

Report To: Council



Meeting Date: 25 August 2026

Subject: **Interim Unaudited Financial Report for the period ended 30 June 2026**

Type: Information Only

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Chief Financial Officer

1. 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 30 June 2026.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the Interim Unaudited Financial Report for the period ended 30 June 2026 be received.

3. Background

- 3.1 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 full year revised budget and updates on significant capital expenditure projects.
- 3.2 A copy of the Financial Report for the period ended 30 June 2026 is enclosed separately and forms part of this business paper (**Attachment 1**).

4. Commentary

INCOME STATEMENT HIGHLIGHTS

- 4.1 The net operating surplus of \$9.4 million was less than the revised budget surplus of \$11.8 million for the period ended 30 June 2026.
- 4.2 Total revenue was \$1.9 million less than revised budget for the period. The variance against revised budget was due mostly to:
- Rates revenue was less than forecast for metered water charges due to leak adjustments and corrections, and rates penalties revenue was lower than forecast.
 - Subsidy revenue was less than budget for NZTA subsidy as road renewal expenditure was lower than budget due to the timing of the spend so the related subsidy was less than forecast. Funding was also recognised for Mayors Taskforce for Jobs.

- Fees and charges were higher for trade waste revenue, resource consents and building control services.
- Other Revenue was higher than forecast for waste minimisation levy revenue and depreciation recovered on the sale of vehicles. This also includes vested assets revenue related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane and a gain on the sale of 47 Te Kumi Road. Dividend revenue was also received from Inframax Construction Ltd.

4.3 Total expenditure was \$0.5 million more than revised budget for the period. The variance against revised budget was due to:

- Roads maintenance costs were more for emergency first response, routine drainage maintenance, network and asset management and environmental maintenance. These over-expenditures were partly offset by reduced structures maintenance and traffic services costs. Additional expenditure was also incurred for Mayors Taskforce for Jobs programme that was not included in the budget. This programme is fully funded by central government.
- Finance costs were lower than budget due to a lower level of borrowings and lower cost of funds than forecast in the Annual Plan.
- Losses on disposal were recognised including the demolition of the old reservoir located at Te Kuiti Hospital.
- Salary costs were lower than forecast due mostly to the changes from the organisation review.

BALANCE SHEET HIGHLIGHTS

- 4.4 Total assets have increased to \$746.2 million since June 2025.
- 4.5 Cash increased at year end compared to the prior year due the receipt of NZTA subsidy for the May 2026 claim that was received on 29 June. In the prior year the May claim revenue was not received until 1 July 2025.
- 4.6 Non-current assets increased by \$10.6 million, made up of asset additions of \$24.3 million, less depreciation of \$10.9 million and loss on disposal and impairment \$2.8 million.
- 4.7 Other financial assets increased by \$1 million due to additional investment in LGFA borrower notes required for the refinancing of a floating rate note in August, and also increased for the establishment funding to Waikato Waters Limited (WWL), which was repaid to WDC on 1 July.
- 4.8 Receivables at 30 June 2026 reduced by \$3.6 million since June 2025. The balance at 30 June included NZTA subsidy receivable for both May and June 2025, which was subsequently received in early July 2025.
- 4.9 Other current assets decreased by \$0.8 million due to the sale of Riverview Heights land and the Te Kumi Road property, which were included in Assets Held for Sale.
- 4.10 Other liabilities have decreased from \$10.8 million to \$8.3 million due to a decrease in general payables.
- 4.11 Total Borrowings increased to \$38.2 million. This included new borrowing of \$5 million to fund the Te Kuiti water resilience project. On 1 July 2026, \$32 million of debt was repaid from funds received from WWL, reducing external borrowings to \$6 million.

CAPITAL EXPENDITURE

- 4.12 The total revised capital expenditure budget 2025/26 is \$36.3 million including carryovers from the 2024/25 year of \$3.5 million and \$9.5 million additional budget approved by Council for the repairs to the road network damaged during the July and October 2025 storm events and budgets approved to reflect the NZTA additional programme.

- 4.13 Total expenditure for the year to June was \$24.4 million (67% of the revised budget), with the majority of the capital expenditure spend to date for Roads activity.
- 4.14 The total capital spend included \$1.1 million of vested assets for stormwater, wastewater, water supply and roading that were transferred to Council on completion of new housing developments in Te Kuiti.
- 4.15 Commentaries on the significant projects within the capital works programme are included under each area in the attached Financial Report.

ADJUSTMENTS AND OTHER CONSIDERATIONS FOR THE ANNUAL REPORT

- 4.16 The significant adjustments still to be completed as part of development of the Annual Report are detailed in the following paragraphs.
- 4.17 Valuation of Council's Investment in Inframax Construction Limited is underway with the draft valuation report expected from the valuers in mid-September. Council will consider the draft valuation of the investment at the September Council meeting.
- 4.18 Valuations of roads and footpaths, solid waste assets, investment properties and assets held for sale are in progress and awaiting the valuation reports to be received from valuers. Once reviewed and finalised these valuations will be processed into the asset ledger at 30 June 2026.
- 4.19 Calculations of estimates for Provisions for Landfill Aftercare and Gallagher Recreation Centre are still to be completed.
- 4.20 Through finalising the annual report minor adjustments may be required. These changes may impact on the results reported in this interim report, however are not expected to materially alter the financial results reported in this report.

5. Attachments/Separate Enclosures

Attachments:

- 1 Financial Report for the period ended 30 June 2026 (Doc 1001147)



INTERIM UNAUDITED FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 30 JUNE 2026

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INTRODUCTION

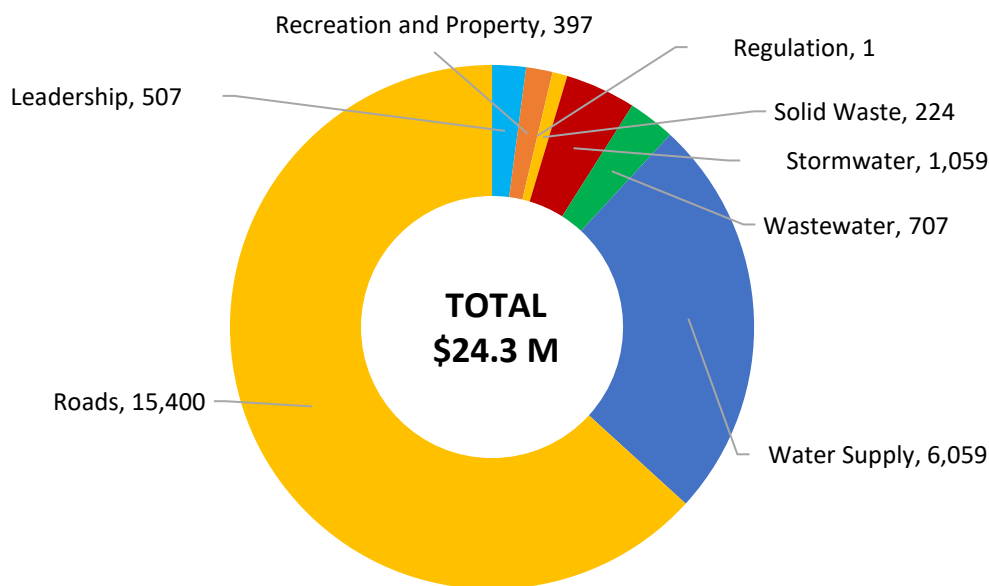
The 2024-34 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through Annual Plans.

