioning Unit Replacement	175	252	85	167	I
Library Book Renewals	48	48	22	26	
Minor Renewals	142	362	71	291	J
Parks and Reserves Renewals	60	101	14	86	K
<b>Total Capital Expenditures</b>	<b>1,208</b>	<b>1,975</b>	<b>440</b>	<b>1,535</b>	<b>78%</b>

### 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 is underway. The project started in January and is expected to be completed by the middle of March 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 has been completed, with work continuing along the Esplanade. 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 The revised budget includes carryover of \$42,000 for Te Nau Nau Reserve Road project is not going ahead after consultation with Mana Whenua.
- F The revised budget includes carryover of \$16,000 for aerodrome runway renewals.
- G The pool resurfacing and painting was completed in November in time for summer.
- H The landfill forestry planting project is underway with planting and scrub cutting at the site.
- 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 also 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
<b>Revenue</b>							
Rates	(948)	(876)	(876)	(443)	(438)	5	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(450)	(556)	(557)	(302)	(344)	(43)	A
Other Revenue incl Gains/Losses	(10)	(16)	(16)	(8)	(5)	3	
<b>Total Revenue</b>	<b>(1,408)</b>	<b>(1,449)</b>	<b>(1,449)</b>	<b>(753)</b>	<b>(788)</b>	<b>(35)</b>	<b>4%</b>
<b>Operating Expenditure</b>							
Other Expenditure	1,285	1,543	1,543	716	772	56	B
Depreciation	12	12	12	6	6	0	
Finance Costs	0	0	0	0	0	0	
<b>Total Operating Expenditure</b>	<b>1,297</b>	<b>1,556</b>	<b>1,556</b>	<b>722</b>	<b>779</b>	<b>56</b>	<b>7%</b>
<b>Net (Surplus)/Deficit</b>	<b>(111)</b>	<b>107</b>	<b>107</b>	<b>(31)</b>	<b>(9)</b>	<b>22</b>	<b>-229%</b>

### 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.
- B Other expenditure was below budget for legal expenses for environmental health, animal and building control, environmental health and animal control contractor costs, 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	9	25	A
<b>Total Capital Expenditures</b>	<b>20</b>	<b>34</b>	<b>9</b>	<b>24</b>	<b>70%</b>

### 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
<b>Revenue</b>							
Rates	(436)	(417)	(417)	(211)	(209)	3	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(153)	(215)	(215)	(68)	(92)	(25)	A
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
<b>Total Revenue</b>	<b>(589)</b>	<b>(632)</b>	<b>(632)</b>	<b>(279)</b>	<b>(301)</b>	<b>(22)</b>	<b>7%</b>
<b>Operating Expenditure</b>							
Other Expenditure	918	1,198	1,198	514	599	85	B
Depreciation	0	0	0	0	0	0	
Finance Costs	41	65	65	26	32	6	
<b>Total Operating Expenditure</b>	<b>959</b>	<b>1,262</b>	<b>1,262</b>	<b>541</b>	<b>631</b>	<b>91</b>	<b>14%</b>
<b>Net (Surplus)/Deficit</b>	<b>370</b>	<b>630</b>	<b>630</b>	<b>262</b>	<b>331</b>	<b>69</b>	<b>21%</b>

### Variance comments:

- A Resource consent revenue was below budget, in part due to consultants fees not being invoiced for a significant resource consent application until February. However, this was required due to staff needing to wait until the time period for appeals on this application to cease.
- 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 partly 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 submission period closing on 28 July 2023. A total of 28 further submissions were received. Staff will now begin drafting the hearing reports with the aim of commencing the hearings mid-2024.

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



**Next steps:** Draft hearing reports and hearings.  
**End date:** Mid 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
<b>Revenue</b>							
Rates	(1,111)	(1,439)	(1,439)	(731)	(722)	9	
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)	(860)	(1,028)	(168)	A
Other Revenue incl Gains/Losses	(103)	(85)	(85)	(82)	(42)	39	B
<b>Total Revenue</b>	<b>(2,874)</b>	<b>(3,581)</b>	<b>(3,581)</b>	<b>(1,673)</b>	<b>(1,792)</b>	<b>(120)</b>	<b>7%</b>
<b>Operating Expenditure</b>							
Other Expenditure	2,706	3,199	3,199	1,158	1,251	92	C
Depreciation	103	113	113	55	57	2	
Finance Costs	119	126	126	56	63	7	
<b>Total Operating Expenditure</b>	<b>2,928</b>	<b>3,439</b>	<b>3,439</b>	<b>1,269</b>	<b>1,370</b>	<b>101</b>	<b>7%</b>
<b>Net (Surplus)/Deficit</b>	<b>54</b>	<b>(143)</b>	<b>(143)</b>	<b>(404)</b>	<b>(422)</b>	<b>(18)</b>	<b>4%</b>

### Variance comments:

- A Revenue received at the landfill was less for general refuse charges as waste volumes deposited at the landfill were reduced. 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 was below budget mainly for waste minimisation levy expenditure which was less due to reduced waste volumes, reduced infrastructure maintenance and asset management plan budgets not yet spent.

