



**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-2021**

Contents

Financial Overview	3
Council Financial Performance – Income.....	4
Council Financial Performance – Operational Expenditure.....	6
Council Financial Performance – Capital Expenditure	7
Treasury Report	8
Treasury Compliance	9
Statement of Financial Performance.....	9
Statement of Capital Performance	10
Analysis of Operational Income and Expenditure by LTP Group	11
Capital Spend Analysis	12
Capital Spend Analysis by %	13

Financial Overview

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

There are no Budget YTD figures for the July month for Capital Expenditure as the timing of the projects are not completed until August.



Year to Date

Actual Position as at 31-July-2021

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	20.0M	11.4M	8.6M	76%
Operational Expenditure	10.4M	9.8M	0.7M	7%
Net Operating Position	9.5M	1.6M	8.0M	83%
Capital Expenditure	2.2M	- M	2.2M	0%

Year End

Forecast Position as at 30-June-2022

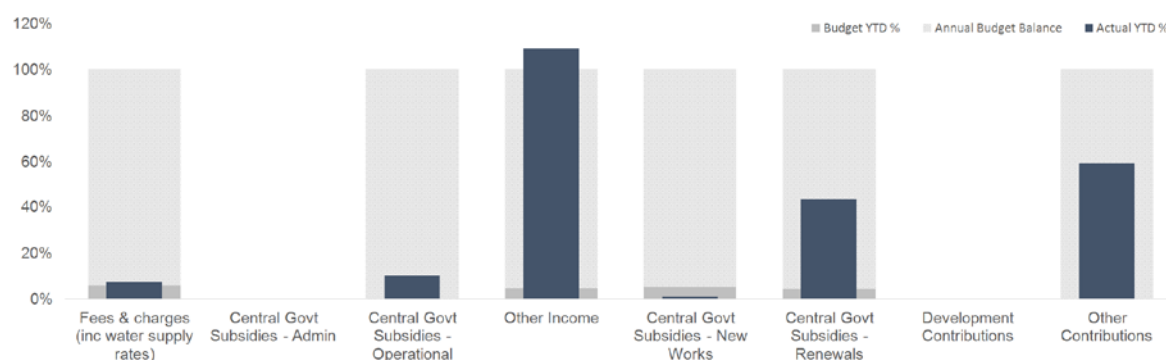
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	188.9M	188.9M	- M	0%
Operational Expenditure	147.5M	147.5M	- M	0%
Net Operating Position	41.5M	41.5M	- M	0%
Capital Expenditure	99.0M	99.0M	- M	0%

**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
12.3M	3.6M	8.6M	236%	94.2M	94.2M	- 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 for July on average for the last six years and the team has improved their time keeping process for chargeable time.

Central Govt Subsidies – Operational

- Income has been received from Waka Kotahi (NZTA) as interim funding for maintaining levels of service across the district while the final programme is approved in August/September 2021.

Other Income

- There is \$3M 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.
- Unspent Provincial Growth Funding (PGF) funds has been brought into this year to complete the final reinstatement costs for Lake Omapere planned for this summer.

Central Govt Subsidies – New Works

- Income received in advance last financial year 2020-21 from Ministry of Business, Innovation and Employment (MBIE) for public toilet upgrade and enhancements at Cable Bay carpark, Waitangi Boat Ramp and temporary portable toilets across the district.