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

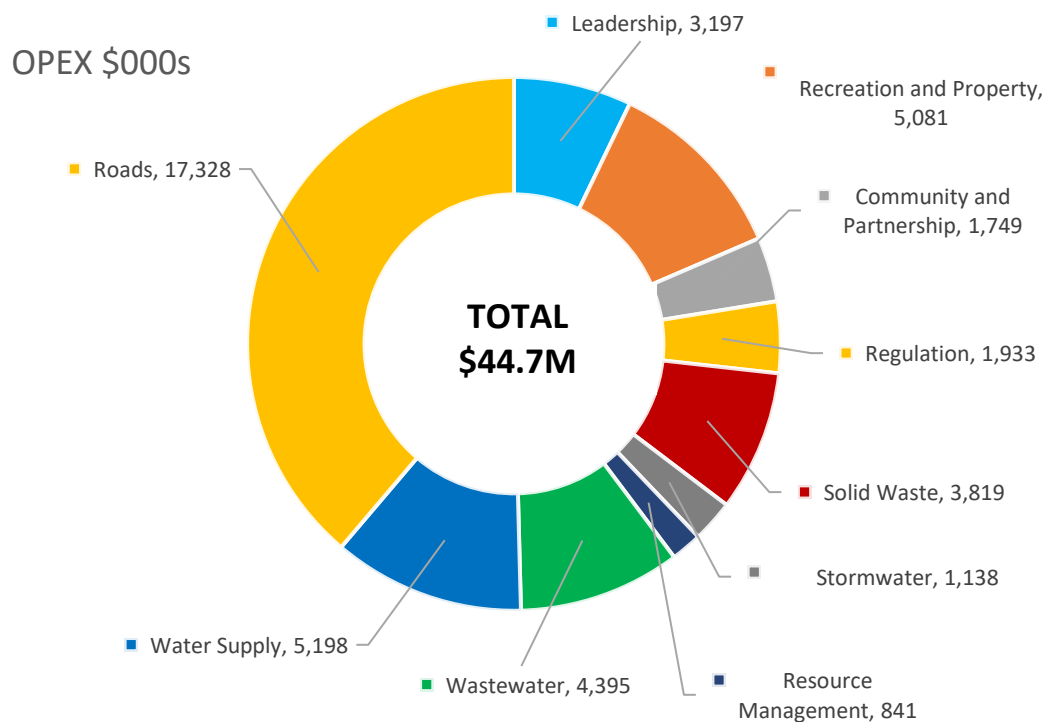
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2025 to June 2026.

SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 30 JUNE 2026 \$'000'S



OPERATIONAL EXPENDITURE SUMMARY AS AT 30 JUNE 2026 \$'000'S



FINANCIALS

All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s). Reviewed budgets include the 2025/26 Annual Plan budget, approved carryovers and any additional budgets approved by Council.

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ending 30 June 2026 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2024/25	Annual Plan	Revised Budget	Interim Unaudited Actual	Var to YTD Revised Bud	%Var and Note Ref
Revenue						
Rates	(25,413)	(26,192)	(25,736)	(25,590)	(149)	A
Subsidies and Grants	(18,572)	(13,522)	(25,225)	(21,566)	(3,658)	B
Interest Revenue	(195)	(142)	(142)	(116)	(26)	
Fees and Charges	(4,867)	(4,343)	(4,343)	(4,910)	567	C
Other Revenue incl Gains/Losses	(86)	(529)	(529)	(1,900)	1,371	D
Total Revenue	(49,132)	(44,727)	(55,974)	(54,082)	(1,895)	3%
Operating Expenditure						
Other Expenditure	23,949	23,406	24,066	24,345	(275)	E
Depreciation	10,097	10,778	10,778	10,896	(118)	F
Finance Costs	1,589	1,545	1,545	1,414	131	G
Loss on Disposal	355	0	0	737	(737)	H
Salary Expenditure	7,482	7,875	7,819	7,288	531	I
Total Operating Expenditure	43,471	43,604	44,208	44,679	(468)	-1%
Net (Surplus)/Deficit	(5,661)	(1,123)	(11,766)	(9,403)	(2,363)	20%

Net Operating result: The net operating surplus of \$9.4 million is less than the revised budgeted surplus of \$11.8 million for the period ended 30 June 2026.

Total Revenue was less than revised budget by \$1.9 million.

- A Rates revenue was less than forecast for metered water charges due in part to leak adjustments and corrections and lower rates penalties were also recognised.
- B Subsidy revenue was less than budget for NZTA subsidy as road renewal expenditure was below forecast so the related subsidy revenue was also lower than budget. Offsetting this was additional funding was also recognised for Mayors Taskforce for Jobs programme.
- C Fees and charges were higher for resource consents, trade waste revenue and building control services.
- D Other Revenue was higher than forecast for waste minimisation levy revenue and depreciation recovered on the sale of vehicles and a dividend received from Inframax Construction Limited. This also includes vested assets revenue related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane and a gain on the sale of 47 Te Kumi Road.

Total Operating Expenditure was more than revised budget by \$0.5 million.

- E Roads maintenance costs were more for emergency first response, routine drainage maintenance, network and asset management and environmental maintenance. These over-expenditures were partly offset by reduced structures maintenance and traffic services costs. Additional expenditure was also incurred for Mayors Taskforce for Jobs programme that was not included in the budget. This programme is fully funded by central government.
- F Depreciation was more than forecast due to the revaluation of waters and recreation and property assets at 30 June 2025 which increased the values of these assets and the corresponding depreciation expense.

