



Finance, Audit & Risk Committee

AGENDA

1.30pm Wednesday 11 May 2016

**Council Chamber, Wairoa District Council, Coronation
Square, Wairoa.**

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz



Agenda

CHAIRMAN: Councillor J Harker

MEMBERSHIP: Councillor D. Eaglesome-Karekare (Deputy Mayor), His Worship the Mayor Mr C Little, and Mr P Jones

	Pages
Procedural Items	
1. Karakia	
2. Apologies for Absence	
3. Declarations of Conflict of Interest	
4. Chairman's Announcements	
5. Items of Urgent Business not on the Agenda	
6. Public Participation A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 3 minutes per person is allowed.	
7. Minutes of the Previous Meeting	4-8
General Items	
8. Health & Safety Report – May 2016 J Baty – Corporate Services Manager <i>Appendix 1 under separate cover</i>	9-14
9. Monthly Financial Report to 28 February 2016 C Hankey – Financial Planning Manager	15-52
10. Monthly Financial Report to 31 March 2016	53-92

C Hankey – Financial Planning Manager

Public-Excluded Items

- | | | |
|------------|--|----------------|
| 11. | Resolution to Exclude the Public | 93-95 |
| 12. | Confidential Minutes of Previous Meeting | 96-97 |
| 13. | Audit Management Report 2015 – Progress Tracker
A Morton – Chief Financial Officer | 98-105 |
| 14. | Wairoa District Council Audit Plan for the year ending 30 June 2016
Stuart Mutch – Partner Ernst and Young
Ahmed Sofe – Manager Ernst and Young | 106-131 |
| 15. | Finance Report February 2016 – Other Debtors
C Hankey – Financial Planning Manager | 132-137 |
| 16. | Finance Report March 2016 – Other Debtors
C Hankey – Financial Planning Manager | 138-143 |
| 17. | Shortlisting of applicants for interview for the QRS Director vacancies
C McGimpsey – Governance Advisor & Policy Strategist
<i>Appendix 1 under separate cover</i> | 144 |



Minutes of an Ordinary Meeting of Finance, Audit & Risk Committee

10.30am Tuesday 1 March 2016 held in the Council Chamber, Wairoa District Council, Coronation Square, Wairoa.

Present: Councillor J Harker (Chairman)

His Worship the Mayor Mr C Little, Councillor D Eaglesome-Karekare (Deputy Mayor), Philip Jones (entered at 10.45am)

F Power (Chief Executive Officer)
 J Cox (Engineering Manager)
 A Morton (Chief Financial Officer)
 J Baty (Corporate Services Manager)
 C McGimpsey (Governance Advisor and Policy Strategist)
 C Hankey (Financial Planning Manager)

Procedural Items

1. Civic Prayer

The civic prayer was given by the Corporate Services Manager

2. Apologies for absence

None

3. Declarations of Conflict of Interest

None

4. Chairman's Announcements

None

5. Items of Urgent Business not on the Agenda

Late item – Monthly Financial Report to 31 January 2016

6. Public Participation

None

7. Minutes of the Previous Meeting

<u>Resolved:</u>	<i>That the minutes of the Ordinary Meeting of the Finance, Audit & Risk Committee held on 4 November 2015 be confirmed as a correct record of the proceedings.</i>
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Eaglesome-Karekare/Little

8. Health & Safety Update

The Corporate Services Manager presented the report.

Resolved: *That the report be received*

Eaglesome-Karekare/Harker

9. Health & Safety Monitoring of Contractors

The Engineering Manager presented the report.

Points of clarification were sought regarding:

- Inclusion of the Community Centre on the list and Council's responsibilities under the Health & Safety at Work Act 2015 regarding owning the facilities

Philip Jones entered the meeting at 10.45am

Resolved: *That the report be received.*

Little/Eaglesome-Karekare

Late item: Monthly Financial Report to 31 January 2016

The Chief Financial Officer presented the report and noted that it was a working document.

Points of clarity were sought on:

- Why there was a variance on pg 4 of the report → financial treatment
- Definition of a crystallised risk → the risk has happened
- Content of the monthly report versus the quarterly report
- Ability to include forecasting in future reports

Resolved: *That the Committee:*

1. *Receives this report*
2. *Endorses the report and will forward the report for presentation to Council*
3. *Notes that the reporting regime established with this report is a work in progress*

Eaglesome-Karekare /Harker

10. Resolution to Exclude the Public

Resolved: *That the public be excluded from the following parts of the proceedings of this meeting, namely:*

1. *Confidential Minutes of Previous Meeting*
2. *Audit – Report on Control Findings*

3. *Independent review of procurement processes for the sealed road maintenance contract*

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<p>General subject of each matter to be considered</p>	<p>Reason for passing this resolution in relation to each matter <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:</i></p>	<p>Ground(s) under section 48(1) to the passing of this resolution <i>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</i></p>
<p>Confidential Minutes of Previous Meeting</p>	<p>Section 7 (2) (c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or (ii) would be likely otherwise to damage the public interest; or (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; (i) enable any local authority holding the</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>

		information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	
Audit – Report on Control Findings	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons; (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]	
Independent review of procurement processes for the sealed road maintenance contract	Section 7 (2) (b) protect information where the making available of the information – (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]	

Harker/Eaglesome-Karekare

PUBLIC EXCLUDED: 11.05am

PUBLIC READMITTED: 12:15pm

General Business

There being no further General Business Councillor Harker declared the meeting closed.

CLOSED: The meeting closed at **12:16pm.**

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Chair

Finance, Audit & Risk Committee

11 May 2016



Health & Safety Report – May 2016

Department	Corporate Services
Author & contact officer	James Baty – Corporate Services Manager
1. Purpose	1.1 The purpose of this report is to update the Finance, Audit & Risk Committee on health and safety (H&S) matters and for the Committee to consider the new Health and Safety Manual and recommend its adoption by Council.
Recommendation	<i>The Corporate Services Manager RECOMMENDS that the Finance, Audit & Risk Committee receives this report and considers the new Health and Safety Manual and recommends its adoption by Council.</i>
2. Background	<p>2.1 Wairoa District Council recognises its moral and legal responsibility to provide a safe and healthy work environment for its workers (employees, contractors and volunteers). This commitment extends to ensuring its operations do not place the local community at risk of injury, illness or property damage.</p> <p>2.2 Everyone in the workplace has a responsibility for health and safety: the employers, the principal of a contract, the person in control of the workplace, self-employed persons and employees.</p> <p>2.3 The Chief Executive Officer (CEO) has overall responsibility for the effective management of health and safety, and the quality of all the company's operations. The CEO is responsible for:</p> <ul style="list-style-type: none"> ○ Setting health and safety standards and processes, including hazard management procedures ○ Ensuring that safety inspections and audits are regularly conducted to determine the effectiveness of the plans and systems in place ○ Promoting and maintaining the company's ongoing commitment to improve its performance in health, safety and quality management ○ Keeping a record of and investigating accidents, and reporting occurrences of serious harm to WorkSafe New Zealand ○ Developing emergency procedures ○ Giving employees the opportunity to be fully involved in health and safety issues ○ Ensuring that employees have sufficient training and experience to carry out their jobs safely or are adequately supervised to do so

- 2.4 Supervisors are accountable for the health and safety of those persons under their control, and are responsible for:
- Ensuring that correct and safe work procedures are implemented and adhered to by all persons
 - Identifying, reporting and taking corrective action to eliminate or control hazardous work conditions, equipment and/or practices
 - Ensuring that acceptable standards of housekeeping are achieved and maintained
 - Ensuring that employees are provided with – and use – appropriate personal protective clothing and equipment, and are provided with the necessary training in its correct use
 - Reporting and investigating all accidents/incidents in line with the company's procedures, and ensuring that appropriate corrective action is taken and communicated to all staff
 - Ensuring that contractors and visitors adhere to their health and safety obligations in the workplace
- 2.5 All employees are responsible for:
- Reporting immediately any actual or potentially unsafe conditions or activities, dangerous occurrences or injury in the workplace
 - Working in a manner that will not endanger themselves or any other person
 - Using personal protective clothing, equipment or gear provided by the company
 - Complying with instructions relating to the use of personal protective clothing, equipment or gear
 - Not attempting any tasks unless they are trained, qualified and competent to do so safely
- 2.6 The Health and Safety Committee meets on a monthly basis. All employees and management representatives are required to attend and participate in the scheduled meetings. The H&S committee includes senior management representation and H&S representatives from across the organisation. The next meeting of the committee is set down for 25 May 2016. Health and safety representatives are elected in accordance with the Health and Safety at Work Act 2015 and during their term are responsible for:
- Ensuring that the company's safety standards are maintained in the workplace
 - Acting as a spokesperson for employees in relation to hazards and areas of concern
 - Conducting or participating in monthly inspections
 - Conducting or participating in accident investigations where required

3. Current

3.1 Hazard Identification/Register/Accident or Near Miss

situation

Reports:

There was 1 reported incidents/near misses etc. for the months of February 2016 – April 2016.

3.2 Accredited Employers Programme:

Management continues to work towards achieving accreditation in the Accredited Employers Programme through the Accident Compensation Corporation (ACC). The Accredited Employers Programme entitles Council to downward levy adjustments, in exchange for taking responsibility for our employees' work injury claims. Under the Programme, our existing levies can be adjusted by up to 90%. However, responsibilities include the delivery of all statutory entitlements, such as weekly compensation for lost earnings.

3.3 The new Wairoa District Council Health and Safety Manual (Appendix 1) has now been completed. It has been reviewed by the Health and Safety Committee and was released to staff for further comment and input. All feedback has been considered and where appropriate changes have been made to the manual and associated forms.

3.4 Joint procurement with neighbouring Councils continues to be investigated.

3.5 SITEWISE:

SiteWise is an online contractor management system developed and maintained by Site Safe NZ Inc. A not-for-profit organisation, Site Safe is committed to creating a culture of safety in the New Zealand construction and related industries. As experts in both health and safety training and delivery, they work with businesses of all sizes across the sector to raise the bar in health and safety performance. They want everyone in our industry to go home healthy and safe at the end of each day. SiteWise is a prequalification system that grades a contractor's health and safety capability and publishes that grade in a database that can be viewed by main contractors and principal organisations. These organisations use SiteWise to make better-informed contractor selections, making the tendering process simpler and more efficient for everyone involved. Council is joining Hawke's Bay Councils and the HBDHB in taking on board the SiteWise system.

3.6 Training for staff – plan being worked through. This plan will involve Councillors, SLT, and all staff. It will be completed over 12 months.

3.7 Auditing practices across the region are being reviewed. Napier City Council has recruited 3 more H&S staff to assist with the share service approach.

3.8 Workplace Health and Safety Reform:

As previously reported a series of regulations have/are being developed to support the new Act. These include:

- **Health and Safety at Work (General Risk and Workplace Management) Regulations 2016**
Persons conducting a business or undertaking (PCBUs) have duties to ensure, so far as is reasonably practicable, that the workplace is without risks to the health and safety of any person. These regulations outline additional duties on PCBUs related to managing risks, monitoring in the workplace, and specific duties related to young persons in the workplace and obtaining a police vet for workers at limited child-care centres.
- **Health and Safety at Work (Worker Engagement, Participation and Representation) Regulations 2016**
These regulations prescribe matters relating to work groups, health and safety representatives, and health and safety committees to support more effective worker participation. This includes information on who can be a health and safety representative or on a health and safety committee, and health and safety representative training. The regulations also include matters that an inspector may decide if the parties are unable to reach an agreement themselves, and specify the sectors that are high risk for the purposes of worker participation requirements.
- **Health and Safety at Work (Major Hazard Facilities) Regulations 2016**
These regulations deal with matters relating to the health and safety of people involved in the operation of, and local communities located near, major hazard facilities. The regulations provide threshold quantities of specified hazardous substances and ways to determine whether a facility is a lower tier or an upper tier major hazard facility and the duties of operators.
- **Health and Safety at Work (Asbestos) Regulations 2016**
These regulations impose additional duties on PCBUs in relation to work involving asbestos. This includes managing asbestos risks, removal of asbestos and licensing of asbestos removalists.
- **Health and Safety at Work (Adventure Activities) Regulations 2016**
These regulations deal with the provision of adventure activities. They set out the process for becoming registered as an adventure activity operator and make it an offence for unregistered

- operators to offer adventure activities to participants. These regulations revoke and replace the Health and Safety in Employment (Adventure Activities) Regulations 2011. Only minimal changes were made to align terminology and concepts with the new Health and Safety at Work Act 2015 and to add a new offence of offering adventure activities while unregistered.
- **Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016**
The regulations prescribe matters concerning health and safety in mining operations, including competency requirements in relation to safety-critical roles in mining operations, quarrying operations, and alluvial mining operations.
These regulations revoke and replace the Health and Safety in Employment (Mining Operations and Quarrying Operations) Regulations 2013. Only minimal changes were made to align terminology and concepts with the new Health and Safety at Work Act 2015 and fix some drafting and minor implementation errors in the 2013 regulations.
 - **Health and Safety at Work (Petroleum Exploration and Extraction) Regulations 2016**
These regulations deal with matters relating to the health and safety of people involved in the operation of installations for petroleum exploration and extraction.
They revoke and replace the Health and Safety in Employment (Petroleum Exploration and Extraction) Regulations 2013. Only minimal changes were made to align terminology and concepts with the new Health and Safety at Work Act 2015, to use clearer terminology for duty holders, and to improve the emergency response duty in relation to onshore non-production installations.
 - **Health and Safety at Work (Rates of Funding Levy) Regulations 2016**
These regulations prescribe the levy required to be paid by employers and self-employed persons under section 201 of the Health and Safety at Work Act 2015.
They also revoke and replace the Health and Safety in Employment (Rates of Funding Levy) Regulations 1994. Only minimal changes were made to align terminology and concepts with the new Health and Safety at Work Act 2015. No changes to levy rates were made.
Once the regulations are finalised, WorkSafe will issue formal guidance to support the Act and

4. Corporate Considerations Compliance with legislation and Council Policy

Further Information

Appendices

Confirmation of statutory compliance

Signatories

regulations. This formal guidance will start to become available over the coming months. In the meantime WorkSafe will develop general information on the new legislation to help people prepare. This general information will help explain our responsibilities under the new Act, and will provide examples and case studies to assist us. However, this guidance does not provide specific guidance for every business activity in New Zealand.

What's still to come?

Regulations specifying infringement offences and fees will be finalised shortly.

The regulations for work involving hazardous substances are currently being consulted on and will be finalised later this year.

Regulations to support the power in the new Act for the regulator to grant exemptions from regulatory requirements (clause 228A) will be developed this year.

Phase two regulations will be developed over the next two years.

4.1 Relevant legislation – Health and Safety at Work Act 2015:
<http://www.legislation.govt.nz/act/public/2015/0070/latest/DLM5976660.html>

- <http://www.business.govt.nz/worksafe/>
- <https://www.sitesafe.org.nz/>

Appendix 1 – Wairoa District Council Health and Safety Manual.

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Author: J Baty



Approved by: F Power





Finance Audit & Risk Committee

11 May 2016

Monthly Financial Report to 28 February 2016

Department	Finance
Author	Financial Planning Manager – C Hankey
Contact Officer	Chief Financial Officer – A Morton
1. Purpose	1.1 To present the February 2016 monthly Financial Report to Committee
Recommendation	<p><i>The Financial Planning Manager RECOMMENDS that the Committee:</i></p> <ol style="list-style-type: none"> 1. <i>Receives the report</i> 2. <i>Endorse the report and forward it to Council</i> 3. <i>Note that the reporting regime has been updated as requested and remains a work in progress</i>
2. Background	<p>2.1 Council has requested that monthly results be prepared for consideration.</p> <p>2.2 Previous resolutions by Council on this matter relate to the acceptance of the January report and requests for information for inclusion in the upcoming reports.</p> <p>2.3 The report shows the financial impact of delivering Council Vision and Outcomes to the community.</p>
3. Options	<p>3.1 The options identified are:</p> <ol style="list-style-type: none"> a. Revert to the Status Quo position of ad-hoc infrequent Reporting b. Reject this report c. Accept this report <p>3.2 The report as presented attempts to balance the needs of Council in providing an overview of the results, as well as core reporting as per the Annual Report and Long-term and Annual Plans. While this presents a significant level of information, it provides a consistent reporting environment comparable to prior Annual Reports and future reporting.</p> <p>3.3 Greater transparency of reporting and information provides levels of certainty to governing bodies that business units are adhering to established plans and policies. Reporting provided in the attached report is designed to meet the needs of Council and community in providing relevant, appropriate reporting of financial results and position. Committee is asked to note that the development of this report is ongoing and any feedback on content is sought.</p> <p>3.4 The preferred option is option C – Acceptance of this</p>

	report, as this meets the purpose of local government in reviewing and managing functions in a way that is most cost-effective for households and businesses.
4. Conclusion	4.1 Council is in a strong financial position. 4.2 External Debt is within limits set within the Long-Term Plan
5. Corporate Considerations	
What is the change?	5.1 There are no likely changes to Policy or Operations from this report. 5.2 This report will not trigger a s17a review
Compliance with legislation and Council Policy	5.3 Annual Plan – N/A 5.4 Long Term Plan 2015-2025 – N/A 5.5 District Plan – N/A 5.6 Economic Development Strategy – N/A 5.7 Other Council Policies – Financial Management 5.8 Relevant legislation – LG Act, Financial Reporting Act 5.9 Greater visibility of financial management and operational results for the 2015/16 Year to Date
What are the key benefits?	
Who has been consulted?	5.10 There is indication of a general interest in the financial results of the Council by members of the Public 5.11 No communication or consultation has been undertaken for this report. 5.12 A number of reports have been prepared/included in line with the Annual Reporting and Annual/Long Term Planning requirements for consistency. 5.13 There is no further consultation required. 5.14 Tanagta whenua have not been separately consulted.
6. Significance	6.1 Finance effects all public 6.2 Public interest in Council Finances has been readily advertised, with commentary by public both to Council and Staff, as well as public forums including The Wairoa Star. 6.3 The decision can be reversed 6.4 This is not a significant decision, there is no impact of the relationship of Maori to ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.
9. Risk Management	7.1 There are no strategic risks identified in the implementation of the recommendations 7.2 Financial Risks are noted in the report
Further Information	None.
Appendices	Appendix 1 – January 2016 Financial Report
Background Papers	None.
References (to or from other Committees)	This is the second instance where reports on this topic have gone to Council or Committee. It is expected that reports of this nature will continue to be prepared each month.
Confirmation of	In accordance with section 76 of the Local Government Act

**statutory
compliance**

2002, this report is approved as:
a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

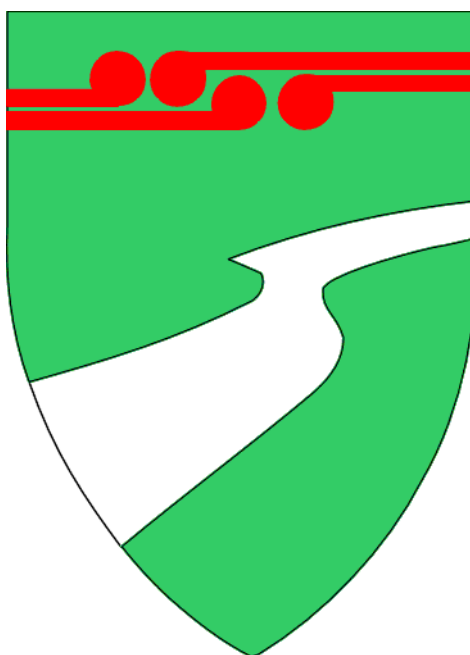
Signatories

Author: C Hankey

Approved by: A Morton

A handwritten signature in blue ink, appearing to be 'C Hankey', with a large, sweeping flourish at the bottom.A handwritten signature in blue ink, appearing to be 'A Morton', with a stylized, blocky appearance.

WAIROA DISTRICT COUNCIL



MONTHLY FINANCIAL REPORT

29 February 2016

(2015/16 PERIOD 8)



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EXECUTIVE SUMMARY

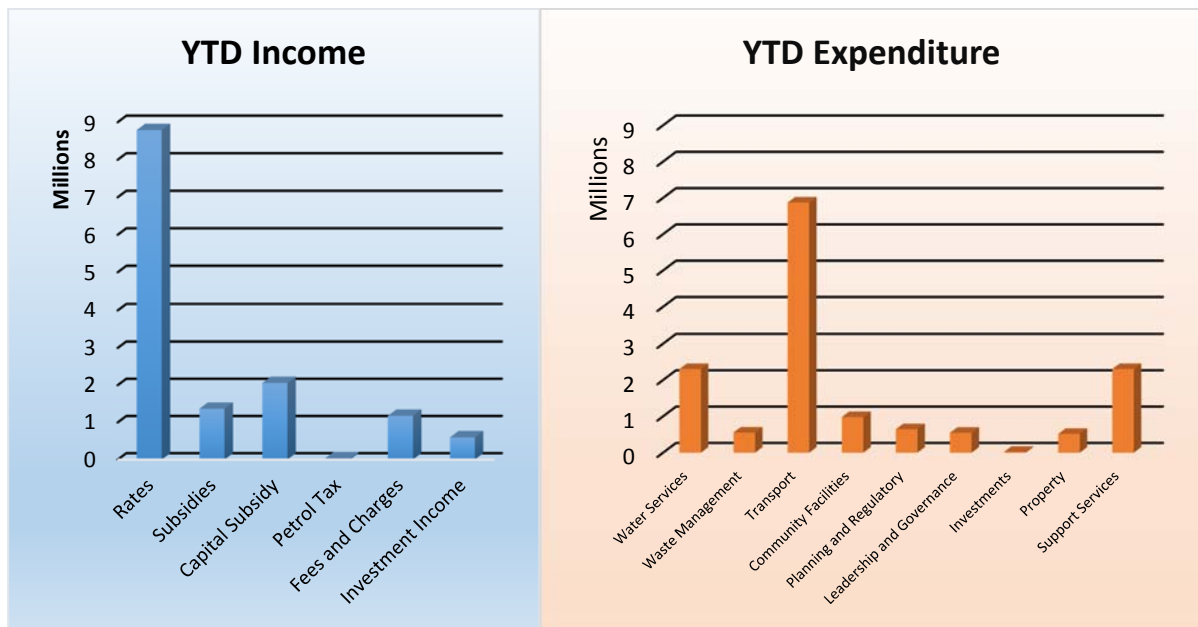
Overall Financial Health Assessment:  Altham Z-Score: **36.39/2.6** ⁽¹⁾

Council is currently worth: **\$261.9M** with Cash & Term Deposits on Hand: **\$10.9M**

Council has total assets of **\$270.7M** Council owes a total of **\$8.8M** to other parties








Capital spending YTD is **\$3.6M**

Year to date net deficit of **\$(0.73)M**, forecasting a net surplus of **\$0.31M** for the year



(Comparisons to budget for these items start on page 13 of this report). Capital costs of up to a potential \$1.6M have been included in the Transport Operational spending. Engineering are reviewing this.

Assessments of:

Rates as a Percentage of Income	Cash on Hand	Working Capital	Liquidity	Investment Maturity Policy Measures	Creditor Payment Days	Debt Policy Measures
						

¹ Anything over a score of 2.6 is considered a safe and healthy organisation



ANALYSIS

This report is for the 2015/16 Financial Year (FY) representing the periods from 1 July 2015 to 29 February 2016, or period 8 of this Financial Year.

Year to date Council records a net deficit of \$(0.73)M (Budgeted net surplus of \$2.57M), and is currently forecasting a Full Year net surplus of \$0.31M. All Service Areas of Council are within their current Annual budgets, except Subsidised Roding, where \$0.8M of capital has been recorded as Operational Costs. Subsequent to the close off of the accounts for the end of the month, it was noted that \$1.1M of Jan NZTA Capital Subsidy was not re-accrued and \$0.77M is to be charged to NZTA for February Roding Subsidies. Net of these adjustments a net surplus of \$1.94M for the month would be recorded.

Cash & Term Deposits on Hand: \$10.9M vs: Trade and Employee Creditors Payable: \$3.0M

Council has total assets of \$270.7M⁽²⁾ Capital spending YTD is \$3.6M

External long-term debt is \$5.0M. Expectation is that NO new borrowings will be required this financial year (Budget \$0.55M).

Council is currently worth \$261.9M

Financial Risks are detailed on page 26 of this report and total: \$2.69M. This is split between Operational and Capital Risks as per the following tables. Of this \$1.3M is a permanent under-recovery of income for this financial year (\$0.72M Subsidised Roding, \$0.6M Pool Grants). The summary of assessed risk levels for all items at this time is:

Summary of Operational Risks			Summary of Capital Risks		
Crystallised	1,361,000	44%	Crystallised	-970,000	231%
Low	1,500,000	48%	Low	550,000	-131%
Medium	250,000	8%	Medium	0	0%
High	0	0%	High	0	0%
Total	3,111,000		Total	-420,000	

Financial Health

As at the end of the month WDC's cash, liquidity and Working Capital positions were:

Measure	Actual	Annual Budget or Target
Other Debtors Collection Period ⁽³⁾	62 Days	
Rates Debtors Collection Period	138 Days	
Working Capital	\$10,057,405	\$7,668,992
Working Capital Ratio ⁽⁴⁾	4.2:1	1.25:1
Liquid Ratio ⁽⁵⁾	4.9:1	1:1

Rates Collection days are significantly influenced by the level of multiple owner Maori Land non-collectable arrears for rates, and the raising of the instalment in the accounts in the month prior to the instalment being due. For Other debtors this is significantly affected by a large disputed account, which has been in negotiation for some time. The debt is still considered collectable at this time.