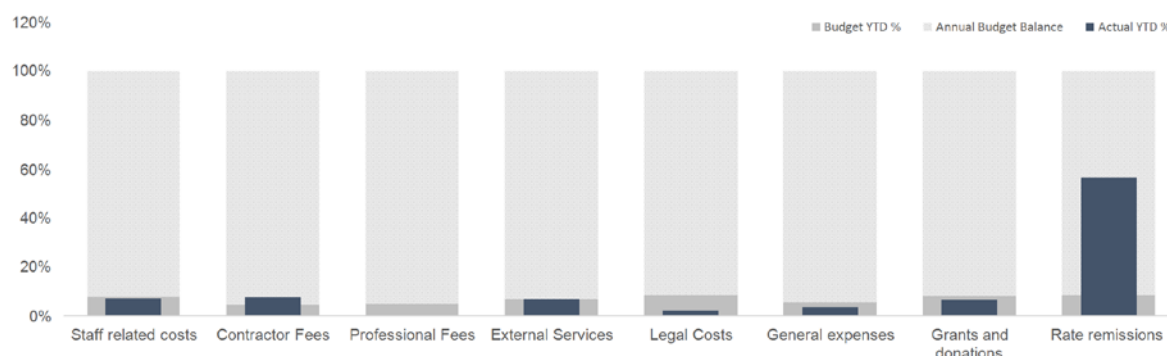
Other Contributions

- 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 Ministry of Business, Innovation and Employment (MBIE) under the Provincial Growth Fund (PGF) as capital grants 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 \$1M 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.

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
7.0M	6.5M	0.6M	9%	107.6M	107.6M	- M	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 would be reviewed following funding approval by Waka Kotahi (NZTA) for the 2021-24 programme in August/September 2021.

Professional Fees

- A number of consultants have not yet been engaged across the organisation.

External Services

- Planned Provincial Growth Fund (PGF) received to support enabling works for the road sealing capital projects at Ruapekapeka, Ngapipito and Peria Road.

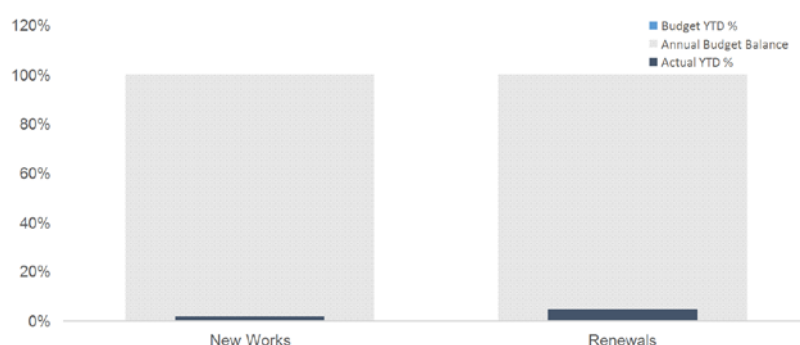
Rate Remissions

- Rate Remissions are primarily transacted in the first month for the whole year where ongoing remissions have been approved. Additional remissions are received during the year but the timing of these is unpredictable. The unpredictable nature of this activity makes it difficult to set and time budgets accurately. Cashflow forecast is being reviewed.

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
2.2M	- M	2.2M	100%	99.0M	99.0M	- M	0%



Highlights:

New Works

- The Kaitia New Source (Sweetwater) project is progressing. Ventia Limited has been awarded the physical works contract and a site blessing has taken place. Site clearance and physical works were due to begin at the end of July.
- Public Toilets - relocation and renovation of existing toilet facility at Whatuwhiwhi is ongoing from last financial year which will require carry over budget to be approved by Council in September.
- Waipapa Sports Hub project ongoing from last financial year which will require carry over budget to be approved by Council in September and budget retimed.
- Te Hiku o te Ika (Revitalisation project) ongoing from last financial year which will require carry over budget to be approved by Council in September 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 would be reviewed following funding approval by Waka Kotahi (NZTA) for the 2021-24 programme in August/September 2021.
- Footpath projects at BOI-Whangaroa Ward SH11 Kaipatiki Rd to York Rd is a subsidised project ongoing from last financial year. Cashflow forecast would be reviewed following funding approval by Waka Kotahi (NZTA) for the 2021-24 programme in August/September 2021.
- Opuia cycle trail project ongoing from last financial year is unsubsidised. Cashflow forecast is being reviewed.

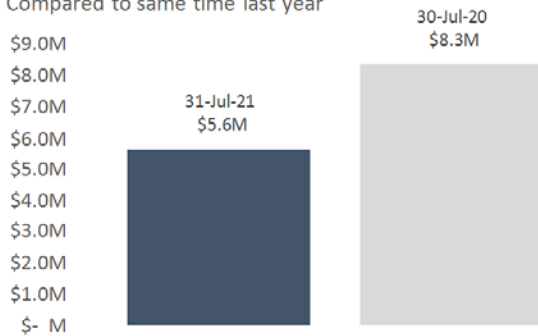
Renewals

- Renewal works across 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 would be reviewed following funding approval by Waka Kotahi (NZTA) for the 2021-24 programme in August/September 2021.