- G Finance costs were lower than forecast due to a lower level of borrowings and the lower cost of funds than was forecast in the Annual Plan.
- H Losses on disposal includes the demolition of the old reservoir located near Te Kuiti Hospital and other water assets through replacement.
- I Salary costs were lower than budget due mostly due to the changes from the organisation review.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2025 to 30 June 2026.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2025	Interim Unaudited Position 30 June 2026	Movement from 30 Jun 2025
Assets			
- Cash and cash equivalents	3,014	5,701	2,687
- Receivables	9,399	5,736	(3,663)
- Other current assets	1,053	228	(825)
- Other financial assets	14,549	15,633	1,084
- Derivative Financial Instruments	18	16	(2)
- Non-current assets	708,264	718,920	10,656
TOTAL ASSETS	736,297	746,234	9,937
Liabilities			
- Other Liabilities	10,780	8,333	(2,447)
- Total Borrowings	33,235	38,280	5,045
- Derivative financial instruments	520	450	(70)
Total Liabilities	44,535	47,063	2,528
Equity			
- Equity	691,762	699,171	7,409
TOTAL LIABILITIES AND EQUITY	736,297	746,234	9,937

Total Assets have increased from \$736.3 million to \$746.2 million.

- Cash increased at year end compared to the prior year due to the receipt of NZTA subsidy for the May 2026 claim that was received on 29 June. In the prior year the subsidy revenue for the May claim was not received until 1 July 2025.
- Non-current assets increased by \$10.6 million, made up of asset additions of \$24.3 million, less depreciation of \$10.9 million and loss on disposal and impairment \$2.8 million.
- Other financial assets increased by \$1 million due to additional investment in LGFA borrower notes required for the refinancing of a floating rate note in August 2025, and also for the establishment funding to Waikato Waters Limited (WWL) which was repaid to WDC on 1 July 2026.
- Receivables at 30 June 2026 reduced by \$3.6 million since June 2025. The balance at 30 June included NZTA subsidy receivable for both May and June 2025, which was subsequently received in early July 2025.
- Other current assets decreased by \$0.8 million due to the sale of Riverview Heights land and the Te Kumi Road property, which were included in Assets Held for Sale.

Total Liabilities have increased from \$44.5 million to \$47 million.

- Other liabilities have decreased from \$10.8 million to \$8.3 million due to a decrease in general payables.
- Total Borrowings increased to \$38.2 million. This included \$5 million of new borrowing to fund the Te Kuiti water resilience project. On 1 July 2026 \$32 million of debt was repaid from funds received from WWL.

Total equity increased from \$691.8 million to \$699 million, being the net surplus for the period less the impairment of assets processed to the revaluation reserve (including water and wastewater assets impaired prior to the transfer of waters assets and roads impairment following storm damage to road network).

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the year ended 30 June 2026.

SUMMARY CAPITAL EXPENDITURE \$000's	Annual Plan 2026	Plus Carryover from Prior Year	Plus Council Approved	Revised Budget 2026	Interim Unaudited Actuals	Var to Revised Budget
Leadership	580	110	0	690	507	183
Recreation and Property	612	339	0	951	397	554
Regulation	5	0	0	5	1	4
Solid Waste	2,651	74	0	2,725	224	2,501
Stormwater	1,136	215	0	1,351	1,059	292
Wastewater	724	146	0	870	707	163
Water Supply	8,327	381	0	8,708	6,059	2,649
Roads	8,008	2,228	10,813	21,049	15,400	5,649
Total Capital Expenditures	22,043	3,493	10,813	36,349	24,354	11,995

The total revised capital expenditure budget 2025/26 is \$36.3 million including carryovers from the 2024/25 year of \$3.5 million, \$9.5 million additional budget approved by Council for the repairs to the road network damaged during the July and October 2025 storm events and \$1.35 million approved budget for NZTA additional programme.

Total expenditure for the year to June 2026 was \$24.4 million (2025: \$17.8 million). This was 67% of the revised budget, with the majority of the capital expenditure spend for Roads and Footpaths.

Included in capital expenditure for the year, was \$1.1 million of vested assets for stormwater, wastewater, water supply and roading that were transferred to Council on completion of new housing developments in Te Kuiti.

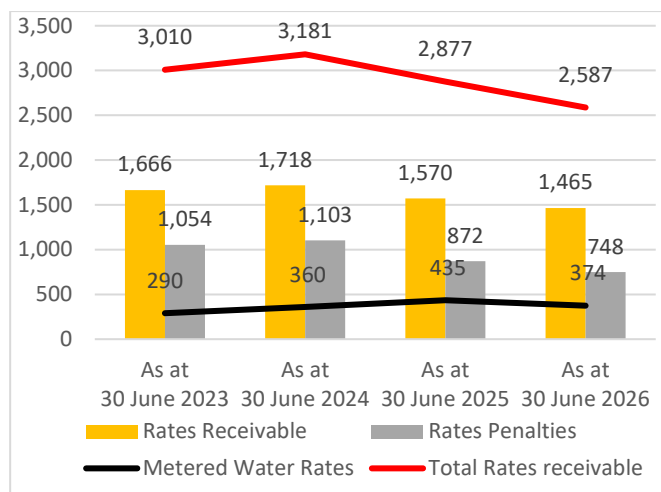
Te Kuiti transfer station improvement project did not proceed as originally proposed due to the lower waste tonnages expected through the transfer station and the lack of planned government funding for the project. Some of the remaining budget is proposed to be carried over for the final capping of the cell and further improvements planned for the 2026/27 year.

Further commentary on the capital programme is included under each activity.