² Roding and Water Infrastructure is revalued every three years. The last Roding revaluation was for the 2013/14 Financial Year, Water 2014/15

³ The average number of days that it takes a Debtor to pay his/her account

⁴ Represents the total current assets available to meet each dollar of total current liabilities

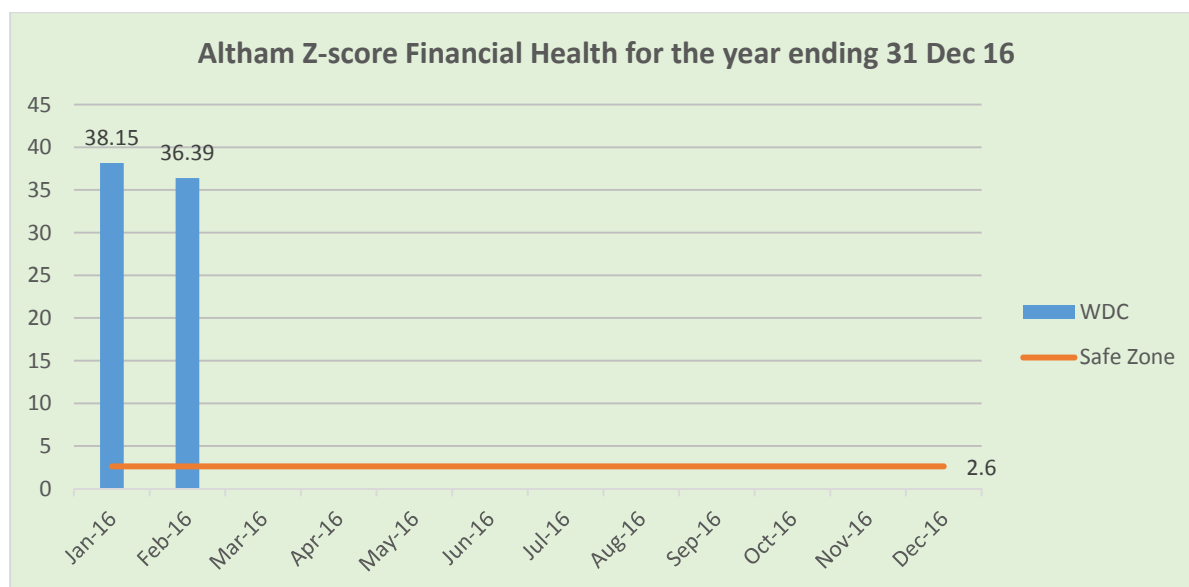
⁵ Represents the cash available to pay each dollar of trade creditors as at the end of the period



Altham Z-score Calculation

This calculation is a measure of financial health that was developed in 1968. It is a system that has multiple calculations based on the type of organisation that is being reviewed. As a review process, it has been proven to be up to 90% accurate in assessing the likelihood of the risk of an entity becoming bankrupt within the next two financial years. This is where an entity receives a net score that is classed as being in the “in distress” Zone of Discrimination.

WDC’s results for the selected calculation by month, Non-Manufacturing Business, are:



No historical comparison can be made at this time due to the lack of actionable information. After 31 Dec 2016 this will be shown as a rolling 12 month report.

This process has “Zones of Discriminations”, which provide guidance to reviewers of the accounts as to the strength of the business under review. For the selected calculation the zones are:

- Z > 2.6 -“Safe” Zone
- 1.1 < Z < 2.6 -“Grey” Zone
- Z < 1.1 -“Distress” Zone

Accordingly, the Wairoa District Council, on the basis of this calculation has a strong, safe and stable outlook. This score is significantly influenced by the low level of long-term external debt currently employed by the Council, and as there are no expectations of this changing in the near future, it is expected that this result will continue as the year progresses. Two factors have resulted in the slight reduction from the January result, these being the net deficit for the year to date (January: surplus and excludes adjustments of \$2.67M that would result in a net surplus for the month) and the additional \$0.4M trade creditors for the month.

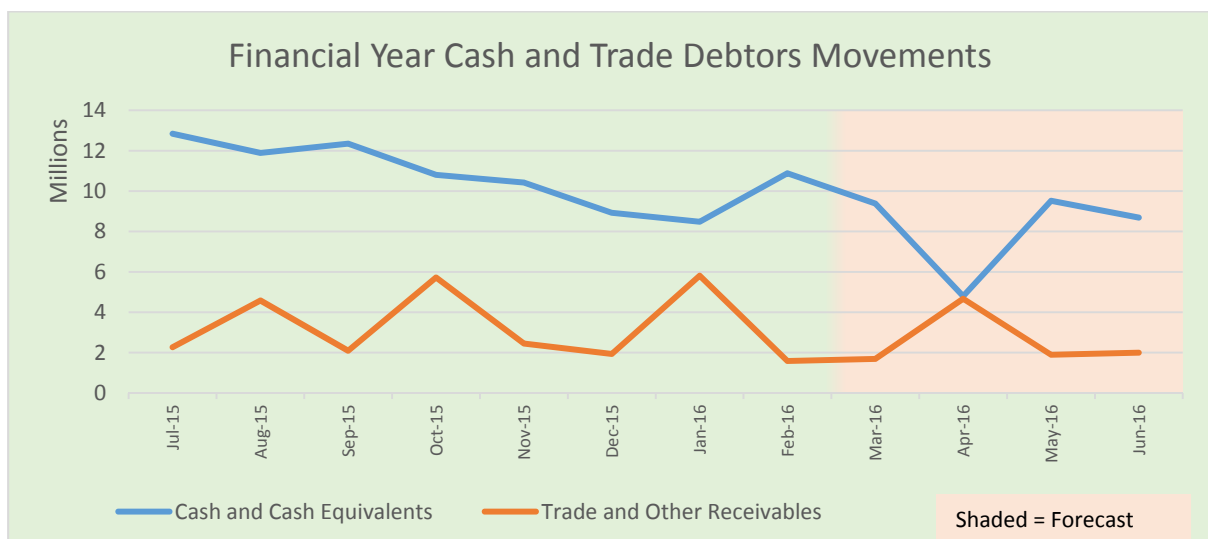


Financial Position Indicators

Current Assets

The Council continues to hold sufficient cash reserves to meet operational requirements. Current balances are:

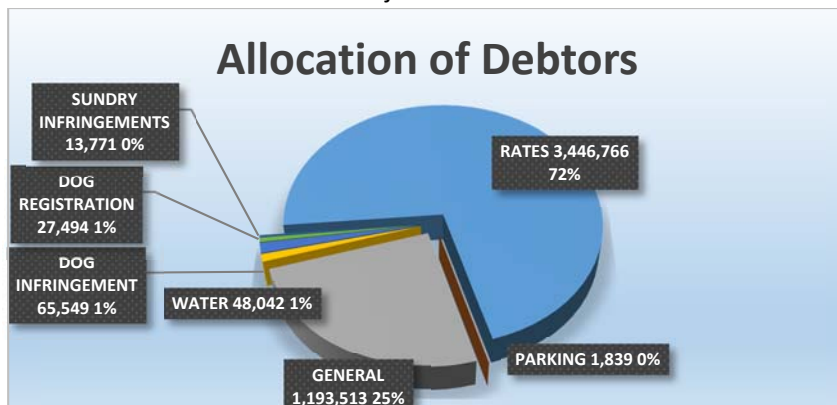
Measure	Actual	Annual Plan Position	Forecast 30 June 2016
Non-Interest Bearing Cash & Equivalents	\$121,331	\$140,775	\$121,331
Interest Bearing Cash on Hand, Term Deposits & Investments	\$11,534,853	\$6,362,019	\$9,338,357
Receivables	\$1,589,408	\$5,573,432	\$2,000,844
Total Current Assets	\$13,249,513	\$12,114,517	\$11,464,453



This graph shows the movements in the Cash and Cash Equivalents balance as noted in the Statement of Financial Performance on page 31 of this report for each month completed, and the forecast of cash based on the current budgeted movements. Peaks in Trade debtors is the charging of rate instalments. This normally occurs in the month prior to the instalment being due for payment by the ratepayers.

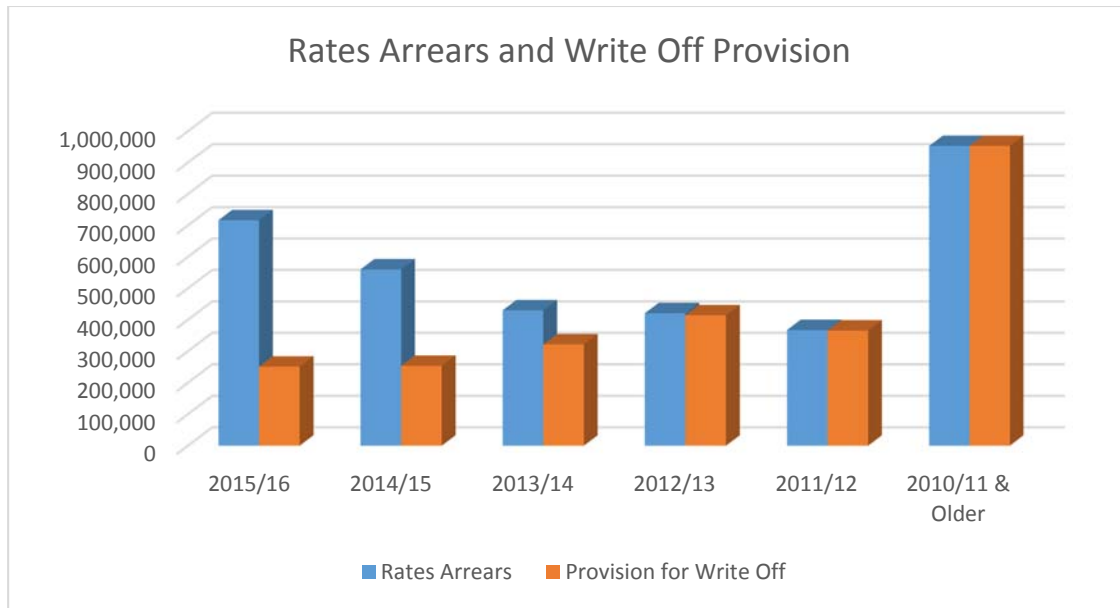
Accounts Receivable

Currently WDC has recorded debtors of \$1.6M. Gross receivables are \$4.8M, before the provisions for doubtful debts and other adjustments. This is allocated:





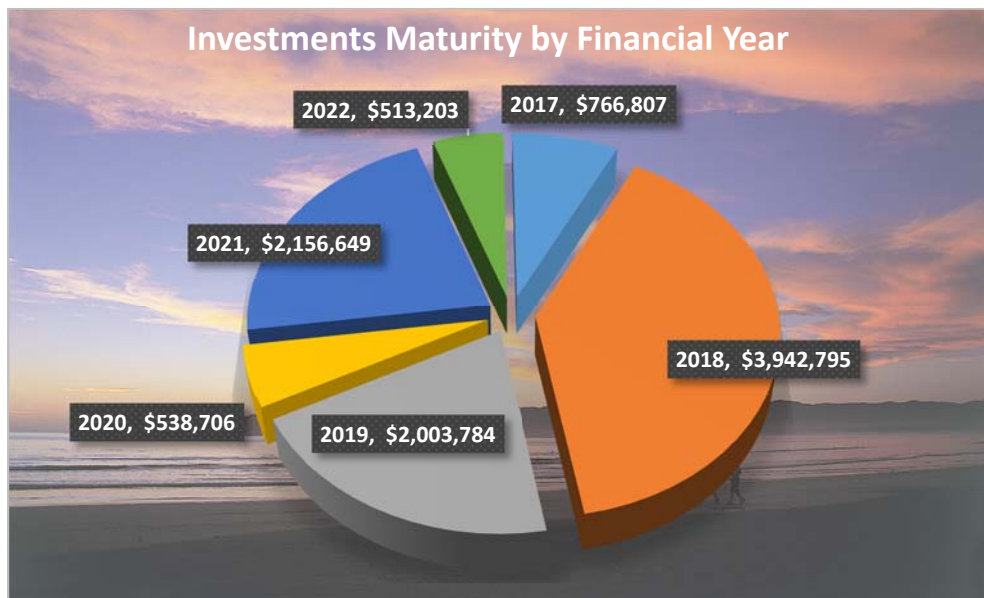
Analysis of rates arrears by financial year is:



Rates arrears are primarily the uncollectable amounts on Maori freehold land (unoccupied, unused land, or land subject to a fragmented ownership structure). Current policy has rates arrears more than 7 years old written off as statute barred rates, however anything younger than this is retained in the debtors database. We allow for debt older than 3 years to be uncollectable and create the Provision for Write Off that is held until the arrears become statute barred. What we have allowed as a provision compared to each year is shown in the graph above and currently stands at a total of \$2.6M. Included in the current year balance are penalties and court collection costs from prior years. Court costs are no longer included in the rates assessed following legal advice from Simpson Grierson (July 2015).

Investments

Current maturity value of all investments in the upcoming Financial Years is:





WDC long term cash investments hold a current market value of \$9,921,944, of which \$766,807 is due to mature within 12 months. The weighted average investment maturity term is 2.98 years or 35.8 months, with a weighted average coupon interest rate of 5.18%. The reduction in valuation from last month is the result of an interest payment (\$22k) having been received during February.

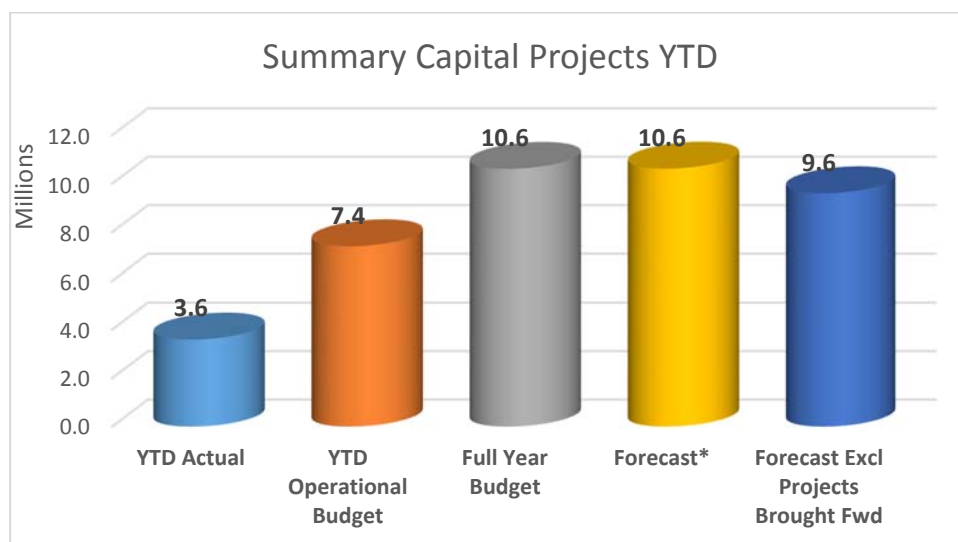
Subsequent to the end of February, the following investments have been made:

- \$0.25M (application of \$0.5M) Meridian Energy Ltd Bonds maturing March 2023 at a coupon rate of 4.53%, this was with the indicated rate range.
- \$0.21M (application of \$0.5M) Genesis Energy Ltd Bonds maturing March 2022 at a coupon rate of 4.14%, this is below the indicative rate range of 4.28-4.43%pa.
- \$1.5M has been added to a Term Deposit with Westpac for 120 days at 3.2%pa.

The lower than expected coupon rate for the Genesis Energy Ltd Bonds results from the 9 March 2016 OCR reduction by the RBNZ. This suggests that long term bonds issued in the future will likely have coupon rates in the 4.0-4.25% range and will be returning lower benefits to Council. Our high average coupon rate and portfolio strength is the result of a large number of investments having been made in the period where higher levels of interest rates were available. This will change as our investments mature over the coming years, especially in the 2017/18 year. This presents a risk of reduced future income against potential if the OCR were to increase. In addition, with a low Coupon rate, any potential investment sales pre-maturity would be at a heavily discounted value to provide a future yield to maturity return that an investor would expect. This is less likely to occur as our intent with any investment is to hold these until maturity, except in the event of a major emergency, where access to cash would be critical. Finance will continue to monitor this situation and also consider alternative investment possibilities over the upcoming months.

Capital Programs

To the end of February capital programs report as being behind target, however it is noted, and expanded on underneath, that this has been a result of emergency flooding work being undertaken in January and February costs of \$0.8M having been coded to operational expenditure, where it had been planned that Pavement and Sealed Road working would be undertaken. This work has been reprogrammed for and undertaken by the contractors in March (~\$1.3M YTD), but no adjustment to the timing of the budgets was possible for these costs. Year to date total expenditure of \$3.6M has been incurred with \$2.06M in capital subsidies having been invoiced.

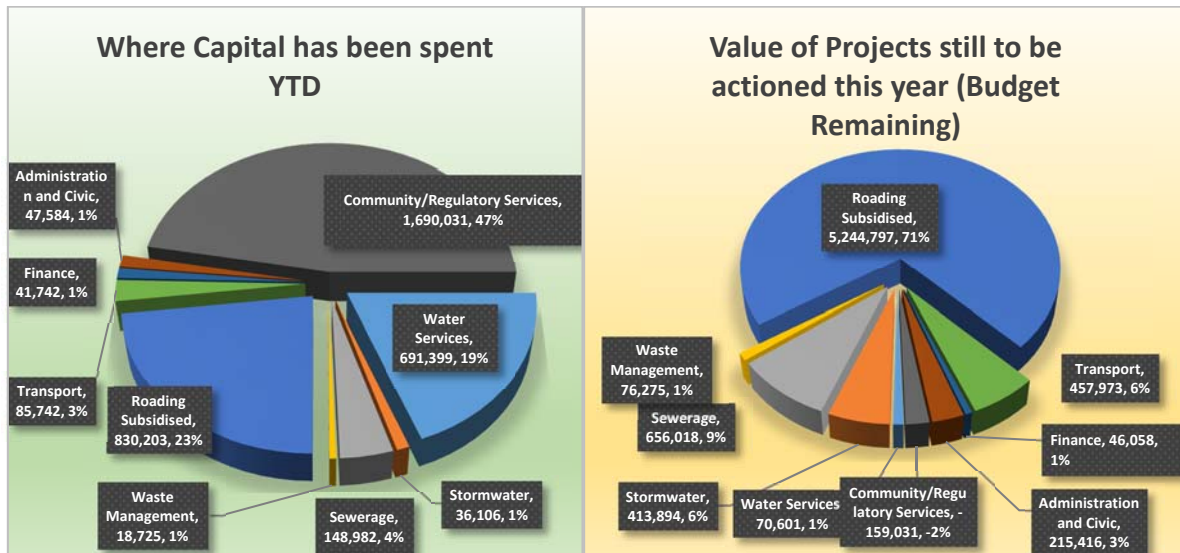




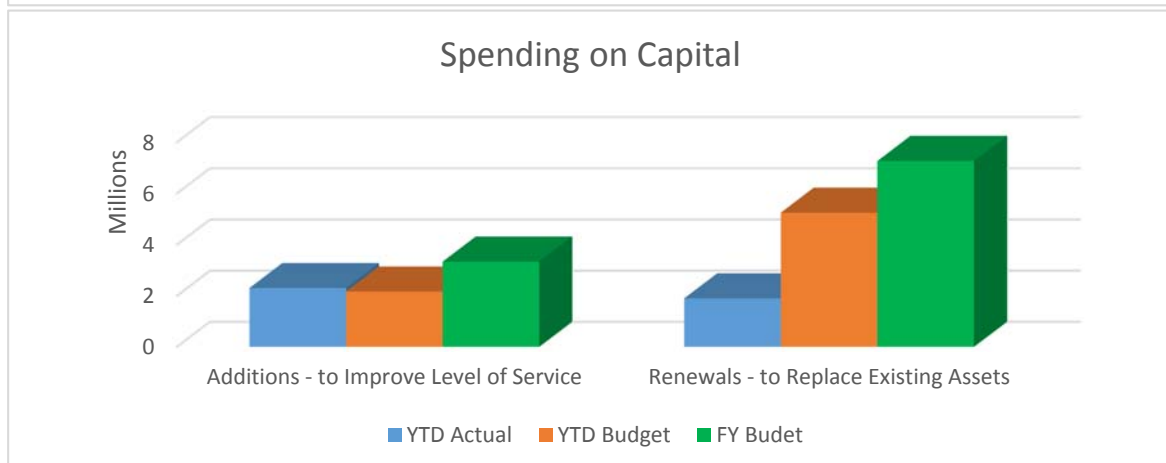
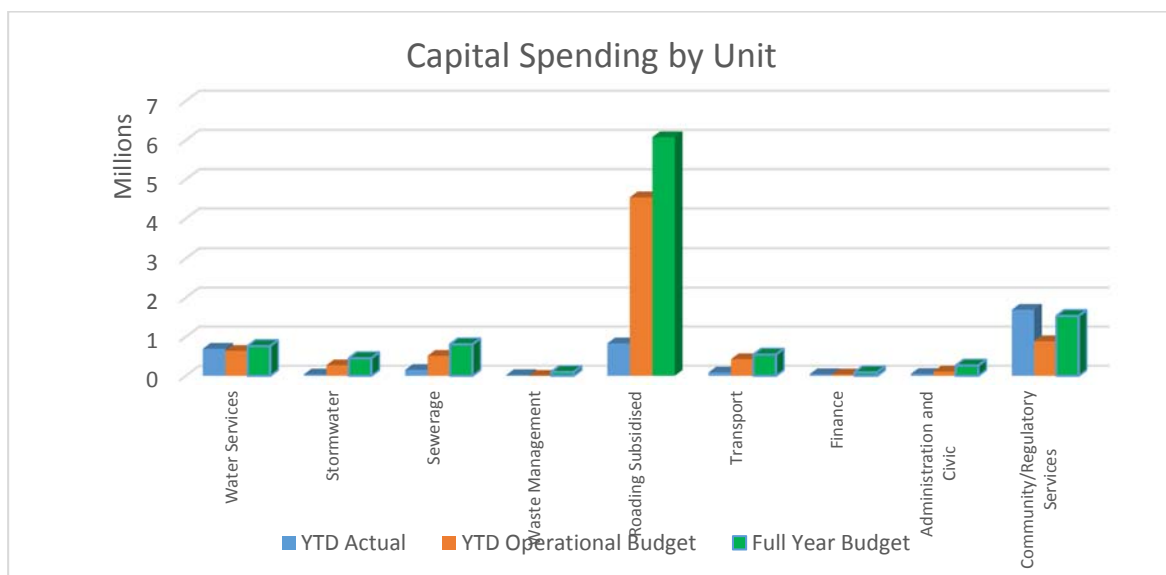
* Forecasted expenditure is actual year to date plus:

1. Budgets for the remainder of the year, with an assumption that all future planned project costs will be incurred (as phased)
2. Expected catch-up of Subsidised Roding work not completed YTD, based on contracts having been let this month \$2.6M, and
3. An estimate of capital miscoded to operational budgets \$1.6M. (Overstated as the exact adjustment was confirmed 15/4/16)

Costs from projects brought forward from 2014/15 year are included in this forecasted estimate. NOTE: No 2014/15 project budgets have been brought forward. Some projects had 2015/16 budgets included in the LTP.



The colour coding of these two graphs is the same for each unit.





Subsidised Roothing is currently \$3.8M underspent year to date (FY: \$5.2M). This underspend is predominantly a delay on the Sealed Roothing and Pavement upgrade projects planned for the year against budget (YTD \$1.3M) resulting from the emergency Flooding Repair work (YTD ~\$2M) which was undertaken over this period. This flooding repair cost has been coded to operational expenditure, however \$0.8M of this is capital work which have been transfer to the Capital Project codes in March. Also influencing the underspend are SP38 projects that were planned as part of the LTP, but have not been funded by NZTA (Savings: YTD \$0.48M, FY \$0.72M). This work will not occur, however as this work was 100% funded by NZTA, it has been factored into the forecasts and the expectation is that both Capital Expenditure and Subsidy Revenue will be under-recovered by the same \$0.72M for this year.

Community and Regulatory services overspend is the community pool project that is \$0.8M overspent for the year to date. This was in part a carried forward project from the 2014/15 FY. Funding for this project could not be included in the annual plan due to the timing of the carry forward of the project.

While overall capital expenditure is underspent, 21 capital projects are in excess of the year to date or full year budget by more than \$10,000. These are analysed:

Overrun Type	YTD					Explanation
	YTD Actual	Operational Budget	YTD Budget Remaining	Full Year Budget	FY Budget Remaining	
Unplanned Projects	65,450	0	(65,450)	0	(65,450)	5 Projects
Projects with cost overruns	92,865	16,664	(76,201)	25,000	(67,865)	Learn to Swim Pool Remediation
Projects in Advance of Plan (Multi Year projects)	563,670	150,000	(413,670)	150,000	(413,670)	New Reservoir
Brought Forward from 2014/15 by Resolution	2,014,885	666,664	(1,348,221)	1,000,000	(1,014,885)	No Budget can be loaded for these
Budget Timing or Coding Errors	120,217	0	(120,217)	86,000	(34,217)	Vehicle Purchases x3, Traffic Renewals
Totals	2,857,087	833,328	(2,023,759)	1,261,000	(1,596,087)	

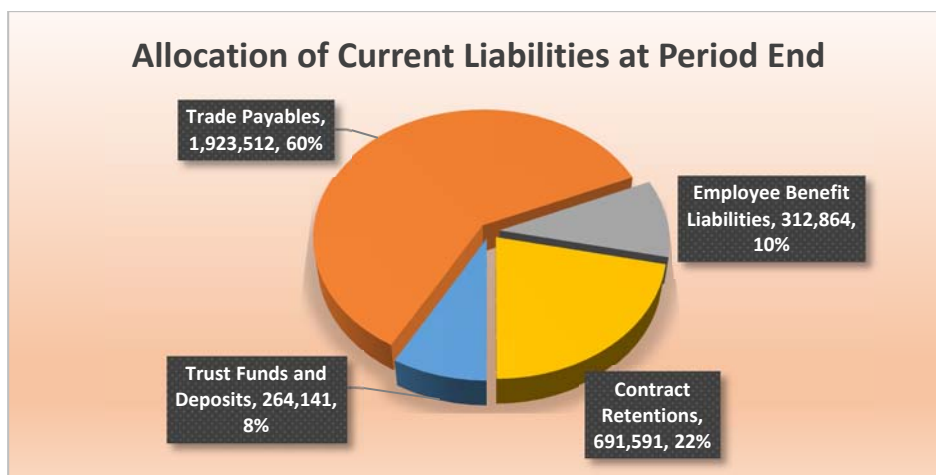
Unplanned projects are predominantly emergency replacements or flood damage repairs, as well as surveyor equipment and some wilding pine clearance (funding applied for in the current year). This may include some coding error issues and may also be recoverable costs. Council's Engineering Department manages this function.

