

Report To: Council



Meeting Date: 27 August 2024

Subject: **Interim Unaudited Financial Report for the year ended 30 June 2024**

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 year ended 30 June 2024.

2. Suggested Resolution

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

- 1 The business paper on the Interim Unaudited Financial Report for the year ended 30 June 2024 be received.

3. 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 full year revised budget and updates on significant capital expenditure projects.
- 2.2 A copy of the Interim Unaudited Financial Report for the year ended 30 June 2024 is enclosed separately and forms part of this business paper.
- 2.3 The interim unaudited results are subject to change as the draft annual report is finalised and the final audit is completed.

4. Commentary

4.1 INCOME STATEMENT HIGHLIGHTS

- 4.2 The net operating surplus for the period was \$6.8 million which was below the revised YTD budget of \$10.4 million for the year ended 30 June 2024.
- 4.3 Total revenue was \$4.0 million below budget for the period. The variance against budget is due mostly to:
- Subsidy revenue was below budget as the roads renewals, particularly for storm damage, were less than forecast.
 - Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contract retention account.

- Fees and charges were below budget due to refuse dump charges, quarry royalties revenue and building control revenue. This was partly offset by additional revenue received for animal control shared services with Otorohanga District Council and more trade waste revenue.
- Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Vested asset revenue was recognised for the recognition of gym equipment and chattels for the Gallagher Recreation Centre as part of the property sharing agreement. A loss on valuation of investment properties was also recognised which reflects the easing of land values since June 2023.

4.4 Total expenditure was \$0.5 million less than budget for the period. The variance against budget is due to:

- Other expenditure was below budget for sludge disposal, cloud migration, allocated roading business unit costs, risk management and aquatic centre contractor costs.
- Partly offsetting this were additional costs for animal control shared services, sealed and unsealed pavement maintenance and stormwater and water supply operations and maintenance costs.
- Losses on asset disposal were recognised on renewal of water, wastewater and stormwater reticulation assets.
- Depreciation is tracking less than budget for the period for depreciation on newly constructed roads and water supply assets and the delay in replacement fleet vehicles.

4.5 BALANCE SHEET HIGHLIGHTS

4.6 Total assets have increased by \$12.2 million since 30 June 2023, to \$709.3 million. Cash on hand has increased to \$3.1 million and there was an increase in receivables for NZTA Waka Kotahi subsidy and Better Off project funding.

4.7 There was an increase of \$8.8 million in non-current assets - assets additions of \$18.9 million and vested assets of \$0.4 million, less depreciation charged on property, plant and equipment \$9.4 million, and asset disposals of \$0.3 million, the surrender of carbon credits of \$0.6 million and a \$0.1 million loss on revaluation of investment properties.

4.8 Total liabilities have increased by \$5.6 million since 30 June 2023 to \$41.8 million. This included an increase in borrowings to \$33.3 million.

4.9 CAPITAL EXPENDITURE

4.10 Capital expenditure was \$18.9 million (56%), against a full year revised budget of \$33.8 million.

4.11 Of the total spend, roads capital expenditure was \$14.9 million, against a full year revised budget of \$19.3 million.

4.12 There is \$14.9 million of unspent capital expenditure at 30 June 2024. Roads and footpaths capital expenditure accounts for \$4.4 million of the unspent capital expenditure programme which includes storm repairs which will continue into the next financial year.

4.13 Of the remaining unspent capital expenditure, the landfill cell development project budget of \$3.7 million is on hold and \$4.6 million budget for Te Kuiti water resilience project was not spent and this project will continue into the next financial year.

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

4.15 As some projects within the revised capital expenditure programme were delayed or are in progress, the unspent capital budgets for these projects will be carried over to the 2024/25 year.

4.16 The carryovers will be finalised as part of the year end process after any final entries are processed for the annual report and will be presented to Council at the September meeting.

4.17 BORROWINGS

4.18 At 30 June 2024 public debt was \$33.3 million against a budgeted year end position of \$40.3 million. At 30 June 2023 public debt was \$28.3 million.

4.19 ADJUSTMENTS AND OTHER CONSIDERATIONS FOR THE ANNUAL REPORT

4.20 The following adjustments have yet to be made to the accounts and will be completed as part of development of the Annual Report.

4.21 Valuation of Council's Investment in Inframax Construction Limited: The annual valuation of the company is underway, with the revaluation report due mid-September.

4.22 Landfill aftercare provision and provision for doubtful debt were estimated for the purposes of this report and will be further refined for the final report.

4.23 Completion of the asset ledger which involves finalising asset additions, disposals and depreciation expense for the year.

4.24 Other minor adjustments: 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 result reported in this report.

5. Attachments/Separate Enclosures

Attachment:

1 Interim Unaudited Financial Report for the year ended 30 June 2024 (Doc ID 766708)

FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2024



INTRODUCTION

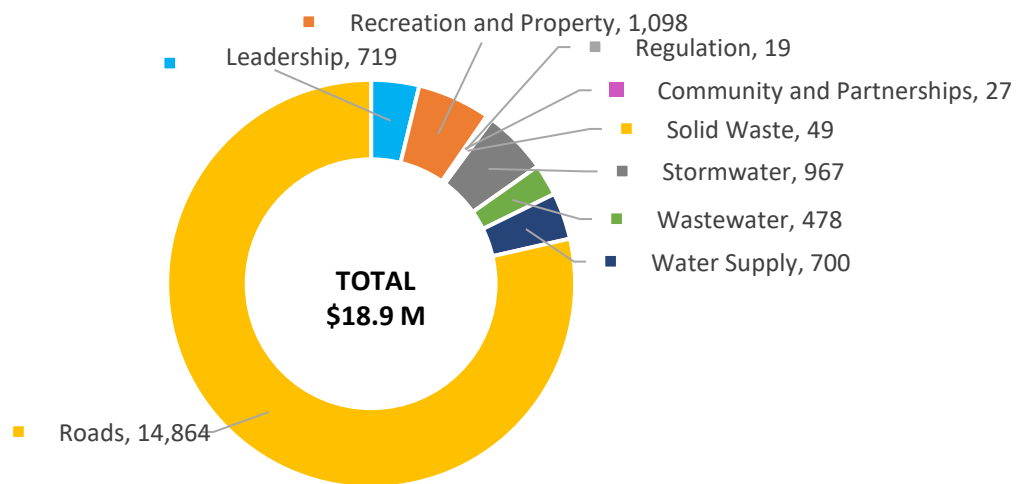
The 2021-31 10 Year Plan (10YP) was adopted in June 2021. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high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