Treasury Report

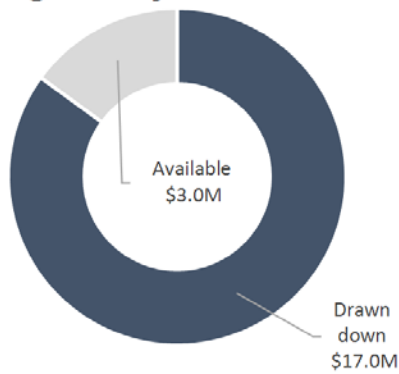
Cash Position

Compared to same time last year



	31-Jul-21		30-Jul-20	
ASB General Fund	\$	0.5M	\$	3.3M
ASB Special Funds	\$	5.1M	\$	5.1M
Investments	\$	- M	\$	- M
Total Cash	\$	5.6M	\$	8.3M

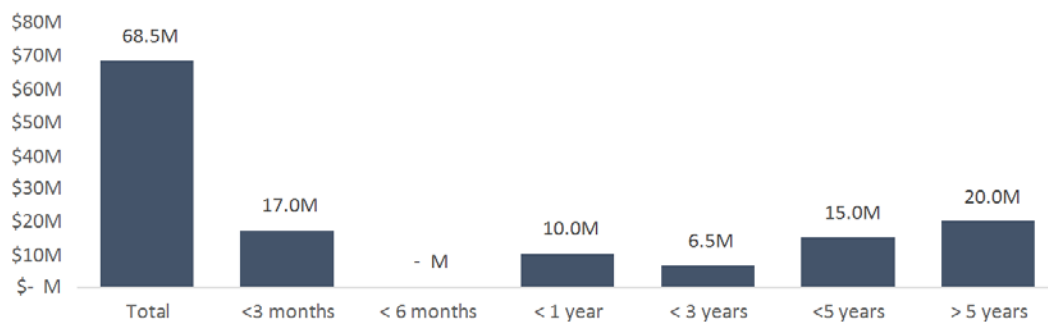
Banking Facility



Banking Facility	\$	20.0M
Drawn down	\$	17.0M
Available	\$	3.0M

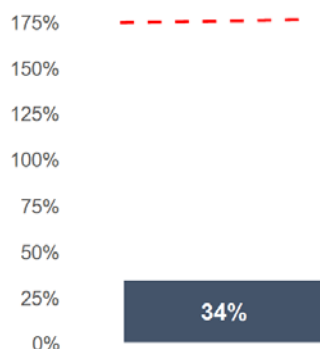
Public Debt

Loans by Maturity Date



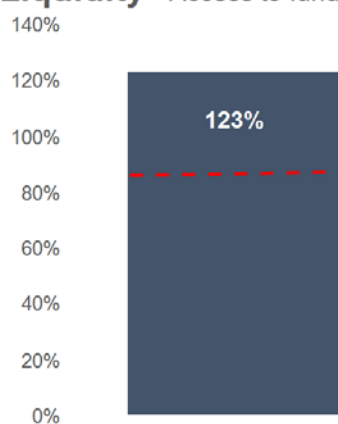
Treasury Compliance

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



Net Debt	\$ 62.8M
Budgeted Total income	\$ 184.9M
Debt Ceiling	\$ 323.5M
Net debt as % total revenue	34%
Policy Maximum	141%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 51.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	-\$ 17.0M
Total Committed Public Debt	\$ 54.5M
Liquid Investments Cash at Bank	\$ 5.7M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 63.2M
Access to Funds	123%
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 July 2021 (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)	7,730	7,716 -	14	92,675	-	92,675	84,945	8%	92,675	-
Rates - penalties	0	-	0	2,063	-	2,063	2,064	0%	2,063	-
Fees & charges (inc water supply rates)	1,245	1,021 -	224	17,590	-	17,590	16,345	7%	17,590	-
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	1,451	9 -	1,442	14,445	-	14,445	12,993	10%	14,445	-
Other Income	2,447	106 -	2,341	2,244	-	2,244 -	203	109%	2,244	-
Capital Income										
Central Govt Subsidies - New Works	455	2,483	2,028	48,428	-	48,428	47,973	1%	48,428	-
Central Govt Subsidies - Renewals	299	29 -	271	690	-	690	391	43%	690	-
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	6,370	- -	6,370	10,799	-	10,799	4,429	59%	10,799	-
Total Operating Income	19,999	11,364 -	8,635	188,935	-	188,935	168,936	11%	188,935	-
Operational Expenditure										
Staff related costs	2,413	2,662	249	34,476	-	34,476	32,063	7%	34,476	-
Contractor Fees	2,451	1,436 -	1,015	32,873	-	32,873	30,422	7%	32,873	-
Professional Fees	202	587	789	11,930	-	11,930	12,133	-2%	11,930	-
External Services	416	417	1	6,135	-	6,135	5,719	7%	6,135	-
Legal Costs	19	73	54	873	-	873	854	2%	873	-