For the new Tawhara Reservoir, costs are in advance of plan by \$0.4M, with up to an estimated \$1M of costs expected to be incurred over the rest of this Financial Year. Land acquisition, project design and procurement is completed, giving certainty that total project expenditure will remain unchanged. However the project timing and progress does differs from what originally anticipated, i.e. into the 2017/18 Financial Year. At this time the project is expected to be completed ahead of time and on budget. The project budget will be brought forward in future planning requirements.

Projects brought forward from 2014/15 are as per the Council Resolution approved at the special meeting held 18 December 2015. No budget can be brought forward as the annual plan had been set at that time, however some of these projects were multi-year projects that had funding allocated to them in the 2016 Annual Plan (2015/25 LTP Year 1). Finance is looking into an option to create an "Operational Budget" that will provide a methodology of showing budgetary movements approved by Council for internal reporting purposes only, independent of the annual plan which must be reported in the Annual Financial Statements.

Current Liabilities

As at the end of the period, the following debts were due and payable within the next 12 months:

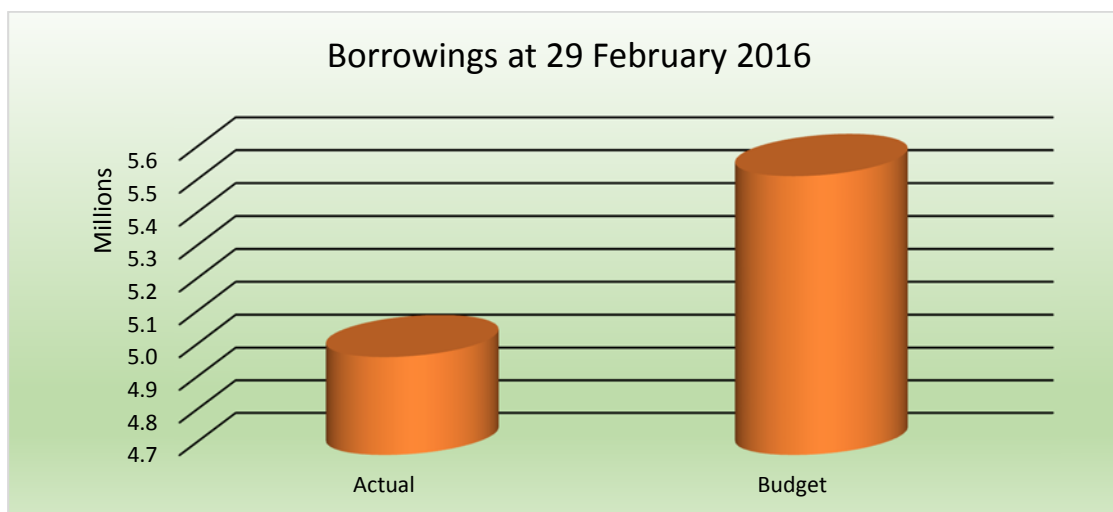


Measure	Actual	Budget or Target
Trade and Employee Liabilities	\$2,236,376	\$4,445,525
Contract Retentions	\$691,591	\$NIL
Total Current Liabilities	\$3,192,108	\$4,445,525
Creditor Payment Days ⁽¹⁾	46 Days	43 Days

(1) The average number of days that it takes a Creditor's invoice to be paid

All measures in this area show that the Council remains within its normal terms of trade with creditors, in that suppliers continue to be paid within the required timeframes. Employee Liabilities are the normal Holiday and Sick pay accrued by staff. Contract Retentions under the new Construction Contract Act need to be held "in trust" for the Contractor. WDC is currently compliant with this requirement in holding the cash and equivalent balance of \$10.9M.

Term Debt



External Borrowing remains unchanged at \$5.0M, against a budgeted debt level of \$5.55M for the year. New borrowing was budgeted in order to fund increased service capacity for new capital project spending in this year. At this time expectations are that there will be no additional external borrowings required for the financial year and that all new capital projects will be funded from internal cash reserves.

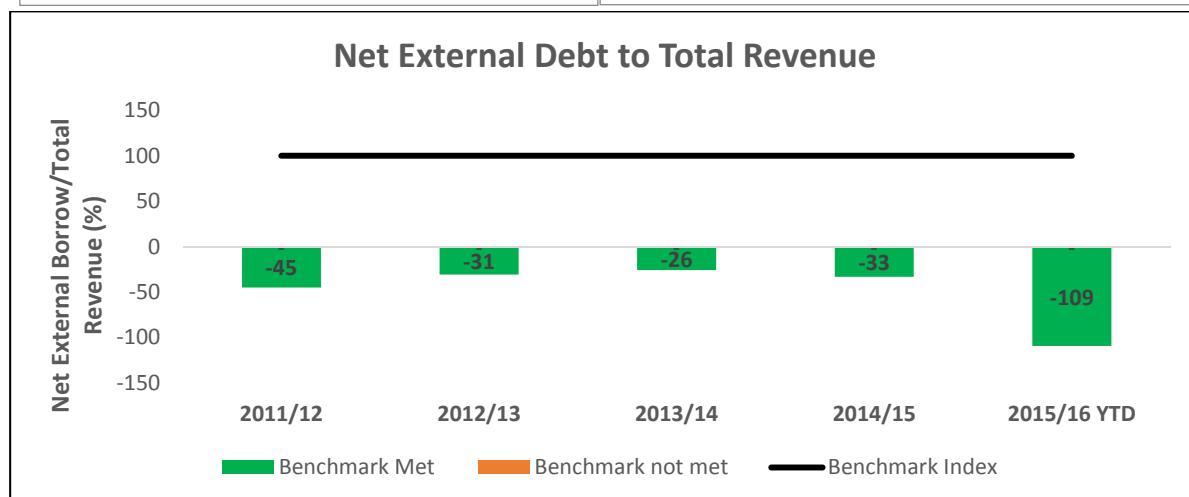
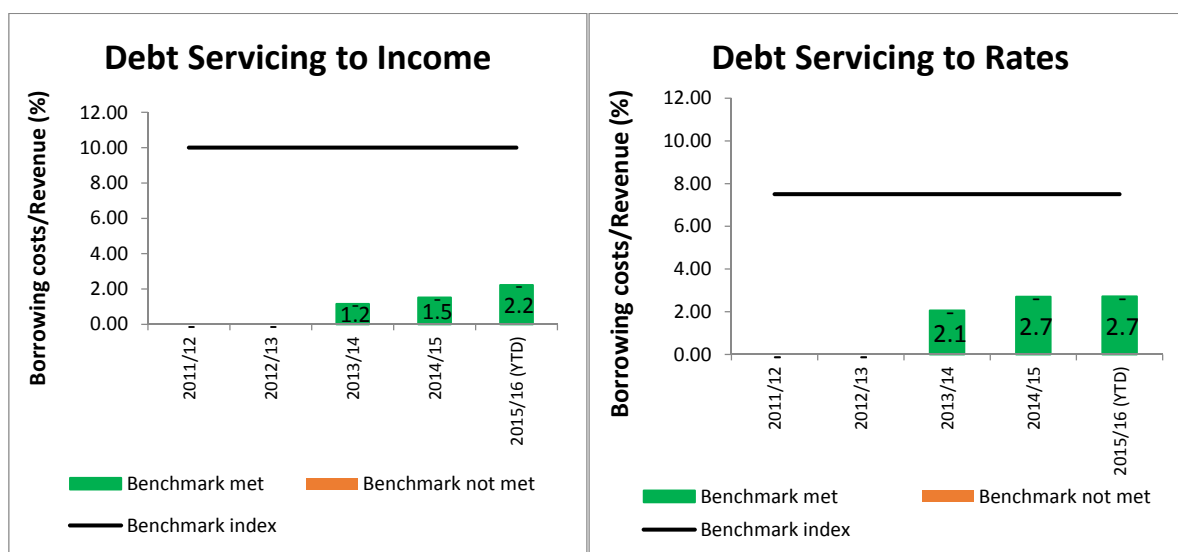
In addition, Council holds \$0.48M (Budget \$0.86M) liability for the Landfill Aftercare requirements.



Subsequent to the end of this month a Finance Lease of \$45,000 including interest and charges is being considered to fund the purchase of CCTV equipment. We understand that this is a capital debt, and accountable through the Statement of Financial Position, but await the contract to confirm this assessment.

Debt Policy Measures

The analysis of the achievements of debt against the limitations as per the Investment and Liability Policy, for the management of Debt are shown below. Council is well within all control measurements for debt with no expectations that any will be breached in the foreseeable future. The results for the year to date, comparing this to the past five financial years.



Measure	Not to Exceed	of	2011/12	2012/13	2013/14	2014/15	2015/16 (YTD)
Debt Servicing	10%	Operating Revenue	0.00	0.00	1.16	1.52	2.22
Debt Servicing	7.50%	Rates	0.00	0.00	2.06	2.71	2.72
Net External Debt ⁽¹⁾	100%	Total Revenue	-44.92	-30.62	-25.62	-33	-109.17

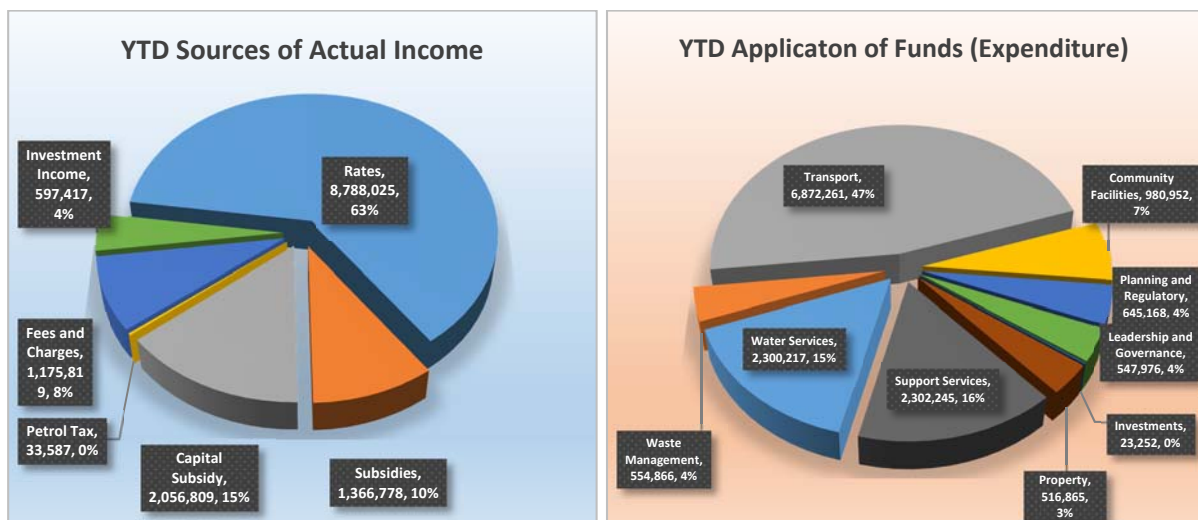
1 Net External Debt is calculated as Term Borrowings plus Current Liabilities; less Cash, Term Deposits and Financial Assets at fair Value. As at 29 February 2016 Net Debt is \$(13.9M), indicating that we have greater cash reserves than external debt.



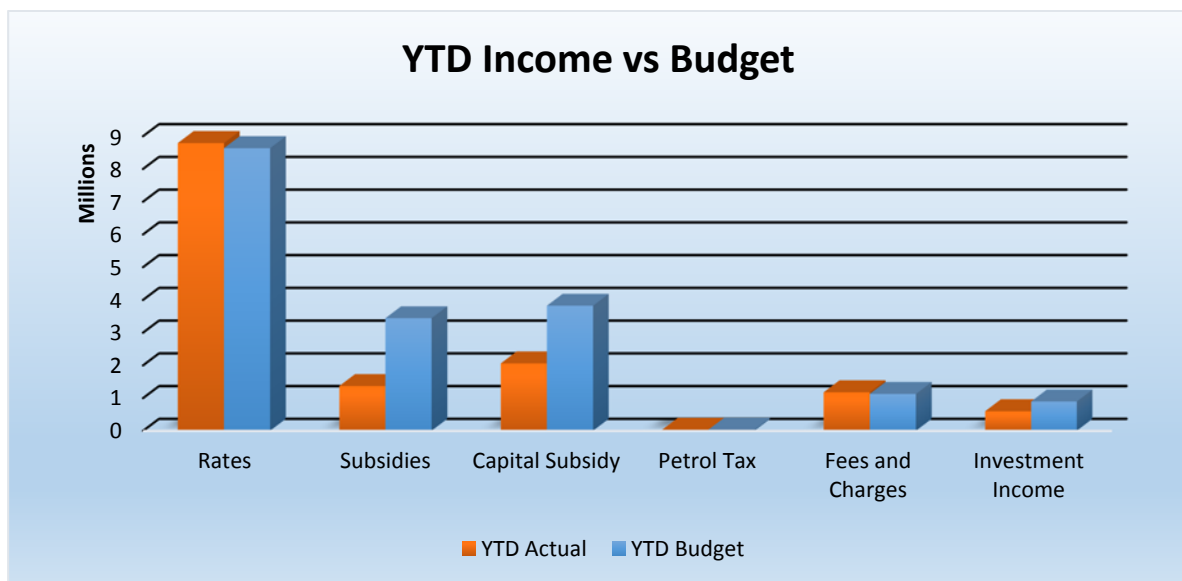
Calculation of these measures shows that Council currently holds more than \$2 of cash and cash equivalent investments for every dollar of debt owed to external parties. The existing term loan is a 5 year fixed term loan at 6%. Accordingly Council would not be able to break this loan and repay this from current cash reserves.

Sources of Income and Application of Funds

For the year to date Council has a net deficit of \$(0.73)M (Budget: net surplus of \$2.57M). Engineering has advised that there are capital costs of \$0.8M included in this outcome, and \$1.1M Jan and \$0.77M Feb NZTA Claims are not included in Roothing Subsidies. Adjusting for these the surplus would be \$1.94M. Total income year to date was \$14M (\$15.8M with adjustments) and application of funds for the year to date has been \$14.7M, (\$13.9M excluding the coding errors). Income and expenditure are analysed for the year to date as:



Rates were budgeted to reflect 48% of total income over the year and as per our Financial Strategy must not exceed 60% of our total revenue, however this is higher due to Operational and Capital Subsidies not including the advises subsidies. This comes from the variances detailed below. A permanent under-recovery of subsidies of \$1.3M for the year has been noted.





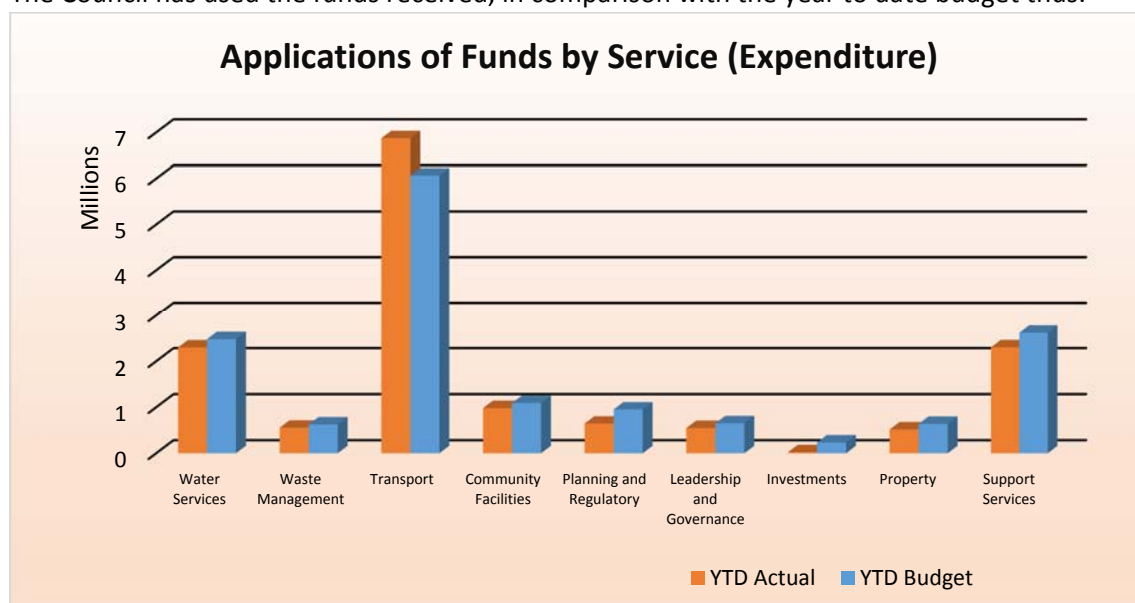
The under-recovery of both operating and capital subsidies is primarily due to NZTA funded work not yet completed for the year to date, for which a subsidy is expected to be recovered or plans of work that have not been approved by the NZTA. Contracts have been let in February that may result in some catch-up of revenue, however the extent of this is not measured at this time and forecasted results do not include any adjustment for this potential catch-up of income.

Subsequent to the end of the month Claims of \$0.77M for Feb 16 and \$1.1M Jan 2016 Capital and Operational Subsidies were advised and discovered as being required. These have not been included in the Full Year forecast.

Capital Subsidy Budgets include \$1M for the Community Pool development, \$0.5M of this was received in the prior Financial Year, and only \$0.4M of the remainder budgeted \$0.5M has been allocated by the Lotteries Commission. This represents a permanent under-recovery of \$0.6M for this year.

Also included in capital subsidies is the NZTA expected project funding of \$0.5M YTD (FY: \$0.7M) for planned road SP38 work, which has been rejected by NZTA. There is some mitigation with this in that the capital project that this funding was allocated to will not proceed, however it remains as a permanent negative variance for income.

The Council has used the funds received, in comparison with the year to date budget thus:



For this report the budgets have been restated so Support Services costs are shown separately. The core services budgets have been reduced accordingly.

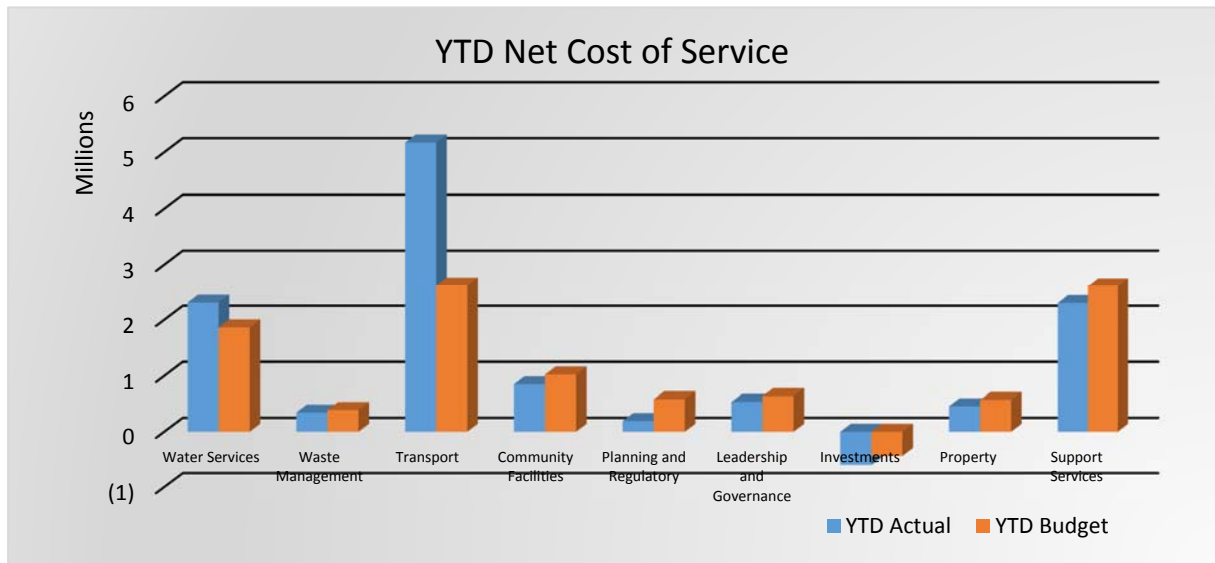
The Transport overspend includes the miscoding of \$0.8M capital costs to the maintenance budget. The specific GL account in question currently records an overspend of \$1.6M. The additional \$0.8M overspend is removal of Slips caused by the September 2015 Floods. Costs continue to be expended within expectations for the year and all units are on-target to remain within the expected full year expenditure levels.

Council Net Cost of Services

The net cost of service represents the operating costs for the service, less the income generated from the service, excluding Rating income, for the areas of service provision provided by Council to



the community. These are summarised as shown below.



The Transport overspend is the combination of the delay in planned work for emergency repairs, the \$1.6M in coding errors of the emergency repairs to operational costs and Slip Repair work, and the under-recovery of NZTA subsidies as mentioned above. Engineering staff are reviewing operational transactions to transfer the costs to the appropriate capital project, which occurred in March. All other units are tracking on target for the full year outlook. Individual section reports are included below for further comment.

2016/17 Annual Plan Preparation

The 15 March 2016 has passed for the return of the completed cost centre reports to Finance. Work continues on the consolidation of these reports and the salary and staffing expectations for the upcoming year. Planning continues on an assumption that no public consultation should be needed.

Should Council be required or wish to go to public consultation, the timetable will be reviewed for changes. This may require the use of a special meeting to adopt a consultation document which would then allow Council to meet the statutory deadline for the adoption for its 2016/17 Annual Plan of 30 June 2016.



ACTIVITY ANALYSIS

Comprehensive Income and Expenditure

These tables contrast the year to date expenditure and a full year forecast to full year budgets. Support Services budget has been restated from the Annual Plan, where these are factored into the core service area's budgets as internal overhead allocations, both for the FY Budget and proportionally for the YTD budget.

Income has been received from:

Income Type:	YTD Actual (\$ 000)	YTD Budget (\$ 000)	(Under) / Over Recovery	FY Forecast (\$ 000)	FY Budget (\$ 000)	(Under) / Over Recovery
Rates	8,788	8,631	157	11,665	11,507	157
Subsidies	1,367	3,439	-2,072	3,086	5,158	-2,072
Capital Subsidy	2,057	3,819	-1,762	3,726	5,728	-2,002
Petrol Tax	34	33	1	66	65	1
Fees and Charges	1,176	1,126	50	1,321	1,689	-368
Investment Income	597	893	-296	971	1,267	-296
Total Income	14,018	17,940	-3,921	20,835	25,414	-4,580

Budgeted Capital Subsidies includes of \$1M of Grants for the building of the Pool. Of this \$0.5M was received last financial year (2014/15) but was brought forward into the current year as the funding had not been received at the time the LTP was prepared. The balance \$0.5M budget is a Grant from the Lotteries Commission of which \$0.39M has been received, with only \$10,000 remaining to be received within the balance of this financial year. Income forecasts for General and Capital Subsidies have not been adjusted to reflect any potential NZTA subsidies to be invoiced from the expected catch-up capital or operational works projects at this time, and \$1.9M of additional Revenue should have been included in the report for NZTA claims discovered as required after the close off of the accounts for this report.

Expenditure has been incurred in the following service areas:

Service Area	YTD Actual (\$ 000)	YTD Budget (\$ 000)	Under / (Overspend)	FY Forecast (\$ 000)	FY Budget (\$ 000)	Under / (Overspend)
Water Services	2,300	2,482	182	3,551	3,741	190
Waste Management	555	627	72	868	940	72
Transport	6,872	6,068	-804	7,950	9,168	1,218
Community Facilities	981	1,092	111	1,551	1,662	111
Planning and Regulatory	645	952	307	1,121	1,429	307
Leadership and Governance	548	651	103	870	974	103
Investments	23	235	211	197	408	211
Property	517	640	124	804	928	124
Support Services	2,302	2,620	318	3,612	3,930	318
Total Expenses	14,744	15,367	623	20,526	23,180	2,654

All units expect to be within full year budgets at this time, except Subsidised Roding as detailed above. Support services actual costs are allocated to the core service areas as internal overheads at the end of the year.



Water Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,876,980)	(1,843,361)	(2,457,814)	(1,935,853)	(2,519,548)
Fees charges and targeted rates for water supply	(734,460)	(707,280)	(1,060,920)	(715,735)	(1,136,040)
Interest and Dividends from Investments	-	(243,800)	(365,700)	-	-
Total Source of Operating Funding	(2,611,440)	(2,794,441)	(3,884,434)	(2,651,587)	(3,655,588)
Application of Operating Funding					
Payments to staff and suppliers	1,778,475	1,438,888	2,176,953	2,966,956	4,315,981
Finance costs	189,370	236,520	354,780	182,137	302,500
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	1,967,845	1,675,408	2,531,733	3,149,093	4,618,481
Surplus (Deficit) of Operating Funding	643,595	1,119,033	1,352,701	(497,506)	(962,893)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(1,055,000)	(66,664)	(99,996)	(1,000,000)	(1,034,301)
Lump sum contributions	-	-	-	(0)	(0)
Total Source of Capital Funding	(1,055,000)	(66,664)	(99,996)	(1,000,000)	(1,034,301)
Total Sources of capital funding	(1,055,000)	(66,664)	(99,996)	(1,000,000)	(1,034,301)
Application of Capital Funding					
Capital expenditure - to improve the level of service	87,896	260,000	320,000	229,386	515,907
Capital expenditure - to replace existing assets	868,996	1,159,999	1,666,999	53,508	108,902
Increase (Decrease) in Reserves	741,703	(234,302)	(534,302)	219,600	(553,401)
Total Application of Capital Funding	1,698,595	1,185,697	1,452,697	502,495	71,408
Total application of capital funding	1,698,595	1,185,697	1,452,697	502,495	71,408
Surplus (Deficit) of Capital Funding	(643,595)	(1,119,033)	(1,352,701)	497,506	962,893
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	665,337	863,120	1,294,680	665,337	998,005

This report has been adjusted for Internal Charges recoveries.