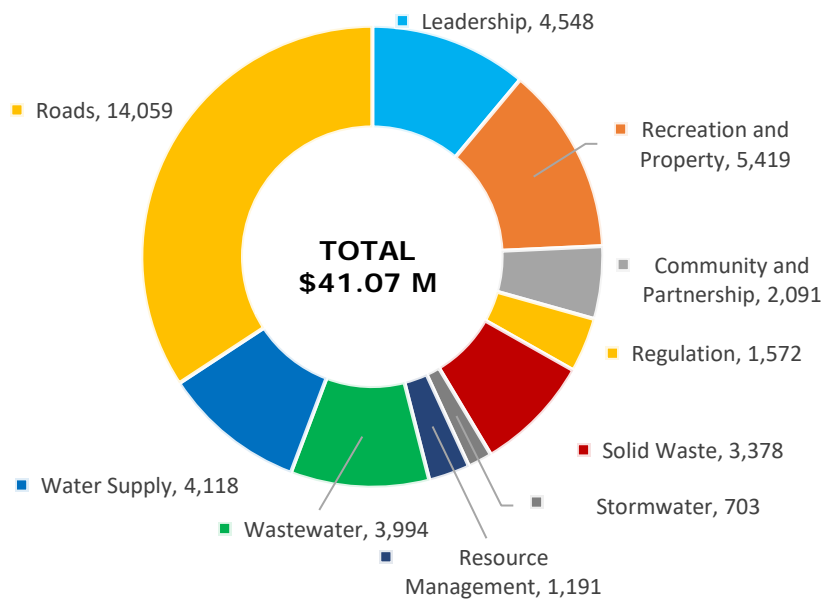
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2023 to June 2024.

SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 30 JUNE 2024 \$000'S



OPERATIONAL EXPENDITURE SUMMARY AS AT 30 JUNE 2024 \$000'S



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. All figures are **the interim unaudited results and subject to change as the draft annual report is finalised** and through the audit process.

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the year ending 30 June 2024 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(21,249)	(22,520)	(22,519)	(22,515)	(4)	
Subsidies and Grants	(16,902)	(16,177)	(24,578)	(20,125)	(4,452)	A
Interest Revenue	(84)	(15)	(15)	(148)	133	B
Fees and Charges	(7,836)	(4,515)	(4,555)	(4,428)	(127)	C
Other Revenue incl Gains/Losses	(474)	(241)	(243)	(672)	429	D
Total Revenue	(46,545)	(43,468)	(51,909)	(47,888)	(4,022)	8%
Operating Expenditure						
Other Expenditure	32,095	30,052	30,450	29,726	725	E
Losses on Asset Disposal	356	0	0	354	(354)	F
Depreciation	8,975	9,470	9,470	9,374	96	G
Finance Costs	1,307	1,627	1,627	1,619	8	
Total Operating Expenditure	42,378	41,150	41,548	41,073	475	1%
Net (Surplus)/Deficit	(4,167)	(2,318)	(10,361)	(6,814)	(3,547)	34%

Net Operating result: The net operating surplus of \$6.8 million which was below the revised budget of \$10.3 million for the year ended 30 June 2024. This was due mostly to NZTA subsidy revenue which was less than forecast due to the timing of the roads storm damage renewals.

Total Revenue was below budget by \$4.0 million:

- A Subsidy revenue was below budget as the roads renewals, particularly for storm damage, were less than forecast.
- B Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contract retention account.
- C Fees and charges were below budget for refuse dump charges, quarry royalties revenue and building control revenue. This was partly offset by increased revenue received for animal control shared services with Otorohanga District Council and additional trade waste revenue.
- D Other revenue was more than forecast due to waste minimisation levy revenue which funds waste minimisation programmes. Vested asset revenue was recognised for the recognition of gym equipment and chattels for the Gallagher Recreation Centre as part of the property sharing agreement. A loss on valuation of investment properties was also recognised which reflects the easing of land values since June 2023.

Total Operating Expenditure was less than forecast by \$0.5 million:

- E Other expenditure was below budget for sludge disposal, cloud migration, allocated roading business unit costs, risk management and aquatic centre contractor costs. Partly offsetting this

were additional costs for animal control shared services, sealed and unsealed pavement maintenance and stormwater and water supply operations and maintenance costs.

- F Losses on asset disposals were recognised on renewal of water, wastewater and stormwater reticulation assets.
- G Depreciation was less than budget for the period for depreciation on newly constructed roads and water supply assets and the delay in replacement fleet vehicles.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2023 to 30 June 2024.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2023	Unaudited Interim Actual 30 June 2024	Movement from 30 Jun 2023
Assets			
- Cash and cash equivalents	1,553	3,089	1,536
- Receivables	5,224	7,131	1,907
- Other current assets	134	397	263
- Other financial assets	11,772	11,460	(312)
- Non-current assets	678,428	687,249	8,821
TOTAL ASSETS	697,111	709,325	12,215
Liabilities			
- Other Liabilities	8,020	8,461	441
- Total Borrowings	28,260	33,332	5,072
- Derivative financial instruments	0	45	45
Total Liabilities	36,280	41,838	5,558
Equity			
- Equity	660,831	667,487	6,657
TOTAL LIABILITIES AND EQUITY	697,111	709,325	12,215

Total Assets have increased from \$697.1 million to \$709.3 million.

