



**Far North
District Council**
Te Kaunihera o Tai Tokerau Ki Te Raki

Far North District Council

Council Financial Report

for the period ending **31-July-2020**

Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-July-2020.

The overall performance of Council has continued as usual even though we have only just come out of the final drought level, post COVID-19 and the recent flood event. Council will continue in the coming months in order to bring back recovery to our economy and district.

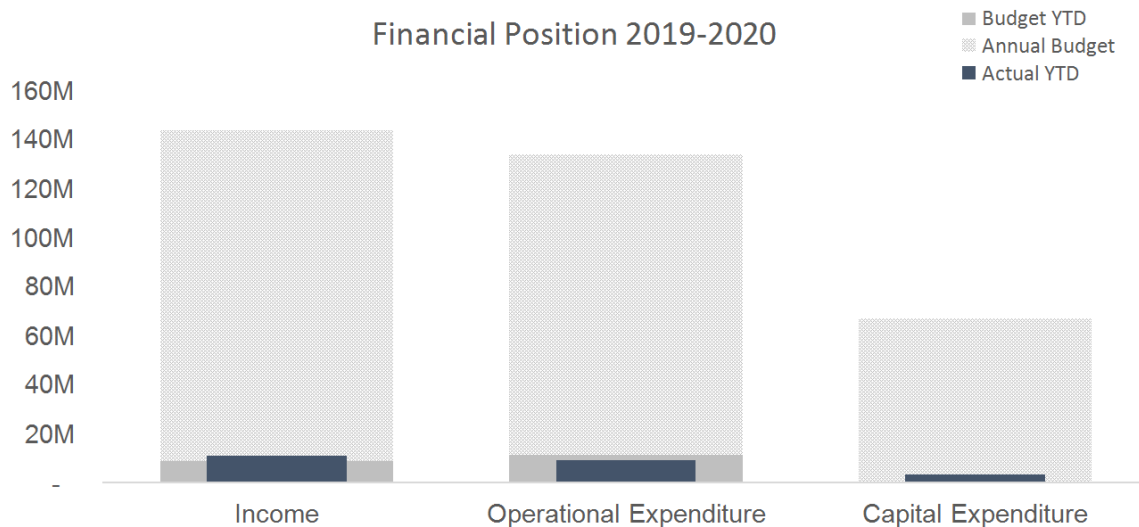
The organisation is refocusing their priorities in order to accommodate these situations so ongoing income and expenditure will be reviewed.

With every new financial year there are a number of variances across the organisation, this is mainly due to timing of the budgets. These are being reviewed and will be timed accordingly in the coming months.

Capital expenditure budgets are currently being reviewed and are yet to be timed according to the current workplans.

The commentary this month will only be by exception.

Overall, we had a Variance to Budget YTD movement of \$4.4M.



Year to Date

Actual Position as at 31-July-2020

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	10.9M	8.7M	2.3M	26%
Operational Expenditure	9.0M	11.2M	- 2.2M	-19%
Net Operating Position	1.9M	- 2.5M	4.4M	-176%
Capital Expenditure	3.3M	- M	3.3M	#DIV/0!

Year End

Forecast Position as at 30-June-2021

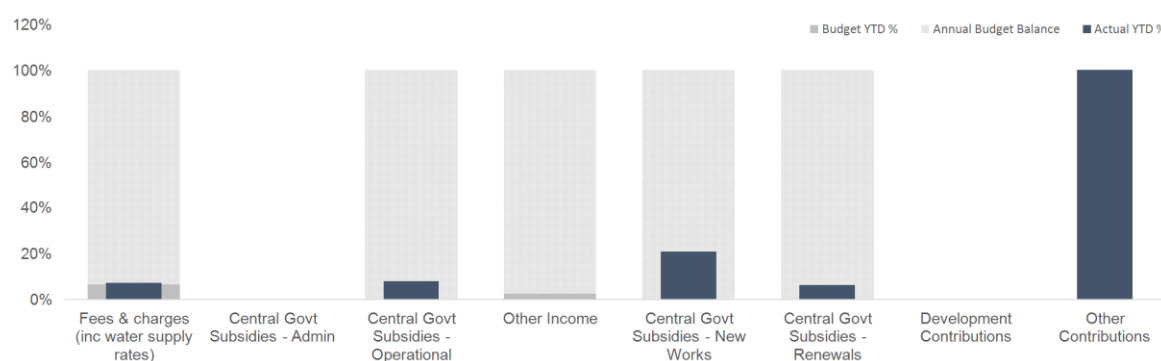
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	143.8M	143.8M	- M	0%
Operational Expenditure	133.7M	133.7M	- M	0%
Net Operating Position	10.1M	10.1M	- M	0%
Capital Expenditure	66.8M	66.8M	- M	0%