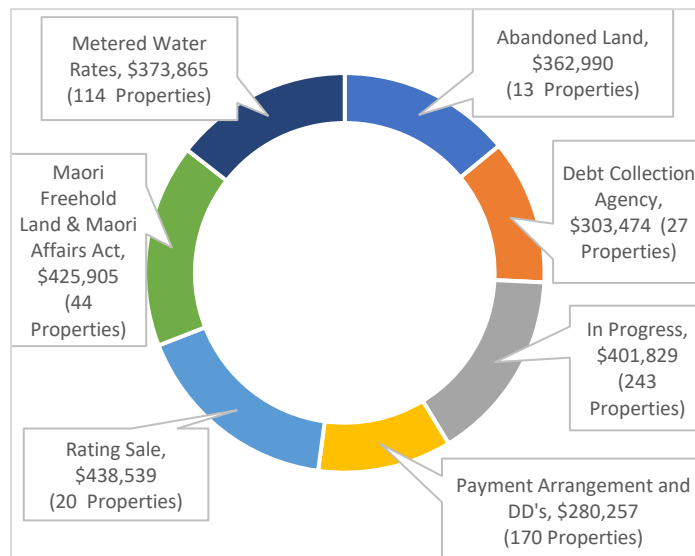
RATES RECEIVABLES

TOTAL RATES RECEIVABLES \$000's

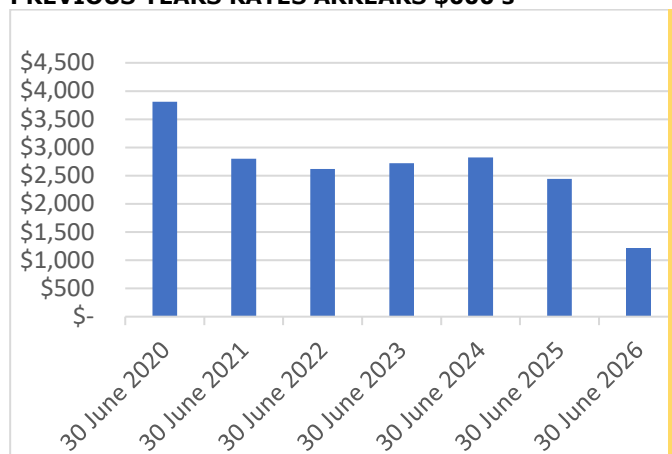
Set out below is the summary of Rates Receivables as at 30 June 2026.



RATES OUTSTANDING AT 30 JUNE 2026

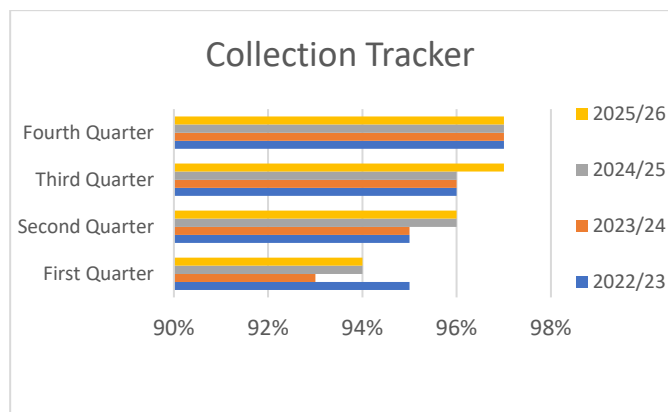


PREVIOUS YEARS RATES ARREARS \$000's*



*Excludes metered water rates

RATES INSTALMENT COLLECTION



There was an overall rates receivable* decrease of \$229,000 since 30 June 2025 (\$2.4 million to \$2.2 million).

The tenders for 5 abandoned land properties close on 26 August 2026. One property located in Te Kuiti is currently for sale by the courts through the rating sale process, with tenders closing 2 September.

Statute barred write offs totalling \$125,606 were written off in June (32 properties). These are rates Council is unable to legally enforce as the six year limitation period for recovery has expired.

A total of \$306,865 of rates rebates (386 applications) were applied to ratepayer's accounts

Rates Rebates 30/06/26	Rates Rebates 30/06/25	Rates Rebates 30/06/24
386	338	318

Rates Remissions

A total of \$268,182 in rates and penalty remissions were granted against a full year budget of \$180,500. In the total remissions granted were penalty remissions of \$76,163 which included a number of payment arrangements that provided a penalty remission upon completion on the arrangement and lump sum penalty remissions.

The breakdown per remission category is detailed in the following table with the prior year comparator:

Remission Category	24/25	24/25	25/26	25/26
	Actual \$	No	Actual \$	No
Clubs, Societies and Community Organisations	72,646	24	76,765	24
Māori Freehold Land	16,965	22	27,937	20
Organisations providing care for the Elderly	43,993	2	46,584	2
Penalties	15,029	97	76,163	63
Properties used jointly as a single unit	47,216	61	39,384	56
New residential subdivisions	0	0	0	0
Cases of genuine financial hardship	0	0	0	0
New Businesses	0	0	0	0
Natural Calamity	720	1	646	1
Rating Sale or Abandoned Land Sale	0	0	0	0
Total remissions under policy	196,569	207	267,479	166
Remissions granted by Council resolution	613	1	703	1
Total remissions granted	197,182	208	268,182	167

The following clubs, societies and community organisations were granted rates remission during the 2025/26 year:

- Aria Toy Library
- Maniapoto Maara Kai Roopu Charitable Trust
- Mahoenui Hall Committee
- Maniapoto Rugby Sub-Union Incorporated
- Waitomo Golf and Country Club
- Piopio Bowling Club Incorporated
- Piopio Lawn Tennis Club Incorporated
- Piopio-Aria Golf Club Incorporated
- Tainui Historical Society Incorporated
- Te Kuiti & District Historical Charitable Trust
- Te Kuiti Bowling Club Incorporated
- Te Kuiti Community House Trust
- Te Kuiti Lyceum Club Incorporated
- Te Kuiti Motorcycle Club Incorporated
- Te Kuiti Pig Hunting Club Incorporated
- Te Kuiti Trapshooters Club
- Te Waitere Boating Club Incorporated
- The Order of St John Central Region Trust Board
- The Piopio Senior Citizens Club Inc
- Waikato Diocesan Trust Board
- Waitete Rugby Football Club Inc
- Waitomo Caves Museum Society Incorporated
- Waitomo Christian Fellowship Trust Board
- Awakino Bowling Club

LEADERSHIP

FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(3,312)	(3,210)	(3,210)	(3,150)	(60)	A
Subsidies and Grants	(59)	0	0	(1)	1	
Interest Revenue	(195)	(142)	(142)	(116)	(26)	B
Fees and Charges	(24)	(35)	(35)	(67)	32	C
Other Revenue incl Gains/Losses	(339)	(200)	(200)	(296)	96	D
Total Revenue	(3,929)	(3,586)	(3,586)	(3,631)	44	-1%
Operating Expenditure						
Other Expenditure	2,262	2,354	2,354	2,116	238	E
Depreciation	719	754	754	752	2	
Finance Costs	298	309	309	317	(8)	
Loss on Disposal	31	0	0	12	(12)	F
Total Operating Expenditure	3,310	3,417	3,417	3,197	220	6%
Net (Surplus)/Deficit	(619)	(170)	(170)	(434)	264	-156%

Variance Comments:

- A Rates revenue is currently tracking less than budget due mostly to rates penalties being less than forecast.
- B Interest revenue is below budget due to reduced cash balances in both the operational and retention monies accounts.
- C Fees and charges revenue are more than full year budget for quarry royalties revenue.
- D Other revenue is higher than forecast due to depreciation recovered on the disposal of motor vehicles was recognised for five fleet vehicles that were sold earlier in the year. Dividend revenue of \$200,000 was received from Inframax Construction Ltd.
- E Operational expenditure was below budget for cloud migration and HR employee related costs. Audit fees were less than forecast as an LTP amendment was not required this year and there was no associated audit.
- F Loss on disposal included the disposal of obsolete software.