### 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
<b>Total Capital Expenditures</b>	<b>3,877</b>	<b>3,877</b>	<b>33</b>	<b>3,844</b>	<b>99%</b>

### 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
<b>Revenue</b>							
Rates	(479)	(508)	(508)	(257)	(254)	3	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(4)	0	0	0	0	0	
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
<b>Total Revenue</b>	<b>(483)</b>	<b>(508)</b>	<b>(508)</b>	<b>(257)</b>	<b>(254)</b>	<b>3</b>	<b>-1%</b>
<b>Operating Expenditure</b>							
Other Expenditure	213	309	309	274	155	(119)	A
Depreciation	252	257	257	150	128	(22)	
Finance Costs	7	15	15	7	7	0	
<b>Total Operating Expenditure</b>	<b>472</b>	<b>580</b>	<b>580</b>	<b>431</b>	<b>290</b>	<b>(141)</b>	<b>-49%</b>
<b>Net (Surplus)/Deficit</b>	<b>(12)</b>	<b>72</b>	<b>72</b>	<b>174</b>	<b>36</b>	<b>(138)</b>	<b>-384%</b>

### Variance comments:

- A Other expenditure was above budget due to the severe rain events in October causing flooding in Duke St, Te Kuiti, as well as continued maintenance of the stormwater network. 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	5	383	A
Stormwater Discharge Resource Consent Renewals	40	40	24	16	
Stormwater Renewals	195	205	143	62	B
<b>Total Capital Expenditures</b>	<b>475</b>	<b>633</b>	<b>172</b>	<b>461</b>	<b>73%</b>

### 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 expected to commence soon. This is currently being undertaken by Pinnacles.
- B 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
<b>Revenue</b>							
Rates	(1,993)	(2,368)	(2,368)	(1,203)	(1,192)	11	
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(827)	(776)	(776)	(565)	(395)	170	A
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
<b>Total Revenue</b>	<b>(2,820)</b>	<b>(3,144)</b>	<b>(3,144)</b>	<b>(1,769)</b>	<b>(1,588)</b>	<b>181</b>	<b>-11%</b>
<b>Operating Expenditure</b>							
Other Expenditure	2,385	2,831	2,831	1,211	1,422	211	B
Depreciation	1,110	1,038	1,038	517	519	2	
Finance Costs	206	250	250	120	125	5	
<b>Total Operating Expenditure</b>	<b>3,701</b>	<b>4,119</b>	<b>4,119</b>	<b>1,848</b>	<b>2,066</b>	<b>218</b>	<b>11%</b>
<b>Net (Surplus)/Deficit</b>	<b>881</b>	<b>975</b>	<b>975</b>	<b>79</b>	<b>478</b>	<b>399</b>	<b>83%</b>

### 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.
- B Other expenditure was below budget for sludge disposal costs. This was offset partly by increased electricity and chemicals costs.

### 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	30	70	
Resource Consent Renewals	43	43	0	43	
Resource Consent Vegetation Planting	17	17	0	17	
Treatment Plant Renewals	105	192	10	182	A
Reticulation Renewals	362	498	121	377	B
Te Waitere Wastewater	0	80	46	35	C
<b>Total Capital Expenditures</b>	<b>643</b>	<b>945</b>	<b>207</b>	<b>739</b>	<b>78%</b>

### Variance comments:

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

- A Included in the revised budget is \$87,000 for Te Kuiti SCADA and telemetry and Maniaiti/Benneydale minor plant renewals.
- B Included in the revised budget is \$136,000 for continuation of the two year project for Alexandra and Seddon Streets reticulation renewal. The project was completed in December.
- C 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
<b>Revenue</b>							
Rates	(2,888)	(3,092)	(3,092)	(1,497)	(1,559)	(62)	A
Subsidies and Grants	0	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(16)	(2)	(2)	(15)	(1)	14	B
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
<b>Total Revenue</b>	<b>(2,904)</b>	<b>(3,094)</b>	<b>(3,094)</b>	<b>(1,513)</b>	<b>(1,560)</b>	<b>(48)</b>	<b>3%</b>
<b>Operating Expenditure</b>							
Other Expenditure	2,812	2,193	2,193	1,310	1,096	(214)	C
Depreciation	912	969	969	461	485	23	D
Finance Costs	268	333	333	152	166	15	
<b>Total Operating Expenditure</b>	<b>3,992</b>	<b>3,495</b>	<b>3,495</b>	<b>1,923</b>	<b>1,747</b>	<b>(176)</b>	<b>-10%</b>
<b>Net (Surplus)/Deficit</b>	<b>1,088</b>	<b>401</b>	<b>401</b>	<b>410</b>	<b>187</b>	<b>(223)</b>	<b>-120%</b>

### 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 forecast as \$162K of losses on asset disposal were recognised during the period. Expenditure for chemicals, power and sampling were also more than forecast.

