



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

Far North District Council

Council Financial Report

for the period ending **31-August-2021**

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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-August-2021.



Year to Date

Actual Position as at 31-August-2021

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	33.0M	19.3M	13.7M	71%
Operational Expenditure	22.0M	20.6M	1.4M	7%
Net Operating Position	11.0M	- 1.3M	12.3M	-962%
Capital Expenditure	5.2M	0.5M	4.8M	1053%

Year End

Forecast Position as at 30-June-2022

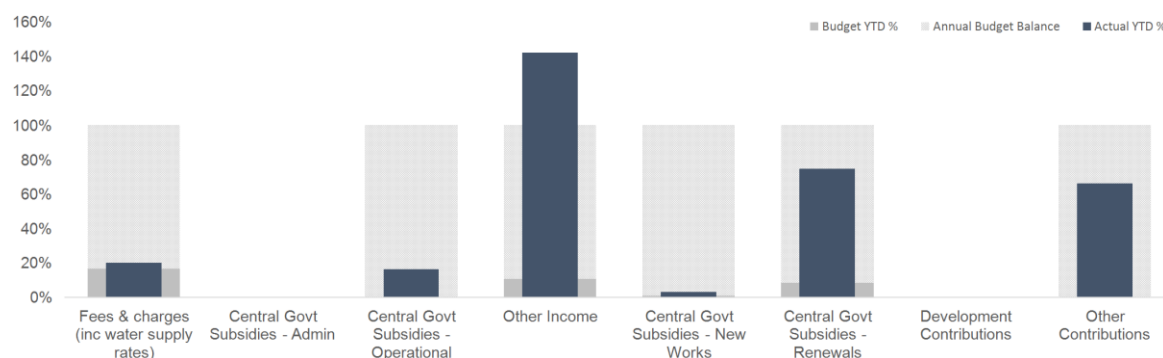
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	160.1M	160.1M	- M	0%
Operational Expenditure	142.6M	142.6M	0.0M	0%
Net Operating Position	17.5M	17.5M	0.0M	0%
Capital Expenditure	99.1M	99.0M	0.1M	0%

**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
17.2M	3.4M	13.9M	411%	65.3M	65.3M	- M	0%



Highlights:

Fees & Charges

- There has been a large number of resource consent applications processed and the team is meeting statutory timeframes. Building consents has had the highest number of consents and the team has improved their time keeping process for chargeable time.
- Water by Meter income received is ahead of budget for Kaitaia which was billed in August.

Central Govt Subsidies – Operational

- Income has been received from Waka Kotahi (NZTA) as interim funding for maintaining levels of service across the district. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.

Other Income

- There is \$2.3M of unspent Department of Internal Affairs (DIA) grant funding that has been brought into this year to complete 3-Water Reform projects. The DIA funded 50% of the total 3-Water Reform projects budget upfront but a large amount of this was not required in 2020-21. Further claims for funding have been delayed as a result.
- Unspent Provincial Growth Fund (PGF) has been brought into this year to complete the final reinstatement costs for Lake Omapere, planned for this summer.
- Grant received from the Provincial Growth Fund (PGF) last financial year 2020-21 to support road sealing project at Ngapipito Road.

Central Govt Subsidies – New Works

- Income received in advance last financial year 2020-21 from Ministry of Business, Innovation & Employment (MBIE) for public toilet upgrade and enhancements at Cable Bay carpark, Waitangi Boat Ramp and temporary portable toilets across the district.
- Income has been received for new works projects at West Coast Road bridge, roadside barriers/guardrails and associated improvements projects across the district.

Footpath projects at BOI-Whangaroa Ward: SH11 Kaipatiki Rd to York Rd which is an ongoing works from last financial year.

Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.

- Final subsidy claim received from Ministry of Business, Innovation & Employment (MBIE) for seal extension at Pungaere Road with a handful of ancillary works items outstanding to be addressed.

Central Govt Subsidies – Renewals

- Income has been received for renewal projects across the district. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.