CAPITAL EXPENDITURE

LEADERSHIP \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Quarry Safety Improvements & Renewals	41	95	27	68	A
Information Services Hardware Improvements	40	70	(21)	91	B
Information Services Hardware Renewals	107	121	27	94	C
Motor Vehicle and Equipment Replacements	371	371	447	(76)	D
Minor Renewals	21	33	27	6	E
Total Capital Expenditures	580	690	507	183	

Variance Comments:

The revised budget includes carryover budgets of \$110,000.

- A Includes a carryover of \$54,000 for quarry safety which was not fully spent.
- B Includes a carryover of \$30,000 for system improvements including a high-speed internet connection. This project will now cover the Queen Street, Customer Service Hub, Library, Railway Building 3 and the Les Munro Centre. There was a credit note received against the aerial photography of \$37,000 as the work has been deferred to 2026/27 summer. There are carryovers proposed for the remaining budget.
- C Includes a carryover of \$14,000 for replacement of laptops, mobile phones and monitors. The spend for the year was on device renewals and equipment upgrades. There is a carryover proposed for the remaining budget.
- D Fleet replacements for motor vehicles and parks maintenance equipment is complete. The proceeds from the sale of fleet vehicles is utilised to part fund the replacement of the vehicles.
- E Minor renewals include furniture replacement and air conditioning unit replacements.

COMMUNITY AND PARTNERSHIPS

FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(1,574)	(1,470)	(1,470)	(1,464)	(6)	
Subsidies and Grants	(546)	(178)	(178)	(331)	154	A
Fees and Charges	(11)	(7)	(7)	(15)	8	B
Total Revenue	(2,131)	(1,655)	(1,655)	(1,811)	155	-9%
Operating Expenditure						
Other Expenditure	1,902	1,694	1,694	1,741	(47)	C
Depreciation	9	13	13	8	4	
Total Operating Expenditure	1,911	1,706	1,706	1,749	(43)	-3%
Net (Surplus)/Deficit	(220)	51	51	(62)	113	221%

Variance Comments:

- A Subsidies and grants revenue and Other Expenditure were higher than budget for the Mayor's Taskforce for Jobs which was not included in the budgets. This programme was fully funded by central government.
- B More revenue was received for the Te Kuiti Muster than forecast in the budget.
- C Other expenditures were more than budget mainly due to Mayor's Taskforce for Jobs expenditure which was not included in the budgets. This was partly offset by reduced staff costs.

RECREATION AND PROPERTY

FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(4,458)	(4,324)	(4,324)	(4,303)	(21)	
Subsidies and Grants	(450)	(1)	(36)	(37)	1	
Fees and Charges	(553)	(570)	(570)	(584)	14	
Other Revenue incl Gains/Losses	586	(55)	(55)	(145)	90	A
Total Revenue	(4,875)	(4,950)	(4,985)	(5,070)	85	-2%
Operating Expenditure						
Other Expenditure	4,124	3,809	3,869	3,708	162	B
Depreciation	1,534	1,673	1,673	1,699	(26)	C
Finance Costs	147	140	140	124	17	
Loss on Disposal	155	0	0	4	(4)	
Total Operating Expenditure	5,961	5,623	5,683	5,534	149	3%
Net (Surplus)/Deficit	1,086	672	697	464	234	34%

- A This includes the gain on the sale of the residential property at 47 Te Kumi Road Te Kuiti.
- B Other Expenditure was less than forecast mostly for property repairs and maintenance and tree maintenance costs, silviculture costs and asset management costs. A further adjustment is still to be processed for the Gallagher Recreation Centre long term maintenance provision.
- C Depreciation is tracking more than budget for building and structures due to the revaluation carried out as at 30 June 2025, however this increased cost has been offset partly for reduced depreciation for the dwelling at 47 Te Kumi Road, which was sold.

CAPITAL EXPENDITURE

RECREATION AND PROPERTY \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Land Purchases	0	80	0	80	A
BOF Walkways	0	35	28	7	B
Motakiora/Brook Park Improvements	10	16	10	6	C
Centennial Park Development	0	101	0	101	D
Park Renewals	39	49	40	9	E
Playground Renewals	31	31	3	28	F
Minor Renewals	114	168	199	(31)	G
Eketone Street Subdivision Improvements	331	331	15	316	H
Library Books Renewals	46	46	48	(2)	
Cemeteries renewals and improvements	0	20	15	5	I
Security Camera Renewals	41	74	39	35	J
Total Capital Expenditures	612	951	397	554	

Variance Comments:

The revised budget includes carryover budgets totalling \$340,000.

- A The Land Purchases budget was allocated for capitalisable costs such as subdivision costs, to ready properties identified for sale, however it has not been spent this year.
- B The carryover budget of \$35,000 was for the completion of the walkways project. This project is complete and any further work would be maintenance in nature.
- C Motakiora/Brook Park improvements include fencing and track work. The work to date includes installation of a new fenceline.
- D A budget of \$101,000 is forecast for the continuing development of Centennial Park. Work on this project is currently on hold until decisions are made on the next steps for the park's development.
- E Park renewals include minor works on the various parks and reserves. Expenditure to date includes completion of the renewal of bollards at Te Kuiti domain and installation of water fountain at Centennial Park.
- F A budget of \$31,000 was forecast for minor playground renewals. There has been only minor spends this year.
- G The budget of \$168,000 is for minor renewals of Council owned properties including Redwood Flats, Library and Community House building and public amenities. The spend to date includes relocation of the ablution block to Marokopa campground, minor building renewals, library technology renewals and tables and bin renewals. Aquatic Centre renewals include critical filter and intake pipes replacements for the pool, as well as some fencing replacements and boiler pump replacement.
- H The Eketone Street subdivision budget is for the development of four sections located there for eventual sale. The resource consent application is with Waikato Regional Council, waiting for their approval.
- I Upgrade works at Te Kuiti Cemetery will continue in the 2026/27 year. The project includes the construction of a pergola, along with new garden plantings and the formation of landscaped berms to provide many more burial sites. These improvements are aimed at enhancing the overall appearance and amenity of the cemetery, while also increasing capacity. Fencing and gate renewals at Mokau Cemetery were completed.
- J A budget of \$74,000 is for security camera renewals at various sites in the district. Installation of new cameras is now complete.