**In the tables above and throughout this report, variances +/- 5% from budget are indicated as on track / green, anything outside this is red.*

Council Financial Performance – Income

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes general rates and rates penalties.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
3.4M	1.2M	2.2M	180%	52.2M	52.2M	- M	0%



Highlights:

Fees & charges (inc water supply rates)

- Dog owners are taking advantage of the discounted rate for early registrations which ends 30 August 2020.
- Income received from ferry ticket sales due to increased local tourism across the district post COVID19 lockdown.
- Building Consents are ahead of budget due to process improvements which has allowed the administration team to invoice more efficiently.
- Resource Consents issued 71 consents which was almost twice the amount in June.

Central Govt Subsidies – Operational

- Roading subsidy received from NZTA for maintenance and operations of the roading network across the district for sealed and unsealed pavement maintenance, drainage structures and traffic services.
- Ongoing unbudgeted Tourism Infrastructure Funds (TIF) received from Ministry of Business, Innovation & Employment (MBIE) for the Responsible Camping Working Group initiatives in partnership with between Far North District Council (FNDC), Department of Conservation (DoC) and Northland Regional Council (NRC).

Other Income

- Planned Provincial Growth Funds (PGF) for Lake Omapere and Bonnets Road water projects has not yet been received.

Central Govt Subsidies - New Works

- The balance of the Rawene/Omanaia Water Treatment Plant final subsidy has been carried forward from 2019/2020 project for completion of this project.
- Ongoing unbudgeted Tourism Infrastructure Funds (TIF) received from Ministry of Business, Innovation & Employment (MBIE) for the construction of public toilets at Opononi, Mitimiti, Waitangi boat ramp and Haruru Falls bush walk.
- Subsidy new works income for ongoing minor safety & improvements projects from last financial year for bridges at Otaua Rd, West Coast Rd; Panguru Rd raising, and associated improvements.

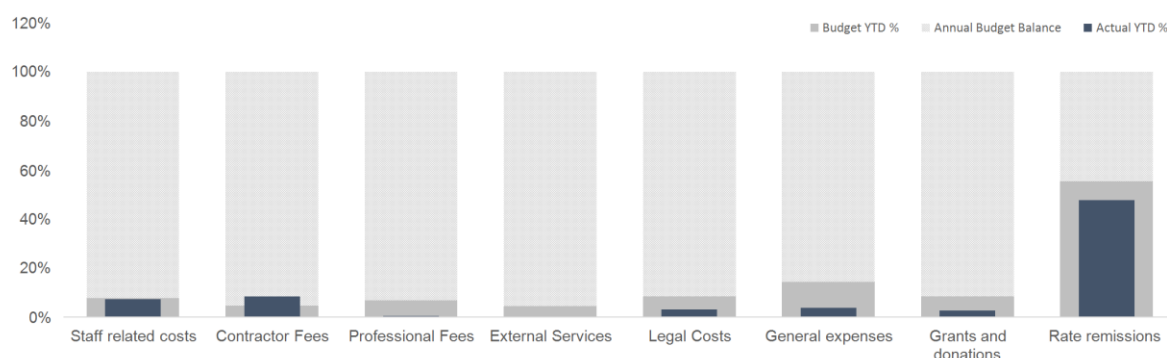
Central Govt Subsidies – Renewals

- Subsidy renewals income across roading network from NZTA for sealed and unsealed roads, drainage, rehabilitation, structures replacement, traffic services and ongoing minor safety & improvements works at West Coast Rd slip, Kaitaia Awaroa slip & safety projects.

