



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

Far North District Council

Council Financial Report

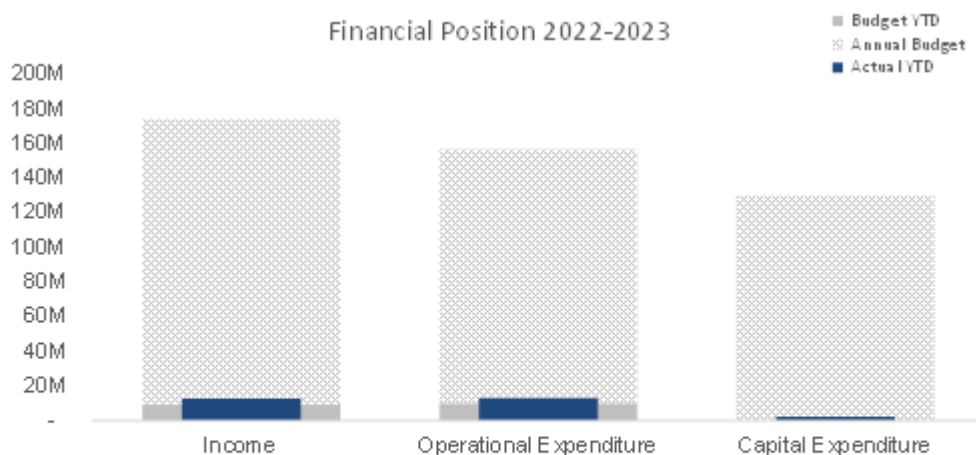
for the period ending **31-July-2022**

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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-July-2022.



Year to Date

Actual Position as at 31-July-2022

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	12.7M	9.2M	3.5M	38%
Operational Expenditure	13.1M	10.2M	2.9M	28%
Net Operating Position	- 0.4M	- 1.0M	0.6M	-62%
Capital Expenditure	2.3M	0.1M	2.3M	3677%

Year End

Forecast Position as at 30-June-2023

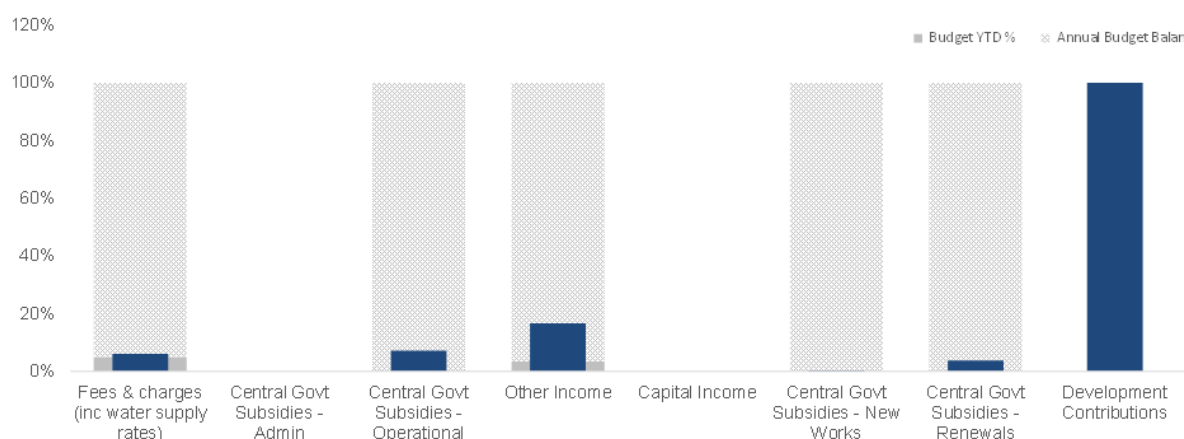
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	173.0M	173.9M	- 1.0M	-1%
Operational Expenditure	155.8M	156.6M	- 0.7M	0%
Net Operating Position	17.1M	17.4M	- 0.2M	-1%
Capital Expenditure	130.3M	130.0M	0.4M	0%

**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
4.5M	1.0M	3.5M	338%	74.0M	73.1M	- 1.0M



Highlights:

Fees & Charges

- Fees and charges are over budget for Resource Consents. July had the highest number of applications received in a month over a five-year period. Discounts given back to customers during this period is \$40K. An additional two consultants have been engaged to help process a backlog of consents and there are currently five vacancies within the team.