- Cash and cash equivalents have increased by \$1.5 million to \$3.1 million which includes an increase of \$0.9 million in restricted cash held for retention monies owing.
- Receivables increased by \$1.9 million since 30 June 2023 from \$5.2 million to \$7.1 million mostly due to NZTA Waka Kotahi subsidy receivable and a receivable recognised for Better Off Funding.
- Non-current assets have increased by \$8.8 million, which includes asset additions of \$18.9 million and vested assets of \$0.4 million, less depreciation of \$9.4 million and asset disposals of \$0.3 million and surrender of carbon credits of \$0.6 million and \$0.1 million loss on revaluation of investment properties.

Total Liabilities have increased from \$36.3 million to \$41.8 million.

- Other liabilities increased by \$0.4 million due mostly to an increase in retention monies payable.
- Total borrowings were \$33.3 million, an increase of \$5.0 million from June 2023, due to an issue of a commercial paper \$5.0 million.
- A derivative financial instrument liability has been recognised for the value of the interest rate swaps where the future cash outflows under the fixed rate payable are expected to be more than the floating rate embodied in the swap instrument.

Total equity increased from \$660.8 million to \$667.5 million, which equals the net surplus of \$6.8 million less the movement recognised for cashflow hedge reserve and other reserve transfers.

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the period ended 30 June 2024.

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.

(Amounts in \$000's)	Annual Plan 2024	Plus Carryover from prior year	Plus Rephased BoF Projects	Revised Budget	Unaudited Interim Actual June 2024	Var - Actuals vs Revised Budget
Leadership	1,136	285	0	1,421	719	702
Recreation and Property	1,208	395	372	1,975	1,098	877
Community and Partnerships	0	27	0	27	27	0
Regulation	20	14	0	34	19	15
Solid Waste	3,877	0	0	3,877	49	3,828
Stormwater	475	158	0	633	967	(334)
Wastewater	643	303	0	945	478	467
Water Supply	5,238	319	0	5,558	700	4,857
Roads	9,919	9,434	0	19,352	14,864	4,488
Total	22,516	10,935	372	33,823	18,922	14,905

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 \$18.9 million for the year end 30 June 2024 (56% of the revised budget).

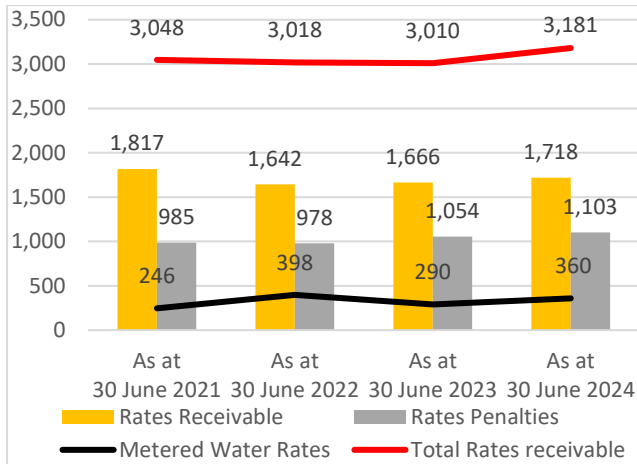
Of the total spend, \$6.5 million (34%) relates to emergency works renewals (roads) and \$8.4 million (44%) relates to other roads and footpaths. Other spend relates to \$2.1 million (12%) for waters activities, and \$1.1 million (6%) for parks and property renewals. Other activities total \$0.8 million (4%).

Further detail on the significant capital expenditure projects is included within each Group of Activities. A number of capital projects are still in progress and the unspent budget will be carried over into the 2024/25 year. The carryovers will be finalised and presented to Council in September.

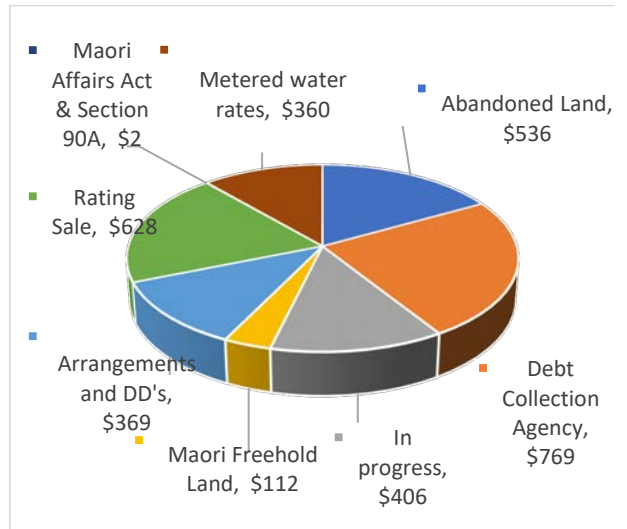
RATES RECEIVABLES

TOTAL RATES RECEIVABLES \$000's

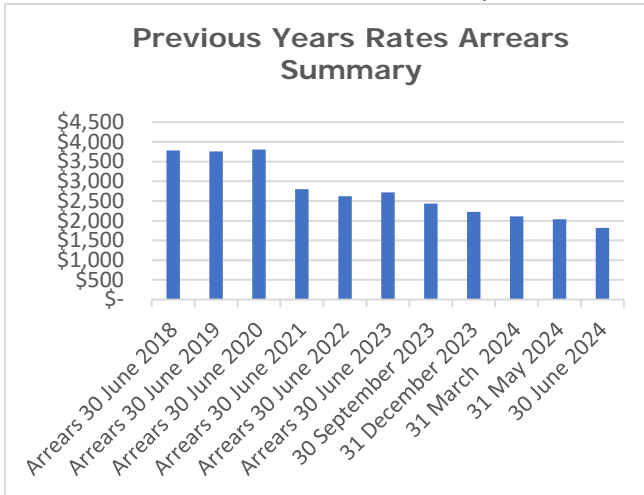
Set out below is the summary of Rates Receivables as at 30 June 2024.