Waste Management

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(442,934)	(435,000)	(580,000)	(425,372)	(553,629)
Fees charges and targeted rates for water supply	(207,383)	(233,336)	(350,000)	(197,063)	(359,009)
Total Source of Operating Funding	(650,317)	(668,336)	(930,000)	(622,435)	(912,638)
Application of Operating Funding					
Payments to staff and suppliers	492,013	556,648	835,000	471,251	817,764
Finance costs	-	37,824	56,727	5,862	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	492,013	594,472	891,727	477,113	817,764
Surplus (Deficit) of Operating Funding	158,304	73,864	38,273	145,322	94,874
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	18,725	-	95,000	-	48,877
Increase (Decrease) in Reserves	139,578	73,864	(56,727)	145,322	45,997
Total Application of Capital Funding	158,304	73,864	38,273	145,322	94,874
Total application of capital funding	158,304	73,864	38,273	145,322	94,874
Surplus (Deficit) of Capital Funding	(158,304)	(73,864)	(38,273)	(145,322)	(94,874)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	62,853	63,336	95,000	62,853	94,279

This report has been adjusted for Internal Charges recoveries.



Transport

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,841,113)	(1,808,136)	(2,410,848)	(1,844,500)	(2,400,650)
Subsidies and grants for operating purposes	(1,183,887)	(3,406,304)	(5,109,456)	(777,898)	(3,347,338)
Fees charges and targeted rates for water supply	(528,101)	(36,040)	(54,060)	(538,475)	(844,159)
Total Source of Operating Funding	(3,553,101)	(5,250,480)	(7,574,364)	(3,160,873)	(6,592,147)
Application of Operating Funding					
Payments to staff and suppliers	5,480,702	4,251,002	6,442,633	3,364,985	7,695,596
Finance costs	-	3,112	4,668	-	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	5,480,702	4,254,114	6,447,301	3,364,985	7,695,596
Surplus (Deficit) of Operating Funding	(1,927,601)	996,366	1,127,063	(204,113)	(1,103,449)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(611,809)	(3,085,336)	(4,628,004)	(1,587,565)	(4,873,277)
Total Source of Capital Funding	(611,809)	(3,085,336)	(4,628,004)	(1,587,565)	(4,873,277)
Total Sources of capital funding	(611,809)	(3,085,336)	(4,628,004)	(1,587,565)	(4,873,277)
Application of Capital Funding					
Capital expenditure - to improve the level of service	328,516	1,099,180	1,443,016	1,159,319	1,501,087
Capital expenditure - to replace existing assets	701,896	3,868,215	5,160,715	1,916,729	4,739,666
Increase (Decrease) in Reserves	(2,346,203)	(885,693)	(848,664)	(1,692,596)	(2,470,925)
Total Application of Capital Funding	(1,315,792)	4,081,702	5,755,067	1,383,452	3,769,828
Total application of capital funding	(1,315,792)	4,081,702	5,755,067	1,383,452	3,769,828
Surplus (Deficit) of Capital Funding	1,927,601	(996,366)	(1,127,063)	204,113	1,103,449
Funding Balance	-	-	-	0	-
Depreciation and Amortisation	1,698,210	1,816,376	2,724,564	1,698,210	2,547,315

This report has been adjusted for Internal Charges recoveries.



Community Facilities

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,126,301)	(1,106,127)	(1,474,836)	(1,233,331)	(1,605,203)
Subsidies and grants for operating purposes	(100,624)	(32,312)	(48,462)	(115,179)	(74,591)
Fees charges and targeted rates for water supply	(30,531)	(36,240)	(54,364)	(32,813)	(47,077)
Total Source of Operating Funding	(1,257,456)	(1,174,679)	(1,577,662)	(1,381,323)	(1,726,871)
Application of Operating Funding					
Payments to staff and suppliers	878,511	932,612	1,423,329	832,034	1,474,051
Finance costs	-	61,696	92,540	125	-
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(6,654)	-	-	(18,119)	(24,864)
Total Application of Operating Funding	871,857	994,308	1,515,869	814,041	1,449,187
Surplus (Deficit) of Operating Funding	385,599	180,371	61,793	567,282	277,684
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	86,668	116,664	295,000	98,337	154,023
Capital expenditure - to replace existing assets	107,541	75,000	95,000	95,820	101,423
Increase (Decrease) in Reserves	191,389	(11,293)	(328,207)	373,126	22,238
Total Application of Capital Funding	385,599	180,371	61,793	567,282	277,684
Total application of capital funding	385,599	180,371	61,793	567,282	277,684
Surplus (Deficit) of Capital Funding	(385,599)	(180,371)	(61,793)	(567,282)	(277,684)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	109,095	100,880	151,310	109,095	163,642

This report has been adjusted for Internal Charges recoveries.



Planning and Regulatory

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(397,195)	(390,080)	(520,107)	(310,622)	(404,280)
Subsidies and grants for operating purposes	(92,867)	-	-	(111,417)	(1,795)
Fees charges and targeted rates for water supply	(356,904)	(366,456)	(549,686)	(411,533)	(567,503)
Total Source of Operating Funding	(846,966)	(756,536)	(1,069,793)	(833,572)	(973,578)
Application of Operating Funding					
Payments to staff and suppliers	608,740	939,928	1,409,858	668,871	1,022,324
Finance costs	3,404	16,304	24,456	10,719	13,330
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	612,144	956,232	1,434,314	679,590	1,035,653
Surplus (Deficit) of Operating Funding	234,822	(199,696)	(364,521)	153,982	(62,075)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	72,695	-	100,000	9,728	42,152
Capital expenditure - to replace existing assets	98,897	50,000	131,000	55,639	55,639
Increase (Decrease) in Reserves	63,229	(249,696)	(595,521)	88,616	(159,866)
Total Application of Capital Funding	234,822	(199,696)	(364,521)	153,982	(62,075)
Total application of capital funding	234,822	(199,696)	(364,521)	153,982	(62,075)
Surplus (Deficit) of Capital Funding	(234,822)	199,696	364,521	(153,982)	62,075
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	33,023	36,440	54,659	33,023	49,535

This report has been adjusted for Internal Charges recoveries.



Leadership and Governance

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(637,928)	(626,502)	(835,336)	(559,766)	(728,546)
Subsidies and grants for operating purposes	(2,000)	-	-	-	-
Fees charges and targeted rates for water supply	(8,937)	(10,688)	(16,050)	(484)	(12,724)
Total Source of Operating Funding	(648,866)	(637,190)	(851,386)	(560,250)	(741,270)
Application of Operating Funding					
Payments to staff and suppliers	543,956	659,984	986,488	465,466	847,906
Finance costs	303	8,288	12,420	287	447
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	544,259	668,272	998,908	465,753	848,353
Surplus (Deficit) of Operating Funding	104,607	(31,082)	(147,522)	94,497	(107,083)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	6,129	-	-	36,878	36,878
Capital expenditure - to replace existing assets	1,250	-	-	-	-
Increase (Decrease) in Reserves	97,228	(31,082)	(147,522)	57,619	(143,961)
Total Application of Capital Funding	104,607	(31,082)	(147,522)	94,497	(107,083)
Total application of capital funding	104,607	(31,082)	(147,522)	94,497	(107,083)
Surplus (Deficit) of Capital Funding	(104,607)	31,082	147,522	(94,497)	107,083
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	3,718	4,800	7,200	3,718	5,577

This report has been adjusted for Internal Charges recoveries.



Investments

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	135,075	132,656	176,874	556,719	724,580
Fees charges and targeted rates for water supply	(1,423)	-	(800)	(301)	(533)
Interest and Dividends from Investments	(590,400)	(396,168)	(519,244)	(1,050,288)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(32,500)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(490,335)	(296,012)	(408,170)	(533,010)	(569,748)
Application of Operating Funding					
Payments to staff and suppliers	19,634	55,000	55,000	74,770	(221,738)
Finance costs	3,618	179,584	353,168	7,871	153,575
Total Application of Operating Funding	23,252	234,584	408,168	82,641	(68,163)
Surplus (Deficit) of Operating Funding	467,083	61,428	2	450,370	637,911
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Increase (Decrease) in Reserves	467,083	61,428	2	450,370	637,911
Total application of capital funding	467,083	61,428	2	450,370	637,911
Surplus (Deficit) of Capital Funding	(467,083)	(61,428)	(2)	(450,370)	(637,911)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-

This report has been adjusted for Internal Charges.



Property

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(199,373)	(195,802)	(261,069)	(303,685)	(395,251)
Fees charges and targeted rates for water supply	(56,679)	(67,372)	(101,924)	(60,371)	(95,688)
Total Source of Operating Funding	(256,052)	(263,174)	(362,993)	(364,055)	(490,938)
Application of Operating Funding					
Payments to staff and suppliers	226,457	101,549	119,446	120,883	143,312
Finance costs	-	93,392	140,078	53	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	226,457	194,941	259,524	120,936	143,312
Surplus (Deficit) of Operating Funding	29,595	68,233	103,469	243,119	347,626
Source of Capital Funding					
Subsidies and grants for capital expenditure	(390,000)	(666,672)	(1,000,000)	-	(500,000)
Total Source of Capital Funding	(390,000)	(666,672)	(1,000,000)	-	(500,000)
Total Sources of capital funding	(390,000)	(666,672)	(1,000,000)	-	(500,000)
Application of Capital Funding					
Capital expenditure - to improve the level of service	1,795,564	676,664	1,015,000	331,932	484,551
Capital expenditure - to replace existing assets	93,549	74,328	103,000	93,576	141,883
Increase (Decrease) in Reserves	(1,469,518)	(16,087)	(14,531)	(182,388)	221,193
Total Application of Capital Funding	419,595	734,905	1,103,469	243,119	847,626
Total application of capital funding	419,595	734,905	1,103,469	243,119	847,626
Surplus (Deficit) of Capital Funding	(29,595)	(68,233)	(103,469)	(243,119)	(347,626)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	290,408	330,543	495,808	290,408	435,612

This report has been adjusted for Internal Charges recoveries.



Support Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(2,401,276)	(2,358,266)	(3,144,354)	(2,519,324)	(3,278,946)
Fees charges and targeted rates for water supply	(1,015)	(10,072)	(15,100)	(826)	(2,560)
Total Source of Operating Funding	(2,402,291)	(2,368,338)	(3,159,454)	(2,520,150)	(3,281,506)
Application of Operating Funding					
Payments to staff and suppliers	2,260,058	2,534,968	3,802,439	2,375,046	3,588,363
Finance costs	42,457	38,584	57,875	32,456	111,221
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(100,606)	-	-	(60,125)	(109,509)
Total Application of Operating Funding	2,201,909	2,573,552	3,860,314	2,347,377	3,590,075
Surplus (Deficit) of Operating Funding	200,382	(205,214)	(700,860)	172,773	(308,569)
Total Sources of capital funding					
Application of Capital Funding					
Capital expenditure - to improve the level of service	23,257	14,664	39,000	107,393	184,171
Capital expenditure - to replace existing assets	26,077	21,800	138,800	12,514	14,515
Increase (Decrease) in Reserves	151,048	(241,678)	(878,660)	52,866	(507,255)
Total Application of Capital Funding	200,382	(205,214)	(700,860)	172,773	(308,569)
Total application of capital funding	200,382	(205,214)	(700,860)	172,773	(308,569)
Surplus (Deficit) of Capital Funding	(200,382)	205,214	700,860	(172,773)	308,569
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	100,336	93,976	140,967	100,336	150,504

This statement has been restated to include budgeted and actual rates applicable to the Unit's charges (including the prior year) that are cost recovered to other Units as Overhead Charges.



FINANCIAL RISKS

The following Operational Financial Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
CEO	Forestry Slash Clean-up	\$41,000	Cost	Funds expended on clean-up of HBRC controlled beaches	Crystallised
Subsidised Roothing	NZTA Funding	\$720,000	Income Under-Recovery	NZTA non-approved work expected in the Annual Plan	Crystallised
Roothing	Loss on Disposal of Assets	\$1,500,000	Cost	Losses on Disposals of Renewed assets is not Budgeted or Funded. Value based on Prior Year impact. Recovered every 3rd year on revaluation	Low
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$250,000	Cost	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Medium
Water Treatment	Waihi Dam Silt	TBA	Cost	Additional Flocculent Purchased to mitigate the additional silt discharged into the Wairoa water supply. Net effect TBC, expected recovery from Dam Operator	Low
Community Centre	HBRC Pool Grant	\$500,000	Income Under-Recovery	Grant Funding was received in 2014/15, budget was brought forward as at time of LTP development funds had not been received	Crystallised
Community Centre	Lotteries Commission Grant	\$100,000	Income Under-Recovery	Grant received was \$110k less than budgeted. It is expected that \$10k will be received over the balance of this financial Year	Crystallised

The following Capital Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
Corporate	Loan Advances	\$550,000	Use of Cash Reserves	Expectation that No loan funds are advanced to meet new increased service capital projects. Funds to be taken from Cash Reserves	Low
Subsidised Roothing	NZTA Funded Activity	\$(720,000)	Capital Work Savings	Budgets expected work on road SP38 in the order of \$0.74M for this financial year, 100% funded by NZTA. NZTA have only approved \$18,000 of this plan	Crystallised
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$(250,000)	Capital Work Savings	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Crystallised

Assessment Key:

Crystallised	Event has Happened
Low	Expected Event is not expected to be significant or Material
Medium	Expected Event will impact on Council Operations, PR or Budget (+/- \$100k-\$1M)
High	Expected Event is Significant, Material (+/- \$1M) and/or has a negative non-financial impact on Council Operations

Assessing levels of risk is based on the following matrix. It is noted that this matrix is a work in progress and has not yet been approved for formal use by the Finance Audit and Risk Committee, or Council.

Value	Change in Service Levels			Impact
	None or Small	Some	Large	
>\$100,000	Low	Low	Medium	Less than 25% of People
\$100,000 - \$1M	Medium	Medium	High	Between 25% - 75% of People
<\$1M	High	High	High	More than 75% of People
PR	No Interest	Some - e.g. Letter to Paper	High Public Interest - Council in Bad light in Media etc.	



FINANCIAL ACCOUNTS

Whole of Council Funding Impact Statement

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
General Rates uniform annual charges rates penalties	(8,788,025)	(8,630,618)	(11,507,490)	(8,575,733)	(11,161,472)
Subsidies and grants for operating purposes	(1,366,778)	(3,438,616)	(5,157,918)	(1,004,494)	(3,423,725)
Fees charges and targeted rates for water supply	(1,925,433)	(1,467,484)	(2,202,904)	(4,403,700)	(5,511,393)
Interest and Dividends from Investments	(590,400)	(639,968)	(884,944)	(1,050,288)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(32,500)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(12,704,223)	(14,209,186)	(19,818,256)	(15,073,356)	(21,390,385)
Application of Operating Funding					
Payments to staff and suppliers	12,288,546	11,470,579	17,251,146	13,786,363	22,129,665
Finance costs	239,152	675,304	1,096,712	239,511	581,073
Internal Charges and Overheads applied	0	0	0	0	0
Other operating funding applications	(107,259)	0	0	(78,245)	(134,373)
Total Application of Operating Funding	12,420,438	12,145,883	18,347,858	13,947,629	22,576,366
Surplus (Deficit) of Operating Funding	283,785	2,063,303	1,470,398	1,125,727	(1,185,981)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(2,056,809)	(3,818,672)	(5,728,000)	(2,587,565)	(6,407,577)
(Increase) decrease in debt	0	0	(550,000)	0	0
Lump sum contributions	0	0	0	(0)	(0)
Total Source of Capital Funding	(2,056,809)	(3,818,672)	(6,278,000)	(2,587,565)	(6,407,577)
Total Sources of capital funding	(2,056,809)	(3,818,672)	(6,278,000)	(2,587,565)	(6,407,577)
Application of Capital Funding					
Capital expenditure - to improve the level of service	2,419,451	2,167,172	3,307,016	1,972,972	6,022,079
Capital expenditure - to replace existing assets	1,898,206	5,249,342	7,295,514	2,227,786	1,830,488
Increase / (Decrease) in Reserves	(1,977,062)	(1,534,539)	(2,854,132)	(487,467)	(2,630,970)
Total Application of Capital Funding	2,340,594	5,881,975	7,748,398	3,713,292	5,221,597
Total application of capital funding	2,340,594	5,881,975	7,748,398	3,713,292	5,221,597
Surplus (Deficit) of Capital Funding	(283,785)	(2,063,303)	(1,470,398)	(1,125,727)	1,185,981
Funding Balance (General Rates)	0	0	0	0	0
Depreciation					
Depreciation and Amortisation	2,962,979	3,309,471	4,964,188	2,962,979	4,444,469

No depreciation charges were journalled in the financial statements on a monthly basis in the prior year, the figure entered here is an even split allocation of depreciation for the prior year to date.

Whole of Council Activity Statement

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget	ACTUAL 2014/15 (to date)
Net Operating Cost of Service						
Net Expenditure/(Revenue)						
Water Services	2,308,354	1,862,716	445,638	2,812,695	504,341	(86,094)
Waste Management	347,483	393,405	(45,922)	590,122	242,639	(179,053)
Transport	5,172,873	2,625,507	2,547,365	4,004,382	(1,168,491)	2,215,311
Community Facilities	849,797	1,023,440	(173,643)	1,559,553	709,756	(311,031)
Planning and Regulatory	195,396	585,943	(390,547)	878,869	683,473	(670,396)
Leadership and Governance	537,039	640,722	(103,683)	957,556	420,517	(872,441)
Investments	(602,158)	(437,879)	(164,279)	(542,568)	59,590	(408,074)
Property	460,186	573,053	(112,867)	825,851	365,665	(13,590)
Support Services	2,301,230	2,609,879	(308,649)	3,914,820	1,613,590	2,031,382
Net Operating (Surplus) / Deficit	11,570,200	9,876,786	1,693,414	15,001,280	3,431,080	1,706,014
Rates						
Investments	(8,788,025)	(8,630,618)	(157,407)	(11,507,490)	(2,719,465)	(157,407)
Capital Subsidies						
Water Reticulation System	0	(66,664)	66,664	(99,996)	(99,996)	66,664
Water Treatment Plant	0	0	0	0	0	0
Sewerage	(1,055,000)	0	(1,055,000)	0	1,055,000	(1,055,000)
Roading Subsidised	(611,809)	(3,085,336)	2,473,527	(4,628,004)	(4,016,195)	2,473,527
Community Centre	(390,000)	(666,672)	276,672	(1,000,000)	(610,000)	276,672
Total Net Cost of Service	725,365	(2,572,504)	3,310,469	(2,234,210)	(2,959,575)	3,310,469

Support Services budgets are allocated to the Core Services as internal overhead charges. For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable.



Statement of Comprehensive Income and Expenditure

	Council 2015/2016 Actual (YTD)	Council 2015/2016 Operational Plan (YTD)	Council 2015/2016 Full Year Forecast	Council 2015/2016 Operational Plan (Full Year)	Council 2014/15 Actual (YTD)	Council 2014/15 Actual (Full Year)
Income						
Rates	(8,788,025)	(8,630,618)	(11,664,897)	(11,507,490)	(8,575,733)	(11,161,472)
Subsidies	(1,366,778)	(3,438,616)	(3,086,080)	(5,157,918)	(1,004,494)	(3,423,725)
Capital Subsidy	(2,056,809)	(3,818,672)	(3,726,137)	(5,728,000)	(2,587,565)	(6,407,577)
Petrol Tax	(33,587)	(32,500)	(66,087)	(65,000)	(39,141)	(77,283)
Fees and Charges	(1,175,819)	(1,125,848)	(1,320,540)	(1,688,788)	(4,085,698)	(4,985,712)
Investment Income	(597,417)	(893,468)	(970,809)	(1,266,860)	(1,059,260)	(1,234,419)
Reserves	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
Total Income	(14,018,436)	(17,939,722)	(20,834,551)	(25,414,056)	(17,351,890)	(27,290,187)
Expenditure						
Water Services	2,300,217	2,481,868	3,551,185	3,741,423	5,286,162	8,244,032
Waste Management	554,866	626,741	868,247	940,122	477,113	1,108,734
Transport	6,872,261	6,067,851	7,950,076	9,167,898	3,364,985	11,367,938
Community Facilities	980,952	1,091,992	1,551,339	1,662,379	814,041	1,827,224
Planning and Regulatory	645,168	952,399	1,121,324	1,428,555	679,590	1,415,565
Leadership and Governance	547,976	651,410	870,172	973,606	465,753	1,986,709
Investments	23,252	234,581	196,839	408,168	82,641	(68,163)
Property	516,865	640,425	804,215	927,775	120,936	628,454
Support Services	2,302,245	2,619,951	3,612,214	3,929,920	2,347,377	2,560
Total Expenditure	14,743,801	15,367,218	20,525,610	23,179,846	13,638,598	26,513,053
(Surplus) / Deficit	725,365	(2,572,504)	(308,941)	(2,234,210)	(3,713,292)	(777,135)

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable. Support Services budgets are allocated to the Core Services as internal overhead charges as part of the annual reporting function.

The FY forecast is calculated using the year to date actual plus the budget phased into the balance of the year. Known significant adjustments have been included in calculation where appropriate, and include:

1. The NZTA capital subsidy permanent under-recovery of 0.72M
2. The pool permanent capital subsidy permanent under-recovery of 0.6M
3. The expenditure coding correction up to \$1.6M. (Actual \$0.8M, the balance partially offsets the Jan 16 NZTA as noted)

Excluded from the forecasts is:

1. Potential NZTA Capital and Operational Subsidies from the catch-up project work expected over the balance of this financial year
2. Provision for write off of assets on renewed roads, pipes and other water assets
3. Subsequent to Month End: Charge of Roading Subsidies to NZTA of \$0.77M for February Costs and \$1.1M for January Claim not invoiced or re-accrued in February.