REGULATORY SERVICES

FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(1,411)	(1,344)	(1,344)	(1,337)	(6)	
Fees and Charges	(788)	(673)	(673)	(792)	119	A
Other Revenue incl Gains/Losses	(13)	(19)	(19)	(28)	9	B
Total Revenue	(2,212)	(2,036)	(2,036)	(2,157)	121	-6%
Operating Expenditure						
Other Expenditure	1,985	2,017	2,017	1,916	101	C
Depreciation	17	19	19	18	1	
Total Operating Expenditure	2,002	2,036	2,036	1,933	102	5%
Net (Surplus)/Deficit	(210)	0	0	(223)	223	

Variance Comments:

- A Revenue for Building Control is tracking ahead of budget for additional inspections (including out of district), building accreditation levy revenue and Health Act licences and alcohol licencing fees.
- B Infringement and penalty revenue was more than full year budget.
- C Other expenditure was below budget for building control services with less expenditure for consultants and legal fees, allocated costs, earthquake prone buildings expenditure and contracted animal control expenditure.

CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Dog Pound Renewals	5	5	1	4	
Total Capital Expenditures	5	5	1	4	

RESOURCE MANAGEMENT

FINANCIAL UPDATE

RESOURCE MANAGEMENT \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(442)	(631)	(631)	(628)	(3)	
Fees and Charges	(210)	(192)	(192)	(341)	149	A
Total Revenue	(652)	(823)	(823)	(969)	146	-18%
Operating Expenditure						
Other Expenditure	766	693	693	782	(89)	B
Finance Costs	65	69	69	59	10	
Total Operating Expenditure	832	762	762	841	(79)	-10%
Net (Surplus)/Deficit	179	(61)	(61)	(127)	66	-108%

Variance Comments:

- A Resource consent revenue (which includes the on-charging of consultant's costs) was more than budget. Revenue from processing LIMs was also more than full year budget.
- B Overall expenditure for Resource Management is more than budget. This is due to additional expenditure for the processing of large and complex resource consent applications requiring technical input from specialists. These costs are on charged to the applicant once the decision has been issued. These costs have been offset by reduced expenditure for the Proposed District Plan, which is now largely operative.

SOLID WASTE

FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(1,651)	(1,903)	(1,903)	(1,943)	40	
Subsidies and Grants	(3)	0	0	0	0	
Fees and Charges	(1,863)	(1,761)	(1,761)	(1,552)	(209)	A
Other Revenue incl Gains/Losses	(186)	(125)	(125)	(208)	83	B
Total Revenue	(3,703)	(3,789)	(3,789)	(3,704)	(85)	2%
Operating Expenditure						
Other Expenditure	3,553	3,672	3,672	3,491	180	C
Depreciation	281	132	132	114	19	
Finance Costs	124	114	114	91	23	
Loss on Disposal	0	0	0	123	(123)	D
Total Operating Expenditure	3,959	3,918	3,918	3,819	98	3%
Net (Surplus)/Deficit	256	129	129	116	13	10%

Variance Comments:

- A Revenue received from the landfill was less than forecast for general waste charges and sale of rubbish bags, partly offset by higher green waste and special waste.
- B Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes, which can include public education programmes and initiatives that reduce refuse being deposited at landfills.
- C Other expenditure was below budget for emissions trading scheme and waste minimisation levy costs and consultants fees. These under expenditures were partly offset by increased landfill operational costs.
- D Capital expenditure incurred in prior years and held as work in progress for the landfill cell development was impaired following the decision not to proceed with the new cell development.

CAPITAL EXPENDITURE

SOLID WASTE \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Te Kuiti Transfer Station Improvements	1,907	1,907	100	1,807	A
Landfill Final Capping	600	600	2	598	B
Minor Renewals	88	88	0	88	C
Rural Transfer Station Improvements	10	10	0	10	
Asphalt resealing Benneydale, Piopio and Kinohaku Transfer Stations	46	120	122	(2)	D
Total Capital Expenditures	2,651	2,725	224	2,501	

Variance Comments:

The revised budget included carryovers of \$74,000.

- A The Te Kuiti Transfer Station improvements includes the construction of the improved, covered transfer station and loading area to improve waste diversion from the landfill. This project is not planned to

proceed given the lower tonnage expected through the transfer station and the lack of planned government funding for the project. The expenditure to date is for project management for the transfer station improvements and expenditure on the high wall.

- B The landfill closed on 30 June 2026 and will be capped with a layer of impermeable clay and topsoil. The budget is proposed to be carried over to complete this work.
- C Minor renewals are forecast for fencing and drainage renewals and was not spent during the year.
- D Pavement repairs and resealing are required for Benneydale, Piopio and Kinohaku transfer stations and includes a carry over budget of \$74,000. This work has been completed.

STORMWATER

FINANCIAL UPDATE

STORMWATER \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(929)	(925)	(925)	(939)	15	
Subsidies and Grants	(3)	(370)	(370)	(0)	(370)	A
Other Revenue incl Gains/Losses	0	0	0	(389)	389	B
Total Revenue	(958)	(1,295)	(1,295)	(1,329)	34	-3%
Operating Expenditure						
Other Expenditure	699	684	684	730	(46)	C
Depreciation	258	283	283	341	(57)	D
Finance Costs	22	29	29	25	4	
Loss on Disposal	5	0	0	43	(43)	E
Total Operating Expenditure	984	996	996	1,138	(142)	-14%
Net (Surplus)/Deficit	27	(299)	(299)	(191)	(108)	36%

Variance Comments:

- A The budgeted subsidy is Better Off Funding for stormwater improvements. No revenue has been recognised as there was no expenditure incurred during the year.
- B Revenue for vested assets is for assets installed at Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane.
- C Other expenditure was more than budget for the year. Cost were higher for reactive maintenance, legal fees, and consultants' fees for stormwater modelling, which models the responsiveness of the stormwater network to high intensity rainfall events and identifies choke points and where the network can be improved. This was offset by lower costs for planned maintenance, open drain maintenance and the inspection programme.
- D Depreciation expenditure was more than budget due to the revaluation of stormwater assets at 30 June 2025 which increased the value of these assets and the corresponding depreciation expense.
- E Losses on disposal have been recognised for stormwater asset replacements in the George and Hill Street area.