Central Govt Subsidies – Operational

- Income has been received from Waka Kotahi (NZTA) for maintaining levels of service across the district whilst the cashflow timing is being reviewed and updated by NTA to reflect the programme of work.

Other Income

- Waste disposal levy income has been received from Ministry for Environment for the recycling and waste minimisation work.

Central Govt Subsidies – New Works

- Income received from Waka Kotahi (NZTA) for road-to-zero projects is ongoing from last financial year 21/22.

Central Govt Subsidies – Renewals

- Income has been received for unsealed road metalling carried over from last financial year 21/22 whilst the cashflow timing is being reviewed and updated by NTA to reflect the programme of work.

Other Contributions

- Planned Provincial Growth Funds (PGF) capital grant received for the road seal projects at Ruapekapeka, and Peria Road, whilst the cashflow timing is being reviewed and updated by NTA to reflect the programme of work.

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
9.7M	6.6M	3.1M	47%	112.9M	112.1M	- 0.7M	-1%



Highlights:

Staff related costs

- Due to a system error, the accrued leave for employees is more than expected for the month. This has been corrected in August.

Contractor Fees

- Wastewater contractor fees were higher than expected due to increased labour costs driven by storms and high rainfall during July.
- Maintenance works ongoing across the roading network for sealed & unsealed pavement maintenance, drainage, structures, environmental, and traffic services maintenance whilst the cashflow timing is being reviewed and updated by NTA to reflect the programme of work.

External Services

- Wastewater Sludge Management is under budget. There is no new de-sludging work programmed over winter. Works will commence over the spring period.

Professional Fees

- Stormwater Asset Condition Assessments are under budget, the contract was awarded in July and work will commence in August.
- Water professional fees, grants and donations are under budget. Both are waiting on an agreement to be signed with the Kaikohe Water Company in relation to the Matawii water storage and design.
- Strategic Planning and Policy is under budget in both contractor fees and professional fees. A Northland Inc. contribution has not been paid out yet. The District Plan and Strategy Development is under budget, but both fully committed.

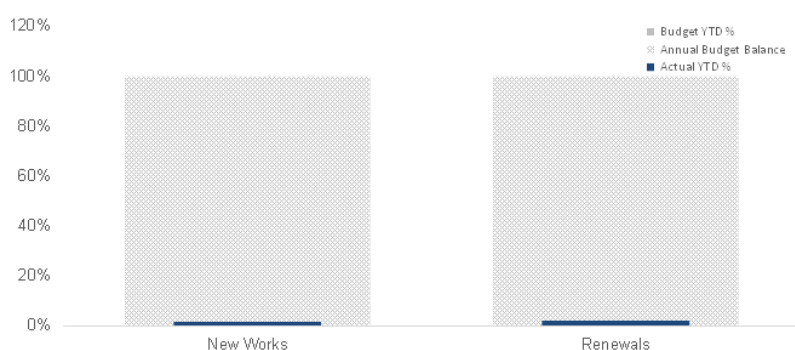
Rate Remissions

- 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.

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
2.3M	0.1M	2.3M	3677%	130.0M	130.3M	0.4M	0%



Highlights:

New Works

- 3-Waters Reform projects appear to be over budget, whilst seeking Council approval for the carry forward budget.
- A payment for shares in the Kaikohe Water Company has not been made yet.
- Kerikeri Domain revitalisation, Waipapa Sports Hub and Te Hiku o te Ika (revitalisation project) ongoing from last financial year 21/22, whilst seeking Council approval for the carry forward budget.
- Planned Provincial Growth Funds (PGF) road seal projects at Ruapekapeka, and Peria Road ongoing from last financial year, whilst the cashflow timing is being reviewed and updated by NTA to reflect the programme of work.