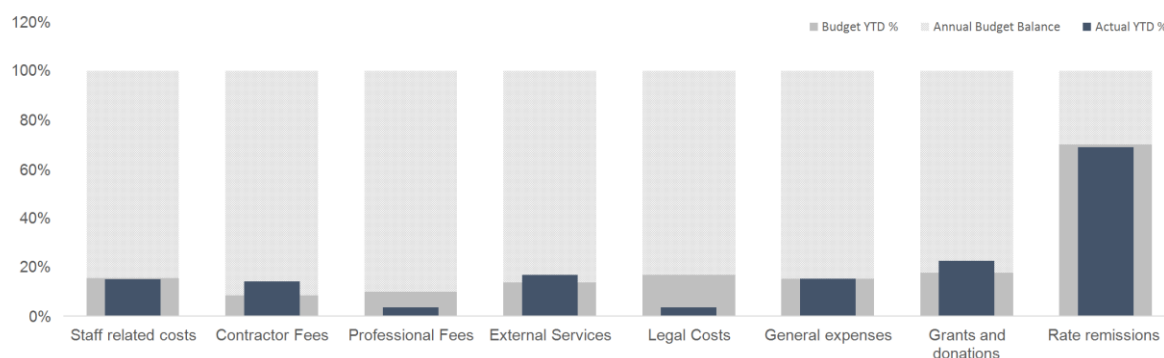
Other Contributions

- Unspent Ministry of Business Innovation and Employment (MBIE) grant funding has been brought into this year to complete the southern animal welfare facility.
- Income received in advance last financial year 2020-21 from the Ministry of Business, Innovation & Employment (MBIE) under the Provincial Growth Fund (PGF) as capital grant received for the Kerikeri Domain, Waipapa Sports Hub and Te Hiku o te Ika projects. These are planned to be spent this financial year.
- There is \$1.8M of unspent Department of Internal Affairs (DIA) grant funding that has been brought into this year to complete the 3-Water Reform projects. The DIA funded 50% of the total 3-Water Reform projects budget upfront but a large amount of this was not required in 2020-21. Further claims for funding have been delayed as a result.
- Planned Provincial Growth Funds (PGF) capital grant received for the road seal projects at Ruapekapeka, Ngapipito and Peria Road 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
15.1M	14.0M	1.1M	8%	102.7M	102.7M	0.0M	0%



Highlights:

Contractor Fees

- Maintenance and operational expenses incurred across the roading network for sealed & unsealed pavement maintenance, drainage, structures, traffic services maintenance. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Transfer Stations and Community Recycling Centres has decreased due to the low volumes of refuse being disposed which is normal during this time of the year.

Professional Fees

- A number of consultants have not yet been engaged across the organisation.
- Asset condition assessments are behind budget. The team are still working on the matrix to define what is needed then the program of work packages will be developed.

External Services

- Ongoing enabling works at Ruapekapeka, Ngapipito and Peria Road to support sealing the capital projects funded via grant from the Provincial Growth Fund (PGF).

Grants and Donations

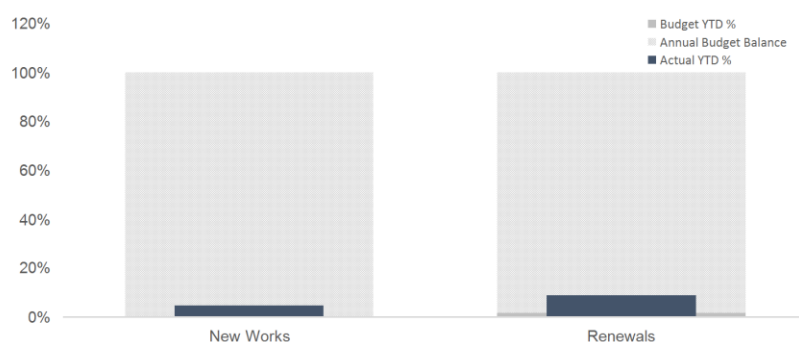
- Sport Northland has not yet invoiced for the annual management fee for Kawakawa swimming pool as planned.

- Annual cycletrail grant has been paid to the Pou Herenga Tai Twin Coast Cycle Trail Trust.