Financial Position

	Council 2015/2016 Actual as at 29 February 2016	Council 2015/2016 Budgeted as at 29 February 2016	Council 2015/2016 Forecasted 30 June 2016	Council 2015/2016 Annual Plan as at 30 June 2016	Council 2014/15 Actual as at 28 February 2015	Council 2014/15 Actual as at 30 June 2015
Assets						
Current Assets						
Non Interest Bearing Cash & Equivalents	121,331	140,775	121,331	140,775	(2,073)	104,098
Inventories	3,921	38,291	3,921	38,291	3,921	40,082
Trade and Other Receivables	1,589,408	5,573,432	2,000,844	5,984,868	2,282,966	6,847,635
Financial Assets at Fair Value	11,534,853	6,362,019	9,338,357	4,165,523	12,595,899	10,149,794
Total Current Assets	13,249,513	12,114,517	11,464,453	10,329,457	14,880,713	17,141,610
Non Current Assets						
Property Plant and Equipment	242,161,432	237,734,370	240,546,704	236,119,642	243,735,041	245,765,924
Work in Progress	4,202,076	7,416,514	7,388,092	10,602,530	4,200,759	0
Loans and Other Receivables	90,247	0	90,247	0	247	90,247
Investment Property	277,000	277,000	277,000	277,000	277,000	277,000
Biological Assets	150,380	69,946	150,380	69,946	150,380	150,380
Investments in Subsidiary	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Available for Sale Financial Assets	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	148,179	143,277	148,179	143,277	106,132	156,733
Term Financial Assets at Fair Value	9,155,137	9,155,137	9,155,137	9,155,137	9,095,999	7,621,424
Total Non Current Assets	257,457,442	256,069,236	259,028,730	257,640,524	258,838,549	255,334,700
Total Assets	270,706,955	268,183,753	270,493,183	267,969,981	273,719,262	272,476,310
Liabilities						
Current Liabilities						
Trust Funds and Deposits	(264,141)	0	(264,141)	0	(282,868)	(248,372)
Trade Payables	(1,923,512)	(4,445,525)	(1,300,333)	(3,822,346)	(791,928)	(2,740,235)
Employee Benefit Liabilities	(312,864)	0	(312,864)	0	(353,446)	(482,140)
Contract Retentions	(691,591)	0	(691,591)	0	(723,065)	(765,351)
Accrued Interest	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0
Taxation	0	0	0	0	0	0
Total Current Liabilities	(3,192,108)	(4,445,525)	(2,568,929)	(3,822,346)	(2,151,307)	(4,236,097)
Non Current Liabilities						
Trade Payables	0	0	0	0	0	0
Employee Benefit Liabilities	(121,063)	(147,883)	(121,063)	(147,883)	(131,549)	(121,063)
Borrowings	(5,000,000)	(5,000,000)	(5,550,000)	(5,550,000)	(5,000,000)	(5,000,000)
Landfill Aftercare	(478,126)	(859,562)	(478,126)	(859,562)	(859,225)	(478,126)
Total Non Current Liabilities	(5,599,189)	(6,007,445)	(6,149,189)	(6,557,445)	(5,990,774)	(5,599,189)
Total Liabilities	(8,791,297)	(10,452,970)	(8,718,118)	(10,379,791)	(8,142,081)	(9,835,286)
Net Assets	261,915,658	257,730,783	261,775,065	257,590,190	265,577,181	262,641,024
Equity						
Retained earnings						
Restricted Reserves	(137,091,404)	(109,925,894)	(137,539,146)	(110,373,636)	(137,177,699)	(138,382,541)
Unrestricted Reserves	0	0	0	0	0	2,068,271
Current Year (Surplus)/Deficit	725,365	(2,572,650)	1,063,586	(2,234,429)	(3,713,292)	(777,135)
Total Retained earnings	(136,366,039)	(112,498,544)	(136,475,560)	(112,608,065)	(140,890,991)	(137,091,404)
Other Reserves						
Revaluation Reserves	(102,371,188)	(124,590,386)	(102,371,188)	(124,590,386)	(103,576,030)	(102,371,188)
Sinking Fund	0	0	0	0	0	0
Special Funds	(23,178,431)	(20,641,853)	(22,928,317)	(20,391,739)	(21,110,160)	(23,178,431)
Total Other Reserves	(125,549,620)	(145,232,239)	(125,299,506)	(144,982,125)	(124,686,190)	(125,549,620)
Total Equity	(261,915,658)	(257,730,783)	(261,775,065)	(257,590,190)	(265,577,181)	(262,641,024)

Excluded from the forecasted position is:

1. Advised potential additional Capital Work in Progress spending of up to \$1M on the new Tawhara Reservoir.



Cashflow

	Actual to Date 2015/16	Full Year Budget 2015/16	Remaining Budget 2015/16
OPERATING ACTIVITIES			
Cash was provided from:			
Rates received	8,788,025	13,077,245	4,289,220
Other Revenue	9,904,391	12,079,897	2,175,506
	<u>18,692,416</u>	<u>25,157,142</u>	<u>6,464,726</u>
Cash was applied to:			
Payments to Suppliers & Employees	14,928,229	20,555,817	5,627,588
Taxation	-	-	-
Interest Paid	239,152	473,078	233,926
	<u>15,167,381</u>	<u>21,028,895</u>	<u>5,861,514</u>
Net Cash Flow from Operations	<u>3,525,035</u>	<u>4,128,247</u>	<u>603,212</u>
INVESTING ACTIVITIES			
Cash was provided from:			
Decrease in Loans & Other Receivables		70,000	70,000
Sale of Property, Plant & Equipment		1,400,000	14,468,566
Sale of Financial Assets	(13,068,566)	1,470,000	14,538,566
	<u>(13,068,566)</u>	<u>1,470,000</u>	<u>14,538,566</u>
Cash was applied to:			
Increase in loans & advances			
Purchase of Intangibles			
Purchase of Financial Assets			
Purchase of Property, Plant & Equipment	589,029	10,600,149	10,011,120
	<u>589,029</u>	<u>10,600,149</u>	<u>10,011,120</u>
Net Cash Flows from Investing Activities	<u>(13,657,595)</u>	<u>(9,130,149)</u>	<u>4,527,446</u>
FINANCING ACTIVITIES			
Cash was provided from:			
Loans Raised	-	550,000	550,000
	<u>-</u>	<u>550,000</u>	<u>550,000</u>
Cash was applied to:			
Borrowings Repaid	-	2,334,615	-
	<u>-</u>	<u>2,334,615</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(1,784,615)</u>	<u>550,000</u>
Net Increase/(Decrease)	<u>(10,132,560)</u>	<u>(6,786,517)</u>	<u>5,680,658</u>
Plus opening cash & cash equivalents	10,253,892	6,927,292	(3,326,600)
Cash & cash equivalents at end of year	<u>121,331</u>	<u>140,775</u>	<u>2,354,059</u>
Made up of:			
Cash	(6,168,058)	140,775	6,308,833
Short Term Deposits	6,289,389		
Bank Overdraft	-	-	
	<u>121,331</u>	<u>140,775</u>	<u>6,308,833</u>



**RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW
FROM OPERATING ACTIVITIES:
For the period ended February 2106**

	Actual to Date 2015/16
Surplus / Deficit	(725,365)
Add / (less) non cash items:	
Depreciation and amortisation	-
Impairment	
Gains on Investments held at fair value	
Add / (less) items classified as investing or financing activities:	
(Gains) / Losses on disposal of property, plant and equipment	
Add / (less) movements in working capital items:	
(Inc) / Dec Accounts receivable	5,258,227
(Inc) / Dec Prepayments	-
(Inc) / Dec Inventories	36,162
Inc / (Dec) Accounts payable	(1,043,987)
Inc / (Dec) Income in Advance	-
Inc / (Dec) Accrued Expenses	-
Inc / (Dec) Employee benefits	(2)
Net cash inflow / (outflow) from operating activities	<u><u>3,525,035</u></u>



Net Operating Cost of Service by Service Activity

	ACTUAL 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	ACTUAL 2014/15 (YTD)	ACTUAL 2014/15 (Full Year)
Net Operating Cost of Service					
Water Services					
Income	(316,241)	(951,080)	(1,426,620)	(3,161,835)	(3,582,141)
Operating Cost	2,600,364	2,737,900	4,121,571	5,581,223	8,721,826
Maintenance Cost	24,231	16,200	28,200	13,969	29,981
Capital Costs	0	59,696	89,544	0	0
Total Water Services	2,308,354	1,862,716	2,812,695	2,433,358	5,169,666
Waste Management					
Income	(207,383)	(233,336)	(350,000)	(197,063)	(359,009)
Operating Cost	554,866	619,989	930,000	477,113	1,108,734
Capital Costs	0	6,752	10,122	0	0
Total Waste Management	347,483	393,405	590,122	280,050	749,725
Transport					
Income	(1,711,988)	(3,442,344)	(5,163,516)	(1,316,373)	(4,191,497)
Operating Cost	2,105,389	2,497,981	3,758,213	673,524	6,668,407
Maintenance Cost	4,779,471	3,568,758	5,408,017	2,691,461	4,699,531
Capital Costs	0	1,112	1,668	0	0
Total Transport	5,172,873	2,625,507	4,004,382	2,048,613	7,176,441
Community Facilities					
Income	(131,155)	(68,552)	(102,826)	(147,992)	(121,668)
Operating Cost	774,727	839,428	1,272,041	600,429	1,463,392
Maintenance Cost	206,225	229,884	356,322	213,612	363,832
Capital Costs	0	22,680	34,016	0	0
Total Community Facilities	849,797	1,023,440	1,559,553	666,049	1,705,556
Planning and Regulatory					
Income	(449,771)	(366,456)	(549,686)	(522,950)	(569,298)
Operating Cost	609,692	935,119	1,402,635	585,902	1,279,649
Maintenance Cost	8,059	8,840	13,260	723	6,590
Job Costing	27,417	0	0	92,965	129,326
Capital Costs	0	8,440	12,660	0	0
Total Planning and Regulatory	195,396	585,943	878,869	156,640	846,267
Leadership and Governance					
Income	(10,937)	(10,688)	(16,050)	(484)	(12,724)
Operating Cost	547,606	638,738	957,106	465,480	1,986,436
Maintenance Cost	370	5,000	5,000	273	273
Capital Costs	0	7,672	11,500	0	0
Total Leadership and Governance	537,039	640,722	957,556	465,269	1,973,985
Investments					
Income	(625,410)	(672,460)	(950,736)	(1,089,730)	(1,294,328)
Operating Cost	23,252	234,581	408,168	82,641	(68,163)
Total Investments	(602,158)	(437,879)	(542,568)	(1,007,089)	(1,362,491)
Property					
Income	(56,679)	(182,348)	(274,390)	(60,371)	(246,858)
Operating Cost	448,670	633,761	936,291	70,199	692,114
Maintenance Cost	68,195	84,712	108,565	50,737	87,510
Capital Costs	0	36,928	55,385	0	0
Total Property	460,186	573,053	825,851	60,565	532,766
Support Services					
Income	(1,015)	(57,649)	(86,461)	(826)	(3,740,578)
Operating Cost	2,302,245	2,660,208	3,990,306	2,347,377	3,740,578
Capital Costs	0	7,320	10,975	0	0
Total Support Services	2,301,230	2,609,879	3,914,820	2,346,551	(0)
	11,570,200	9,876,786	15,001,280	7,450,006	16,791,914

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget income and costs are comparable.





Finance Audit & Risk Committee

11 May 2016

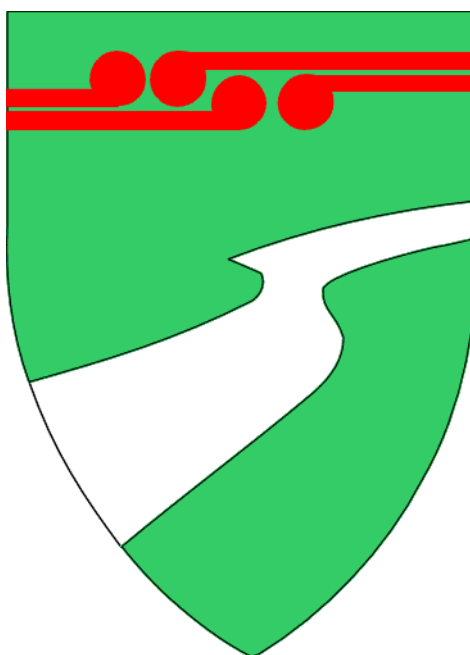
Monthly Financial Report to 31 March 2016

Department	Finance
Author	Financial Planning Manager – C Hankey
Contact Officer	Chief Financial Officer – A Morton
1. Purpose	1.1 To present the March 2016 monthly Financial Report to Committee
Recommendation	The Financial Planning Manager RECOMMENDS that Committee: <ol style="list-style-type: none"> 1. Receive this report 2. Endorse the report and forward the report for presentation to Council 3. Note that the reporting regime has been updated as requested and remains a work in progress 4. Provide feedback and requests for any additional information that Committee would like to see included in the reports moving forward
2. Background	<p>2.1 Council has requested that monthly results be prepared for consideration.</p> <p>2.2 Previous resolutions by Council on this matter relate to the acceptance of the January report and requests for information for inclusion in the upcoming reports.</p> <p>2.3 The report shows the financial impact of delivering Council Vision and Outcomes to the community.</p>
3. Options	<p>3.1 The options identified are:</p> <ol style="list-style-type: none"> a. Revert to the Status Quo position of ad-hoc infrequent Reporting b. Reject this report c. Accept this report <p>3.2 The report as presented attempts to balance the needs of Council in providing an overview of the results, as well as core reporting as per the Annual Report and Long-term and Annual Plans. While this presents a significant level of information, it provides a consistent reporting environment comparable to prior Annual Reports and future reporting.</p> <p>3.3 Greater transparency of reporting and information provides levels of certainty to governing bodies that business units are adhering to established plans and policies. Reporting provided in the attached report is designed to meet the needs of Council and community in providing relevant, appropriate reporting of financial results and position. Committee is asked to note that the</p>

	development of this report is ongoing and any feedback on content is sought.
4. Conclusion	<p>3.4 The preferred option is option C – Acceptance of this report, as this meets the purpose of local government in reviewing and managing functions in a way that is most cost-effective for households and businesses.</p> <p>4.1 Council is in a strong financial position.</p> <p>4.2 External Debt is within limits set within the Long-Term Plan</p>
5. Corporate Considerations	
What is the change?	<p>5.1 There are no likely changes to Policy or Operations from this report.</p> <p>5.2 This report will not trigger a s17a review</p>
Compliance with legislation and Council Policy	<p>5.3 Annual Plan – N/A</p> <p>5.4 Long Term Plan 2015-2025 – N/A</p> <p>5.5 District Plan – N/A</p> <p>5.6 Economic Development Strategy – N/A</p> <p>5.7 Other Council Policies – Financial Management</p> <p>5.8 Relevant legislation – LG Act, Financial Reporting Act</p>
What are the key benefits?	<p>5.9 Greater visibility of financial management and operational results for the 2105/16 Year to Date</p>
Who has been consulted?	<p>5.10 There is indication of a general interest in the financial results of the Council by members of the Public</p> <p>5.11 No communication or consultation has been undertaken for this report.</p> <p>5.12 A number of reports have been prepared/included in line with the Annual Reporting and Annual/Long Term Planning requirements for consistency.</p> <p>5.13 There is no further consultation required.</p> <p>5.14 Tanagta whenua have not been separately consulted.</p>
6. Significance	<p>6.1 Finance effects all public</p> <p>6.2 Public interest in Council Finances has been readily advertised, with commentary by public both to Council and Staff, as well as public forums including The Wairoa Star.</p> <p>6.3 There is no impact on the council budget or capacity</p> <p>6.4 The decision can be reversed, however this is not expected at this time</p> <p>6.5 There is no alteration of service levels of any council significant activity</p> <p>6.6 There is no impact on any council strategic assets</p> <p>6.7 Does this decision involve changing the way in which a significant activity is delivered? No</p> <p>6.8 This is not a significant decision, there is no impact of the relationship of Maori to ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.</p>
7. Risk Management	<p>7.1 There are no strategic risks identified in the implementation of the recommendations</p>

<p>Further Information</p> <p>Appendices</p> <p>Background Papers</p> <p>References (to or from other Committees)</p> <p>Confirmation of statutory compliance</p>	<p>7.2 Financial Risks are noted in the report Not Applicable</p> <p>Appendix 1 – January 2016 Financial Report Not Applicable</p> <p>This is the third instance where reports on this topic have gone to Council or Committee. It is expected that reports of this nature will continue to be prepared each month.</p> <p>In accordance with section 76 of the Local Government Act 2002, this report is approved as:</p> <p>a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,</p> <p>b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.</p>
<p>Signatories</p>	<p>Author: C Hankey</p> <p>Approved by: A Morton</p>  

WAIROA DISTRICT COUNCIL



MONTHLY FINANCIAL REPORT

31 March 2016

(2015/16 PERIOD 9)



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EXECUTIVE SUMMARY

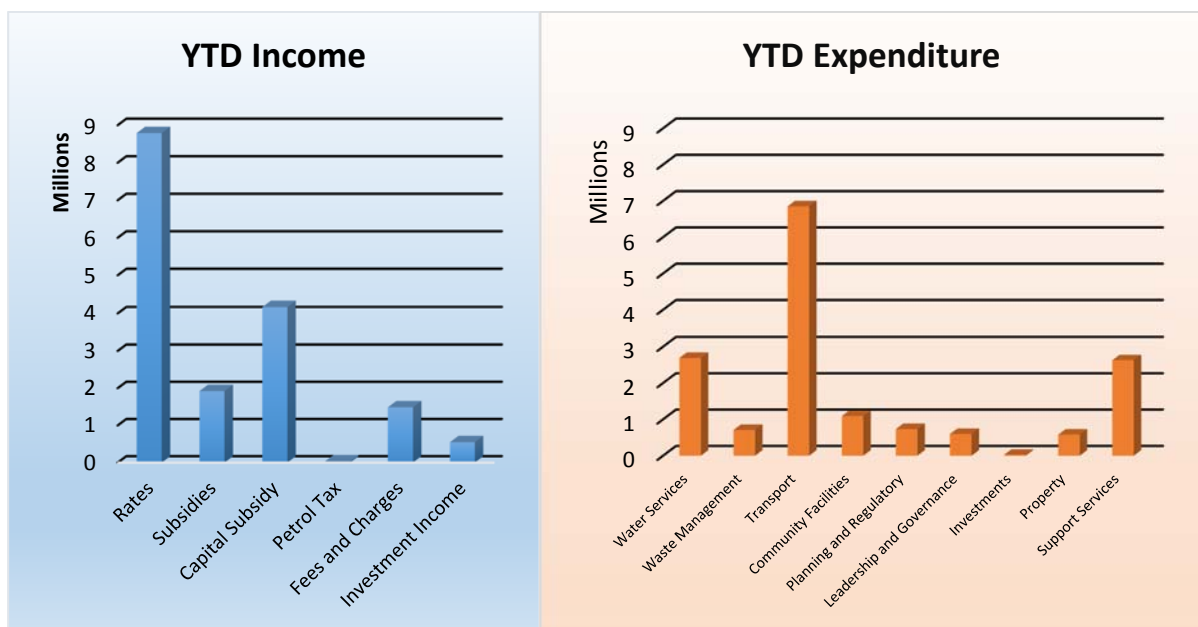
Overall Financial Health Assessment:  Altham Z-Score: **33.89/2.6** ⁽¹⁾

Council is currently worth: **\$263.7M** with Cash & Term Deposits on Hand: **\$9.8M**

Council has total assets of **\$273.3M** Council owes a total of **\$9.6M** to other parties








Capital spending YTD is **\$5.5M**

Year to date net surplus of **\$1.05M**, forecasting a net surplus of **\$1.32M** for the year



(Comparisons to budget for these items start on page 13 of this report).

Financial Policy Achievement Assessments:

Rates as a Percentage of Income	Cash on Hand	Working Capital	Liquidity	Investment Maturity Policy Measures	Creditor Payment Days	Debt Policy Measures
						

WDC's achievement for the YTD against the limitations established in approved finance policies.

¹ Anything over a score of 2.6 is considered a safe and healthy organisation



ANALYSIS

This report is for the 2015/16 Financial Year (FY) representing the periods from 1 July 2015 to 31 March 2016, or period 9 of this Financial Year.

Year to date Council records a net surplus of \$1.05M (Budgeted net surplus of \$1.72M), and is currently forecasting a Full Year net surplus of \$1.32M (Budgeted net surplus of \$2.2M).

Cash & Term Deposits on Hand: \$9.8M vs: Trade and Employee Creditors Payable: \$3.9M

Council has total assets of \$273.3M⁽²⁾ Capital spending YTD is \$5.5M

External long-term debt is \$5.0M. Expectation is that no new borrowings will be required this financial year (Budget \$0.55M).

Council is currently worth \$263.7M

Financial Risks are detailed on page 26 of this report and total: \$4.11M. This is split between Operational and Capital Risks as per the following tables. Of this \$1.3M is a permanent under-recovery of income for this financial year (\$0.72M Subsidised Roothing, \$0.6M Pool Grants). The summary of assessed risk levels for all items at this time is:

Summary of Operational Risks			Summary of Capital Risks		
Crystallised	1,361,000	44%	Crystallised	-549,483	-55%
Low	1,500,000	48%	Low	550,000	55%
Medium	250,000	8%	Medium	1,000,000	100%
High	0	0%	High	0	0%
Total	3,111,000		Total	1,000,517	

Financial Health

As at the end of the month WDC's cash, liquidity and Working Capital positions were:

Measure	Actual	Annual Budget or Target
Other Debtors Collection Period ⁽³⁾	91 Days	
Rates Debtors Collection Period	130 Days	
Working Capital	\$9,797,891	\$5,941,131
Working Capital Ratio ⁽⁴⁾	3.4:1	1.25:1
Liquid Ratio ⁽⁵⁾	3.2:1	1:1

Rates Collection days are significantly influenced by the level of multiple owner Maori Land non-collectable arrears for rates, and the raising of the instalment in the accounts in the month prior to the instalment being due. For Other debtors this is significantly affected by a large disputed account, which has been in negotiation for some time. The debt is still considered collectable at this time.

² Roothing and Water Infrastructure is revalued every three years. The last Roothing revaluation was for the 2013/14 Financial Year, Water 2014/15

³ The average number of days that it takes a Debtor to pay his/her account

⁴ Represents the total current assets available to meet each dollar of total current liabilities

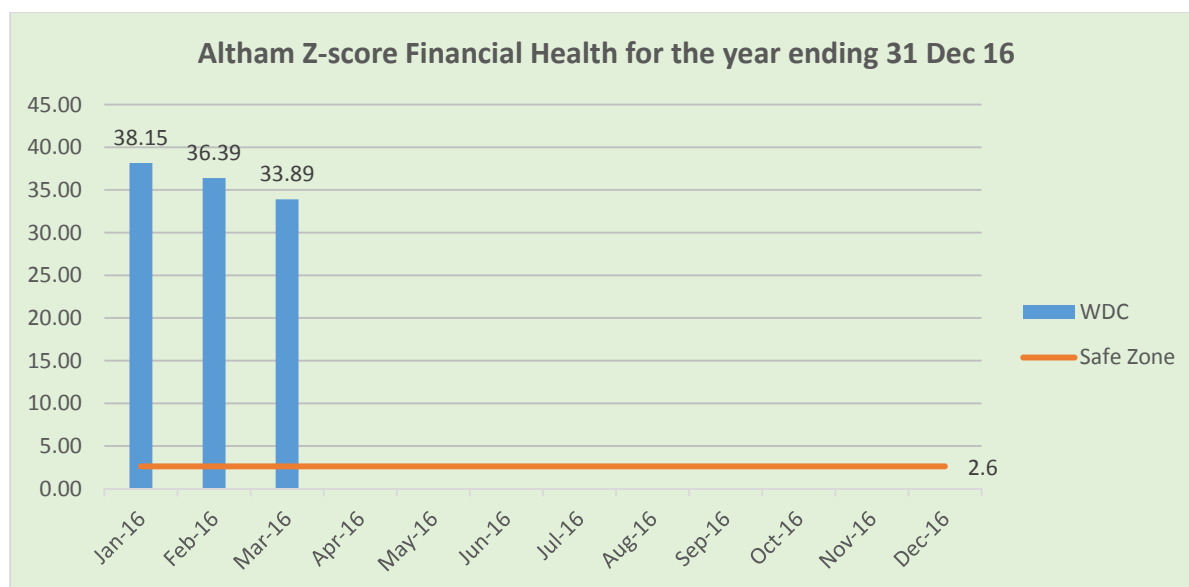
⁵ Represents the cash available to pay each dollar of trade creditors as at the end of the period



Altham Z-score Calculation

This calculation is a measure of financial health that was developed in 1968. It is a system that has multiple calculations based on the type of organisation that is being reviewed. As a review process, it has been proven to be up to 90% accurate in assessing the likelihood of the risk of an entity becoming bankrupt within the next two financial years. This is where an entity receives a net score that is classed as being in the “in distress” Zone of Discrimination.

WDC’s results for the selected calculation by month, Non-Manufacturing Business, are:



No historical comparison can be made at this time due to the lack of actionable information. After 31 Dec 2016 this will be shown as a rolling 12 month report.

This process has “Zones of Discriminations”, which provide guidance to reviewers of the accounts as to the strength of the business under review. For the selected calculation the zones are:

- Z > 2.6 -“Safe” Zone
- 1.1 < Z < 2.6 -“Grey” Zone
- Z < 1.1 -“Distress” Zone

Accordingly, the Wairoa District Council, on the basis of this calculation has a strong, safe and stable outlook. This score is significantly influenced by the low level of long-term external debt currently employed by the Council, and as there are no expectations of this changing in the near future, it is expected that this result will continue as the year progresses. The increases in recorded trade creditors at the end of February 2016 and March 2016 months has been impacting these results. This downward trend is not considered to be of concern as the increased accruals are providing greater accuracy in the financial results in preparation of reports.

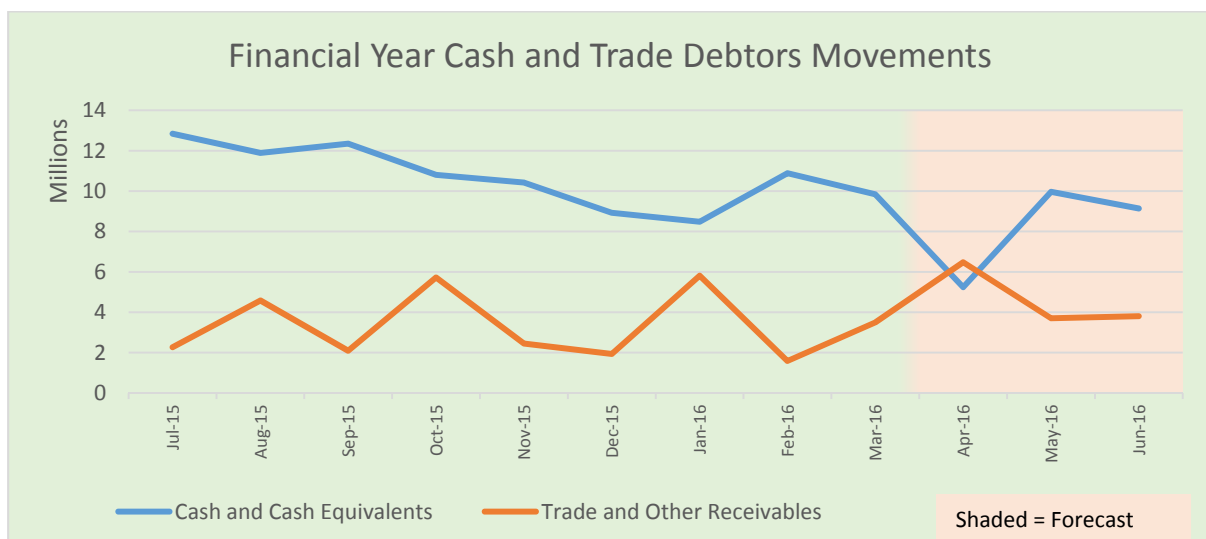


Financial Position Indicators

Current Assets

The Council continues to hold sufficient cash reserves to meet operational requirements. Current balances are:

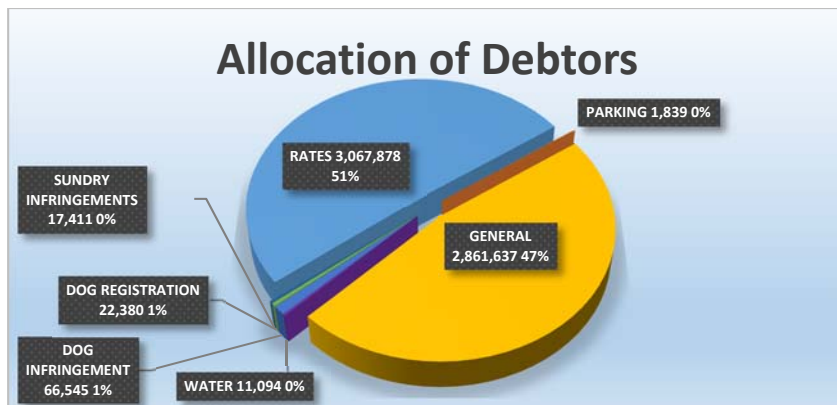
Measure	Actual	Annual Plan Position	Forecast 30 June 2016
Non-Interest Bearing Cash & Equivalents	\$137,025	\$140,775	\$137,025
Interest Bearing Cash on Hand, Term Deposits & Investments due this year	\$10,196,724	\$4,375,503	\$9,499,010
Receivables	\$3,494,046	\$5,676,291	\$3,802,623
Total Current Assets	\$13,831,716	\$10,230,860	\$13,442,579



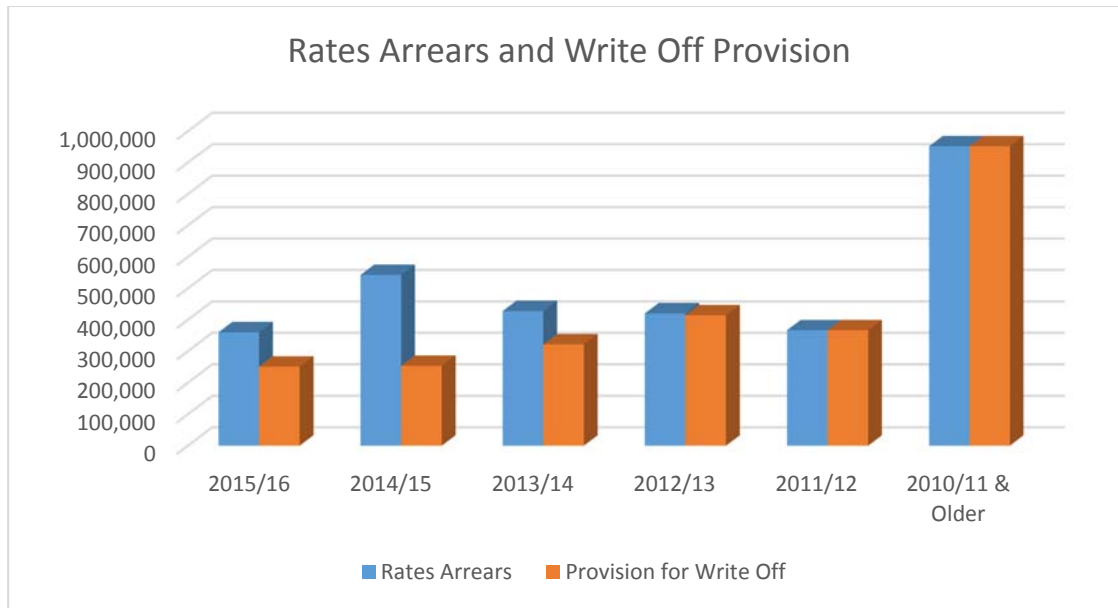
This graph shows the movements in the Cash and Cash Equivalents balance as noted in the Statement of Financial Performance on page 32 of this report for each month completed, and the forecast of cash based on the current budgeted movements. Peaks in Trade debtors is the charging of rate instalments. This normally occurs in the month prior to the instalment being due for payment by the ratepayers.