RATES OUTSTANDING AT 30 JUNE 2024 \$000's

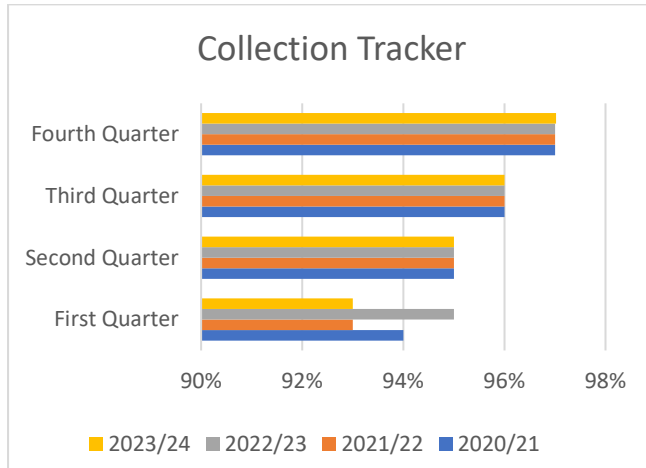


PREVIOUS YEARS RATES ARREARS \$000's*



*excludes metered water rates

RATES INSTALMENT COLLECTION



Progress:

June was a busy period for the rates team, completing amendments to the rating database, processing rates remission applications and implementing the changes to the rating system from the LTP in readiness for the rates strike in July.

Statute barred write offs amounting to \$174,082 were written off in June (46 properties).

Included in other receivables is a significant overdue metered water account. This amount is currently being disputed due to a water leak on the property. The water team are currently investigating and working with the ratepayer.

The first of several properties was approved by the High Court to proceed to rating sale by tender. This property, located in Maniaiti/Benneydale, was advertised in August, with tenders closing on 27 September 2024.

Rates Rebates Update:

323 rates rebates applications were processed by the customer services team during the year. A total of \$232,602 of rates rebates were applied to customer accounts (2023: \$206,641).

Rates Rebates to 30/06/2024	Rates Rebates to 30/06/2023
323	335

Rates Remissions

A total of \$ 163,454 in rates and penalty remissions were granted against a full year budget of \$198,000. The breakdown per remission category is detailed in the following table:

Remission Category	23/24	23/24	22/23	22/23
	Actual \$	No	Actual \$	No
Clubs, Societies and Community Organisations	65,464	24	60,954	24
Māori Freehold Land	15,494	17	8,361	8
Organisations providing care for the Elderly	30,884	2	28,240	2
Penalties	17,396	79	34,175	129
Properties used joint as a single unit	29,010	40	29,666	41
New residential subdivisions	0	0	0	0
Cases of genuine financial hardship	1,023	1	760	1
New Businesses	0	0	0	0
Natural Calamity	3,649	4	1,685	2
Abandoned Land Sale	0	0	0	0
Total remissions under policy	162,920	174	160,103	207
Remissions granted by Council resolution	534	1	492	1
Total remissions granted	163,454	175	164,333	208

The following clubs, societies and community organisations were granted rates remission during the 2023/24 year:

- Aria Toy Library
- Hamilton Tomo Group Incorporated
- Mahoenui Hall Committee
- Maniapoto Rugby Sub-Union Incorporated
- Otorohanga Club (Incorporated)
- 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 Indoor Bowling Club Inc
- Awakino Bowling Club
- 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

LEADERSHIP

FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(3,746)	(3,785)	(3,785)	(3,828)	43	A
Subsidies and Grants	(334)	(20)	(20)	(261)	242	B
Interest Revenue	(83)	(15)	(15)	(148)	133	C
Fees and Charges	(72)	(145)	(145)	(27)	(118)	D
Other Revenue incl Gains/Losses	(171)	0	0	(76)	76	E
Total Revenue	(4,407)	(3,965)	(3,965)	(4,340)	375	-9%
Operating Expenditure						
Other Expenditure	3,155	3,723	3,882 ¹	3,517	365	F
Depreciation	617	738	738	676	62	G
Finance Costs	216	249	249	355	(106)	H
Total Operating Expenditure	3,988	4,710	4,869	4,548	321	7%
Net (Surplus)/Deficit	(420)	745	904	208	696	77%

Variance comments:

- A Rates revenue was tracking more than budget for rates penalties and additional rates revenue as a result of maintenance of the rating database since the budgets were approved.
- B Subsidy revenue was recognised for the Affordable Water Reforms transition funding, which was not forecasted in the Annual Plan.
- 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. No contribution revenue towards the quarry safety improvements has been recognised this year as the quarry safety improvements project has been delayed until next financial year.
- E A contribution was received to fund maintenance at Motakiora/Brook Park. Gains on the sale of vehicles were recognised during the period.
- F Other expenditure was below budget for cloud migration programme, risk management expenditure, consultants' fees expenditure and asset revaluation costs. This is partly offset by IT costs, movement in provision for doubtful debt, cleaning contract costs, and insurance costs that were more than forecast due to the Riskpool call contribution.
- 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 offset by additional interest revenue.

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

CAPITAL EXPENDITURE

LEADERSHIP \$000's	AP 2024	Revised Budget 2024	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Information Systems Improvements	61	61	0	61	A
Customer Service Centre Refurbishment	0	58	67	(10)	B
Administration Building Renewals	38	44	60	(16)	C
Administration Building Renovations	358	358	29	329	D
Aerial Photography	50	50	0	50	E
Furniture Minor Renewals	5	36	40	(4)	
Information Systems Renewals	342	482	274	208	F
Motor Vehicle and Equipment Replacements	240	291	248	42	G
Quarry Safety Improvements	41	41	0	41	H
Total Capital Expenditures	1,136	1,421	719	702	49%

Variance comments:

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

- A The information system improvement project will not proceed this financial year and the budget will remain unspent.
- B Includes a carryover of \$58,000 for the customer service centre refurbishment, with work completed in February 2024.
- C A carryover of \$6,000 is included for the replacement of the faulty air conditioning units at the WDC building. Several air conditioning units were replaced during the period due to failure.
- D Actuals to date include consultants' fees for the administration building project. Currently the project is on hold.
- E The aerial photography project has been delayed and is now expected to commence at the end of this calendar year.
- F Includes a carryover of \$140,000 to continue the building access security renewal project for WDC facilities. The project has been extended to include additional access, with work completed in June 2024.
- G Fleet replacements includes a carryover of \$51,000 for mower replacements. The mower was received in November. Most of the planned fleet vehicles replacement is complete except for one vehicle that is scheduled to be received in the new financial year.
- H The quarry safety improvements project is expected to commence in the second half of the next financial year.