General expenses	594	928	334	16,871	-	16,871	16,277	4%	16,871	-
Grants and donations	156	196	40	2,385	-	2,385	2,229	7%	2,385	-
Rate remissions	1,177	174 -	1,003	2,087	-	2,087	910	56%	2,087	-
Allocations (direct and indirect)	-	0	0	0	-	0	0	0%	0	-
Interest costs	106	190	84	2,282	-	2,282	2,176	5%	2,282	-
Sub total	7,131	6,663 -	468	109,913	-	109,913	102,783	6%	109,913	-
Depreciation and other asset costs	3,348	3,131 -	217	37,569	-	37,569	34,221	9%	37,569	-
Gain/Loss on Disposal	30	-	30	-	-	-	30	100%	-	-
Total Operational Expenditure	10,449	9,794 -	655	147,483	-	147,483	137,033	100%	147,483	-
Net Operating Surplus	9,550	1,570	7,979	41,452	-	41,452	31,903		41,452	-

Statement of Capital Performance

for the period ending July 2021 (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 %	
District Facilities	574	- -	574	62,816	-		62,816	62,242	1%	62,816 -
Environmental Management	54	- -	54	981	-		981	927	5%	981 -
Roading and Footpaths	962	- -	962	1,700	-		1,700	738	57%	1,700 -
Wastewater	112	- -	112	13,047	-		13,047	12,935	1%	13,047 -
Stormwater	11	- -	11	3,672	-		3,672	3,661	0%	3,672 -
Solid Waste Management	0	- -	0	767	-		767	767	0%	767 -
Water Supply	426	- -	426	11,573	-		11,573	11,147	4%	11,573 -
Governance & Strategic Administration	65	- -	65	3,407	-		3,407	3,341	2%	3,407 -
Customer Services	17	- -	17	993	-		993	976	2%	993 -
Strategic Planning & Policy	-	- -	-	-	-		-	-	0%	- -
Total Capital Expenditure	2,220	- -	2,220	98,957	-		98,957	96,736	2%	98,957 -

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	4,767	2,516 -	2,251	59,124	-	59,124	54,357	-8%	59,124	-
Environmental Management	1,102	655 -	447	5,748	-	5,748	4,646	-19%	5,748	-
Roading and Footpaths	2,174	161 -	2,013	17,820	-	17,820	15,646	-12%	17,820	-
Wastewater	374	25 -	348	301	-	301 -	73	-124%	301	-
Stormwater	520	- -	520	-	-	- -	520	-100%	-	-
Solid Waste Management	99	123	25	1,535	-	1,535	1,437	-6%	1,535	-
Water Supply	2,991	29 -	2,961	7,017	-	7,017	4,026	-43%	7,017	-
Governance & Strategic Administration	187	87 -	99	1,999	-	1,999	1,813	-9%	1,999	-
Customer Services	36	44	8	577	-	577	541	-6%	577	-
Strategic Planning & Policy	20	6 -	14	75	-	75	55	-26%	75	-
Total Operating Income	12,268	3,648 -	8,621	94,196	-	94,196	81,928	13%	94,196	-