Accounts Receivable

Currently WDC has recorded debtors of \$3.5M. Gross receivables are \$6.0M, before the provisions for doubtful debts. This is allocated:



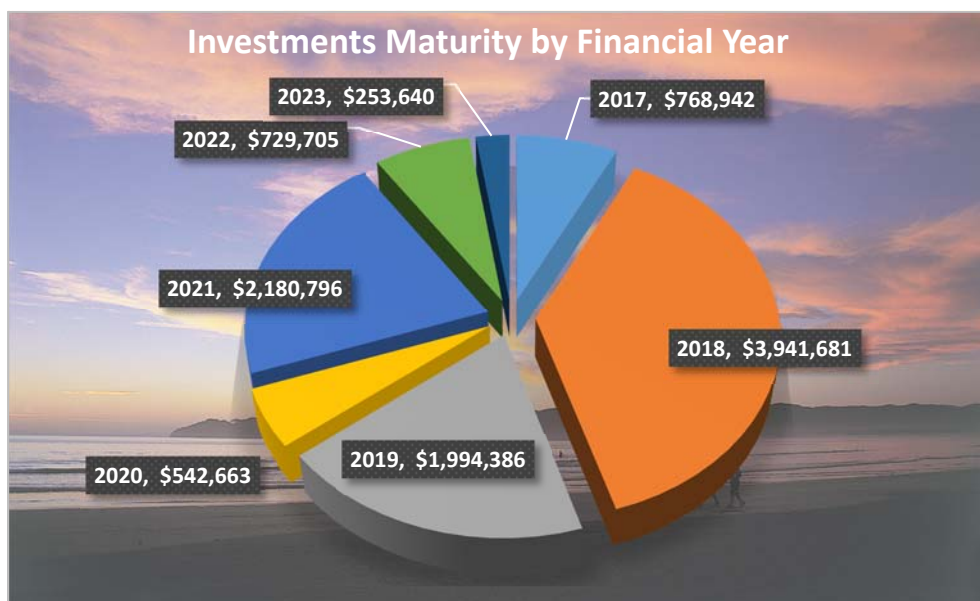
Analysis of rates arrears by financial year is:



Rates arrears are primarily the uncollectable amounts on Maori freehold land (unoccupied, unused land, or land subject to a fragmented ownership structure). Current policy has rates arrears more than 7 years old written off as statute barred rates, however anything younger than this is retained in the debtors database. We allow for debt older than 3 years to be uncollectable and create the Provision for Write Off that is held until the arrears become statute barred. What we have allowed as a provision compared to each year is shown in the graph above and currently stands at a total of \$2.6M. Included in the current year balance are penalties and court collection costs from prior years. Court costs are no longer included in the rates assessed following legal advice from Simpson Grierson (July 2015). Collections of arrears this past month was ~\$0.4M

Investments

Current maturity value of all investments in the upcoming Financial Years is:



WDC long term cash investments hold a current market value of \$10,411,813, of which \$768,942 is due to mature within the next 12 months. The weighted average investment maturity term is 3.15 years or 37.8 months, with a weighted average coupon interest rate of 5.14%. Three investments were made in March totalling \$1.96M.

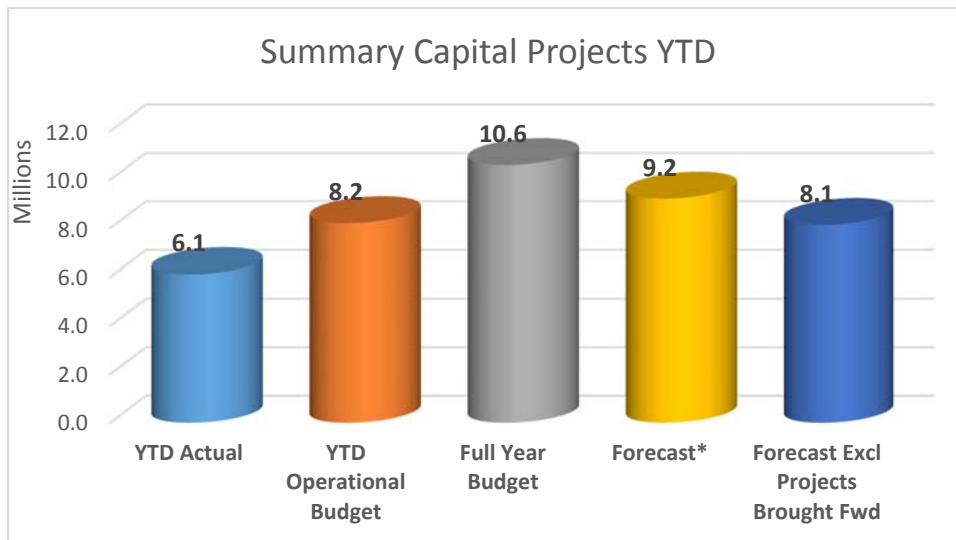
Subsequent to the end of March, the following investments have been made:

- \$0.25M Meridian Energy Ltd Bonds maturing March 2023 at a coupon rate of 4.53%, this is additional to the March investment,
- \$0.45M Spark Ltd Bonds maturing March 2023 at a coupon rate of 4.51%

Investment opportunities, as has previously been noted, purchased in March and subsequent to the end of March 2016 show weak coupon rates as a result of the low OCR. The two investments made subsequent to month end have also come at a premium to the value of the coupon value as the Coupon rates are above current investment yield's, however these are strong investments in the current market and will provide a stable level of income over the life of these investments. Returns are currently limited and Finance will continue to monitor this situation as well as consider alternative investment possibilities over the upcoming months.

Capital Programs

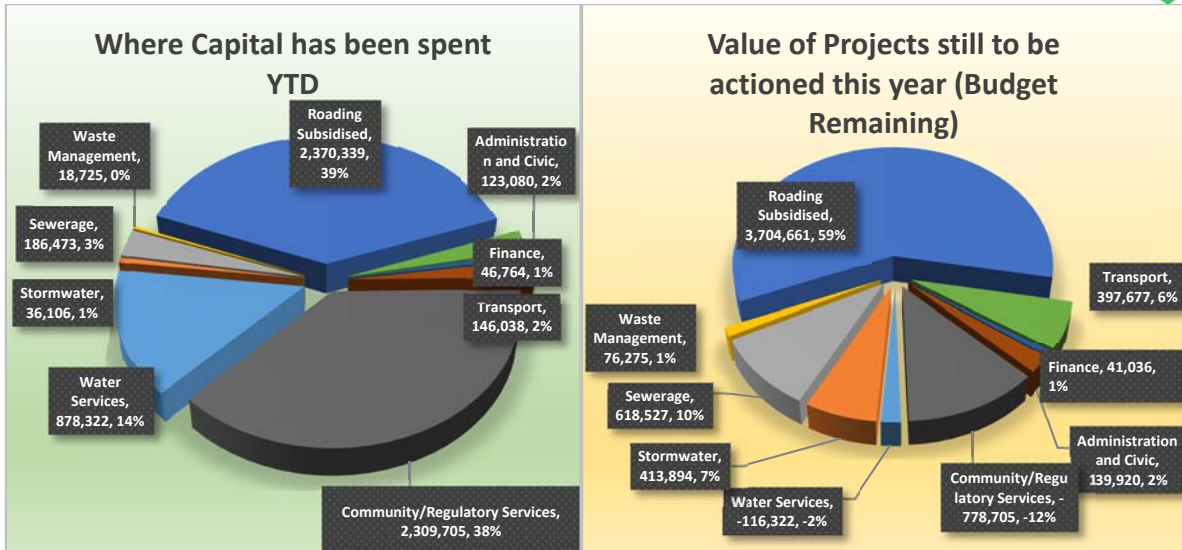
To the end of February capital programs report as being behind target, however reprogrammed work has been undertaken this past month to address part of the prior underspend. Year to date total expenditure of \$5.5M has been incurred (in addition to the \$0.6M in prior year's work) with \$4.17M in capital subsidies having been invoiced.



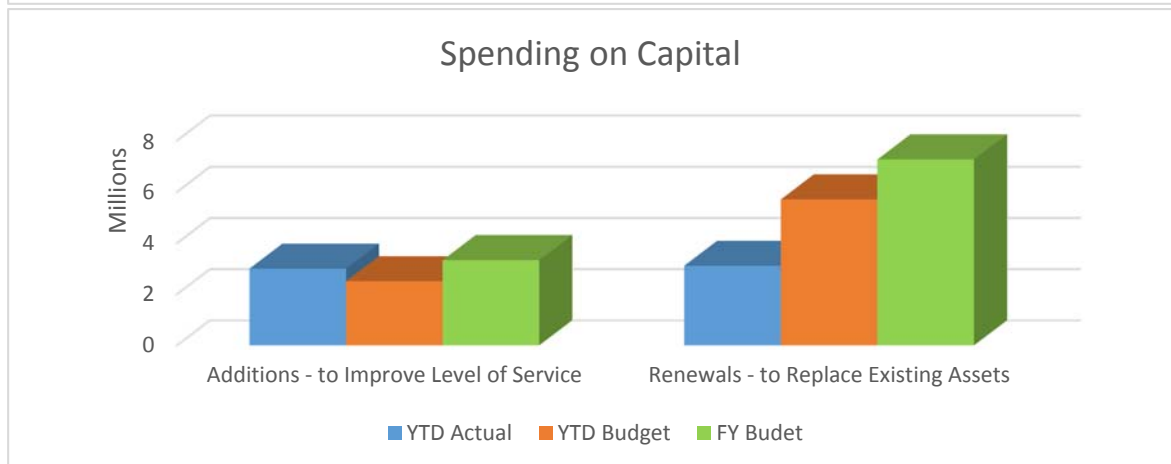
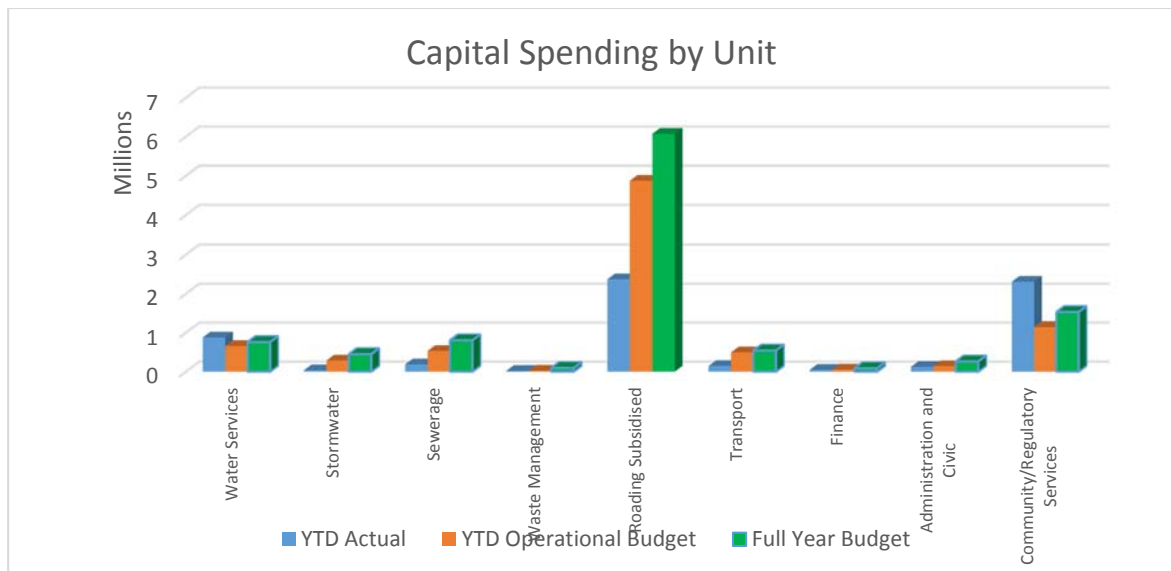
* Forecasted expenditure is actual year to date plus:

1. Budgets for the remainder of the year, with an assumption that all future planned project costs will be incurred (as phased)
2. Expected partial catch-up of Subsidised Roothing work not completed YTD

Costs from projects brought forward from 2014/15 year are included in this forecasted estimate. NOTE: No 2014/15 project budgets have been brought forward. Some projects had 2015/16 budgets included in the LTP.



The colour coding of these two graphs is the same for each unit.



Subsidised Rooding is currently \$2.1M underspent year to date (FY: \$4.5M). This underspend is predominantly a delay on the Sealed Rooding and Pavement upgrade projects planned for the year against budget resulting from the emergency Flooding Repair work. Also influencing the YTD underspends are SP38 projects that were planned as part of the LTP, but have not been funded by



NZTA. This work will not occur, however as this work was 100% funded by NZTA, it has been factored into the forecasts and the expectation is that both Capital Expenditure and Subsidy Revenue will be under-recovered by the same \$0.72M for this year.

Community and Regulatory services overspend is the community pool project that is \$0.8M overspent for the year to date. This was in part a carried forward project from the 2014/15 FY. Funding for this project could not be included in the annual plan due to the timing of the carry forward of the project.

While overall capital expenditure is underspent, 20 capital projects are in excess of the year to date or full year budget by more than \$10,000. These are analysed:

Overrun Type	YTD					Explanation
	YTD Actual	Operational Budget	YTD Budget Remaining	Full Year Budget	FY Budget Remaining	
Unplanned Projects	55,761	0	(55,761)	0	(55,761)	5 Projects, 2 are Emergency Work
Projects with cost overruns	799,272	393,750	(405,522)	525,000	(274,272)	LTS Pool Remediation, Emergency Work
Projects in Advance of Plan (Multi Year projects)	673,567	150,000	(523,567)	150,000	(523,567)	New Reservoir
Brought Forward from 2014/15 by Resolution	2,107,084	749,997	(1,357,087)	1,000,000	(1,107,084)	No Budget can be loaded for these
Budget Timing or Coding Errors	120,797	25,000	(95,797)	110,000	(10,797)	Vehicle Purchase Miscode & Project in Advance of Budget
Totals	3,756,481	1,318,747	(2,437,734)	1,785,000	(1,971,481)	

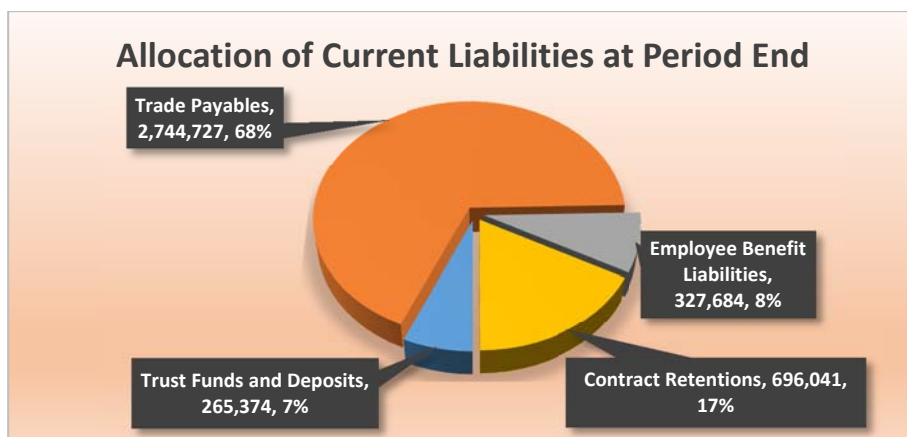
Unplanned projects are predominantly emergency replacements or flood damage repairs, as well as surveyor equipment and some wilding pine clearance.

For the new Tawhara Reservoir, costs are in advance of plan by \$0.5M, with up to an estimated \$1M of costs over budget expected to be incurred over this Financial Year. Land acquisition, project design and procurement is completed, giving certainty that total project expenditure will remain unchanged. However the project timing and progress does differ from what originally anticipated, i.e. into the 2017/18 Financial Year. At this time the project is expected to be completed ahead of time and on budget. The project budget will be brought forward in future planning requirements.

Projects brought forward from 2014/15 are as per the Council Resolution approved at the special meeting held 18 December 2015. No budget can be brought forward, however some of these projects were multi-year projects that had funding allocated to them in the 2016 Annual Plan. Finance is looking into an option to create an "Operational Budget" that will provide a methodology of showing budgetary movements approved by Council for internal reporting purposes only, independent of the annual plan which must be reported in the Annual Financial Statements.

Current Liabilities

As at the end of the period, the following debts were due and payable within the next 12 months:

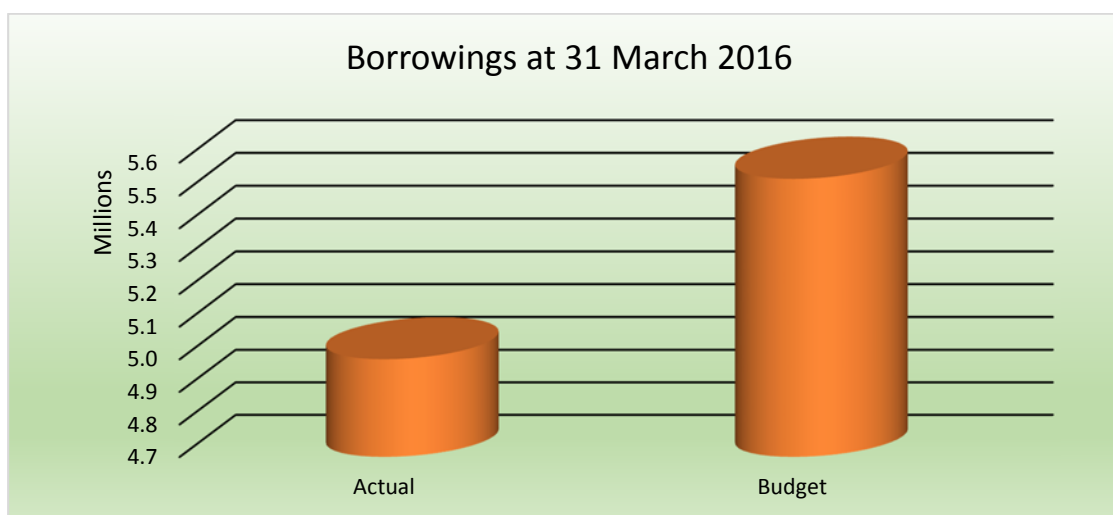


Measure	Actual	Budget or Target
Trade and Employee Liabilities	\$3,072,410	\$4,289,729
Contract Retentions	\$696,041	\$NIL
Total Current Liabilities	\$4,033,825	\$4,289,729
Creditor Payment Days ⁽¹⁾	47 Days	41 Days

(1) The average number of days that it takes a Creditor's invoice to be paid

All measures in this area show that the Council remains within its normal terms of trade with creditors, in that suppliers continue to be paid within the required timeframes. Employee Liabilities are the normal Holiday and Sick pay accrued by staff. Contract Retentions under the new Construction Contract Act need to be held "in trust" for the Contractor. WDC is currently compliant with this requirement in holding the cash and equivalent balance of \$9.8M.

Term Debt



External Borrowing remains unchanged at \$5.0M, against a budgeted debt level of \$5.55M for the year. New borrowing was budgeted in order to fund increased service capacity for new capital project spending in this year. At this time expectations are that there will be no additional external borrowings required for the financial year and that all new capital projects will be funded from internal cash reserves.

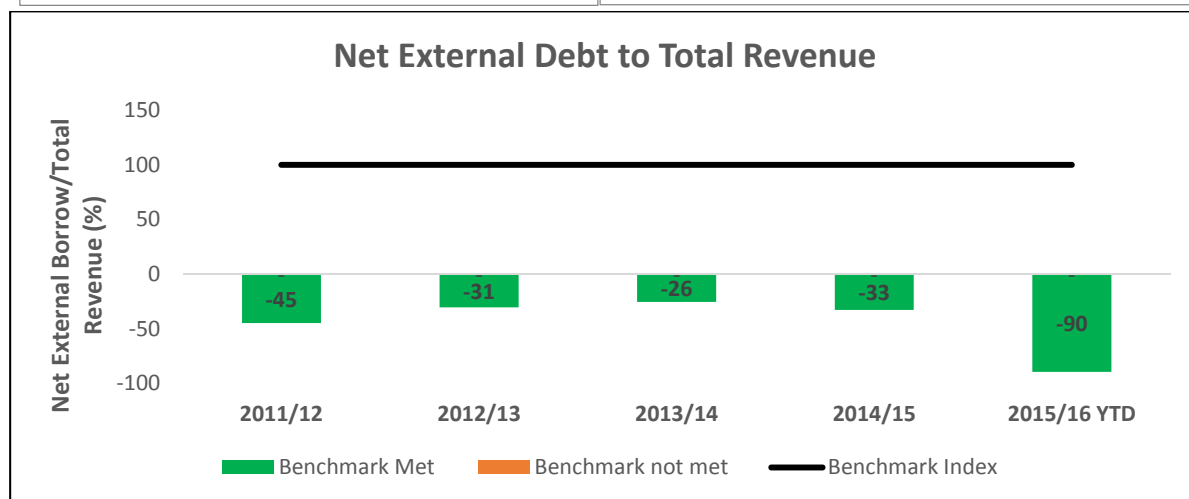
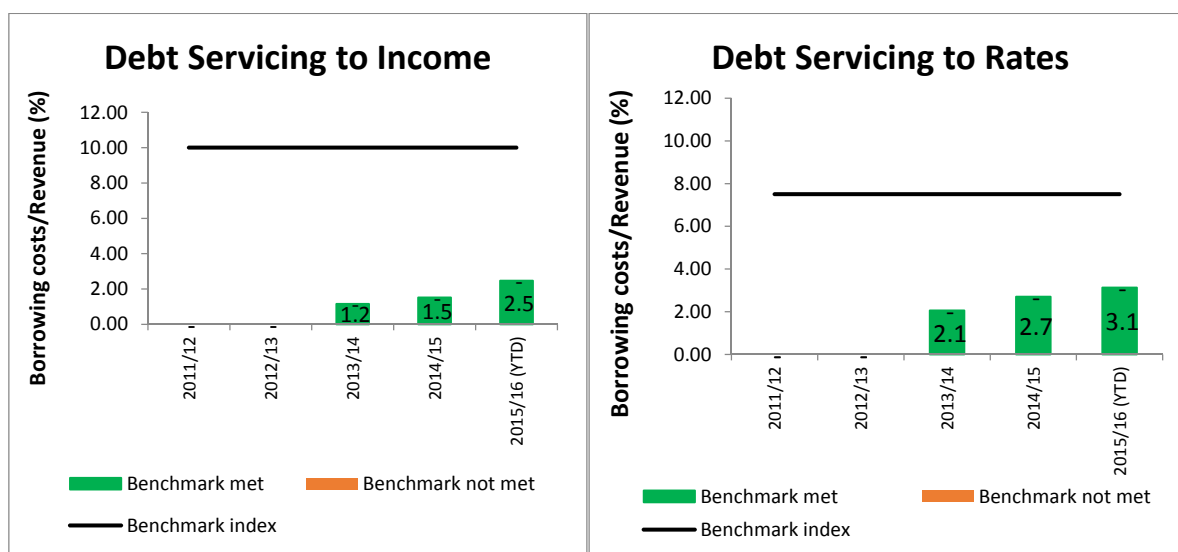
In addition, Council holds \$0.48M (Budget \$0.86M) liability for the Landfill Aftercare requirements.



Subsequent to the end of this month a Finance Lease of \$45,000 including interest and charges is being considered to fund the purchase of CCTV equipment. We understand that this is a capital debt, and accountable through the Statement of Financial Position, but await the contract to confirm this assessment.

