



Chief Executive's Report

For the month of November 2018

Part Two

Financial Report for November 2018

November 2018 Financial Report

Statement of Operating and Capital Performance

KEY	
●	Favourable
●	Unfavourable within 10% of Budget
●	Unfavourable over 10% of Budget

	Year to Date November 2018				Indicator	Full Year Annual Plan \$000's
	Actual \$000's	Annual Plan \$000's	Variance \$000's	%		
Total Rates	15,138	14,989	149	4.0%	●	35,029
Operating Subsidies and Grants	1,866	1,910	(44)	-2.3%	●	4,584
Activity Revenue and Other Income	2,790	2,226	564	31.6%	●	5,544
Total Operating Income	19,794	19,125	669	3.5%	●	45,156
Employee Benefits	4,443	4,508	65	1.4%	●	10,819
Contractors	3,877	3,871	(6)	-0.2%	●	8,706
Professional Services	1,985	2,015	30	1.5%	●	4,924
Repairs and Maintenance	1,250	1,280	29	2.3%	●	3,348
Finance Costs	1,063	1,229	167	13.5%	●	2,950
Other Operating Costs	2,448	2,284	(164)	-7.2%	●	5,317
Total Operating Costs	15,066	15,187	120	0.8%	●	36,063
Operating Surplus / (Deficit) before Depreciation	4,728	3,939	790	20.0%	●	9,093
Capital Subsidies	1,551	3,448	(2,197)	-63.7%	●	8,276
Contributions	2,096	1,039	1,057	101.7%	●	2,494
Other Capital revenue	117	0	117	0.0%	●	175
Total Capital Revenue	3,764	4,487	(1,023)	-22.8%	●	10,945
Capital Expenditure	2,882	6,110	3,228	52.8%	●	23,529
Total Capital Expenditure	2,882	6,110	3,228	52.8%	●	23,529
Subtotal Capital	882	(1,623)	2,205	-135.9%	●	(12,584)
Surplus / (Deficit) before Loan Payments and Depreciation	5,610	2,316	2,995	129.3%	●	(3,492)

Public Debt and Requirements			
	Actual Jun-18 \$000's	Actual Nov-18 \$000's	Annual Plan Jun-19 \$000's
Debt			
Debt	46,000	48,000	46,270
Cash in bank (overnight deposits)	- 3,641	- 7,966	- 500
Net debt	42,359	40,034	45,770
Reserves (future obligations)			
Development Contribution Reserve	- 24,648	- 24,648	- 26,829
Other Reserves	16,946	16,946	13,360
Total	- 7,702	- 7,702	- 13,469
Debt Requirements			
Debt	46,000	48,000	46,270
Future obligations	16,946	16,946	13,360
Gross Debt Requirement	62,946	64,946	59,630
Less cash in bank	- 3,641	- 7,966	- 500
Net Debt Requirement	59,305	56,980	59,130

Statement of Operating and Capital Performance

Comments on major variances

Operating Income

Rates Revenue

Penalties are higher due to arrears penalties applied and timing difference in the budget (phased monthly).
Rates - general and targeted are on budget.

Activity Revenue and other income: Is continuing to track above budget due to an increase in subdivision consents income.

Operating Costs: Overall costs are on budget.

Contractors costs are on budget.

Professional fees advice to come on four waters statistics and impact on growth and future capital will occur in the last quarter of the financial year.

Repairs and maintenance costs are tracking on budget.

Finance costs remain below budget due to lower inter-period loan balances due to lower capital expenditure.

Other operating costs are above budget year to date due to:

- Additional Audit fees of \$65,000 were spent due to an increase in demand on the Annual Report audit;
- Annual licence for Kotui Library software of \$48,000 was unbudgeted;
- Bad debts of \$22,000 were written-off; and
- Subscriptions of \$17,000 were paid in advance.

Capital Revenue

Capital subsidies are below budget due to lower capital expenditure occurring.

The financial and development contributions are continuing to be above budget for the month of November and year to date.

Other capital revenue increase is due to sale of land on Tomarata Road.

Public Debt

The public debt position at 30 November 2018 is \$48 million and the next debt position (debt less cash) is \$40 million.