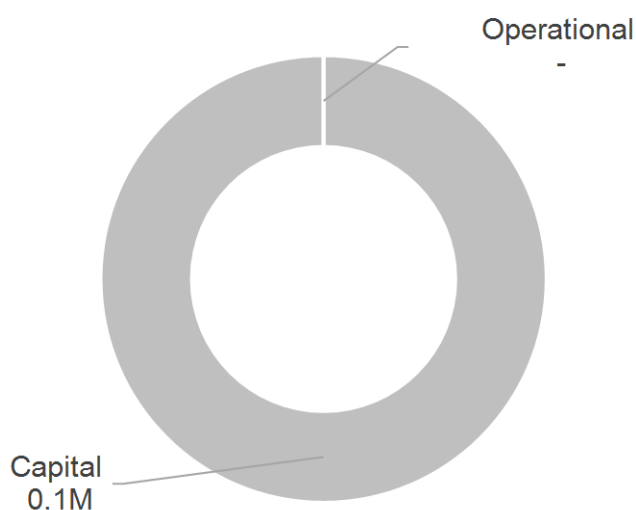
Renewals

- Kaikohe Memorial Park upgrade works for purchase and installation of playground equipment and soft fall elements is ongoing from last financial, whilst seeking Council approval for the carry forward budget.
- Unsealed road metalling works ongoing from last financial year whilst the cashflow timing is being reviewed and updated by NTA to reflect the programme of work.

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 as at 31-July-2022

**Expenditure over \$100K approved by Council (in grey)*

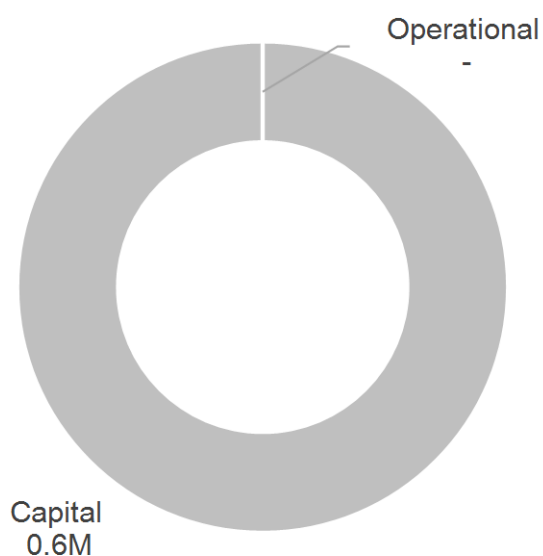
Unbudgeted Capital Works		Amount
Kaitia Airport Security	CAPEX New Works Contract Services	20,000
		20,000

Unbudgeted Roothing		Amount
Hall Road Streetlights - Arvida	CAPEX New Works Contract Services	60,000
Daroux Drive Unsealed Upgrade, Waipapa	CAPEX New Works Contract Services	37,900
Daroux Drive Unsealed Upgrade, Waipapa	External Services	8,000
		105,900
		125,900

Budget Movements

These are budgets timed in future years, brought forward into the current year (positive values) OR budgets timed in the current year to be moved out to future years (negative values).

The figures that follow exclude the \$5M Roothing budget adjustment moved out to future years to reflect the lower of FNDC or NZTA budget.



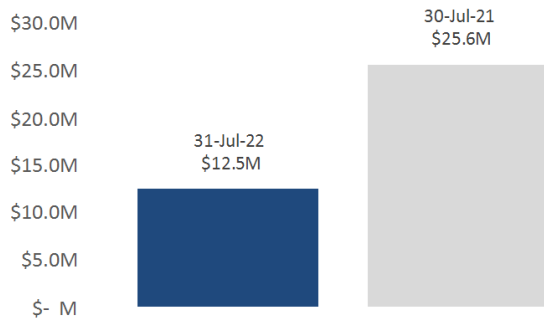
Budget Movements as at 31-July-2022

Project Ledger	Comment	Amount
Opua-Paihia Walkway Boardwalk	Opua-Paihia Walkway Boardwalk budget transfer from FY 24/25 into FY21/22	600,000
Paihia halls renewals	Forecast budget for Paihia Hall Window Replacements from FY 25/26 into 22/23	30,000
Hihi Discharge Consent	Remove Budget for Last Years Overspend	-3,162
Hihi Discharge Consent	Remove Budget for Last Years Overspend	-19,918
		606,920
		606,920