Debt Policy Measures

The analysis of the achievements of debt against the limitations as per the Investment and Liability Policy, for the management of Debt are shown below. Council is well within all control measurements for debt with no expectations that any will be breached in the foreseeable future. The results for the year to date, comparing this to the past five financial years.



Measure	Not to Exceed	of	2011/12	2012/13	2013/14	2014/15	2015/16 (YTD)
Debt Servicing	10%	Operating Revenue	0.00	0.00	1.16	1.52	2.47
Debt Servicing	7.50%	Rates	0.00	0.00	2.06	2.71	3.13
Net External Debt ⁽¹⁾	100%	Total Revenue	-44.92	-30.62	-25.62	-33	-89.76

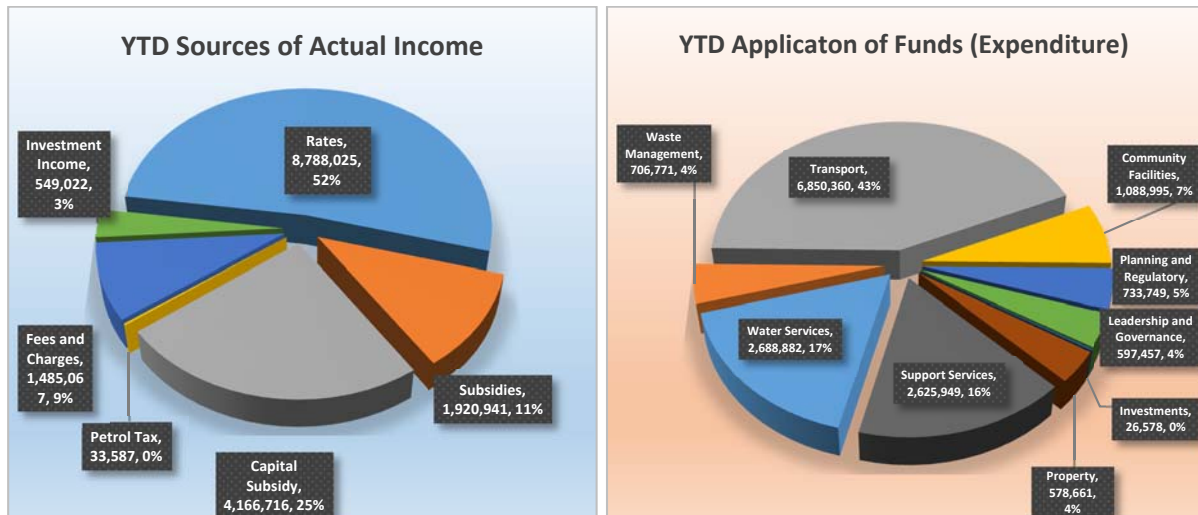
1 Net External Debt is calculated as Term Borrowings plus Current Liabilities; less Cash, Term Deposits and Financial Assets at fair Value. As at 31 March 2016 Net Debt is \$(12.2M), indicating that we have greater cash reserves than external debt.



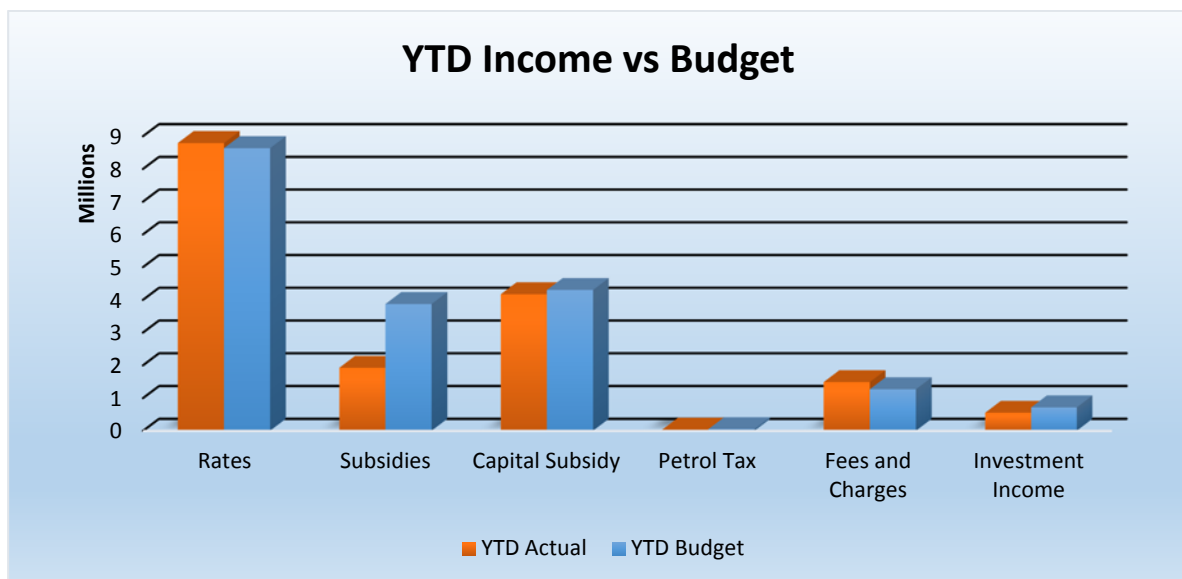
Calculation of these measures shows that Council currently holds approx. \$2 of cash and cash equivalent investments for every dollar of debt owed to external parties. The existing term loan is a 5 year fixed term loan at 6% interest rate. As this is a fixed term debt, Council would not be able to break this loan and repay this from current cash reserves, without a possible penalty.

Sources of Income and Application of Funds

For the year to date Council has a net surplus of \$1.05M (Budget: net surplus of \$1.72M). Total income year to date was \$16.9M and application of funds for the year to date has been \$15.9M. Income and expenditure are analysed for the year to date as:



Rates were budgeted to reflect 48% of total income over the year and as per our Financial Strategy must not exceed 60% of our total revenue. This is higher due to Operational Subsidies being significantly under-recovered for the year to date. This comes from the variances detailed below. A permanent under-recovery of subsidies of \$1.3M for the year has been noted.

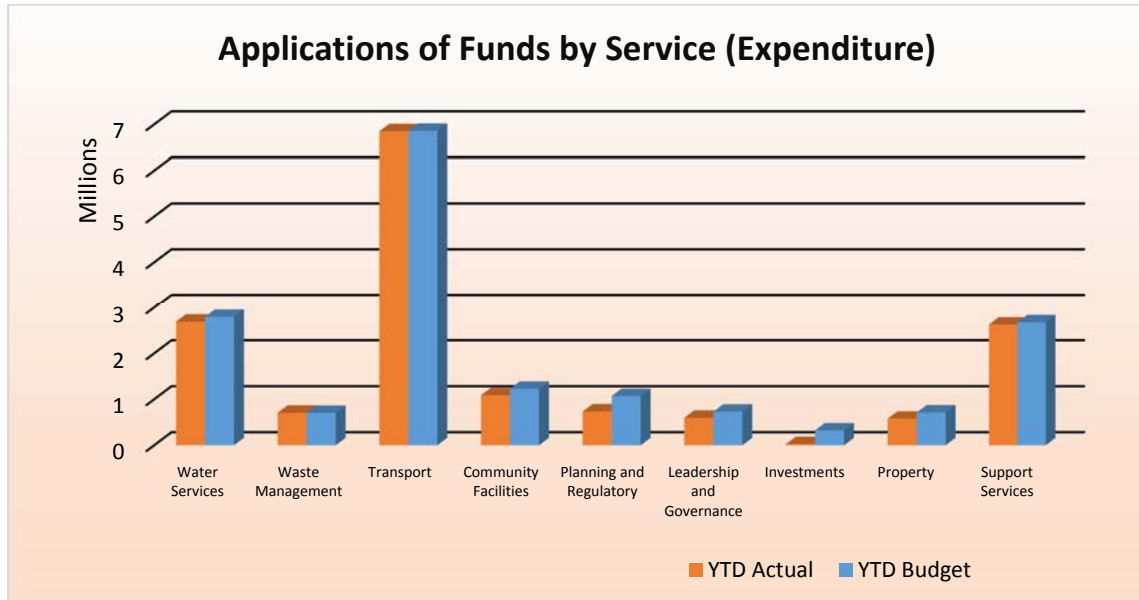


The under-recovery of operating subsidies is due to:

- YTD \$0.5M of a total \$0.72M of NZTA funded work not being funded (Note this was a offset subsidy and the planned work for this subsidy will not be progressed,

- \$0.6M of NZTA expected work YTD not being undertaken due to Emergency Work,
- \$0.6M permanent shortfall for the Community Pool development, \$0.5M of this was received in the prior Financial Year, and only \$0.4M of the remainder budgeted \$0.5M has been allocated by the Lotteries Commission.

The Council has used the funds received, in comparison with the year to date budget thus:

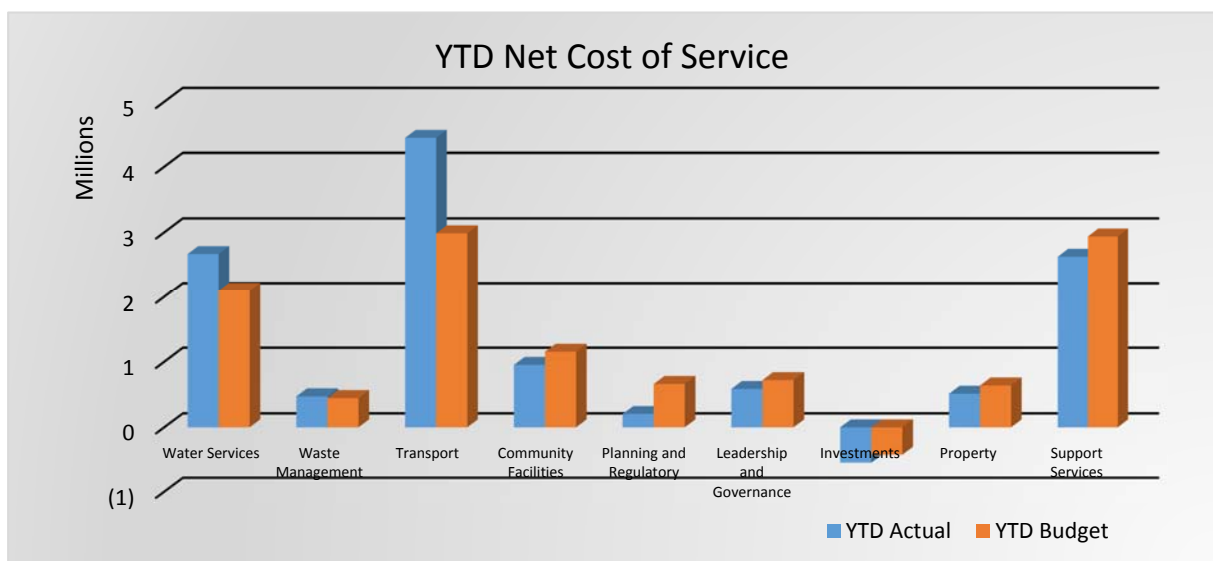


For this report the budgets have been restated to report Support Services costs separately. The core services budgets have been reduced accordingly.

All Units are operating with expected budgets for the YTD at this time.

Council Net Cost of Services

The net cost of service represents the operating costs for the service, less the income generated from the service, excluding Rating income, for the areas of service provision provided by Council to the community. These are summarised as shown below.





The Transport overspend is the combination of the delay in planned work for emergency repairs and the under-recovery of NZTA subsidies as mentioned above. Water Services overspend is the Mahia and Opoutama Wastewater scheme costs currently expended, along with the additional costs incurred with the Waihi Dam damage. All other units are tracking on target for the full year outlook. Individual section reports are included below for further comment.

2016/17 Annual Plan Preparation

Initial consolidation of the budget for the upcoming year has been undertaken. Finance is currently reviewing the results and are working with Units to confirm some movements in the reports indicated. Legal advice is being sought around, based on the current budgeted position, whether public consultation will be needed.

Council remains focused on meeting the statutory deadline for the adoption for its 2016/17 Annual Plan of 30 June 2016.



ACTIVITY ANALYSIS

Comprehensive Income and Expenditure

These tables contrast the year to date expenditure and a full year forecast to full year budgets. Support Services budget has been restated from the Annual Plan, where these are factored into the core service area's budgets as internal overhead allocations, both for the FY Budget and proportionally for the YTD budget.

Income has been received from:

Income Type:	YTD Actual (\$ 000)	YTD Budget (\$ 000)	(Under) / Over Recovery	FY Forecast (\$ 000)	FY Budget (\$ 000)	(Under) / Over Recovery
Rates	8,788	8,631	157	11,665	11,507	157
Subsidies	1,921	3,868	-1,948	3,210	5,158	-1,948
Capital Subsidy	4,167	4,296	-129	5,359	5,728	-369
Petrol Tax	34	49	-15	50	65	-15
Fees and Charges	1,485	1,267	218	1,466	1,689	-223
Investment Income	549	713	-164	737	901	-164
Total Income	16,943	18,823	-1,880	22,488	25,048	-2,561

Budgeted Capital Subsidies includes of \$1M of Grants for the building of the Pool. Of this \$0.5M was received last financial year (2014/15) but was brought forward into the current year as the funding had not been received at the time the LTP was prepared. The balance \$0.5M budget is a Grant from the Lotteries Commission of which \$0.39M has been received, with only \$10,000 remaining to be received within the balance of this financial year. Income forecasts for General and Capital Subsidies have not been adjusted to reflect any potential NZTA subsidies to be invoiced from the expected catch-up capital or operational works projects at this time.

Expenditure has been incurred in the following service areas:

Service Area	YTD Actual (\$ 000)	YTD Budget (\$ 000)	Under / (Overspend)	FY Forecast (\$ 000)	FY Budget (\$ 000)	Under / (Overspend)
Water Services	2,689	2,795	106	3,665	3,741	77
Waste Management	707	705	-2	942	940	-2
Transport	6,850	6,858	8	8,690	9,168	478
Community Facilities	1,089	1,230	141	1,522	1,662	141
Planning and Regulatory	734	1,071	338	1,091	1,429	338
Leadership and Governance	597	731	134	840	974	134
Investments	27	324	298	110	408	298
Property	579	713	134	793	928	134
Support Services	2,626	2,673	47	3,517	3,564	47
Total Expenses	15,897	17,101	1,204	21,169	22,814	1,645

All units expect to be within full year budgets at this time, except Subsidised Roding as detailed above. Support services actual costs are allocated to the core service areas as internal overheads at the end of the year.



Water Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,938,587)	(1,903,864)	(2,457,814)	(2,001,793)	(2,608,678)
Fees charges and targeted rates for water supply	(829,673)	(795,690)	(1,060,920)	(804,825)	(1,136,040)
Interest and Dividends from Investments	-	(274,275)	(365,700)	-	-
Total Source of Operating Funding	(2,768,260)	(2,973,829)	(3,884,434)	(2,806,618)	(3,744,718)
Application of Operating Funding					
Payments to staff and suppliers	2,063,752	1,621,534	2,176,953	3,231,856	4,315,981
Finance costs	213,404	266,085	354,780	205,342	302,500
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	2,277,156	1,887,619	2,531,733	3,437,198	4,618,481
Surplus (Deficit) of Operating Funding	491,105	1,086,210	1,352,701	(630,580)	(873,763)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(1,055,000)	(74,997)	(99,996)	(1,000,000)	(1,034,301)
Lump sum contributions	-	-	-	(0)	(0)
Total Source of Capital Funding	(1,055,000)	(74,997)	(99,996)	(1,000,000)	(1,034,301)
Total Sources of capital funding	(1,055,000)	(74,997)	(99,996)	(1,000,000)	(1,034,301)
Application of Capital Funding					
Capital expenditure - to improve the level of service	97,315	260,000	320,000	324,752	515,907
Capital expenditure - to replace existing assets	1,003,586	1,217,499	1,666,999	54,968	108,902
Increase (Decrease) in Reserves	445,203	(316,292)	(534,302)	(10,300)	(464,270)
Total Application of Capital Funding	1,546,105	1,161,207	1,452,697	369,421	160,538
Total application of capital funding	1,546,105	1,161,207	1,452,697	369,421	160,538
Surplus (Deficit) of Capital Funding	(491,105)	(1,086,210)	(1,352,701)	630,580	873,763
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	748,504	971,010	1,294,680	748,504	998,005

This report has been adjusted for Internal Charges recoveries.



Waste Management

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(457,472)	(449,278)	(580,000)	(439,861)	(573,214)
Fees charges and targeted rates for water supply	(237,109)	(262,503)	(350,000)	(233,913)	(359,009)
Total Source of Operating Funding	(694,581)	(711,781)	(930,000)	(673,774)	(932,223)
Application of Operating Funding					
Payments to staff and suppliers	636,062	626,229	835,000	532,077	817,764
Finance costs	-	42,552	56,727	5,862	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	636,062	668,781	891,727	537,939	817,764
Surplus (Deficit) of Operating Funding	58,519	43,000	38,273	135,835	114,459
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	18,725	25,000	95,000	-	48,877
Increase (Decrease) in Reserves	39,794	18,000	(56,727)	135,835	65,582
Total Application of Capital Funding	58,519	43,000	38,273	135,835	114,459
Total application of capital funding	58,519	43,000	38,273	135,835	114,459
Surplus (Deficit) of Capital Funding	(58,519)	(43,000)	(38,273)	(135,835)	(114,459)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	70,709	71,253	95,000	70,709	94,279

This report has been adjusted for Internal Charges recoveries.



Transport

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,901,543)	(1,867,483)	(2,410,848)	(1,907,328)	(2,485,575)
Subsidies and grants for operating purposes	(1,737,600)	(3,832,092)	(5,109,456)	(1,638,324)	(3,347,338)
Fees charges and targeted rates for water supply	(667,031)	(40,545)	(54,060)	(614,205)	(844,159)
Total Source of Operating Funding	(4,306,174)	(5,740,120)	(7,574,364)	(4,159,857)	(6,677,072)
Application of Operating Funding					
Payments to staff and suppliers	5,294,429	4,814,180	6,442,633	3,840,873	7,695,596
Finance costs	-	3,501	4,668	-	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	5,294,429	4,817,681	6,447,301	3,840,873	7,695,596
Surplus (Deficit) of Operating Funding	(988,255)	922,439	1,127,063	318,984	(1,018,524)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(2,721,716)	(3,471,003)	(4,628,004)	(3,213,414)	(4,873,277)
Total Source of Capital Funding	(2,721,716)	(3,471,003)	(4,628,004)	(3,213,414)	(4,873,277)
Total Sources of capital funding	(2,721,716)	(3,471,003)	(4,628,004)	(3,213,414)	(4,873,277)
Application of Capital Funding					
Capital expenditure - to improve the level of service	892,570	1,197,515	1,443,016	1,439,393	1,501,087
Capital expenditure - to replace existing assets	1,738,241	4,171,965	5,160,715	2,223,361	4,739,666
Increase (Decrease) in Reserves	(897,349)	(976,038)	(848,664)	(130,357)	(2,386,000)
Total Application of Capital Funding	1,733,461	4,393,442	5,755,067	3,532,398	3,854,753
Total application of capital funding	1,733,461	4,393,442	5,755,067	3,532,398	3,854,753
Surplus (Deficit) of Capital Funding	988,255	(922,439)	(1,127,063)	(318,984)	1,018,524
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	1,698,210	1,816,376	2,724,564	1,910,486	2,547,315

This report has been adjusted for Internal Charges recoveries.



Community Facilities

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,163,269)	(1,142,433)	(1,474,836)	(1,275,342)	(1,661,988)
Subsidies and grants for operating purposes	(101,074)	(36,351)	(48,462)	(115,179)	(74,591)
Fees charges and targeted rates for water supply	(36,990)	(40,770)	(54,364)	(35,516)	(47,077)
Total Source of Operating Funding	(1,301,333)	(1,219,554)	(1,577,662)	(1,426,037)	(1,783,656)
Application of Operating Funding					
Payments to staff and suppliers	973,098	1,050,502	1,423,329	922,599	1,474,051
Finance costs	-	69,408	92,540	125	-
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(6,835)	-	-	(20,151)	(24,864)
Total Application of Operating Funding	966,263	1,119,910	1,515,869	902,573	1,449,187
Surplus (Deficit) of Operating Funding	335,070	99,644	61,793	523,464	334,470
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	162,776	149,997	295,000	100,596	154,023
Capital expenditure - to replace existing assets	121,044	85,000	95,000	97,340	101,423
Increase (Decrease) in Reserves	51,251	(135,353)	(328,207)	325,528	79,023
Total Application of Capital Funding	335,070	99,644	61,793	523,464	334,470
Total application of capital funding	335,070	99,644	61,793	523,464	334,470
Surplus (Deficit) of Capital Funding	(335,070)	(99,644)	(61,793)	(523,464)	(334,470)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	122,732	113,490	151,310	122,732	163,642

This report has been adjusted for Internal Charges recoveries.



Planning and Regulatory

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(410,232)	(402,884)	(520,107)	(321,202)	(418,581)
Subsidies and grants for operating purposes	(92,867)	-	-	(111,417)	(1,795)
Fees charges and targeted rates for water supply	(356,904)	(366,456)	(549,686)	(411,533)	(567,503)
Total Source of Operating Funding	(860,003)	(769,340)	(1,069,793)	(844,152)	(987,879)
Application of Operating Funding					
Payments to staff and suppliers	608,740	939,928	1,409,858	668,871	1,022,324
Finance costs	3,404	16,304	24,456	10,719	13,330
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	612,144	956,232	1,434,314	679,590	1,035,653
Surplus (Deficit) of Operating Funding	247,858	(186,892)	(364,521)	164,562	(47,774)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	72,695	-	100,000	9,728	42,152
Capital expenditure - to replace existing assets	98,897	50,000	131,000	55,639	55,639
Increase (Decrease) in Reserves	76,266	(236,892)	(595,521)	99,196	(145,565)
Total Application of Capital Funding	247,858	(186,892)	(364,521)	164,562	(47,774)
Total application of capital funding	247,858	(186,892)	(364,521)	164,562	(47,774)
Surplus (Deficit) of Capital Funding	(247,858)	186,892	364,521	(164,562)	47,774
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	33,023	36,440	54,659	37,151	49,535

This report has been adjusted for Internal Charges recoveries.



Leadership and Governance

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(658,867)	(647,065)	(835,336)	(578,833)	(754,319)
Subsidies and grants for operating purposes	(2,000)	-	-	-	-
Fees charges and targeted rates for water supply	(11,014)	(12,024)	(16,050)	(972)	(12,724)
Total Source of Operating Funding	(671,881)	(659,089)	(851,386)	(579,806)	(767,042)
Application of Operating Funding					
Payments to staff and suppliers	592,971	740,982	986,488	528,934	847,906
Finance costs	303	9,324	12,420	326	447
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	593,274	750,306	998,908	529,259	848,353
Surplus (Deficit) of Operating Funding	78,607	(91,217)	(147,522)	50,546	(81,311)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	6,129	-	-	36,878	36,878
Capital expenditure - to replace existing assets	1,250	-	-	-	-
Increase (Decrease) in Reserves	71,228	(91,217)	(147,522)	13,668	(118,189)
Total Application of Capital Funding	78,607	(91,217)	(147,522)	50,546	(81,311)
Total application of capital funding	78,607	(91,217)	(147,522)	50,546	(81,311)
Surplus (Deficit) of Capital Funding	(78,607)	91,217	147,522	(50,546)	81,311
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	4,183	5,400	7,200	4,183	5,577

This report has been adjusted for Internal Charges recoveries.



Investments

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	139,515	137,016	176,882	575,689	750,221
Fees charges and targeted rates for water supply	(1,423)	-	(800)	(301)	(533)
Interest and Dividends from Investments	(811,569)	(426,939)	(519,244)	(1,291,061)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(48,750)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(707,064)	(338,673)	(408,162)	(754,814)	(544,107)
Application of Operating Funding					
Payments to staff and suppliers	19,634	55,000	55,000	75,149	(221,738)
Finance costs	6,944	269,376	353,168	7,871	153,575
Total Application of Operating Funding	26,578	324,376	408,168	83,020	(68,163)
Surplus (Deficit) of Operating Funding	653,908	(310,079)	(408,174)	588,774	680,432
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Increase (Decrease) in Reserves	653,908	(310,079)	(408,174)	588,774	680,432
Total application of capital funding	653,908	(310,079)	(408,174)	588,774	680,432
Surplus (Deficit) of Capital Funding	(653,908)	310,079	408,174	(588,774)	(680,432)
Funding Balance					
Depreciation and Amortisation	3,333,352	3,723,153	4,964,188	4,010,520	4,444,469

This report has been adjusted for Internal Charges.



Property

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(205,917)	(202,228)	(261,069)	(314,029)	(409,233)
Fees charges and targeted rates for water supply	(69,242)	(76,443)	(101,924)	(72,551)	(95,688)
Total Source of Operating Funding	(275,159)	(278,671)	(362,993)	(386,580)	(504,921)
Application of Operating Funding					
Payments to staff and suppliers	251,951	75,333	119,446	136,928	143,312
Finance costs	-	105,066	140,078	53	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	251,951	180,399	259,524	136,982	143,312
Surplus (Deficit) of Operating Funding	23,208	98,272	103,469	249,599	361,608
Source of Capital Funding					
Subsidies and grants for capital expenditure	(390,000)	(750,006)	(1,000,000)	-	(500,000)
Total Source of Capital Funding	(390,000)	(750,006)	(1,000,000)	-	(500,000)
Total Sources of capital funding	(390,000)	(750,006)	(1,000,000)	-	(500,000)
Application of Capital Funding					
Capital expenditure - to improve the level of service	1,811,703	761,247	1,015,000	379,811	484,551
Capital expenditure - to replace existing assets	104,052	81,494	103,000	106,646	141,883
Increase (Decrease) in Reserves	(1,502,548)	5,537	(14,531)	(236,859)	235,175
Total Application of Capital Funding	413,208	848,278	1,103,469	249,599	861,608
Total application of capital funding	413,208	848,278	1,103,469	249,599	861,608
Surplus (Deficit) of Capital Funding	(23,208)	(98,272)	(103,469)	(249,599)	(361,608)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	326,709	371,859	495,808	326,709	435,612

This report has been adjusted for Internal Charges recoveries.