COMMUNITY AND PARTNERSHIPS

FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(1,634)	(1,690)	(1,690)	(1,691)	0	
Subsidies and Grants	(821)	(910)	(728) ²	(634)	(94)	A
Interest Revenue	0	0	0	0	0	
Fees and Charges	(8)	(4)	(4)	(15)	12	B
Other Revenue incl Gains/Losses	0	0	0	0	0	
Total Revenue	(2,462)	(2,604)	(2,422)	(2,341)	(82)	3%
Operating Expenditure						
Other Expenditure	2,187	2,595	2,418 ³	2,082	336	C
Depreciation	6	4	4	9	(5)	D
Finance Costs	0	0	0	0	0	
Total Operating Expenditure	2,193	2,599	2,422	2,091	332	14%
Net (Surplus)/Deficit	(269)	(5)	0	(250)	250	

Variance comments:

- A Subsidies and grants revenue recognised during the period included Better Off Funding (BoF), Mayors Taskforce for Jobs and funding for Bikes in Schools.
- B Fees and charges includes revenue from the Great NZ Muster.
- C Other expenditure was below budget for rates remissions, safe communities, community assistance grants, district development and promotion costs. Better Off project costs were also below forecast due to the re-phasing of these projects.
- D Depreciation was more than budget for depreciation on the fleet vehicle used to support the Rangatahi Pathways project. This is funded by Better Off Funding.

CAPITAL EXPENDITURE

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

Variance comments:

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

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

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

RECREATION AND PROPERTY

FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(3,540)	(3,863)	(3,863)	(3,857)	(5)	
Subsidies and Grants	(2,820)	(748)	(1,228) ⁴	(851)	(377)	A
Interest Revenue	0	0	0	0	0	
Fees and Charges	(4,463)	(635)	(594)	(575)	(19)	B
Other Revenue incl Gains/Losses	(57)	0	(41)	(273)	232	C
Total Revenue	(10,880)	(5,245)	(5,725)	(5,557)	(169)	3%
Operating Expenditure						
Other Expenditure	7,303	3,743	3,851 ⁵	3,820	32	D
Depreciation	1,317	1,456	1,456	1,450	6	
Finance Costs	117	172	172	149	23	E
Total Operating Expenditure	8,736	5,371	5,479	5,419	61	1%
Net (Surplus)/Deficit	(2,144)	126	(246)	(138)	(108)	44%

Variance comments:

- A Subsidies and grants revenue were tracking less than revised budget for Better Off projects due to the timing of these projects.
- B Fees and charges were less than forecast partly due to the aquatic centre revenue now received by the pool contractor (this reduction in revenue is offset by a corresponding reduction in contractor costs). Revenue was also less for aerodrome, cemetery fees, lease rentals and elder housing revenue.
- C Other revenue includes the contributions towards the operating costs long term maintenance of the Gallagher Recreation Centre. The gym equipment and other chattels, purchased by the Game On Charitable Trust, were vested with Council as part of the property sharing agreement resulting in vested assets revenue of \$359K. Council is responsible for safe keeping, repairs and eventual replacement of these assets (funded by external funding and/or contributions and revenues generated by the facility).
- A loss on the revaluation of investment properties was also recognised due to land values easing slightly since June 2023. The loss on revaluation of \$94K mostly relates to Riverview Heights vacant sections in Te Kuiti.
- D Other expenditures were less than budget for the aquatic centre contractor costs, grants forecast for local schools playground development and track strategy costs. This was partly offset by increased tree maintenance, allocated costs and cleaning contract costs.
- E Finance costs were less than forecast due to a lower level of borrowing than forecast.

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

⁵ 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	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
BoF Benneydale Hall Parking Area	53	74	59	15	A
BoF Town Gateways	213	213	4	209	B
BoF Walkways	119	471	307	164	C
Motakiora/ Brook Park Renewals	53	53	36	17	D
Parks and Reserves Improvements	119	161	3	159	E
Aerodrome Minor Renewals	55	71	37	34	F
Aquatic Centre Pool Resurfacing and Painting	140	140	118	22	G
Landfill Forestry Planting	30	30	33	(3)	H
Les Munro Air Conditioning Unit Replacement	175	252	99	152	I
Library Book Renewals	48	48	46	2	
Minor Renewals	142	367	311	56	J
Parks and Reserves Renewals	60	101	45	56	K
Total Capital Expenditures	1,207	1,980	1,098	882	45%

Variance comments:

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

- A Included in the revised budget is the rephasing of Town Amenity projects of \$21,000. Improvements of the Benneydale Hall parking area project are completed. The project started in January and completed in April 2024, and is fully funded by Better Off Funding.
- B Town Gateways project is fully funded by Better Off funding. The project scope has been revised to traffic calming only and is currently working through milestone goals. Expenditure for this project will now be incurred in the next financial year, subject to NZTA's programme.
- C Included in the revised budget is a carryover of \$352,000 for the Walkways project. The Walkways project for track development of Motakiora/Brook Park to Lawrence Street and Esplanade has been completed. Further track development for Ahoroa Ford West (Inframax) and storyboards along the walkway are still to be completed. The project is fully funded by Better off Funding and is expected to be completed by end of December 2024.
- D Work has been completed for Motakiora/Brook Park development including the capping of track with metal and installation of a retaining wall.
- E Included in the revised budget is a carryover of \$42,000 for Te Nau Nau Reserve Road project which is no longer proceeding after consultation with Mana Whenua.
- F The revised budget includes a carryover of \$16,000 for aerodrome runway renewals. The aerodrome runway reseal work was completed in April 2024.
- G The pool resurfacing and painting was completed in November 2023.
- H The landfill forestry planting project has been completed with trees planted in 2023 and spot sprayed to allow for growth.
- I Includes a carryover budget of \$77,000. Actuals to date relate to the installation of the HVAC package at the Les Munro Centre. This project has been put on hold.
- 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 upgrades at Tui Park, repairs to the boom gate at Te Kuiti Holiday Park, and Rora Street and library public toilet upgrades. New picnic tables were also purchased for Rora Street, Te Kuiti. Expenditure on the fixtures upgrade and grey water facility at Marokopa Camp Ground was incurred along with minor renewals for the aquatic centre filter and pump.

K Includes a carryover budget of \$41,000 for playground renewals and forecast expenditure for jetty renewals. Consultation is now being held with community for placement of playground equipment and Mokau Jetty minor renewal was completed.

REGULATORY SERVICES

FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(948)	(876)	(876)	(876)	0	
Subsidies and Grants	0	0	0	(16)	16	A
Interest Revenue	0	0	0	0	0	
Fees and Charges	(450)	(556)	(556)	(520)	(36)	B
Other Revenue incl Gains/Losses	(10)	(16)	(16)	(19)	3	
Total Revenue	(1,408)	(1,449)	(1,449)	(1,432)	(18)	1%
Operating Expenditure						
Other Expenditure	1,285	1,543	1,543	1,558	(15)	C
Depreciation	12	12	12	14	(2)	
Finance Costs	0	0	0	0	0	
Total Operating Expenditure	1,297	1,556	1,556	1,572	(17)	-1%
Net (Surplus)/Deficit	(111)	107	107	140	(35)	-33%

Variance comments:

- A Subsidy revenue was received from MBIE to fund the freedom camping monitoring costs incurred during the summer period.
- B Building consents applications for new houses were down as building activity in Waitomo has followed the national trend of a reduction in building consent applications and activity. Dog registration and impounding fees were also below budget, noting that dog registration revenue has increased from the prior year. This has partly been offset by additional revenue for animal control services from Otorohanga District Council.
- B Additional staff costs have been incurred for animal control services to resource the shared service with Otorohanga District Council (funded by additional animal control revenue). Freedom camping monitoring costs were incurred (funded by MBIE). Legal costs, noise control and earthquake prone building costs were not fully spent during the year.

CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	AP 2024	Revised Budget 2024	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Dog Pound Improvements	0	0	1	(1)	
Dog Pound Renewals	20	34	18	16	A
Total Capital Expenditures	20	34	19	15	

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	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(436)	(417)	(417)	(417)	0	
Subsidies and Grants	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	
Fees and Charges	(153)	(215)	(215)	(254)	39	A
Other Revenue incl Gains/Losses	0	0	0	0	0	
Total Revenue	(589)	(632)	(632)	(671)	39	-6%
Operating Expenditure						
Other Expenditure	917	1,198	1,198	1,136	72	B
Depreciation	0	0	0	0	0	
Finance Costs	41	65	65	55	10	
Total Operating Expenditure	958	1,262	1,262	1,191	82	6%
Net (Surplus)/Deficit	370	630	630	521	120	19%

Variance comments:

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

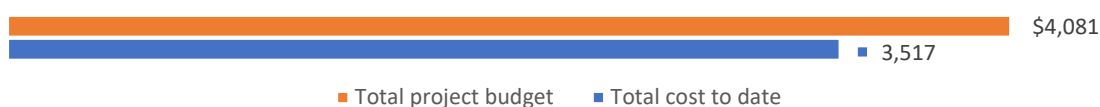
PROJECTS AND PROGRAMME UPDATES



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 first tranche of hearings on the Proposed District Plan was held on 16 and 17 July 2024 with second tranche set down for 26-29 November 2024.

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



- Next steps:** Draft hearing reports and hearings.
End date: Second tranche of hearings completed by 26-29 November 2024.

SOLID WASTE

FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(1,112)	(1,439)	(1,439)	(1,445)	6	
Subsidies and Grants	0	0	0	(66)	66	A
Interest Revenue	0	0	0	0	0	
Fees and Charges	(1,660)	(2,057)	(2,057)	(1,690)	(368)	B
Other Revenue incl Gains/Losses	(103)	(85)	(85)	(176)	91	C
Total Revenue	(2,874)	(3,581)	(3,581)	(3,376)	(205)	6%
Operating Expenditure						
Other Expenditure	2,706	3,199	3,199	3,151	48	D
Losses on Asset Disposal	5	0	0	0	0	
Depreciation	103	113	113	110	3	
Finance Costs	119	126	126	117	10	
Total Operating Expenditure	2,932	3,439	3,439	3,378	61	2%
Net (Surplus)/Deficit	58	(143)	(143)	2	(145)	101%

Variance comments:

- A Grant payment received from Ministry for Environment (MfE) for the feasibility study of the kerbside organic collection. A shared project between MfE, Otorohanga District Council (ODC) and WDC where MfE contributes 75%, ODC 12.5% and WDC 12.5% of total costs.
- B Revenue received from the landfill was less for general refuse charges as waste volumes deposited at the landfill were reduced. This includes less sludge from the wastewater ponds than forecast. This was partly offset by increased sale of rubbish bags and green waste revenue.
- C Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes.
- D Other expenditure is below budget due to reduced waste minimisation levy expenditure and ETS surrender costs as waste volumes were less. This is partly offset by increased consultants' cost for advice on the landfill options to inform the future operations of the landfill and the kerbside collection services and removal of recycling costs and landfill bin movements.