CAPITAL EXPENDITURE

STORMWATER \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals	Var to Revised Budget	%Var and Note Ref
Eketone Street Stormwater Improvements	120	120	0	120	A
Vested Assets	0	0	389	(389)	B
Stormwater Improvements	521	521	342	179	C
Stormwater Renewals	490	490	310	180	D
Te Kuiti Stormwater Main Renewal	0	187	0	187	
Stormwater Discharge Resource Consent Renewals	5	33	18	15	E
Total Capital Expenditures	1,136	1,351	1,059	292	

Variance Comments:

The revised budget includes carryover budgets of \$215,000.

- A Stormwater improvement is associated with the Eketone Street subdivision. No stormwater work was incurred during the year and the budget is proposed to be carried over to the 2026/27 year.

- B Vested Assets related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane were recognised.
- C Stormwater improvements for improving the stormwater network to cope with high intensity rainfall events and the like. This includes budget for improvement works such as wingwalls, safety grills and gabion baskets around outlets and design costs for future projects. Spend to date includes the purchase of a mobile pump and the installation of a new scruffy dome on Awakino Road, Te Kuiti. The stormwater improvements contract covering 14 sites in Te Kuiti is underway, with the unspent budget proposed to be carried over to the 2026/27 for the continuation of this contract.
- D Stormwater renewals include rehabilitation of stormwater pipes. The budget was not spent during the year and is proposed to be carried over the 2026/27 year.
- E Ongoing work for a district wide resource consent for stormwater discharge is continuing. The application is being applied for under a regional wide consent. The budget was not fully spent during the year and is proposed to be carried over the 2026/27 year.

WASTEWATER

FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(2,729)	(3,041)	(3,041)	(3,080)	39	
Subsidies and Grants	(25)	0	0	(1)	1	
Fees and Charges	(1,103)	(838)	(838)	(1,152)	315	A
Other Revenue incl Gains/Losses	0	0	0	(163)	163	B
Total Revenue	(3,858)	(3,879)	(3,879)	(4,397)	518	-13%
Operating Expenditure						
Other Expenditure	3,307	3,845	3,845	2,920	926	C
Depreciation	1,040	1,151	1,151	1,198	(47)	D
Finance Costs	249	239	239	215	24	
Loss on Disposal	17	0	0	62	(62)	E
Total Operating Expenditure	4,614	5,235	5,235	4,395	841	16%
Net (Surplus)/Deficit	755	1,356	1,356	(2)	1,359	100%

Variance Comments:

- A Fees and charges were more than budget for trade waste revenue in Te Kuiti.
- B Revenue for vested assets for assets installed at Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane.
- C Operational expenditure was lower than budget mainly for sludge disposal (\$1.09 million) which was paused and now handed over to WWL. Electricity, chemicals and staff costs were also below budget. These lower expenditures are partly offset by increased costs for consultants and legal fees, reactive maintenance costs for Piopio and Te Kuiti, and SCADA maintenance and technical support.
- D Depreciation expenditure was more than forecast due to the revaluation of wastewater assets at 30 June 2025 which increased the value of these assets and the corresponding depreciation expense.
- E Losses on asset disposals were recognised for asset replacements.

CAPITAL EXPENDITURE

WASTEWATER \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Minor Improvements	15	15	10	5	A
Vested Assets	0	0	163	(163)	B
Treatment Plant Renewals	348	361	108	253	C
Te Kuiti Sewer Renewals	261	388	409	(21)	D
Te Waitere Soakage Field Improvements	0	6	0	6	
Maniaiti/Benneydale Wastewater Resource Consent Renewal	100	100	17	83	E
Total Capital Expenditures	724	870	707	163	

Variance Comments:

The revised budget includes carryover budgets of \$146,000.

- A Pump station improvement include the purchase and installation of pumps and equipment such as electrical or SCADA components.

- B Vested Assets related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane were recognised.
- C Treatment plant renewals is generally for replacements pumps, electrical and SCADA components and also includes a storage shed and workplace at the Te Kuiti wastewater treatment plant and renewals to the Imhoff tank and filter at Benneydale wastewater treatment plant. Included also is a carry over budget of \$13,000 for the purchase of turbidimeters and a new directional mixer that was not purchased last year. Construction of the storage shed is complete, and repairs were completed to the stream bank at the Benneydale wastewater treatment plant.
- D Te Kuiti main sewer renewal is for wastewater pipe replacements to be completed under a contract spanning three years for sites in Te Kuiti including Hospital Roads, John Mandeno Drive, Hillview Rest Home, King Street West and East, Awakino Road, William Street, Esplanade and George Street. For the second year of the contract, King Street East has been completed.
- E Maniaiti/Benneydale resource consent renewals are for capital works required to bring the plant up to standard for it to comply with the likely new resource consent conditions, plus costs for the consent application. WRC has provided information on the work it considers necessary for the consent renewal; this feedback is currently being reviewed with minimal spend incurred prior to 30 June.

WATER SUPPLY

FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(3,680)	(4,021)	(4,021)	(3,813)	(208)	A
Subsidies and Grants	(357)	0	0	(13)	13	B
Fees and Charges	(29)	0	0	(97)	97	C
Other Revenue incl Gains/Losses	0	0	0	(190)	190	D
Total Revenue	(4,066)	(4,021)	(4,021)	(4,113)	92	-2%
Operating Expenditure						
Other Expenditure	3,268	3,155	3,155	3,314	(160)	E
Depreciation	947	1,036	1,036	1,099	(63)	F
Finance Costs	324	326	326	292	34	
Loss on Disposal	147	0	0	493	(493)	G
Total Operating Expenditure	4,686	4,516	4,516	5,198	(682)	-15%
Net (Surplus)/Deficit	619	495	495	1,084	(590)	-119%

Variance Comments:

- A Rates revenue was less than forecast for metered water charges due mostly to leak adjustments and corrections processed during the period.
- B The subsidy received is for NZTA's share for work undertaken near State Highway 3 and Ward Street, Te Kuiti.
- C Revenue has been recognised for the transition costs for WWL and sundry revenue.
- D Revenue for vested assets for assets installed at Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane.
- E Operational expenditure higher than was budget for additional engineering support, chemicals, water sampling, reactive maintenance costs for Piopio and Te Kuiti, and transition costs for WWL (recoverable from WWL). This was offset by lower costs for staff costs, routine reticulation maintenance and leak detection. Repairs to the access road for Mokau were completed in March.
- F Depreciation expenditure was more than forecast due to the revaluation of water supply assets at 30 June 2025 which increased the value of these assets and the corresponding depreciation expense.
- G Losses on disposal were recognised which included the old reservoir located near Te Kuiti Hospital which has been demolished and some disposals of reticulation assets that were replaced.