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
5.2M	0.5M	4.8M	1053%	99.0M	99.1M	0.1M	0%



Highlights:

New Works

- The Kaitia New Source (Sweetwater) project is progressing. Ventia has been awarded the physical works contract and a site blessing has taken place. NRC has given approval for winter works which has begun.
- Public Toilets - relocation and renovation of existing public toilet facility at Whatuwhiwhi is ongoing from last financial year and will require carry over budget to be approved by Council.
- Waipapa Sports Hub and Kerikeri Domain revitalisation projects is ongoing from last financial year which will require carry over budget to be approved by Council.
- Te Hiku o te Ika (Revitalisation project) is ongoing from last financial year which will require carry over budget to be approved by Council and budget retimed.
- West Coast Road bridge project, roadside barriers / guardrails project and associated improvements across the district are ongoing from last financial year. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Footpath projects at BOI-Whangaroa Ward SH11 Kaipatiki Rd to York Rd is subsidised project ongoing from last financial year. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Opua cycle trail project is ongoing from last financial year and is unsubsidised. The cashflow forecast is being reviewed.
- Planned Provincial Growth Fund (PGF) for road sealing projects is ongoing from last financial year at Ruapekapeka, Ngapipito and Peria road.
- Ongoing seal extension works at Pungaere Road with a handful of ancillary works items outstanding.

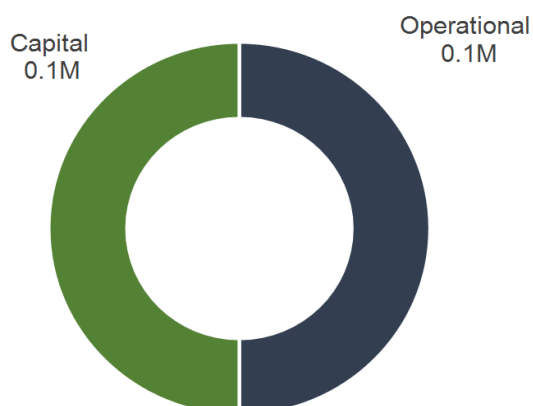
Renewals

- Renewal works across the roading network for unsealed road metaling, routine drainage, pavement rehabilitation, structures replacement, traffic services and minor safety & improvement works at Koropewa Road Sealing project. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Maritime - Hokianga Harbour Coastal Repairs planned renewals works on steel piles is ongoing at the Omapere wharf.

Unbudgeted Expenditure

These are additional works not included in the original budget for the current year.

Unbudgeted work greater than \$100,000 must be approved by Council, anything less than that can be approved by a General Manager with appropriate financial delegation.



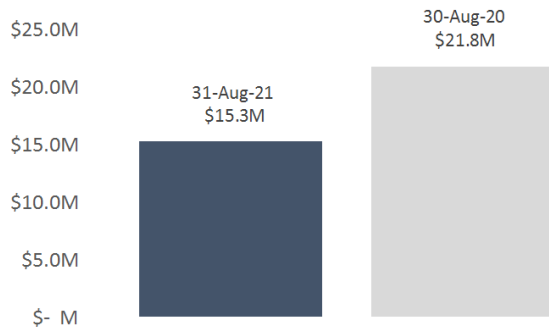
Unbudgeted Expenditure		
<i>*Expenditure over \$100K approved by Council (in grey)</i>		
Unbudgeted Operational		Amount
Economic Planning	Professional Fees	50,000
		50,000
Unbudgeted Roading		Amount
Kaimaumu Road Traffic Calming - Speed	CAPEX New Works Contract Services	50,000
		50,000
		100,000

Budget Movements		
Project Ledger	Comment	Amount
RFID Installation	Professional Fees Savings 2021 Software Licence Fees Savings 2021	53,000
Procter Library Refresh	Procter Library Refresh Renewals from 2023/24	15,062
RFID Installation	Professional Fees Savings 2022 Software Licence Fees Savings 2022	-53,000
		15,062
		15,062

Treasury Report

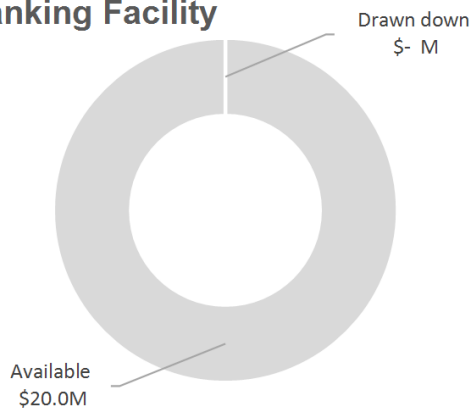
Cash Position

Compared to same time last year



	31-Aug-21	30-Aug-20
ASB General Fund	\$ 8.2M	\$ 16.7M
ASB Special Funds	\$ 5.1M	\$ 5.1M
Investments	\$ 2.0M	\$ - M
Total Cash	\$ 15.3M	\$ 21.8M