Council Financial Performance – Operational Expenditure

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes allocations, interest costs, depreciation and other asset costs and gain/loss on disposal.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
6.0M	8.2M	- 2.2M	-27%	97.4M	97.4M	- M	0%



Highlights:

Contractor Fees

- Roothing maintenance and operational expenses incurred across the district for sealed and unsealed pavement maintenance, drainage, structures and traffic services maintenance.
- Broadspectrum Services Limited (BSL) is ahead of budget due to contract materials, subcontractors and internal labour due to reactive works with the recent flood event.
- Kohu ra tuarua is now operated by Fullers GreatSights and the new contract is in place, the budget will be reviewed and timed accordingly.

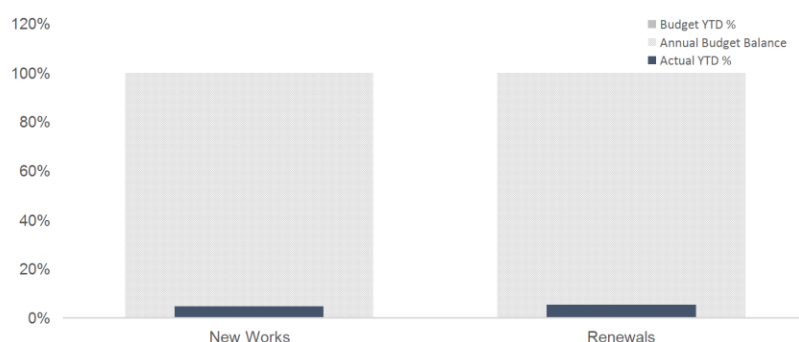
External Services

- Footpaths is ahead of budget due to ongoing construction from 2019/2020 at Tau Henare Drive in Waitangi which will be completed by October 2020.
- Maritime facilities unbudgeted request in 2019/2020 for the demolition of the fertilizer shed at Te Hapua due to asbestos is now complete.

Council Financial Performance – Capital Expenditure

These figures are direct from the Statement of Capital Performance.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
3.3M	- M	3.3M	100%	66.8M	66.8M	- M	0%



Highlights:

New Works

- Ongoing minor safety & improvements projects from last financial year for bridges at Otua Rd, West Coast Rd; Panguru Rd raising, and associated improvements.
- A number of projects from prior year has continued but awaiting approval from the Carry Forward exercise to be completed.

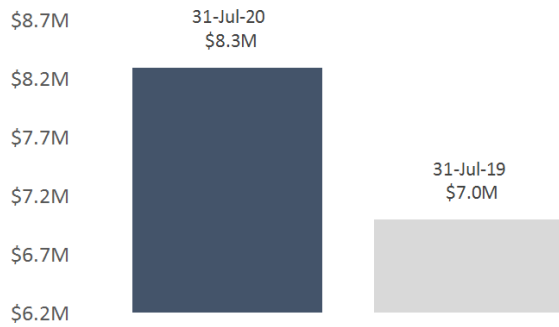
Renewals

- Renewals works across roading network from NZTA for sealed and unsealed roads, drainage, rehabilitation, structures replacement, traffic services and ongoing minor safety & improvements works at West Coast Rd slip, Kaitaia Awaroa slip & safety projects.

Treasury Report

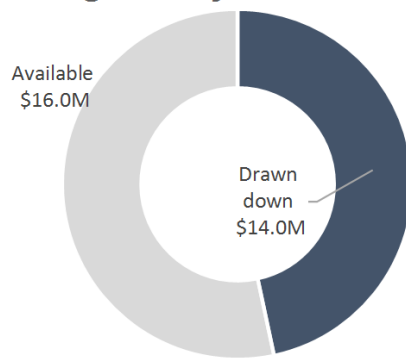
Cash Position

Compared to same time last year



	31-Jul-20	31-Jul-19
ASB General Fund	\$ 3.3M	\$ 2.0M
ASB Special Funds	\$ 5.1M	\$ 5.0M
Investments	\$ - M	\$ - M
Total Cash	\$ 8.3M	\$ 7.0M