Activities Net Cost for the period to 30 November 2018

Activity	Actual			Annual Plan	Indicator	Explanation of variances
	Actual Operating Income \$000s	Actual Operating Costs \$000s	Net Operating Surplus/ (Deficit) \$000s	Net Operating Surplus/ (Deficit) \$000s		
Community Activities	2,187	1,833	354	36		Increase in activity revenue – Kai Iwi Lakes campground revenue increase during Labour Weekend. Lower expenditure – grounds and drains maintenance of \$156,000 is scheduled for future months.
District Leadership	2,832	2,739	93	(492)		Finance costs remain below budget due to lower inter-period loan balances due to lower capital expenditure. Overall operating costs are lower than budget.
Regulatory Management	2,611	2,464	147	9		Income above budget due to increase in subdivisions consents income. Costs increased as large bills for consultants.
Roads and Footpaths	5,979	4,862	1,117	1,456		Extra work done on roads and footpaths by contractors has been an increase on costs. Professional services only just being utilised but offsets increased contractor costs.
Flood control	314	155	159	164		Tracking on budget.
Wastewater	3,192	1,418	1,774	1,613		Costs for professional services down to date but will be utilised later in year for consulting on impacts of growth.
Solid Waste	622	499	123	107		Tracking on budget.
Stormwater	673	348	325	382		Reticulation maintenance work done in Mangawhai and Dargaville area in the month of October 2018.
Water Supply	1,384	747	637	663		Fonterra is to pay for some reticulation this year and capital expenditure has not yet begun but income is being accrued.
Whole Council	19,794	15,066	4,728	3,938		

Kaipara District Council - Capital Projects for the period ended 30 November 2018

	Year to Date November 2018			Full Year	
	Actual \$	Budget (Forecast One) \$	Variance \$	Budget (Forecast One) \$	Budget remaining \$
Activity - Work in Progress					
Community Activities	119,846	445,000	325,154	2,803,217	2,683,371
District Leadership, Finance and Internal Services	199,621	93,330	-106,291	1,335,000	1,135,379
Flood Protection and Control Works	4,000		-4,000	547,500	543,500
Regulatory Management	0	0	0	0	0
Sewerage and the Treatment and Disposal of Sewage	-95,554	1,203,250	1,298,804	4,609,329	4,704,883
Solid Waste	33,779	72,670	38,891	1,235,549	1,201,770
Stormwater Drainage	610,171	493,935	-116,236	1,367,935	757,764
The Provision of Roads and Footpaths	2,021,576	2,794,880	773,304	15,400,649	13,379,073
Water Supply	-11,301	399,000	410,301	1,798,198	1,809,499
Grand Total	2,882,139	5,502,065	2,619,926	29,097,377	26,215,238

Capital Works by significant projects for the period ended 30 November 2018

	Year to Date November 2018			Full Year	
	Actual \$	Budget (Forecast One) \$	Variance \$	Budget (Forecast One) \$	Budget remaining \$
Structures Component Replacements 2018/2019	253,211	319,275	66,064	2,250,000	1,996,789
Roads to be determined 2018/2019	86,449	919,242	832,793	2,186,960	2,100,511
Quail Stormwater improvements	609,686	493,935	-115,751	1,197,935	588,249
Mangawhai Upgrade WWTP	35,415	250,000	214,585	1,000,000	964,585
Drainage Renewals 2018/2019	374,054	326,665	-47,389	740,000	365,946
LED conversion of streetlights	82,823	100,730	17,907	724,609	641,786
Hakaru Leachate Improvements	29,381	46,600	17,219	685,549	656,168
Dargaville Main under Dargaville High: Re-route/replace pipe	14,604		-14,604	637,500	622,896
Mangawhai Wastewater Extension Irrigation System	16,484	80,000	63,516	600,000	583,516
Mangawhai Wastewater Upgrade PS-VA	6,000		-6,000	600,000	594,000
Dargaville WW PS1/PS2 Rising main from Pump Station 2 to Pump Station 1		170,000	170,000	596,000	596,000
Mangawhai Tara Road Box Culvert RP7270	128,347	27,224	-101,123	560,001	431,654
MCP Moir/Molesworth Intersection (Intersection 2)	2,084		-2,084	550,000	547,916
MCP Insley/Moir Intersection (Intersection 1)	2,084		-2,084	550,000	547,916
Mangawhai Cove Road RP0-1152 Rehabilitation	5,595		-5,595	539,592	533,997
Digital transformation	75,631	33,330	-42,301	1,000,000	924,369
Total Significant Projects accounted for				14,418,146	