Treasury Report

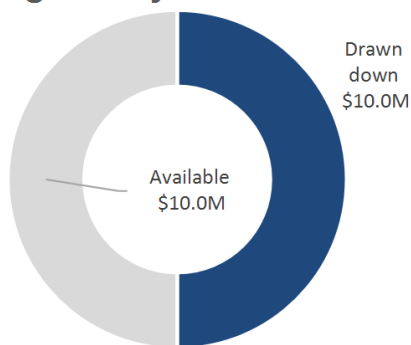
Cash Position

Compared to same time last year



	31-Jul-22	30-Jul-21
ASB General Fund	\$ 5.4M	\$ 0.5M
ASB Special Funds	\$ 5.1M	\$ 5.1M
Investments	\$ 2.0M	\$ 20.0M
Total Cash	\$ 12.5M	\$ 25.6M

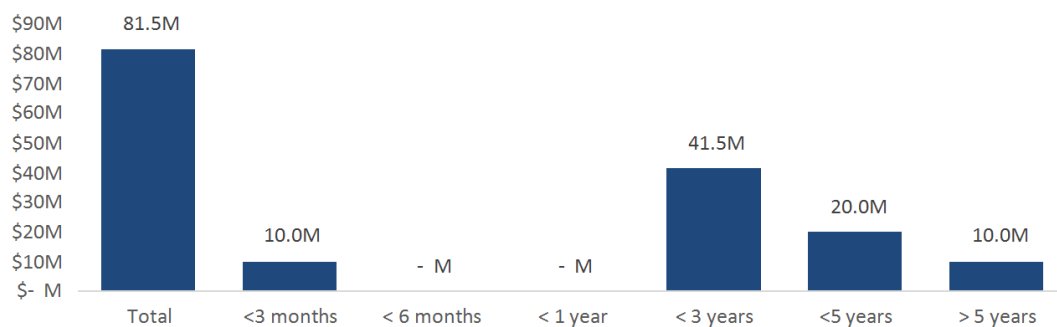
Banking Facility



Banking Facility	\$ 20.0M
Drawn down	\$ 10.0M
Available	\$ 10.0M

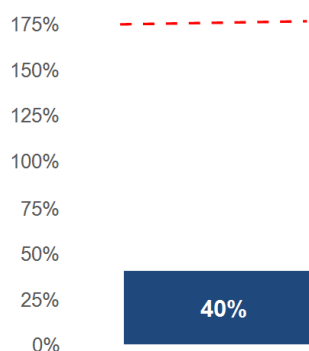
Public Debt

Loans by Maturity Date



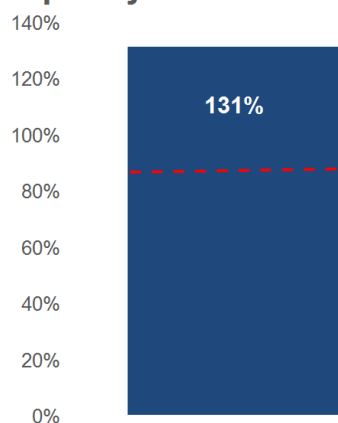
Treasury Compliance

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



Net Debt	\$ 69.0M
Budgeted Total income	\$ 171.8M
Debt Ceiling	\$ 300.7M
Net debt as % total revenue	40%
Policy Maximum	126%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 81.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	-\$ 10.0M
Total Committed Public Debt	\$ 91.5M
Liquid Investments Cash at Bank	\$ 12.5M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 107.0M
Access to Funds	131%
Policy Minimum	110%