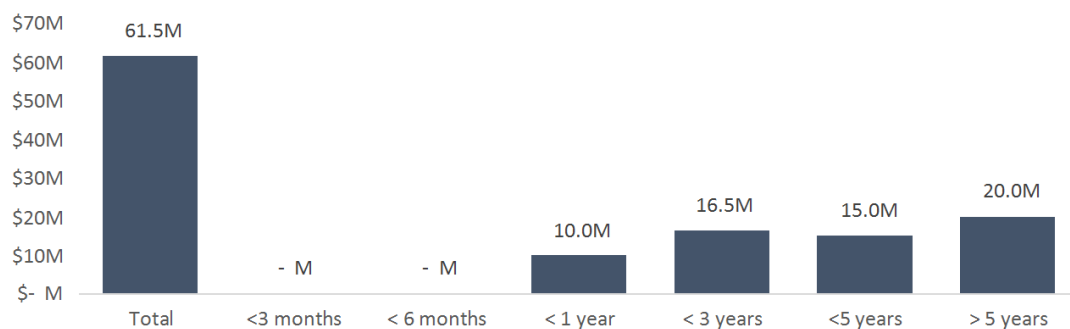
Banking Facility



Banking Facility	\$ 20.0M
Drawn down	\$ - M
Available	\$ 20.0M

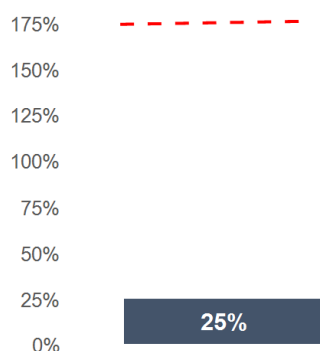
Public Debt

Loans by Maturity Date



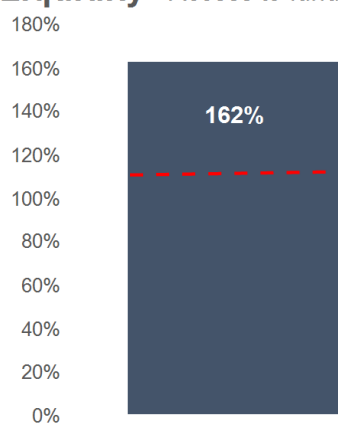
Treasury Compliance

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



Net Debt	\$ 46.2M
Budgeted Total income	\$ 184.9M
Debt Ceiling	\$ 323.5M
Net debt as % total revenue	25%
Policy Maximum	150%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 61.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	\$ - M
Total Committed Public Debt	\$ 81.5M
Liquid Investments Cash at Bank	\$ 15.3M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 99.8M
Access to Funds	162%
Policy Minimum	110%

Note: Total revenue is based on 2021/22 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 Aug 2021 (Pd2)