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	492	717	226	9,065	-	9,065	8,573	5%	9,065	-
Environmental Management	384	798	414	10,198	-	10,198	9,813	4%	10,198	-
Roading and Footpaths	1,341	330 -	1,011	26,934	-	26,934	25,594	5%	26,934	-
Wastewater	621	590 -	31	7,263	-	7,263	6,643	9%	7,263	-
Stormwater	112	268	155	3,259	-	3,259	3,147	3%	3,259	-
Solid Waste Management	181	360	179	4,348	-	4,348	4,168	4%	4,348	-
Water Supply	544	500 -	44	6,126	-	6,126	5,582	9%	6,126	-
Governance & Strategic Administration	2,324	1,746 -	578	22,445	-	22,445	20,121	10%	22,445	-
Customer Services	462	443 -	19	5,713	-	5,713	5,251	8%	5,713	-
Strategic Planning & Policy	312	588	277	7,372	-	7,372	7,060	4%	7,372	-
Total Direct Costs	6,772	6,339 -	433	102,724	-	102,724	95,952	7%	102,724	-

Capital Spend Analysis

as at 31-Jul-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	235	5,069	18,730	0	18,730	1.3%	18,730	1.3%	100%	0
Wastewater	112	1,163	13,047	0	13,047	0.9%	13,047	0.9%	100%	0
Water Supply	61	1,066	6,722	0	6,722	0.9%	6,722	0.9%	100%	0
Stormwater	11	237	3,672	0	3,672	0.3%	3,672	0.3%	100%	0
Solid Waste	0	74	767	0	767	0.0%	767	0.0%	100%	0
Project Delivery Team Subtotal	418	7,609	42,937	0	42,937	1.0%	42,937	1.0%	100%	0
Roading & Footpaths	946	3,004	1,700	0	1,700	55.7%	1,700	55.7%	100%	0
IAM Total	1,364	10,613	44,637	0	44,637	3.1%	44,637	3.1%	100%	0
Environmental Management	49	45	28	0	28	177.2%	28	177.2%	100%	0
Governance & Strategic Administration	65	526	3,407	0	3,407	1.9%	3,407	1.9%	100%	0
Customer Services	17	329	993	0	993	1.7%	993	1.7%	100%	0
Strategic Planning	0	0	0	0	0	0.0%	0	0.0%	0%	0
Other Total	132	900	4,428	0	4,428	3.0%	4,428	3.0%	100%	0
Sub Total	1,496	11,513	49,065	0	49,065	3.0%	49,065	3.0%	100%	0
DIA Projects										
Water Supply	365	10,911	4,852	0	4,852	7.5%	4,852	7.5%	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	365	10,911	4,852	0	4,852	7.5%	4,852	7.5%	100%	0
ESEO Projects										
District Facilities	339	1,426	44,086	0	44,086	0.8%	44,086	0.8%	100%	0
Environmental Management	5	1	953	0	953	0.5%	953	0.5%	100%	0
Roading & Footpaths	15	5,517	0	0	0	0.0%	0	0.0%	0%	0
Total ESEO Projects	359	6,944	45,040	0	45,040	0.8%	45,040	0.8%	100%	0
Total	2,220	29,369	98,957	0	98,957	2.2%	98,957	2.2%	100%	0

Comments:

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

Capital Spend Analysis by %

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

Actual + commitments against total forecast budget	
LTP Group	YTD Actual (%)
District Facilities	28.3%
Wastewater	9.8%
Water Supply	16.8%
Stormwater	6.8%
Solid Waste	9.7%
Project Delivery Team Subtotal	18.7%
Roading & Footpaths	232.4%
IAM Total	26.8%
Environmental Management	339.1%
Governance & Strategic Administration	17.4%
Customer Services	34.9%
Strategic Planning	0.0%
Other Total	23.3%
Sub Total	26.5%
DIA Projects	
Water Supply	232.4%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	232.4%
ESEO Projects	
District Facilities	4.0%
Environmental Management	0.6%
Roading & Footpaths	0.0%
Total ESEO Projects	16.2%
Total	31.9%