Note: Total revenue is based on 2022/23 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 2022 (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)	8,158	8,143 -	14	97,839	-	97,839	89,681	8%	97,839	-
Rates - penalties	0	-	0	2,063	-	2,063	2,064	0%	2,063	-
Fees & charges (inc water supply rates)	1,202	964 -	238	19,907	-	19,907	18,705	6%	19,907	-
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	1,121	- -	1,121	15,800	-	15,800	14,679	7%	15,053	747
Other Income	330	67 -	263	1,978	-	1,978	1,649	17%	1,978	-
Dividend Income	-	-	-	1,300	-	1,300	1,300	0%	1,300	-
Capital Income										
Central Govt Subsidies - New Works	59	- -	59	22,080	-	22,080	22,020	0%	17,308	4,772
Central Govt Subsidies - Renewals	477	- -	477	12,974	-	12,974	12,497	4%	12,974	-
Development Contributions	9	- -	9	-	-	- -	9	100%	-	-
Other Contributions	1,322	- -	1,322	-	-	- -	1,322	100%	4,562	4,562
Total Operating Income	12,677	9,174 -	3,503	173,941	-	173,941	161,263	7%	172,983	957
Operational Expenditure										
Staff related costs	5,147	2,894 -	2,253	38,285	-	38,285	33,138	13%	38,285	-
Contractor Fees	2,883	1,646 -	1,237	36,691	-	36,691	33,808	8%	35,296	1,395
Professional Fees	122	480	602	11,728	-	11,728	11,850	-1%	10,981	747
External Services	332	544	212	7,861	-	7,861	7,529	4%	8,846	985
Legal Costs	20	38	17	841	-	841	820	2%	841	-
General expenses	323	727	404	13,354	-	13,354	13,031	2%	13,771	418
Grants and donations	124	56	181	1,972	-	1,972	2,096	-6%	1,972	-
Rate remissions	1,193	178 -	1,014	2,139	-	2,139	947	56%	2,139	-
Allocations (direct and indirect)	- -	0 -	0	0	-	0 -	0	0%	0	-
Interest costs	165	224	59	2,688	-	2,688	2,523	6%	2,688	-
Sub total	9,817	6,787 -	3,030	115,559	-	115,559	105,742	8%	114,820	739
Depreciation and other asset costs	3,252	3,418	166	41,017	-	41,017	37,765	8%	41,017	-
Gain/Loss on Disposal	-	0	0	5	-	5	5	0%	5	-
Total Operational Expenditure	13,069	10,205 -	2,864	156,581	-	156,581	143,512	8%	155,842	739
Net Operating Deficit	392 -	1,031	639	17,360	-	17,360	17,751		17,141	218

Statement of Capital Performance

for the period ending July 2022 (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	572	2 -	570	54,508	-	54,508	53,936	1%	55,158	650
Environmental Management	1	1 -	0	1,100	-	1,100	1,099	0%	1,100	-
Roading and Footpaths	2,130	- -	2,130	37,905	-	37,905	35,775	6%	37,649	256
Wastewater	85	10 -	75	14,381	-	14,381	14,295	1%	14,357	23
Stormwater	17	17 -	1	5,179	-	5,179	5,162	0%	5,179	-
Solid Waste Management	-	-	-	1,133	-	1,133	1,133	0%	1,133	-
Water Supply	519	-	519	8,080	-	8,080	8,599	-6%	8,080	-
Governance & Strategic Administration	14	- -	14	4,668	-	4,668	4,654	0%	4,668	-
Customer Services	24	32	8	2,877	-	2,877	2,852	1%	2,877	-
Strategic Planning & Policy	9	- -	9	124	-	124	115	7%	124	-
Total Capital Expenditure	2,333	62 -	2,271	129,953	-	129,953	127,620	2%	130,324	371

Analysis of Controllable 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	88	105	17	12,780	-	12,780	12,692	-1%	12,780	-
Environmental Management	746	585 -	161	7,020	-	7,020	6,275	-11%	7,020	-
Roading and Footpaths	3,109	59 -	3,050	40,814	-	40,814	37,705	-8%	39,856	957
Wastewater	9	21	13	255	-	255	246	-3%	255	-
Stormwater	0	- -	0	-	-	- -	0	-100%	-	-
Solid Waste Management	280	97 -	184	2,175	-	2,175	1,895	-13%	2,175	-
Water Supply	18	67	48	7,994	-	7,994	7,975	0%	7,994	-
Governance & Strategic Administration	189	65 -	124	1,199	-	1,199	1,010	-16%	1,199	-
Customer Services	59	33 -	27	427	-	427	367	-14%	427	-
Strategic Planning & Policy	22	- -	22	75	-	75	53	-29%	75	-
Total Operating Income	4,520	1,031 -	3,489	72,738	-	72,738	68,218	6%	71,781	957