CAPITAL EXPENDITURE

WATER SUPPLY \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Minor Improvements	67	151	0	151	A
Vested Assets	0	0	190	(190)	B
Te Kuiti Resilience of Supply Improvements	7,000	7,000	4,976	2,024	C
Water Safety Plan Improvements	269	434	116	318	D
Treatment Plant Renewals	220	277	266	11	E
Reticulation Renewals	518	555	329	226	F
Mokau Water Main Renewal	123	161	149	12	G
Mokau Water Supply Resource Consent Renewal	130	130	33	97	H
Total Capital Expenditures	8,327	8,708	6,059	2,649	

Variance Comments:

The total revised budget includes carryover budgets of \$381,000.

- A Minor Improvements is for bulk reticulation monitoring and backflow preventers improvements. Included are carryover budgets for the installation of zone valves, flow meters and pressure monitoring devices for network monitoring and upgrading of tobies with black flow manifolds. No work was carried out in these areas.
- B Vested Assets related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane were recognised.
- C The Te Kuiti water resilience design and build project continues with significant work underway on the pipeline and the new reservoir.
- D Water Safety Plans for the four schemes have been approved, allowance was made in the budget for the installation of tanker filling stations and auto shut off valves, however this was not complete at the end of June.
- E Treatment plant renewals include replacement of minor parts and processes such as SCADA and telemetry, filter media, pumps and electrical components on both a planned and unplanned basis. Carryover budgets have been included for installation of a carbon dosing plant and safety rails and commissioning of a new SCADA server for Te Kuiti.
- F Reticulation renewals include both planned and unplanned replacement pipe work across the networks, including works at William, Anzac and Matai Streets, Te Kuiti. The revised budget includes a carryover of \$37,000 for the contract that has been finished.
- G Mokau water main renewals include pipe replacement along Takarei Terrace and includes piping, valves, hydrants and fittings is now complete.
- H Mokau water supply resource consent renewal includes the application costs and any remedial capital works required is support of the application.

ROADS AND FOOTPATHS

FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2024/25	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actual 2026	Var to Revised Bud	%Var and Note Ref
Revenue						
Rates	(5,226)	(5,322)	(5,322)	(5,384)	61	
Subsidies and Grants	(17,129)	(12,973)	(24,641)	(21,182)	(3,458)	A
Fees and Charges	(259)	(267)	(267)	(310)	43	
Other Revenue incl Gains/Losses	(134)	(130)	(130)	(480)	350	
Total Revenue	(22,748)	(18,692)	(30,360)	(27,356)	(3,004)	10%
Operating Expenditure						
Other Expenditure	9,563	9,360	10,360	11,369	(1,009)	B
Depreciation	5,291	5,717	5,717	5,667	49	C
Finance Costs	359	320	320	291	29	
Total Operating Expenditure	15,213	15,396	16,396	17,328	(932)	-6%
Net (Surplus)/Deficit	(7,535)	(3,296)	(13,964)	(10,028)	(3,936)	28%

Variance Comments:

- A Subsidies and grants revenue was less than budget due as renewal expenditure was less than forecast. This was partly offset by additional operational subsidy received. The subsidy rate is tracking more than Council's usual Financial Assistance Rate (FAR) of 75% due to some storm damage emergency first response and renewal works and projects being subsidised at a higher rate.
- B Other expenditure was above budget for emergency reinstatement first response, routine drainage maintenance, network and asset management, and environmental maintenance; however, this increased expenditure is partially offset by reduced expenditure for structures maintenance and traffic services costs.
- C Depreciation is less than forecast due mainly to capital expenditure for the 2024/25 year being less and depreciation for renewals for 2025/26 also lower than forecast.

CAPITAL EXPENDITURE

ROADS AND FOOTPATHS \$000's	Annual Plan 2026	Revised Budget 2026	Interim Unaudited Actuals 2026	Var to Revised Budget	%Var and Note Ref
Vested Assets	0	0	362	(362)	A
Crown Resilience Projects	1,220	1,564	1,514	50	B
Road to Zero Improvements	0	274	279	(5)	C
Other Road Renewals	101	101	92	9	
Drainage Renewals	357	857	484	373	
Pavement Rehabilitation	1,732	1,832	1,352	480	D
Sealed Surfacing Renewals	2,605	2,897	2,766	131	E
Bridge and Bridge Structures Replacements	381	554	53	501	F
Unsealed Road Metalling Renewals	898	1,398	1,455	(57)	
Storm Damage Reinstatements	0	10,856	7,042	3,814	G
Emergency Reinstatement Renewals	714	714	0	714	H
Minor Improvements	0	0	1	(1)	
Total Capital Expenditures	8,008	21,047	15,400	5,647	

Variance Comments:

The total revised budget includes \$2,228,000 of carryover budgets and \$9,463,000 additional budget approved by Council for the July and October storm events and \$1,350,000 additional budget approved to meet NZTA available programme.

- A Vested Assets related to Te Ara o Ngapaki and Fabia Factory Lane were recognised.
- B Crown resilience projects include stabilisation works for Taharoa, Speedies Road and Oparure Roads and is NZTA funded at 88%. Included in the carryover budget is an amount for the Kent Street slip site, which was completed. The remainder is allocated to an ongoing physical works contract. Investigation work found that stabilisation of Taharoa Road is not feasible because of geology of the land. Leaving ongoing maintenance as required as the only viable option.
- C Road to Zero improvements include variable speed signage around schools and traffic calming measures and is NZTA funded at 75%.
- D Pavement Rehabilitations have been carried out have been completed for the year. The remainder of the budget was allocated to the Te Anga Road rehabilitation physical works contract, which is now complete.
- E Sealed surfacing renewals includes a small budget carry over of \$42,000 for additional sites to be resealed that will be done under the road maintenance contract. The sealed surfacing renewals programme is now complete, and the budget has been fully spent this financial year.
- F Bridge structures components replacements include a carryover budget of \$172,800 and will be completed under a multi-year contract over the next two summers. The procurement complete and the contract has been awarded.
- G Storm damage reinstatements include a carry over budget of \$1,393,000 and cover the remaining repairs for storm damage from the July 2022 and January 2023 storms. Funding for this is at a higher rate from NZTA. Additional budget was also approved by Council in November 2025 for the July and October storm events. The budget remaining is to cover three significant physical works contracts related to the July 2025 storm event, as well as minor works and design of other storm sites for July and October events.
- H Emergency reinstatement renewals is a placeholder budget for anticipated storm events that cause renewal works to be required. Funding of storm damage reinstatement costs is usually applied for from NZTA on per site or project basis.