	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)	15,457	15,440 -	17	92,675	-	92,675	77,218	17%	92,675	-
Rates - penalties	304	516	211	2,063	-	2,063	1,759	15%	2,063	-
Fees & charges (inc water supply rates)	3,500	2,905 -	595	17,590	-	17,590	14,090	20%	17,590	-
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	2,347	18 -	2,329	14,445	-	14,445	12,097	16%	14,445	-
Other Income	3,180	235 -	2,944	2,244	-	2,244 -	936	142%	2,244	-
Capital Income										
Central Govt Subsidies - New Works	582	156 -	426	19,570	-	19,570	18,988	3%	19,570	-
Central Govt Subsidies - Renewals	514	57 -	457	690	-	690	176	75%	690	-
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	7,112	- -	7,112	10,799	-	10,799	3,688	66%	10,799	-
Total Operating Income	32,997	19,328 -	13,669	160,077	-	160,077	127,081	21%	160,077	-
Operational Expenditure										
Staff related costs	5,172	5,324	152	34,476	-	34,476	29,303	15%	34,476	-
Contractor Fees	4,653	2,779 -	1,874	32,873	-	32,873	28,219	14%	32,873	-
Professional Fees	408	1,173	766	11,930	-	11,930	11,523	3%	11,684	246
External Services	1,022	835 -	187	6,135	-	6,135	5,113	17%	6,135	-
Legal Costs	30	146	115	873	-	873	843	3%	873	-
General expenses	1,824	1,824	1	11,965	-	11,965	10,141	15%	12,261	296
Grants and donations	537	422 -	116	2,385	-	2,385	1,848	23%	2,359	26
Rate remissions	1,438	1,462	24	2,087	-	2,087	649	69%	2,087	-
Allocations (direct and indirect)	-	0	0	0	-	0	0	0%	0	-
Interest costs	219	380	162	2,282	-	2,282	2,063	10%	2,282	-
Sub total	15,304	14,345 -	958	105,007	-	105,007	89,703	15%	105,031	24
Depreciation and other asset costs	6,696	6,262 -	435	37,569	-	37,569	30,873	18%	37,569	-
Gain/Loss on Disposal	- 30	-	30	-	-	-	30	100%	-	-
Total Operational Expenditure	21,970	20,607 -	1,363	142,576	-	142,576	120,606	15%	142,600	24
Net Operating Surplus	11,027 -	1,279	12,306	17,501	-	17,501	6,475		17,477	24

Statement of Capital Performance

for the period ending Aug 2021 (Pd2)

	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 %		
District Facilities	1,321	143 -	1,178	62,816	-	62,816	61,495	2%	62,816	-
Environmental Management	59	28 -	31	981	-	981	923	6%	981	-
Roading and Footpaths	2,200	- -	2,200	1,700	-	1,700 -	500	129%	1,750	50
Wastewater	209	180 -	29	13,047	-	13,047	12,837	2%	13,047	-
Stormwater	76	- -	76	3,672	-	3,672	3,597	2%	3,672	-
Solid Waste Management	55	- -	55	767	-	767	713	7%	767	-
Water Supply	1,040	- -	1,040	11,573	-	11,573	10,533	9%	11,573	-
Governance & Strategic Administration	239	42 -	197	3,407	-	3,407	3,168	7%	3,407	-
Customer Services	38	61	23	993	-	993	955	4%	1,062	68
Strategic Planning & Policy	-	-	-	-	-	-	-	0%	-	-
Total Capital Expenditure	5,237	454 -	4,782	98,957	-	98,957	93,720	5%	99,075	118

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	4,900	222 -	4,678	30,266	-	30,266	25,366	-16%	30,266	-
Environmental Management	1,793	1,226 -	567	5,748	-	5,748	3,955	-31%	5,748	-
Roading and Footpaths	4,290	323 -	3,968	17,820	-	17,820	13,530	-24%	17,820	-
Wastewater	859	50 -	809	301	-	301 -	558	-285%	301	-
Stormwater	620	- -	620	-	-	- -	620	-100%	-	-
Solid Waste Management	169	270	101	1,535	-	1,535	1,367	-11%	1,535	-
Water Supply	4,261	1,006 -	3,255	7,017	-	7,017	2,756	-61%	7,017	-
Governance & Strategic Administration	260	175 -	85	1,999	-	1,999	1,739	-13%	1,999	-
Customer Services	59	88	29	577	-	577	518	-10%	577	-
Strategic Planning & Policy	21	13 -	9	75	-	75	54	-28%	75	-
Total Operating Income	17,233	3,372 -	13,861	65,338	-	65,338	48,106	26%	65,338	-