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	576	648	72	10,284	-	10,284	9,708	6%	10,284	-
Environmental Management	880	833 -	47	11,059	-	11,059	10,178	8%	11,059	-
Roading and Footpaths	2,037	261 -	1,776	28,946	-	28,946	26,909	7%	28,207	739
Wastewater	853	677 -	176	9,200	-	9,200	8,347	9%	9,200	-
Stormwater	182	253	71	3,247	-	3,247	3,065	6%	3,247	-
Solid Waste Management	504	412 -	91	5,083	-	5,083	4,580	10%	5,083	-
Water Supply	88	497	585	6,821	-	6,821	6,909	-1%	6,821	-
Governance & Strategic Administration	3,556	1,839 -	1,717	24,898	-	24,898	21,341	14%	24,898	-
Customer Services	585	422 -	163	5,563	-	5,563	4,977	11%	5,563	-
Strategic Planning & Policy	567	720	153	7,771	-	7,771	7,204	7%	7,771	-
Total Direct Costs	9,652	6,563 -	3,089	112,870	-	112,870	103,219	9%	112,131	739

Capital Spend Analysis

as at 31-Jul-2022

	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 %
District Facilities	234	2,348	27,122	0	27,122	0.9%	27,772	0.8%
Wastewater	87	677	14,381	0	14,381	0.6%	14,357	0.6%
Water Supply	(1,217)	1,572	8,080	0	8,080	-15.1%	8,080	-15.1%
Stormwater	17	246	5,179	0	5,179	0.3%	5,179	0.3%
Solid Waste	0	105	1,133	0	1,133	0.0%	1,133	0.0%
Project Delivery Team Subtotal	(879)	4,949	55,895	0	55,895	-1.6%	56,522	-1.6%
Roading & Footpaths	862	4,647	35,754	0	35,754	2.4%	35,498	2.4%
IAM Total	(17)	9,595	91,649	0	91,649	0.0%	92,019	0.0%
Environmental Management	0	0	0	0	0	0.0%	0	0.0%
Governance & Strategic Administration	14	465	4,668	0	4,668	0.3%	4,668	0.3%
Customer Services	24	324	2,877	0	2,877	0.8%	2,877	0.8%
Strategic Planning	9	0	124	0	124	6.9%	124	6.9%
Other Total	47	790	7,669	0	7,669	0.6%	7,669	0.6%
Sub Total	30	10,385	99,317	0	99,317	0.0%	99,688	0.0%
DIA Projects								
Water Supply	698	1,660	0	0	0	0.0%	0	0.0%
Wastewater	0	0	0	0	0	0.0%	0	0.0%
Stormwater	0	0	0	0	0	0.0%	0	0.0%
Total DIA Projects	698	1,660	0	0	0	0.0%	0	0.0%
ESEO Projects								
District Facilities	337	4,583	27,385	0	27,385	1.2%	27,385	1.2%
Environmental Management	1	2,571	1,100	0	1,100	0.1%	1,100	0.1%
Roading & Footpaths	1,245	3,477	2,151	0	2,151	57.9%	2,151	57.9%
Total ESEO Projects	1,584	10,630	30,636	0	30,636	5.2%	30,636	5.2%
Total	2,312	22,676	129,953	0	129,953	1.8%	130,324	1.8%

Comments:

The 'Total Annual Forecast' is what is expected to be spent by 30 June 2023.

The above completion % are based solely on the actual spend to 31-Jul-2022.

Capital Performance and the Capital Spend Reports vary by \$22k for LTP Group Roading and Footpaths, this will be corrected in August 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

as at 31-Jul-2022

	Actual + commitments against total forecast budget
LTP Group	YTD Actual (%)
District Facilities	9.3%
Wastewater	5.3%
Water Supply	4.4%
Stormwater	5.1%
Solid Waste	9.3%
Project Delivery Team Subtotal	7.2%
Roading & Footpaths	15.5%
IAM Total	10.4%
Environmental Management	0.0%
Governance & Strategic Administration	10.3%
Customer Services	12.1%
Strategic Planning	6.9%
Other Total	10.9%
Sub Total	10.4%
DIA Projects	
Water Supply	0.0%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	0.0%
ESEO Projects	
District Facilities	18.0%
Environmental Management	233.8%
Roading & Footpaths	219.6%
Total ESEO Projects	39.9%
Total	19.2%