CAPITAL EXPENDITURE

SOLID WASTE \$000's	AP 2024	Revised Budget 2024	Unaudited Interim Actual June 2024	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 Renewal	85	85	25	60	B
Transfer Station Renewals	35	35	24	11	C
Total Capital Expenditures	3,877	3,877	49	3,828	99%

Variance comments:

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

STORMWATER

FINANCIAL UPDATE

STORMWATER \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(479)	(508)	(508)	(510)	2	
Subsidies and Grants	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	
Fees and Charges	(4)	0	0	(7)	7	A
Other Revenue incl Gains/Losses	0	0	0	0	0	
Total Revenue	(483)	(508)	(508)	(517)	9	-2%
Operating Expenditure						
Other Expenditure	213	309	309	359	(49)	B
Losses on Asset Disposal	0	0	0	73	(73)	C
Depreciation	252	257	257	258	(1)	
Finance Costs	7	15	15	14	1	
Total Operating Expenditure	472	580	580	703	(123)	-21%
Net (Surplus)/Deficit	(12)	72	72	186	(114)	-158%

Variance comments:

- A Revenue was received for connection fees during the period.
- B Other expenditure was above budget due to reactive maintenance from the recent flooding events. Planned maintenance costs were more than full year budget.
- C Losses on asset disposal were recognised for a stormwater pipe disposed of as part of an upgrade for Edward Street, Te Kuiti.

CAPITAL EXPENDITURE

Stormwater \$000's	AP 2024	Revised Budget 2024	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Stormwater Improvements	240	388	385	2	A
Stormwater Discharge Resource Consent Renewals	40	40	141	(101)	B
Stormwater Renewals	195	205	440	(235)	C
Total Capital Expenditures	475	633	967	(334)	-53%

Variance comments:

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

- A Work on the short-term stormwater improvement will be completed by October 2024.
- B District wide resource consents applications for seven resource consents have been submitted to Waikato Regional Council awaiting approval.
- C Actuals to date relate to Cambridge Excavators (Camex) work along Edward Street for installing a new stormwater main. 12 laterals to new pipeline were installed as part of this project. Additional design work was carried out for Waitete Road as part of the stormwater rehabilitation renewals. This project is complete.

WASTEWATER

FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(1,993)	(2,368)	(2,368)	(2,378)	10	
Subsidies and Grants	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	
Fees and Charges	(827)	(776)	(776)	(1,083)	307	A
Other Revenue incl Gains/Losses	0	0	0	0	0	
Total Revenue	(2,820)	(3,144)	(3,144)	(3,461)	317	-10%
Operating Expenditure						
Other Expenditure	2,058	2,831	2,831	2,627	205	B
Losses on Asset Disposal	327	0	0	61	(61)	C
Depreciation	1,110	1,038	1,038	1,055	(18)	D
Finance Costs	206	250	250	251	(1)	
Total Operating Expenditure	3,701	4,119	4,119	3,994	125	3%
Net (Surplus)/Deficit	881	975	975	532	443	45%

Variance comments:

- A Fees and charges were more than budget for trade waste revenue, some of this revenue related to the January to June 2023 period. Additional revenue was also recognised for connection fees for Te Kuiti and Piopio.
- B Other expenditure was below budget for sludge disposal costs, as dried sludge has not been delivered to landfill. This was offset partly by increased chemicals costs, electricity, allocated costs and reactive maintenance costs caused by recent flood events.
- C Losses on asset disposal were recognised for wastewater pipes that were disposed of as part of renewals carried out in Alexandra and Seddon Streets, Te Kuiti.
- D Depreciation was more than budget due to a greater capital expenditure spend in the 2022/23 year than was forecast in the Annual Plan.

CAPITAL EXPENDITURE

Wastewater \$000's	AP 2024	Revised Budget 2024	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Minor Improvements	16	16	30	(14)	
Sludge Removal improvements	100	100	45	55	A
Resource Consent Renewals	43	43	18	25	
Resource Consent Vegetation Planting	17	17	0	17	
Treatment Plant Renewals	105	192	141	51	B
Reticulation Renewals	362	498	176	322	C
Te Waitere Wastewater	0	80	69	11	D
Total Capital Expenditures	643	945	478	467	49%

Variance comments:

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

- A Actuals to date include a sludge mixing bay concrete pad, at the Te Kuiti Wastewater plant is complete. The relocation of the septic tank disposal point will be completed in October 2024.
- B Included in the revised budget is \$87,000 for Te Kuiti SCADA and telemetry and Maniaiti/Benneydale minor plant renewals is still ongoing.
- C Included in the revised budget is \$136,000 carryover for continuation of the two year project for Alexandra and Seddon Street reticulation renewal which was completed in December. The scope of the Seddon Street project changed and the lengths of pipe replaced were a lot less resulting in a reduction in the overall cost compared to budget.
- D Included in the revised budget is \$80,000 carryover for the continuation of the Te Waitere renewal and extension of the soakage field project. Work commenced in December and completed in May.

WATER SUPPLY

FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(2,888)	(3,092)	(3,092)	(3,018)	(74)	A
Subsidies and Grants	0	0	0	0	0	
Interest Revenue	0	0	0	0	0	
Fees and Charges	(16)	(2)	(2)	(34)	32	B
Other Revenue incl Gains/Losses	0	0	0	0	0	
Total Revenue	(2,903)	(3,094)	(3,094)	(3,052)	(42)	1%
Operating Expenditure						
Other Expenditure	2,485	2,193	2,193	2,643	(449)	C
Losses on Asset Disposal	327	0	0	220	(220)	D
Depreciation	912	969	969	938	31	E
Finance Costs	268	333	333	317	16	
Total Operating Expenditure	3,992	3,495	3,495	4,118	(623)	-18%
Net (Surplus)/Deficit	1,089	401	401	1,066	(665)	-166%

Variance comments:

- A Metered water revenue was below budget for Te Kuiti, Mokau and Piopio.
- B Connection fees revenue was received for Te Kuiti and Piopio.
- C Expenditure for reticulation reactive maintenance for Te Kuiti from the recent flooding events and operations and maintenance costs for Piopio and Mokau schemes were more than forecast along with chemicals, sampling and power also above budget.
- D Losses on asset disposal were recognised for water supply pipes and other underground assets replaced in Tammadge and Lusk Streets, Te Kuiti.
- E Depreciation was less than budget due to a lower capital expenditure spend in the 2022/23 year than was forecast in the annual plan.