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	1,305	1,539	235	9,065	-	9,065	7,760	14%	9,065	-
Environmental Management	1,173	1,598	425	10,198	-	10,198	9,025	12%	10,198	-
Roading and Footpaths	3,378	673 -	2,705	26,934	-	26,934	23,557	13%	26,934	-
Wastewater	1,254	1,192 -	62	7,263	-	7,263	6,009	17%	7,263	-
Stormwater	343	536	193	3,259	-	3,259	2,916	11%	3,259	-
Solid Waste Management	472	723	250	4,348	-	4,348	3,876	11%	4,348	-
Water Supply	1,249	1,010 -	239	6,126	-	6,126	4,877	20%	6,126	-
Governance & Strategic Administration	4,347	4,616	269	22,445	-	22,445	18,099	19%	22,420	26
Customer Services	872	900	27	5,713	-	5,713	4,841	15%	5,713	-
Strategic Planning & Policy	671	1,179	508	7,372	-	7,372	6,701	9%	7,422	50
Total Direct Costs	15,064	13,965 -	1,099	102,724	-	102,724	87,660	15%	102,749	24

Capital Spend Analysis

as at 31-Aug-2021

	YTD (\$000's)		Full Year (\$000's)							
LTP Group	YTD Actual	Commitments	LTP Budget	Carry Forward Budget	Total Annual Budget	Actual vs Budget %	Total Annual Forecast	Actual vs Forecast %	Forecast vs Budget %	Forecast vs Budget Variance
District Facilities	506	3,649	18,730	0	18,730	2.7%	18,730	2.7%	100%	0
Wastewater	209	1,163	13,047	0	13,047	1.6%	13,047	1.6%	100%	0
Water Supply	156	1,085	6,722	0	6,722	2.3%	6,722	2.3%	100%	0
Stormwater	76	227	3,672	0	3,672	2.1%	3,672	2.1%	100%	0
Solid Waste	55	32	767	0	767	7.1%	767	7.1%	100%	0
Project Delivery Team Subtotal	1,002	6,156	42,937	0	42,937	2.3%	42,937	2.3%	100%	0
Roading & Footpaths	1,443	3,372	1,700	0	1,700	84.9%	1,750	82.5%	103%	50
IAM Total	2,445	9,528	44,637	0	44,637	5.5%	44,687	5.5%	100%	50
Environmental Management	46	8	28	0	28	165.5%	28	165.5%	100%	0
Governance & Strategic Administration	239	679	3,407	0	3,407	7.0%	3,407	7.0%	100%	0
Customer Services	38	573	993	0	993	3.8%	1,062	3.6%	107%	68
Strategic Planning	0	0	0	0	0	0.0%	0	0.0%	0%	0
Other Total	323	1,260	4,428	0	4,428	7.3%	4,496	7.2%	102%	68
Sub Total	2,768	10,787	49,065	0	49,065	5.6%	49,183	5.6%	100%	118
DIA Projects										
Water Supply	885	10,479	4,852	0	4,852	18.2%	4,852	18.2%	100%	0
Wastewater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Stormwater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Total DIA Projects	885	10,479	4,852	0	4,852	18.2%	4,852	18.2%	100%	0
ESEO Projects										
District Facilities	815	4,648	44,086	0	44,086	1.8%	44,086	1.8%	100%	0
Environmental Management	13	17	953	0	953	1.3%	953	1.3%	100%	0
Roading & Footpaths	757	5,502	0	0	0	0.0%	0	0.0%	0%	0
Total ESEO Projects	1,584	10,168	45,040	0	45,040	3.5%	45,040	3.5%	100%	0
Total	5,237	31,434	98,957	0	98,957	5.3%	99,075	5.3%	100%	118

Comments:

The 'Total Annual Forecast' is what is expected to be spent by 30 June 2022.

The above completion % are based solely on the actual spend to 31 August 2021

Capital Spend Analysis by %

The table below indicates the position if the commitments that are still to be completed are included in the calculations.

as at 31-August-2021

Actual + commitments against total forecast budget	
LTP Group	YTD Actual (%)
District Facilities	22.2%
Wastewater	10.5%
Water Supply	18.5%
Stormwater	8.2%
Solid Waste	11.3%
Project Delivery Team Subtotal	16.7%
Roading & Footpaths	275.1%
IAM Total	26.8%
Environmental Management	193.4%
Governance & Strategic Administration	26.9%
Customer Services	57.6%
Strategic Planning	0.0%
Other Total	35.2%
Sub Total	27.6%
DIA Projects	
Water Supply	234.2%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	234.2%
ESEO Projects	
District Facilities	12.4%
Environmental Management	3.1%
Roading & Footpaths	0.0%
Total ESEO Projects	26.1%
Total	37.0%