Included in the Pensioner Housing Unit budgets are capital projects for the exterior repainting of both the Lambert and Hillneath Flats. The accepted, cheapest combined quote for completing the work at both sets of flats was \$20,517 greater than the combined \$36,000 budgeted.



Support Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(2,191,654)	(2,152,398)	(2,778,662)	(2,302,158)	(3,000,105)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	(1,015)	(11,331)	(15,100)	(1,913)	(2,560)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
Total Source of Operating Funding	(2,192,669)	(2,163,729)	(2,793,762)	(2,304,071)	(3,002,665)
Application of Operating Funding					
Payments to staff and suppliers	2,576,272	2,851,839	3,802,439	2,676,596	3,588,363
Finance costs	49,148	43,407	57,875	35,764	111,221
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(112,349)	-	-	(73,112)	(109,509)
Total Application of Operating Funding	2,513,071	2,895,246	3,860,314	2,639,248	3,590,075
Surplus (Deficit) of Operating Funding	(320,402)	(731,517)	(1,066,552)	(335,178)	(587,409)
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	33,117	16,497	39,000	109,819	184,171
Capital expenditure - to replace existing assets	48,464	63,000	138,800	12,757	14,515
Increase (Decrease) in Reserves	(401,983)	(811,014)	(1,244,352)	(457,754)	(786,095)
Total Application of Capital Funding	(320,402)	(731,517)	(1,066,552)	(335,178)	(587,409)
Total application of capital funding	(320,402)	(731,517)	(1,066,552)	(335,178)	(587,409)
Surplus (Deficit) of Capital Funding	320,402	731,517	1,066,552	335,178	587,409
Funding Balance	-	-	-	-	-

This statement has been restated to include budgeted and actual rates applicable to the Unit's charges (including the prior year) that are cost recovered to other Units as Overhead Charges.

Council has been advised that the current EFTPOS machines will not be compatible with an upcoming compulsory software upgrade to meet current banking and financial processes and rules. Replacement units for the Main Office and the ISite facility have been sourced at a cost of approx. \$2,500. These are capital projects, but were not included in the original project listing for this year, or on an on-going basis is now estimated to be on a three yearly basis.



FINANCIAL RISKS

The following Operational Financial Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
CEO	Forestry Slash Clean-up	\$41,000	Cost	Funds expended on clean-up of HBRC controlled beaches	Crystallised
Subsidised Roothing	NZTA Funding	\$720,000	Income Under-Recovery	NZTA non-approved work expected in the Annual Plan	Crystallised
Roothing	Loss on Disposal of Assets	\$1,500,000	Cost	Losses on Disposals of Renewed assets is not Budgeted or Funded. Value based on Prior Year impact. Recovered every 3rd year on revaluation	Low
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$250,000	Cost	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Medium
Water Treatment	Waihi Dam Silt	TBA	Cost	Additional Flocculent Purchased to mitigate the additional silt discharged into the Wairoa water supply. Net effect TBC, expected recovery from Dam Operator	Low
Community Centre	HBRC Pool Grant	\$500,000	Income Under-Recovery	Grant Funding was received in 2014/15, budget was brought forward as at time of LTP development funds had not been received	Crystallised
Community Centre	Lotteries Commission Grant	\$100,000	Income Under-Recovery	Grant received was \$110k less than budgeted. It is expected that \$10k will be received over the balance of this financial Year	Crystallised

The following Capital Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
Corporate	Loan Advances	\$550,000	Use of Cash Reserves	Expectation that No loan funds are advanced to meet new increased service capital projects. Funds to be taken from Cash Reserves	Low
Subsidised Roothing	NZTA Funded Activity	\$(720,000)	Capital Work Savings	Budgets expected work on road SP38 in the order of \$0.74M for this financial year, 100% funded by NZTA. NZTA have only approved \$18,000 of this plan	Crystallised
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$(250,000)	Capital Work Savings	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Crystallised
Pensioner Housing	Repainting of Flats - Over Budget	\$20,517	Costs	Project Quotes well in excess of budget. Accepted quote is \$20517 over allocated budget. Project funded from reserves	Crystallised
Tawhera Reservoir	Build over Current Year Budget	\$1,000,000	Costs	Project is in advance of planned position. Construction is currently underway. Budgets were allocated in 2016/17, 2017/18 and will need to be brought forward. Estimated spend over the balance of this Financial Year	Medium
Tawhera Reservoir	Build over Current Year Budget	\$400,000	Costs	Project is in advance of planned position. Construction is currently underway. Budgets were allocated in 2016/17, 2017/18 and will need to be brought forward.	Crystallised

Assessment Key:

Crystallised	Event has Happened
Low	Expected Event is not expected to be significant or Material
Medium	Expected Event will impact on Council Operations, PR or Budget (+/- \$100k-\$1M)
High	Expected Event is Significant, Material (+/- \$1M) and/or has a negative non-financial impact on Council Operations

Assessing levels of risk is based on the following matrix. It is noted that this matrix is a work in progress and has not yet been approved for formal use by the Finance Audit and Risk Committee, or Council.

Value	Change in Service Levels			Impact
	None or Small	Some	Large	
>\$100,000	Low	Low	Medium	Less than 25% of People
\$100,000 - \$1M	Medium	Medium	High	Between 25% - 75% of People
<\$1M	High	High	High	More than 75% of People
PR	No Interest	Some - e.g. Letter to Paper	High Public Interest - Council in Bad light in Media etc.	



FINANCIAL ACCOUNTS

Whole of Council Funding Impact Statement

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
General Rates uniform annual charges rates penalties	(8,788,025)	(8,630,618)	(11,507,490)	(8,564,857)	(11,161,472)
Subsidies and grants for operating purposes	(1,920,941)	(3,868,443)	(5,157,918)	(1,864,920)	(3,423,725)
Fees charges and targeted rates for water supply	(2,299,846)	(1,651,569)	(2,202,904)	(4,681,443)	(5,511,393)
Interest and Dividends from Investments	(541,157)	(701,214)	(884,944)	(1,291,061)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(48,750)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(13,583,556)	(14,900,594)	(19,818,256)	(16,441,421)	(21,390,385)
Application of Operating Funding					
Payments to staff and suppliers	13,099,750	12,893,018	17,251,146	15,137,747	22,129,665
Finance costs	274,816	827,061	1,096,712	266,959	581,073
Internal Charges and Overheads applied	0	31,522	0	0	0
Other operating funding applications	(119,184)	0	0	(93,263)	(134,373)
Total Application of Operating Funding	13,255,383	13,751,601	18,347,858	15,311,443	22,576,366
Surplus (Deficit) of Operating Funding	328,174	1,148,993	1,470,398	1,129,979	(1,185,981)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(4,166,716)	(4,296,006)	(5,728,000)	(4,213,414)	(6,407,577)
(Increase) decrease in debt	0	0	(550,000)	0	0
Lump sum contributions	0	0	0	(0)	(0)
Total Source of Capital Funding	(4,166,716)	(4,296,006)	(6,278,000)	(4,213,414)	(6,407,577)
Total Sources of capital funding	(4,166,716)	(4,296,006)	(6,278,000)	(4,213,414)	(6,407,577)
Application of Capital Funding					
Capital expenditure - to improve the level of service	3,115,753	2,510,256	3,307,016	2,401,829	6,022,079
Capital expenditure - to replace existing assets	3,115,379	5,703,958	7,295,514	2,550,712	1,830,488
Increase / (Decrease) in Reserves	(1,736,242)	(2,769,215)	(2,854,132)	390,853	(2,630,970)
Total Application of Capital Funding	4,494,890	5,444,999	7,748,398	5,343,393	5,221,597
Total application of capital funding	4,494,890	5,444,999	7,748,398	5,343,393	5,221,597
Surplus (Deficit) of Capital Funding	(328,174)	(1,148,993)	(1,470,398)	(1,129,979)	1,185,981
Funding Balance (General Rates)	0	0	0	0	0
Depreciation					
Depreciation and Amortisation	3,333,352	3,723,153	4,964,188	3,333,352	4,444,469

No depreciation charges were journalled in the financial statements on a monthly basis in the prior year, the figure entered here is an even split allocation of depreciation for the prior year to date.

Whole of Council Activity Statement

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget	ACTUAL 2014/15 (to date)
Net Operating Cost of Service						
Net Expenditure/(Revenue)						
Water Services	2,666,123	2,098,341	567,782	2,812,695	146,572	(39,716)
Waste Management	469,662	442,580	27,082	590,122	120,460	(122,691)
Transport	4,445,729	2,985,499	1,460,230	4,004,382	(441,347)	1,095,969
Community Facilities	950,930	1,152,684	(201,754)	1,559,553	608,623	(356,315)
Planning and Regulatory	207,134	659,186	(452,052)	878,869	671,735	(781,057)
Leadership and Governance	584,442	719,312	(134,870)	957,556	373,114	(999,723)
Investments	(549,589)	(425,582)	(124,007)	(542,568)	7,021	(398,276)
Property	509,418	636,645	(127,227)	825,851	316,433	(15,541)
Support Services	2,624,934	2,936,114	(311,179)	3,914,820	1,289,886	2,321,355
Net Operating (Surplus) / Deficit	11,908,784	11,204,778	704,006	15,001,280	3,092,496	704,006
Rates						
Investments	(8,788,025)	(8,630,618)	(157,407)	(11,507,490)	(2,719,465)	(157,407)
Capital Subsidies						
Water Reticulation System	0	(74,997)	66,664	(99,996)	(99,996)	74,997
Water Treatment Plant	0	0	0	0	0	0
Sewerage	(1,055,000)	0	(1,055,000)	0	1,055,000	(1,055,000)
Roading Subsidised	(2,721,716)	(3,471,003)	2,473,527	(4,628,004)	(1,906,288)	749,287
Community Centre	(390,000)	(750,006)	276,672	(1,000,000)	(610,000)	360,006
Total Net Cost of Service	(1,045,958)	(1,721,846)	3,310,469	(2,234,210)	(1,188,252)	675,888

Support Services budgets are allocated to the Core Services as internal overhead charges in the annual budgets. For the purposes of this report, budgets have been restated to remove Support Services costs from within Activity Areas, and moved to the Support Services report line. This ensures that actual and budget costs are comparable.



Statement of Comprehensive Income and Expenditure

	Council 2015/2016 Actual (YTD)	Council 2015/2016 Operational Plan (YTD)	Council 2015/2016 Full Year Forecast	Council 2015/2016 Operational Plan (Full Year)	Council 2014/15 Actual (YTD)	Council 2014/15 Actual (Full Year)
Income						
Rates	(8,788,025)	(8,630,618)	(11,664,897)	(11,507,490)	(8,564,857)	(11,161,472)
Subsidies	(1,920,941)	(3,868,443)	(3,210,416)	(5,157,918)	(1,864,920)	(3,423,725)
Capital Subsidy	(4,166,716)	(4,296,006)	(5,358,710)	(5,728,000)	(4,213,414)	(6,407,577)
Petrol Tax	(33,587)	(48,750)	(49,837)	(65,000)	(39,141)	(77,283)
Fees and Charges	(1,485,067)	(1,266,579)	(1,466,237)	(1,688,788)	(4,319,168)	(4,985,712)
Investment Income	(549,022)	(712,776)	(737,406)	(901,160)	(1,304,649)	(1,234,419)
Reserves	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
Total Income	(16,943,359)	(18,823,172)	(22,487,504)	(25,048,356)	(20,306,148)	(27,290,187)
Expenditure						
Water Services	2,688,882	2,794,886	3,664,516	3,741,423	6,620,107	8,244,032
Waste Management	706,771	705,083	941,810	940,122	608,453	1,108,734
Transport	6,850,360	6,858,135	8,689,987	9,167,898	6,111,324	11,367,938
Community Facilities	1,088,995	1,229,804	1,521,570	1,662,379	1,012,921	1,827,224
Planning and Regulatory	733,749	1,071,449	1,090,855	1,428,555	799,035	1,415,565
Leadership and Governance	597,457	731,336	839,727	973,606	531,235	1,986,709
Investments	26,578	324,367	110,371	408,160	83,020	(68,163)
Property	578,661	713,088	793,348	927,775	464,415	628,454
Support Services	2,625,949	2,673,176	3,517,001	3,564,228	2,742,765	2,560
Total Expenditure	15,897,402	17,101,324	21,169,185	22,814,146	18,973,275	26,513,053
(Surplus) / Deficit	(1,045,958)	(1,721,848)	(1,318,320)	(2,234,210)	(1,332,873)	(777,135)

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable. Support Services budgets are allocated to the Core Services as internal overhead charges as part of the annual reporting function.

The FY forecast is calculated using the year to date actual plus the budget phased into the balance of the year. Known significant adjustments have been included in calculation where appropriate, and include:

1. The NZTA capital subsidy permanent under-recovery of 0.72M
2. The pool permanent capital subsidy permanent under-recovery of 0.6M

Excluded from the forecasts is:

1. Potential NZTA Capital and Operational Subsidies from the catch-up project work expected over the balance of this financial year
2. Provision for write off of assets on renewed roads, pipes and other water assets



Financial Position

	Council 2015/2016 Actual as at 31 March 2016	Council 2015/2016 Budgeted as at 31 March 2016	Council 2015/2016 Forecasted 30 June 2016	Council 2015/2016 Annual Plan as at 30 June 2016	Council 2014/15 Actual as at 31 March 2015	Council 2014/15 Actual as at 30 June 2015
Assets						
Current Assets						
Non Interest Bearing Cash & Equivalents	137,025	140,775	137,025	140,775	65,155	104,098
Inventories	3,921	38,291	3,921	38,291	3,921	40,082
Trade and Other Receivables	3,494,046	5,676,291	3,802,623	5,984,868	3,970,839	6,847,635
Financial Assets at Fair Value	10,196,724	4,375,503	9,499,010	3,677,789	10,976,118	10,149,794
Total Current Assets	13,831,716	10,230,860	13,442,579	9,841,723	15,016,033	17,141,610
Non Current Assets						
Property Plant and Equipment	241,792,129	237,330,688	240,581,083	236,119,642	239,730,933	245,765,924
Work in Progress	6,115,551	8,214,214	8,503,867	10,602,530	4,952,540	0
Loans and Other Receivables	90,247	0	90,247	0	247	90,247
Investment Property	277,000	277,000	277,000	277,000	277,000	277,000
Biological Assets	150,380	69,946	150,380	69,946	150,380	150,380
Investments in Subsidiary	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Available for Sale Financial Assets	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	147,109	143,277	147,109	143,277	99,720	156,733
Term Financial Assets at Fair Value	9,642,871	9,642,871	9,642,871	9,642,871	9,095,999	7,621,424
Total Non Current Assets	259,488,279	256,950,988	260,665,549	258,128,258	255,579,811	255,334,700
Total Assets	273,319,995	267,181,848	274,108,128	267,969,981	270,595,844	272,476,310
Liabilities						
Current Liabilities						
Trust Funds and Deposits	(265,374)	0	(265,374)	0	(279,943)	(248,372)
Trade Payables	(2,744,727)	(4,289,729)	(2,277,344)	(3,822,346)	(49,681)	(2,740,235)
Employee Benefit Liabilities	(327,684)	0	(327,684)	0	(336,572)	(482,140)
Contract Retentions	(696,041)	0	(696,041)	0	(742,111)	(765,351)
Accrued Interest	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0
Taxation	0	0	0	0	0	0
Total Current Liabilities	(4,033,825)	(4,289,729)	(3,566,442)	(3,822,346)	(1,408,308)	(4,236,097)
Non Current Liabilities						
Trade Payables	0	0	0	0	0	0
Employee Benefit Liabilities	(121,063)	(147,883)	(121,063)	(147,883)	(131,549)	(121,063)
Borrowings	(5,000,000)	(5,000,000)	(5,550,000)	(5,550,000)	(5,000,000)	(5,000,000)
Landfill Aftercare	(478,126)	(859,562)	(478,126)	(859,562)	(859,225)	(478,126)
Total Non Current Liabilities	(5,599,189)	(6,007,445)	(6,149,189)	(6,557,445)	(5,990,774)	(5,599,189)
Total Liabilities	(9,633,013)	(10,297,174)	(9,715,630)	(10,379,791)	(7,399,082)	(9,835,286)
Net Assets	263,686,981	256,884,674	264,392,497	257,590,190	263,196,762	262,641,024
Equity						
Retained earnings						
Restricted Reserves	(137,091,404)	(109,992,954)	(137,472,086)	(110,373,636)	(137,177,699)	(138,382,541)
Unrestricted Reserves	0	0	0	0	0	2,068,271
Current Year (Surplus)/Deficit	(1,045,958)	(1,722,011)	(1,558,376)	(2,234,429)	(1,332,873)	(777,135)
Total Retained earnings	(138,137,362)	(111,714,965)	(139,030,462)	(112,608,065)	(138,510,572)	(137,091,404)
Other Reserves						
Revaluation Reserves	(102,371,188)	(124,590,386)	(102,371,188)	(124,590,386)	(103,576,030)	(102,371,188)
Sinking Fund	0	0	0	0	0	0
Special Funds	(23,178,431)	(20,579,323)	(22,990,847)	(20,391,739)	(21,110,160)	(23,178,431)
Total Other Reserves	(125,549,620)	(145,169,709)	(125,362,036)	(144,982,125)	(124,686,190)	(125,549,620)
Total Equity	(263,686,981)	(256,884,674)	(264,392,497)	(257,590,190)	(263,196,762)	(262,641,024)

Excluded from the forecasted position is:

1. Advised potential additional Capital Work in Progress spending of up to \$1M on the new Tawhara Reservoir.



Cashflow

	Actual to Date 2015/16	Full Year Budget 2015/16	Remaining Budget 2015/16
OPERATING ACTIVITIES			
Cash was provided from:			
Rates received	8,788,025	13,077,245	4,289,220
Other Revenue	11,136,302	12,079,897	943,595
	<u>19,924,328</u>	<u>25,157,142</u>	<u>5,232,814</u>
Cash was applied to:			
Payments to Suppliers & Employees	15,416,075	20,555,817	5,139,742
Taxation	-	-	-
Interest Paid	274,816	473,078	198,262
	<u>15,690,891</u>	<u>21,028,895</u>	<u>5,338,004</u>
Net Cash Flow from Operations	<u>4,233,437</u>	<u>4,128,247</u>	<u>(105,190)</u>
INVESTING ACTIVITIES			
Cash was provided from:			
Decrease in Loans & Other Receivables		70,000	70,000
Sale of Property, Plant & Equipment		1,400,000	13,618,171
Sale of Financial Assets	(12,218,171)	1,400,000	13,618,171
	<u>(12,218,171)</u>	<u>1,470,000</u>	<u>13,688,171</u>
Cash was applied to:			
Increase in loans & advances			
Purchase of Intangibles			
Purchase of Financial Assets			
Purchase of Property, Plant & Equipment	2,132,132	10,600,149	8,468,017
	<u>2,132,132</u>	<u>10,600,149</u>	<u>8,468,017</u>
Net Cash Flows from Investing Activities	<u>(14,350,303)</u>	<u>(9,130,149)</u>	<u>5,220,154</u>
FINANCING ACTIVITIES			
Cash was provided from:			
Loans Raised	-	550,000	550,000
	<u>-</u>	<u>550,000</u>	<u>550,000</u>
Cash was applied to:			
Borrowings Repaid	-	2,334,615	-
	<u>-</u>	<u>2,334,615</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(1,784,615)</u>	<u>550,000</u>
Net Increase/(Decrease)	<u>(10,116,867)</u>	<u>(6,786,517)</u>	<u>5,664,965</u>
Plus opening cash & cash equivalents	10,253,892	6,927,292	(3,326,600)
Cash & cash equivalents at end of year	<u>137,025</u>	<u>140,775</u>	<u>2,338,365</u>
Made up of:			
Cash	(6,152,365)	140,775	6,293,140
Short Term Deposits	6,289,389		
Bank Overdraft	-	-	-
	<u>137,025</u>	<u>140,775</u>	<u>6,293,140</u>



**RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW
FROM OPERATING ACTIVITIES:
For the period ended March 2016**

	Actual to Date 2015/16
Surplus / Deficit	1,045,958
Add / (less) non cash items:	
Depreciation and amortisation	-
Impairment	
Gains on Investments held at fair value	
Add / (less) items classified as investing or financing activities:	
(Gains) / Losses on disposal of property, plant and equipment	
Add / (less) movements in working capital items:	
(Inc) / Dec Accounts receivable	3,353,589
(Inc) / Dec Prepayments	-
(Inc) / Dec Inventories	36,162
Inc / (Dec) Accounts payable	(202,270)
Inc / (Dec) Income in Advance	-
Inc / (Dec) Accrued Expenses	-
Inc / (Dec) Employee benefits	(2)
Net cash inflow / (outflow) from operating activities	<u><u>4,233,437</u></u>



Net Operating Cost of Service by Service Activity

	ACTUAL 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	ACTUAL 2014/15 (YTD)	ACTUAL 2014/15 (Full Year)
Net Operating Cost of Service					
Water Services					
Income	(388,634)	(1,069,965)	(1,426,620)	(3,250,926)	(3,582,141)
Operating Cost	3,028,120	3,083,223	4,121,571	6,952,151	8,721,826
Maintenance Cost	26,637	17,925	28,200	16,643	29,981
Capital Costs	0	67,158	89,544	0	0
Total Water Services	2,666,123	2,098,341	2,812,695	3,717,868	5,169,666
Waste Management					
Income	(237,109)	(262,503)	(350,000)	(233,913)	(359,009)
Operating Cost	706,771	697,487	930,000	608,453	1,108,734
Capital Costs	0	7,596	10,122	0	0
Total Waste Management	469,662	442,580	590,122	374,540	749,725
Transport					
Income	(2,404,631)	(3,872,637)	(5,163,516)	(2,252,529)	(4,191,497)
Operating Cost	2,314,197	2,807,334	3,758,213	3,038,137	6,668,407
Maintenance Cost	4,536,162	4,049,551	5,408,017	3,073,188	4,699,531
Capital Costs	0	1,251	1,668	0	0
Total Transport	4,445,729	2,985,499	4,004,382	3,858,796	7,176,441
Community Facilities					
Income	(138,065)	(77,121)	(102,826)	(150,695)	(121,668)
Operating Cost	841,030	944,837	1,272,041	764,601	1,463,392
Maintenance Cost	247,964	259,453	356,322	248,320	363,832
Capital Costs	0	25,515	34,016	0	0
Total Community Facilities	950,930	1,152,684	1,559,553	862,226	1,705,556
Planning and Regulatory					
Income	(526,615)	(412,263)	(549,686)	(582,563)	(569,298)
Operating Cost	691,162	1,052,009	1,402,635	695,384	1,279,649
Maintenance Cost	9,559	9,945	13,260	3,723	6,590
Job Costing	33,028	0	0	99,929	129,326
Capital Costs	0	9,495	12,660	0	0
Total Planning and Regulatory	207,134	659,186	878,869	216,472	846,267
Leadership and Governance					
Income	(13,014)	(12,024)	(16,050)	(972)	(12,724)
Operating Cost	596,951	717,705	957,106	530,963	1,986,436
Maintenance Cost	505	5,000	5,000	273	273
Capital Costs	0	8,631	11,500	0	0
Total Leadership and Governance	584,442	719,312	957,556	530,263	1,973,985
Investments					
Income	(576,167)	(749,955)	(950,736)	(1,330,503)	(1,294,328)
Operating Cost	26,578	324,373	408,168	83,020	(68,163)
Total Investments	(549,589)	(425,582)	(542,568)	(1,247,483)	(1,362,491)
Property					
Income	(69,242)	(205,791)	(274,390)	(72,551)	(246,858)
Operating Cost	497,445	710,216	936,291	407,014	692,114
Maintenance Cost	81,216	90,676	108,565	57,401	87,510
Capital Costs	0	41,544	55,385	0	0
Total Property	509,418	636,645	825,851	391,863	532,766
Support Services					
Income	(1,015)	(64,856)	(86,461)	(1,913)	(3,740,578)
Operating Cost	2,625,949	2,992,734	3,990,306	2,742,765	3,740,578
Capital Costs	0	8,235	10,975	0	0
Total Support Services	2,624,934	2,936,114	3,914,820	2,740,852	(0)
Total Net Operating Cost of Service	11,908,784	11,204,778	15,001,280	11,445,398	16,791,914

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget income and costs are comparable.



Reconciliation to Statement of Comprehensive Income

Net Cost Balance from Revenue Operations	11,908,784
Less Rates Income	(8,788,025)
Less Capital Subsidies	(4,166,716)
Reconciling (Surplus)/Deficit	<u>(1,045,958)</u>
(Surplus) / Deficit per Statement of Comprehensive Income	<u><u>(1,045,958)</u></u>

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Confidential Minutes of Previous Meeting
2. Audit Management Report 2015 Progress Tracker
3. Wairoa District Council Audit Plan for the year ending 30 June 2016
4. Finance Report February 2016 – Other Debtors
5. Finance Report March 2016 – Other Debtors
6. Shortlisting of applicants for interview for the QRS Director vacancies

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) to the passing of this resolution
Confidential Minutes of Previous Meeting	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:</p> <p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p> <p>(b) protect information where the making available of the information – (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;</p> <p>(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—</p> <p>(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that</p>	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>

	<p>such information should continue to be supplied; or</p> <p>(ii) would be likely otherwise to damage the public interest; or</p> <p>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	
Audit Management Report 2015 Progress Tracker	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>
Wairoa District Council Audit Plan for the year ending 30 June 2016	<p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p> <p>(b) protect information where the making available of the information – (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>
Finance Report February 2016 – Other Debtors	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>
Finance Report March 2016 – Other Debtors	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p> <p>(i) enable any local authority holding the information to carry on, without</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act</p>

	prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	1987]
Shortlisting of applicants for interview for the QRS Director vacancies	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons;	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]