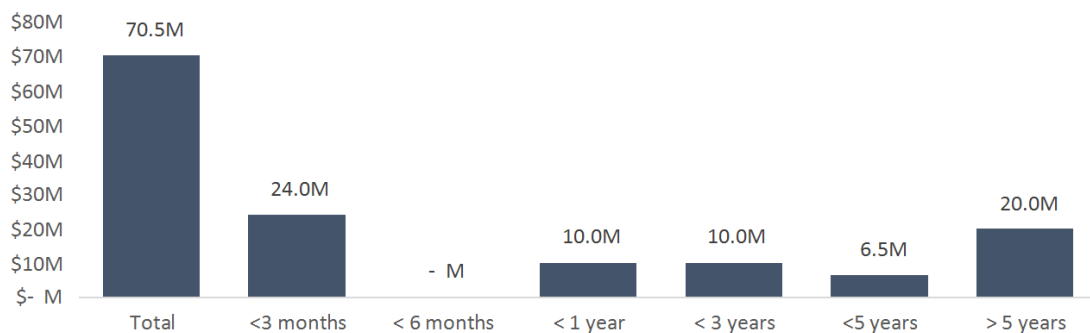
Banking Facility



Banking Facility	\$ 30.0M
Drawn down	\$ 14.0M
Available	\$ 16.0M

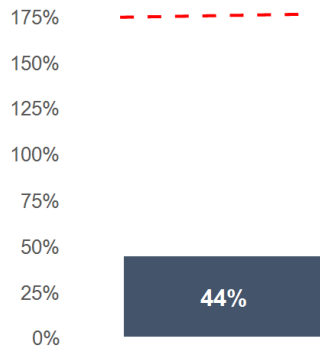
Public Debt

Loans by Maturity Date



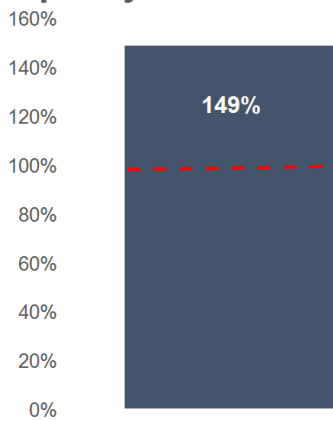
Treasury Compliance

Net Debt as a % of Revenue must be less than 175%



Net Debt	\$ 62.2M
Budgeted Total income	\$ 141.7M
Debt Ceiling	\$ 247.9M
Net debt as % total revenue	44%
Policy Maximum	131%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 70.5M
ASB Banking Facility	\$ 30.0M
ASB Banking Facility used	-\$ 14.0M
Total Committed Public Debt	\$ 86.5M
Liquid Investments Cash at Bank	\$ 8.3M
Liquid Investments ASB Overdraft Facility	\$ 10.0M
	\$ 104.8M
Access to Funds	149%
Policy Minimum	110%

Note: Total revenue is based on 2020/21 total forecast income excluding non government capital contributions (eg. developer contributions and vested assets).

Liquidity is defined as external debt + committed loan facilities + liquid investments, including bank overdraft facility, divided by existing external debt.

Statement of Financial Performance

for the period ending July 2020 (Pd1)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget YTD	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
Operational Income										
Rates - general (excl water supply rates)	7,542	7,460 -	82	89,525	-	89,525	81,983	8%	89,525	-
Rates - penalties	-	-	-	2,073	-	2,073	2,073	0%	2,073	-
Fees & charges (inc water supply rates)	1,221	1,115 -	106	17,059	-	17,059	15,838	7%	17,059	-
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	814	- -	814	10,276	-	10,276	9,462	8%	10,276	-
Other Income	870	95	965	3,686	-	3,686	4,557	-24%	3,686	-
Capital Income										
Central Govt Subsidies - New Works	1,271	- -	1,271	6,124	-	6,124	4,853	21%	6,124	-
Central Govt Subsidies - Renewals	952	- -	952	15,051	-	15,051	14,099	6%	15,051	-
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	5	- -	5	-	-	- -	5	100%	-	-
Total Operating Income	10,935	8,670 -	2,264	143,794	-	143,794	132,859	8%	143,794	-
Operational Expenditure										
Staff related costs	2,290	2,523	233	32,643	-	32,643	30,353	7%	32,643	-
Contractor Fees	2,313	1,305 -	1,008	28,719	-	28,719	26,407	8%	28,719	-
Professional Fees	25	634	609	9,325	-	9,325	9,300	0%	9,325	-
External Services	233	409	642	9,217	-	9,217	9,450	-3%	9,217	-
Legal Costs	19	57	37	682	-	682	663	3%	682	-
General expenses	464	1,856	1,392	12,903	-	12,903	12,439	4%	12,903	-
Grants and donations	39	135	96	1,624	-	1,624	1,585	2%	1,624	-
Rate remissions	1,069	1,251	182	2,257	-	2,257	1,188	47%	2,257	-
Allocations (direct and indirect)	-	0	0	0	-	0 -	0	0%	0	-
Interest costs	115	143	28	1,715	-	1,715	1,600	7%	1,715	-
Sub total	6,101	8,313	2,212	99,085	-	99,085	92,984	6%	99,085	-
Depreciation and other asset costs	2,916	2,887 -	29	34,645	-	34,645	31,728	8%	34,645	-
Gain/Loss on Disposal	-	-	-	-	-	-	-	0%	-	-
Total Operational Expenditure	9,018	11,200	2,182	133,730	-	133,730	124,712	7%	133,730	-
Net Operating Surplus	1,917 -	2,530	4,447	10,064	-	10,064	8,147		10,064	-