## 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	138	4,837	A
Minor Renewals	78	78	0	78	
Reticulation Renewals	363	363	210	153	B
Treatment Plant Renewals	99	116	31	84	C
Resource Consent Renewals	0	21	33	(12)	D
<b>Total Capital Expenditures</b>	<b>5,238</b>	<b>5,558</b>	<b>413</b>	<b>5,145</b>	<b>93%</b>

### 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.
- B Actuals to date relate to Cambridge Excavators work along Bulter and Lusk Streets for the replacement of water pipes as part of the Te Kuiti reticulation planned and unplanned 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
<b>Revenue</b>							
Rates	(4,474)	(4,481)	(4,481)	(2,265)	(2,248)	17	
Subsidies and Grants	(12,926)	(14,458)	(20,489) <sup>6</sup>	(7,461)	(6,648)	813	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(184)	(165)	(165)	(102)	(50)	53	B
Other Revenue incl Gains/Losses	(134)	(140)	(140)	(60)	(76)	(15)	C
<b>Total Revenue</b>	<b>(17,717)</b>	<b>(19,244)</b>	<b>(25,274)</b>	<b>(9,889)</b>	<b>(9,022)</b>	<b>867</b>	<b>-10%</b>
<b>Operating Expenditure</b>							
Other Expenditure	9,134	8,718	9,025 <sup>7</sup>	4,417	4,666	249	D
Depreciation	4,647	4,883	4,883	2,389	2,442	52	E
Finance Costs	334	418	418	174	209	35	F
<b>Total Operating Expenditure</b>	<b>14,114</b>	<b>14,019</b>	<b>14,327</b>	<b>6,980</b>	<b>7,317</b>	<b>336</b>	<b>5%</b>
<b>Net (Surplus)/Deficit</b>	<b>(3,603)</b>	<b>(5,224)</b>	<b>(10,948)</b>	<b>(2,908)</b>	<b>(1,705)</b>	<b>1,203</b>	<b>-71%</b>

### Variance comments:

- A Subsidy revenue was more than budget due to the timing of actual revenue received on the capital works programme against budget forecast. The forecast assumed more of the emergency reinstatement work would be completed in the second half 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 forecast for petrol tax proceeds.
- D Other expenditure was below budget for traffic services, emergency re-instatement first response expenditure, structures maintenance and street cleaning. These expenditures were offset in part by sealed and unsealed maintenance and routine drainage maintenance 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 Interest costs are tracking less than budget for the quarter.

<sup>6</sup> The revised budget includes additional subsidy revenue forecast for carryovers of capital expenditure from 2022/23.

<sup>7</sup> 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	417	53	A
Unsubsidised Road Improvements	106	149	12	137	B
Bridge and Bridge Structures Replacement	656	1,498	628	870	C
Cyclone and Wet Weather Reinstatements	5,066	10,567	2,286	8,280	D
Other Road Renewals	750	2,642	659	1,983	E
Pavement Rehabilitation Renewals	1,201	2,121	1,305	816	F
Sealed Surfacing Renewals	1,128	1,153	38	1,115	G
Unsealed Road Metalling Renewals	638	671	395	275	H
Unsubsidised Road Renewals	83	83	5	78	
<b>Total Capital Expenditures</b>	<b>9,919</b>	<b>19,353</b>	<b>5,745</b>	<b>13,609</b>	<b>30%</b>

### Variance comments:

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

- A Approximately 90% of the works have been completed, and the remainder of the footpath works and remedial works to be completed in the March quarter.
- B This budget is allocated for the road drainage components of the first stage of the Te Kuiti stormwater improvements. This tender is to be awarded and built by May 2024.
- C Construction repairs to bridges has commenced in August and approximately 50% completed. The balance will be completed post-Christmas due to delays in the resource consent.
- D View Terrace and Kopaki Road retreat have been completed. Three of the four sites on Mangatōa Road been completed. The Taumatōtara West Road contract has also been completed. This is the extent of the year one Cyclone Dovi works. Year two works designs are being completed and works are to commence in the next quarter.
- E Bulk of the minor improvement works have been awarded to contractors and are about to commence construction. Plan to complete budget expenditure before the end of the financial year. Taharoa Flooding Section (900k) has also been deferred with the pavement rehabilitation.
- F Waimiha Road & Taharoa Road Pavement Rehabilitations have been completed; these are the last of the carried over sites for 2022/23. The 2023/24 Site (Te Anga Road) is to be awarded and completed by the end of April.
- G Pavement reseals will commence in the next quarter.
- 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.