CAPITAL EXPENDITURE

Water Supply \$000's	AP 2024	Revised Budget 2024	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Other Improvements	5	5	0	5	
Te Kuiti Resilience of Supply Improvements	4,693	4,975	305	4,670	A
Minor Renewals	78	78	8	69	
Reticulation Renewals	363	363	293	70	B
Treatment Plant Renewals	99	116	63	53	C
Resource Consent Renewals	0	21	31	(10)	D
Total Capital Expenditures	5,238	5,558	700	4,857	87%

Variance comments:

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

- A The revised budget for Te Kuiti Water resilience project includes \$282,000 of carryover budget. Actuals to date relate to scope design by WSP, working on the structural assessment, geotechnical investigation, and site survey. This project has now been re-sequenced as part of the LTP, with only \$400K expected to be spent in current year and the remainder next year.
- B Actuals to date relate to Cambridge Excavators (Camex) water supply renewal works along Bulter and Lusk Streets as part of the Te Kuiti reticulation renewals now completed.
- 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. This project is now completed and awaiting approval from Waikato Regional Council.

ROADS AND FOOTPATHS

FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2022/23	Annual Plan	Revised Budget	Unaudited Interim Actual June 2024	Var to Revised Budget	%Var and Note Ref
Revenue						
Rates	(4,474)	(4,481)	(4,481)	(4,495)	15	
Subsidies and Grants	(12,926)	(14,458)	(22,602) ⁶	(18,296)	(4,305)	A
Interest Revenue	0	0	0	0	0	
Fees and Charges	(184)	(165)	(165)	(222)	57	B
Other Revenue incl Gains/Losses	(134)	(140)	(140)	(127)	(13)	C
Total Revenue	(17,717)	(19,244)	(27,387)	(23,141)	(4,246)	16%
Operating Expenditure						
Other Expenditure	9,134	8,718	9,025 ⁷	8,833	193	D
Depreciation	4,647	4,883	4,883	4,864	19	E
Finance Costs	334	418	418	362	56	F
Total Operating Expenditure	14,114	14,019	14,327	14,059	267	2%
Net (Surplus)/Deficit	(3,603)	(5,224)	(13,061)	(9,082)	(3,979)	30%

Variance comments:

- A Subsidies and grants revenue was less than budget as renewal works tendered have been approved and physical works commence later than expected. Expenditure to repair previous storm damage is expected to be incurred throughout the next financial year.
- B Capitation fees received towards road maintenance were more than full year budget.
- C Other revenue was below budget for petrol tax proceeds.
- D Other expenditure was below budget for allocated roading business unit costs, professional fees, structures maintenance, and WDC streetlights. This was offset in part by sealed and unsealed maintenance which were above forecast.
- E Depreciation was less than budget for the period as depreciation on new road assets capitalised to date is less than budget forecast. This reduced depreciation is offset in part, by an increase in depreciation for existing road assets, which has increased due to 30 June 2023 asset revaluation.
- F Finance costs are tracking less than budget for the period as borrowings were less than forecast.

⁶ The revised budget includes additional subsidy revenue forecast for carryovers of capital expenditure from 2022/23 and also for storm damage repairs.

⁷ 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 2023	Unaudited Interim Actual June 2024s	Var to Revised Budget	%Var and Note Ref
Footpaths and Road to Zero Improvements	291	470	418	52	A
Unsubsidised Road Improvements	106	149	106	42	B
Bridge and Bridge Structures Replacement	656	1,498	1,156	342	C
Cyclone and Wet Weather Reinstatements	5,066	10,567	6,474	4,093	D
Other Road Renewals	750	2,642	2,305	337	E
Pavement Rehabilitation Renewals	1,201	2,121	2,595	(474)	F
Sealed Surfacing Renewals	1,128	1,153	1,315	(162)	G
Unsealed Road Metalling Renewals	638	671	489	182	H
Unsubsidised Road Renewals	83	83	5	78	
Total Capital Expenditures	9,919	19,353	14,864	4,489	77%

Variance comments:

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

- A The footpath improvements works were completed in March, some minor updates and remedial works will continue.
- B This budget has now been allocated for the road drainage components of the first stage of the Te Kuiti Stormwater improvement. Works are ongoing and this has been spent during May.
- C Structural component replacement work for the Waimiha Road Culvert relining has been completed. The Structural component replacement contract is at the point of practical completion with some minor items to close out.
- D Mangatoa sites have now been sealed, completing the 22/23 sites. The 23/24 works are ongoing with the maintenance contractor undertaking the smaller sites and the large sites currently under construction. This includes Fullerton Road retaining wall which has commenced. Further sites are still to be constructed this season including, Taharoa Stock Crate realignment, Mairoa Road retaining wall and Mangaotaki Road pavement reconstruction. Works will continue into the next financial year. Generally the storm damage repair projects are coming in under budget so the entire budget will not be spent.
- E Taharoa Flooding section has now been sealed and completed. The balance of this budget has been allocated to the Te Kuiti Catchpit Improvements project which commenced in March.
- F Te Anga Pavement Rehabilitation site has been completed, this is the last of the pavement rehabilitations for the 23/24 season. The overspend for this project will be managed within the existing renewal programme.
- G The final site for sealed road surfacing (being Rora Street Asphalt) has now been completed, there are some minor lines marking at the pedestrian crossing to be completed. The overspend for this project will be managed within the existing renewal programme.
- H The physical work of the Unsealed Road Metalling is ongoing to be completed by Inframax Construction Ltd, these works are generally undertaken during the wetter months to reduce dust impacts.