Statement of Capital Performance

for the period ending July 2020 (Pd1)

	Year To Date (\$000's)					Full Year (\$000's)				
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	96	- -	96	13,028	-	13,028	12,932	1%	13,028	-
Environmental Management	2	- -	2	-	-	- -	2	100%	-	-
Roading and Footpaths	2,044	- -	2,044	37,358	-	37,358	35,314	5%	37,358	-
Wastewater	658	- -	658	7,524	-	7,524	6,866	9%	7,524	-
Stormwater	86	- -	86	1,179	-	1,179	1,093	7%	1,179	-
Solid Waste Management	-	-	-	325	-	325	325	0%	325	-
Water Supply	297	- -	297	4,495	-	4,495	4,198	7%	4,495	-
Governance & Strategic Administration	103	- -	103	2,334	-	2,334	2,231	4%	2,334	-
Customer Services	29	- -	29	533	-	533	504	6%	533	-
Strategic Planning & Policy	-	-	-	-	-	-	-	0%	-	-
Total Capital Expenditure	3,315	- -	3,315	66,777	-	66,777	63,461	5%	66,777	-

Analysis of Operational Income and Expenditure by LTP Group

Income	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	299	103 -	196	1,866	-	1,866	1,567	-16%	1,866	-
Environmental Management	708	564 -	144	5,464	-	5,464	4,756	-13%	5,464	-
Roading and Footpaths	2,163	50 -	2,112	34,441	-	34,441	32,278	-6%	34,441	-
Wastewater	4	34	29	403	-	403	398	-1%	403	-
Stormwater	100	- -	100	-	-	- -	100	-100%	-	-
Solid Waste Management	146	117 -	29	1,405	-	1,405	1,259	-10%	1,405	-
Water Supply	268	210	478	6,642	-	6,642	6,910	4%	6,642	-
Governance & Strategic Administration	204	93 -	111	1,458	-	1,458	1,254	-14%	1,458	-
Customer Services	22	33	11	442	-	442	420	-5%	442	-
Strategic Planning & Policy	14	6 -	8	75	-	75	61	-19%	75	-
Total Operating Income	3,392	1,210 -	2,182	52,196	-	52,196	48,804	6%	52,196	-

Operational Expenditure	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	569	911	342	9,554	-	9,554	8,985	6%	9,554	-
Environmental Management	617	842	225	10,489	-	10,489	9,872	6%	10,489	-
Roading and Footpaths	1,288	493 -	795	25,521	-	25,521	24,233	5%	25,521	-
Wastewater	449	653	205	6,850	-	6,850	6,401	7%	6,850	-
Stormwater	91	158	67	1,942	-	1,942	1,851	5%	1,942	-
Solid Waste Management	281	359	78	4,282	-	4,282	4,001	7%	4,282	-
Water Supply	244	462	707	4,970	-	4,970	5,214	-5%	4,970	-
Governance & Strategic Administration	2,269	3,281	1,011	21,610	-	21,610	19,341	11%	21,610	-
Customer Services	350	491	141	5,653	-	5,653	5,303	6%	5,653	-
Strategic Planning & Policy	317	519	202	6,500	-	6,500	6,183	5%	6,500	-
Total Direct Costs	5,986	8,170	2,184	97,371	-	97,371	91,384	6%	97,371	-